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OF THE

ACTIVITIES

OF THE

HOUSE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

1995

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[1] Elected to Committee May 25, 1995 (H. Res. 157).
[2] Elected to Committee June 13, 1995 (H. Res. 166).
[3] Resigned from Committee July 11, 1995 (Communication to the Speaker).
[4] Elected to Committee July 18, 1995 (H. Res. 186).

PREFACE

This report follows our committee's long-established practice of publishing yearly its activities report, as an interim report after the first session of each Congress. A separate and final report covering activities during both sessions is published at the end of the Congress and transmitted to the House pursuant to the biennial requirement of House Rule XI, 1(d).

The present report describes fully the committee's jurisdiction and organization, and details our activities as well as projected programs for the second session. I believe it attests to the overall reforms the 104th Congress has sought to impose on the Federal Government.

WILLIAM F. CLINGER, Jr., *Chairman.*

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INTERIM REPORT OF THE ACTIVITIES OF THE HOUSE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT, 104TH CONGRESS, 1ST SESSION, 1995

PART ONE. GENERAL STATEMENT OF ORGANIZATION AND ACTIVITIES

I. Jurisdiction, Authority, Powers, and Duties

The Rules of the House of Representatives provide for election by the House, at the commencement of each Congress, of 19 named standing committees, one of which is the Committee on Government Reform and Oversight.[1] Pursuant to House Resolutions 11 and 12 (adopted January 5, 1995), and House Resolution 13 (adopted January 5, 1995), House Resolution 31 (adopted January 9, 1995) the membership of the Committee on Government Reform and Oversight was set at 50, including one independent. Subsequently, the membership was increased to 51, pursuant to House Resolution 157 (adopted May 25, 1995), on June 13, 1995, membership increased to 52, pursuant to House Resolution 166 (adopted June 13, 1995), on July 12, 1995, membership was decreased to 51 pursuant to communication to Speaker, and on July 12, 1995, membership was set at 52, pursuant to House Resolution 186 (adopted July 12, 1995).

Rule X sets forth the committee's jurisdiction, functions, and responsibilities as follows:

RULE X

ESTABLISHMENT AND JURISDICTION OF STANDING COMMITTEES

THE COMMITTEES AND THEIR JURISDICTION

1. There shall be in the House the following standing committees, each of which shall have the jurisdiction and related functions assigned to it by this clause and clauses 2, 3, and 4; and all bills, resolutions, and other matters relating to subjects within the jurisdiction of any standing committee as listed in this clause shall (in accordance with and subject to clause 5) be referred to such committees, as follows:

* * * * * * *

[1] Rule X.

(g) Committee on Government Reform and Oversight

(1) The Federal Civil Service, including intergovernmental personnel; the status of officers and employees of the United States, including their compensation, classification, and retirement.

(2) Measures relating to the municipal affairs of the District of Columbia in general, other than appropriations.

(3) Federal paperwork reduction.

(4) Budget and accounting measures, other than appropriations.

(5) Holidays and celebrations.

(6) The overall economy and efficiency of Government operations and activities, including Federal procurement.

(7) National archives.

(8) Population and demography generally, including the Census.

(9) Postal service generally, including the transportation of the mails.

(10) Public information and records.

(11) Relationship of the Federal Government to the States and municipalities generally.

(12) Reorganizations in the executive branch of the Government.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its oversight functions under clause 2(b) (1) and (2)), the committee shall have the function of performing the activities and conducting the studies which are provided for in clause 4(c).

* * * * * * *

GENERAL OVERSIGHT RESPONSIBILITIES

2. (a) In order to assist the House in—

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate,

the various standing committees shall have oversight responsibilities as provided in paragraph (b).

(b)(1) Each standing committee (other than the Committee on Appropriations and the Committee on the Budget) shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such committee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with re-

spect thereto) and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that committee. Each such committee having more than twenty members shall establish an oversight subcommittee, or require its subcommittees, if any, to conduct oversight in the area of their respective jurisdiction, to assist in carrying out its responsibilities under this subparagraph. The establishment of oversight subcommittees shall in no way limit the responsibility of the subcommittee with legislative jurisdiction from carrying out their oversight responsibilities.

(2) The Committee on Government Reform and Oversight shall review and study, on a continuing basis, the operation of Government activities at all levels with a view to determining their economy and efficiency.

* * * * * * *

(c) Each standing committee of the House shall have the function of reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction as described in clauses 1 and 3.

* * * * * * *

ADDITIONAL FUNCTIONS OF COMMITTEES

4. * * *

(c)(1) The Committee on Government Reform and Oversight shall have the general function of—

(A) receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the House as it deems necessary or desirable in connection with the subject matter of such reports;

(B) evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government; and

(C) studying intergovernmental relationships between the United States and the States, and municipalities, and between the United States and international organizations of which the United States is a member.

(2) In addition to its duties under subparagraph (1), the Committee on Government Reform and Oversight may at any time conduct investigations of any matter without regard to the provisions of clause 1, 2, or 3 (or this clause) conferring jurisdiction over such matter upon another standing committee. The committee's findings and recommendations in any such investigation shall be made available to the other standing committee or committees having jurisdiction over the matter involved (and included in the report of any such other committee when required by clause 2(1)(3) of Rule XI).

* * * * * * *

Rule XI provides authority for investigations and studies, as follows:

RULE XI

RULES OF PROCEDURE FOR COMMITTEES

IN GENERAL

1. * * *

(b) Each committee is authorized at any time to consider such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X, and (subject to the adoption of expense resolutions as required by clause 5) to incur expenses (including travel expenses) in connection therewith.

* * * * * * *

(d) Each committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of that committee under this rule and Rule X during the Congress ending at noon on January 3 of such year.

* * * * * * *

COMMITTEE RULES

* * * * * * *

Power to sit and act; subpoena power

(m)(1) For the purpose of carrying out any of its functions and duties under this rule and Rule X (including any matters referred to it under clause 5 of Rule X), any committee, or any subcommittee thereof, is authorized (subject to subparagraph (2)(A) of this paragraph)—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary.

The chairman of the committee, or any member designated by such chairman, may administer oaths to any witness.

(2)(A) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (1)(B) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (1)(B) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(B) Compliance with any subpoena issued by a committee or subcommittee under subparagraph (1)(B) may be enforced only as authorized or directed by the House.

Use of committee funds for travel

(n)(1) Funds authorized for a committee under clause 5 are for expenses incurred in the committee's activities; however, local currencies owned by the United States shall be made available to the committee and its employees engaged in carrying out their official duties outside the United States, its territories or possessions. No appropriated funds, including those authorized under clause 5, shall be expended for the purpose of defraying expenses of members of the committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(A) No Member or employee of the committee shall receive or expend local currencies for subsistence in any country for any day at a rate in excess of the maximum per diem set forth in applicable Federal law, or if the Member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred by the Member or employee during that day.

(B) Each Member or employee of the committee shall make to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than sixty days following the completion of travel with the chairman of the committee for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(2) In carrying out the committee's activities outside of the United States in any country where local currencies are unavailable, a member or employee of the committee may not receive reimbursement for expenses (other than for transportation) in excess of the maximum per diem set forth in applicable Federal law, or if the member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred, by the member or employee during any day.

(3) A member or employee of a committee may not receive reimbursement for the cost of any transportation in connection with travel outside the United States unless the member or employee has actually paid for the transportation.

(4) The restrictions respecting travel outside of the United States set forth in subparagraphs (2) and (3) shall also apply to travel outside of the United States by Members, officers, and employees of the House authorized under clause 8 of rule I, clause 1(b) of this rule, or any other provision of these Rules of the House of Representatives.

(5) No local currencies owned by the United States may be made available under this paragraph for the use outside of the United States for defraying the expenses of a member of any committee after—

(A) the date of the general election of Members in which the Member has not been elected to the succeeding Congress; or

(B) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

The committee also exercises authority under a number of congressional mandates.[2]

5 U.S.C. sec. 2954

Information to committees of Congress on request

An Executive agency, on request of the Committee on Government Operations of the House of Representatives or of any seven members thereof, or on request of the Committee on Government Operations of the Senate, or any five members thereof, shall submit any information requested of it relating to any matter within the jurisdiction of the committee.

18 U.S.C. sec. 1505

Obstruction of proceedings before departments, agencies, and committees

Whoever, with intent to avoid, evade, prevent, or obstruct compliance, in whole or in part, with any civil investigation demand duly and properly made under the Antitrust Civil Process Act, willfully withholds, misrepresents, removes from any place, conceals, covers up, destroys, mutilates, alters, or by other means falsifies any documentary material, answers to written interrogatories, or oral testimony, which is the subject of such demand; or attempts to do so or solicits another to do so; or

Whoever corruptly, or by threats or force, or by any threatening letter or communication influences, obstructs, or impedes or endeavors to influence, obstruct, or impede the due and proper administration of the law under which any pending proceeding is being had before any department or agency of the United States, or the due and proper exercise of the power of inquiry under which any inquiry or investigation is being had by either House, or any committee of either House or any joint committee of the Congress—

Shall be fined not more than $5,000 or imprisoned not more than five years, or both.

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[2] For legislation imposing duties specifically on the committee, *see*, for example, sec. 203(e)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(6)(e)), relating to negotiated disposal of Federal surplus property. It requires that, with limited exceptions, explanatory statements be sent "to the appropriate committees of the Congress" in advance of negotiated disposal under the Act. It covers disposal of all real and personal property whose estimated fair market is over $15,000 in the case of personal property and over $100,000 in the case of real property. The current language stems from a 1988 amendment (Public Law 100–612), which retained the explanatory statement requirement but changed the dollar value thresholds, which theretofore had been $1,000 for both personal property and real property. The House and Senate Government Operations Committees are expressly identified as the appropriate panels in House Report 1763, 85th Congress, which accompanied the measure that contained the 1958 amendment. See also GSA's Federal Propert Management Regulations at 41 CFR–47.304–12(d).

[N. B. The further examples given in the original foonote text cover sections (section 414 of the 1969 Housing Act and section 304 of the Intergovernmental Cooperation Act) have been repealed. The reference to sections 191–194 of title 2, U.S. Code, does not deem pertinent here.]

31 U.S.C. sec. 712

Investigating the use of public money

The Comptroller General shall—

* * * * * * *

(3) analyze expenditures of each executive agency the Comptroller General believes will help Congress decide whether public money has been used and expended economically and efficiently;

(4) make an investigation and report ordered by either House of Congress or a committee of Congress having jurisdiction over revenue, appropriations, or expenditures; and

(5) give a committee of Congress having jurisdiction over revenue, appropriations, or expenditures the help and information the committee requests.

31 U.S.C. sec. 719

Comptroller General reports

* * * * * * *

(e) The Comptroller General shall report on analyses carried out under section 712(3) of this title to the Committees on Governmental Affairs and Appropriations of the Senate, the Committee on Government Operations and Appropriations of the House, and the committees with jurisdiction over legislation related to the operation of each executive agency.[3]

[3] For other requirements which relate to General Accounting Office reports to Congress and which affect the committee, *see* secs. 232 and 236 of the Legislative Reorganization Act of 1970 (Public Law 91–510).

II. Historical Background

The committee was initially named the "Committee on Expenditures in the Executive Departments." Its antecedents are summarized in Cannon's Precedents of the House of Representatives, vol. VII, sec. 2041, p. 831 (1935), as follows:

> This committee was created, December 5, 1927, by the consolidation of the eleven Committees on Expenditures in the various Departments of the Government, the earliest of which has been in existence since 1816. As adopted in 1816, the rule did not include the committees for the Departments of Interior, Justice, Agriculture, Commerce, and Labor. The committees for these Departments date, respectively, from 1860, 1874, 1889, 1905 and 1913.

The resolution providing for the adoption of the rules of the 70th Congress discontinued the several committees on expenditures and transferred their functions to the newly created Committee on Expenditures in the Executive Departments:

> On March 17, 1928, the jurisdiction of the committee was further enlarged by the adoption of a resolution, reported from the Committee on Rules, including within its jurisdiction the independent establishments and commissions of the Government.[4]

From 1928 until January 2, 1947, when the Legislative Reorganization Act of 1946 became effective, the committee's jurisdiction was set forth in Rule XI, 34, of the House Rules then in force (H. Doc. 810, 78th Cong., 2d Sess. (1945)), as follows:

POWERS AND DUTIES OF COMMITTEES

* * * * * * *

34. The examination of the account and expenditures of the several departments, independent establishments, and commissions of the Government, and the manner of keeping the same; the economy, justness, and correctness of such expenditures; their conformity with appropriation laws; the proper application of public moneys; the security of the Government against unjust and extravagant demands; retrenchment; and enforcement of the payment of moneys due the United States; the economy and accountability of public officers; the abolishment of useless offices, shall all be subjects within the jurisdiction of the Committee on Expenditures in the Executive Departments.

The Legislative Reorganization Act of 1946, section 121(b), as adopted in paragraphs (a), (b), and (c) of Rule XI, 8, of later Rules of the House (XI, 9, the 93d Congress), provided:

[4] Examples of the wide-ranging scope of the committee's jurisdiction may be found in Cannon's Precedents, *supra* VII, secs. 2042–2046, pp. 831–833 (1935).

(a) Budget and accounting measures, other than appropriations.
(b) Reorganizations in the executive branch of Government.
(c) Such committee shall have the duty of—

(1) receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the House as it deems necessary or desirable in connection with the subject matter of such reports;

(2) studying the operation of Government activities at all levels with a view to determining the economy and efficiency;

(3) evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government;

(4) studying intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member.

(d) For the purpose of performing such duties the committee, or any subcommittee thereof when authorized by the committee, is authorized to sit, hold hearings, and act at such times and places within the United States, whether or not the House is in session, is in recess, or has adjourned, to require by subpoena or otherwise the attendance of such witnesses and the production of such papers, documents, and books, and to take such testimony as it deems necessary. Subpoenas may be issued under the signature of the chairman of the committee or of any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member.[5]

Rule X, 1(h), of later Rules of the House, effective January 3, 1975 (H. Res. 988, 93d Congress), added the additional jurisdiction of general revenue sharing (formerly within the jurisdiction of the Committee on Ways and Means), and the National Archives (formerly within the jurisdiction of the Committee on Post Office and Civil Service).

Rule X, 1(j)(6), of later Rules of the House listed the additional jurisdiction of measures providing for off-budget treatment of Federal agencies or programs, which was added by sec. 225 of Public Law 99–177, the Balanced Budget and Emergency Deficit Control Act of 1985 (December 12, 1985).

The 1946 Act contained the following proviso:

> *Provided:* That unless otherwise provided herein, any matter within the jurisdiction of a standing committee prior to January 2, 1947, shall remain subject to the jurisdiction of that committee or of the consolidated committee succeeding to the jurisdiction of that committee.

This proviso was omitted from the Rules of the House adopted January 3, 1954.[6]

Under the Constitution (Art. I, sec. 5, cl. 2), "Each House may determine the Rules of its Proceedings." Omission of the proviso made no substantive change, since the scope of the committee's ju-

[5] Paragraph (d) was adopted by the House Feb. 10, 1947.
[6] H. Res. 5, 83d Cong. (99 Cong. Rec. 15). *Cf.* rules in H. Doc. 562, 82d Congress, 2d session p. 328 and in H. Doc. 739, 81st Congress, 2d session, p. 326.

risdiction prior to January 2, 1947, was embraced within the committee's jurisdiction as stated in existing rules and precedents.

The committee's membership, which was fixed at 21 when it was consolidated on December 5, 1927, was increased to 25 when the Legislative Reorganization Act of 1946 became effective on January 2, 1947. In 1951, the committee's membership was increased to 27.[7] From 1953 until January 1963, the committee's membership remained at 30.[8]

Pursuant to H. Res. 108, 88th Congress, adopted January 17, 1963, the committee was enlarged to 31 members. In the 89th Congress the membership of the committee was increased to 34 through passage of H. Res. 114, January 14, 1965. The committee membership in the 90th and 91st Congresses of 35 was first established by H. Res. 128, 90th Congress, approved January 16, 1967. The committee membership in the 92d Congress of 39 was established by H. Res. 192, approved February 4, 1971. It was raised to 41 by H. Res. 158, adopted January 24, 1973. The committee membership of 42 was established by H. Res. 1238, adopted July 17, 1974. It was increased to 43 by H. Res. 76 and 101, adopted January 20 and 28, 1975. Membership was maintained at 43 in the 95th Congress by H. Res. 117 and 118, adopted January 19, 1977. The committee membership was set at 39 in the 96th Congress by H. Res. 62 and 63, adopted January 24, 1979. The committee membership was set at 40 in the 97th Congress by H. Res. 44 and 45, adopted January 28, 1981. The committee size was increased to 41 by the adoption of H. Res. 370 on February 24, 1982. Pursuant to House Res. 26 and 27, adopted January 6, 1983, the committee membership for the 98th Congress was set at 39.

In the 99th Congress, the membership of the committee was set at 39, pursuant to House Res. 34 and 35, adopted January 30, 1985.

In the 100th Congress, the membership of the committee was set at 39, pursuant to House Res. 45 and 54, adopted January 21 and 22, 1987, respectively.

The committee membership in the 101st Congress was established at 39 by H. Res. 29 and H. Res. 45, adopted January 19 and 20, 1989. In the 102d Congress, the membership of the committee was set at 41, pursuant to H. Res. 43, 44, and 45, adopted January 24, 1991. The committee membership was set at 42 in the 103d Congress by adoption of H. Res. 8 and 9 on January 5, 1993; H. Res. 34 on January 21, 1993; H. Res. 67 on February 4, 1993; and H. Res. 92 and 93 on February 18, 1993. The membership was increased to 44 by the adoption of H. Res. 185 on May 26, 1993 and H. Res. 219 on July 21, 1993. Beginning September 28, 1949, the moneys appropriated to the committee were, by House resolution in each session of Congress, available for expenses incurred in conducting studies and investigations authorized under Rule XI, whether made within or without the United States.[9] In the 103d

[7] H. Res. 60, 83d Congress, 1st session (97 Cong. Rec. 194).

[8] H. Res. 98, 83d Cong. (99 Cong. Rec. 436); H. Res. 94, 84th Cong. (101 Cong. Rec. 484); H. Res. 89, 85th Cong. (103 Cong. Rec. 412); H. Res. 120, 86th Cong. (105 Cong. Rec. 841); H. Res. 137, 87th Cong. (107 Cong. Rec. 1677).

[9] See items under (1) in footnote 3, of the final calendar of the committee for the 93d Congress (Dec. 31, 1974).

Congress, these matters are covered in paragraph (b) of clause 1 of Rule XI, as set forth above and by clause 5 of Rule XI. The funds for the committee's studies and oversight function during the first session of the 103d Congress were provided by H. Res. 107 adopted March 30, 1993 (H. Rept. 103–38).

The committee's name was changed to "Committee on Government Operations" by House resolution adopted July 3, 1952.[10] The *Congressional Record* indicates the reasons underlying that change in name were, in part, as follows:[11]

> This committee is proposing the indicated change in the present title, in view of the fact that it is misleading and the committees' functions and duties are generally misunderstood by the public.

* * * * * * *

In suggesting the proposed change the committee based its decision on what it considers to be the major or primary function of the committee under the prescribed duties assigned to it to study "the operations of Government activities at all levels with a view to determining its economy and efficiency." It was the unanimous view of the members of the committee that the proposed new title would be more accurate in defining the purposes for which the committee was created and in clearly establishing the major purpose it serves.

On January 4, 1995, the 104th Congress opened with a Republican majority for the first time in forty years. The shift in power from Democrats to Republicans has resulted in a realignment of the legislative priorities and committee structure of the House of Representatives. Perhaps more than any other committee, the Government Reform and Oversight Committee embodies the changes taking place in the House of Representatives. The Committee itself was created by consolidating three committees into one, resulting in budget and staff cuts of nearly 50%. The committees that were merged include the Committee on Government Operations, the Committee on the Post Office and Civil Service, and the Committee on the District of Columbia.

In order to fulfill the Republican *Contract with America*, the committee held a record number of hearings and mark-ups, and members cast more votes during this 100 day period than in any of the previous committees' histories. Over the course of the first session, 295 bills and resolutions were referred to the committee and its subcommittees, and 180 hearings and mark-ups were held. Five of these measures have been signed into law.

In addition to its greatly expanded legislative jurisdiction, the Government Reform and Oversight Committee serves as the chief investigative committee of the House, with the authority to conduct government-wide oversight. Because the committee only authorizes money for a small number of Federal agencies and programs, it is able to review government activities with an independent eye.

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[10] H. Res. 647, 82d Cong. (98 Cong. Rec. 9217). The Senate had made a similar change of name on Mar. 3, 1952, after conference between the chairman of the House and Senate Committees on Expenditures in the Executive Departments to ensure both Houses would adopt the change in name. S. Res. 280, 82d Cong. (98 Cong. Rec. 1701–1702). *See also* S. Rept. No. 1231, 80th Congress, 2d Session, p. 3 (May 3, 1948).

[11] Letter of Feb. 19, 1952, from the chairman, Senate Committee on Expenditures in the Executive Departments, Senator McCellan to Senator Hayden (98 Cong. Rec. 1702).

III. Organization

A. SUBCOMMITTEES [12]

In the 104th Congress, significant steps were taken to reduce the number of committees, subcommittees, and the number of congressional staff. As a result, the Congress eliminated the District of Columbia Committee and the Post Office and Civil Service Committee. The jurisdiction of these committees were merged into the Government Operations Committee and its name was changed to the Committee on Government Reform and Oversight.

In order to perform its functions and to carry out its duties as fully and as effectively as possible, the committee under the leadership of its chairman, the Honorable William F. Clinger, Jr., of Pennsylvania, at the beginning of the 104th Congress, established seven standing subcommittees, which cover the entire field of executive expenditures and operations. The names, chairpersons, and members of these subcommittees are as follows:

CIVIL SERVICE SUBCOMMITTEE, John Mica, *Chairman*; members: Charles Bass, Ben Gilman, Dan Burton, Connie Morella, James Moran, Bernard Sanders, and Tim Holden.

DISTRICT OF COLUMBIA SUBCOMMITTEE, Tom Davis, *Chairman*; members: Gil Gutknecht, John M. McHugh, Steve LaTourette, Michael P. Flanagan, Eleanor Holmes Norton, Barbara-Rose Collins, and Edolphus Towns.

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE, Stephen Horn, *Chairman*; members: Michael P. Flanagan, Peter Blute, Tom Davis, Jon Fox, Randy Tate, Joe Scarborough, Charles Bass, Carolyn Maloney, Major Owens, John Spratt, Paul Kanjorski, Collin Peterson, and Tim Holden.

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE, Christopher Shays, *Chairman*; members: Mark Souder, Steven Schiff, Connie Morella, Tom Davis, Dick Chrysler, Bill Martini, Joe Scarborough, Mark Sanford, Edolphus Towns, Tom Lantos, Bernard Sanders, Thomas Barrett, Gene Green, Chaka Fattah, and Henry Waxman.

NATIONAL ECONOMIC GROWTH, NATURAL RESOURCES, AND REGULATORY AFFAIRS SUBCOMMITTEE, David McIntosh, *Chairman;* members: Jon Fox, J. Dennis Hastert, John M. McHugh, Randy Tate, Gil Gutknecht, Joe Scarborough, John Shadegg, Bob Ehrlich, Collin Peterson, Henry Waxman, John Spratt, Louise M. Slaughter, Paul Kanjorski, Gary Condit, and Carrie Meek.

[12] The chairman and the ranking minority member of the committee are ex-officio members of all subcommittees on which they do not hold a regular assignment (Committee Rule 9).

NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE SUBCOMMITTEE, William H. Zeliff, Jr., *Chairman*; members: Bob Ehrlich, Steven Schiff, Illeana Ros-Lehtinen, John Mica, Peter Blute, Mark Souder, John Shadegg, Karen Thurman, Robert Wise, Gene Taylor, Tom Lantos, Louise M. Slaughter, Gary Condit, and Bill Brewster.

POSTAL SERVICE SUBCOMMITTEE, John M. McHugh, *Chairman*; members: Mark Sanford, Ben Gilman, Christopher Shays, David McIntosh, Bob Ehrlich, Barbara-Rose Collins, Major Owens, Gene Green, and Carrie Meek.

B. RULES OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Rule XI, 1(a)(1) of the House of Representatives provides:

> The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable motions of high privilege in committees and subcommittees.

Rule XI, 2(a) of the House of Representatives provides, in part:

> Each standing committee of the House shall adopt written rules governing its procedures.

In accordance with the foregoing, the Committee on Government Reform and Oversight, on January 10, 1995, adopted the rules of the committee. The rules read as follows:

Rule 1.—Application of Rules

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Government Reform and Oversight and its subcommittees as well as to the respective chairmen.

[See House Rule XI, 1.]

Rule 2.—Meetings

The regular meetings of the full committee shall be held on the second Tuesday of each month at 10:00 a.m., unless when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee following the provisions of House Rule XI, 2(c)(2). Subcommittees shall meet at the call of the subcommittee chairmen. Every member of the committee or the appropriate subcommittee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days before each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The ranking minority member shall be responsible for providing the same information on witnesses whom the minority may request.

[See House Rule XI, 2(b).]

Rule 3.—Quorums

A majority of the members of the committee shall form a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence, and one-third of the members shall form a quorum for taking any action other than the reporting of a measure or recommendation. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

Rule 4.—Committee Reports

Bills and resolutions approved by the committee shall be reported by the chairman following House Rule XI, 2(l).

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed following House Rule XI, 2(l)(5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) before the consideration of such proposed report in subcommittee or full committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee before the consideration of the proposed report in such subcommittee or full committee.

Only those reports approved by a majority vote of the committee may be ordered printed, unless otherwise required by the Rules of the House of Representatives.

Rule 5.—Proxy Votes

In accordance with the Rules of the House of Representatives, members may not vote by proxy on any measure or matter before the committee or any subcommittee.

[See House Rule XI, 2(f).]

Rule 6.—Roll Calls

A roll call of the members may be had upon the request of any member upon approval of a one-fifth vote.

[See House Rule XI, 2(e).]

Rule 7.—Record of Committee Actions

The committee staff shall maintain in the committee offices a complete record of committee actions from the current Congress including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the com-

mittee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

Rule 8.—Subcommittees; Referrals

There shall be seven subcommittees with appropriate party ratios that shall have fixed jurisdictions. Bills, resolutions, and other matters shall be referred by the chairman to subcommittees within two weeks for consideration or investigation in accordance with their fixed jurisdictions. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdiction, the chairman shall refer the matter as he may deem advisable. Bills, resolutions, and other matters referred to subcommittees may be reassigned by the chairman when, in his judgment, the subcommittee is not able to complete its work or cannot reach agreement therein. In a subcommittee having an even number of members, if there is a tie vote with all members voting on any measure, the measure shall be placed on the agenda for full committee consideration as if it had been ordered reported by the subcommittee without recommendation. This provision shall not preclude further action on the measure by the subcommittee.

[See House Rule XI, 1(a)(2).]

Rule 9.—Ex Officio Members

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for taking testimony.

Rule 10.—Staff

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees.

Rule 11.—Staff Direction

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

Rule 12.—Hearing Dates and Witnesses

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least one week before the commencement of any hearings, unless he determines that there is good cause to begin such hearings sooner. So that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify

him of any hearing plans at least two weeks before the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 24 hours before their appearance.

[See House Rules XI, 2 (g)(3), (g)(4), (j), and (k).]

Rule 13.—Open Meetings

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

[See House Rules XI, 2 (g) and (k).]

Rule 14.—Five-Minute Rule

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately based on seniority of those majority and minority members present at the time the hearing was called to order and others based on their arrival at the hearing. After that, additional time may be extended at the direction of the chairman.

Rule 15.—Investigative Hearings; Procedure

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

Rule 16.—Stenographic Record

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

Rule 17.—TV, Radio, and Photographs

An open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, unless closed subject to the provisions of House Rule XI, 3.

Rule 18.—Additional Duties of Chairman

The chairman of the full committee shall:

(a) Make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as required by House Rule X, 4(c)(2);

(b) Direct such review and studies on the impact or probable impact of tax policies affecting subjects within the committee's jurisdiction as required by House Rule X, 2(c);

(c) Submit to the Committee on the Budget views and estimates required by House Rule X, 4(g), and to file reports with the House as required by the Congressional Budget Act;

(d) Authorize and issue subpoenas as provided in House Rule XI, clause 2(m), in the conduct of any investigation or activity or series of investigations or activities within the jurisdiction of the committee; and

(e) Prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities.

(f) Make any necessary technical and conforming changes to legislation reported by the committee upon unanimous consent.

IV. Activities, 1st Session, 104th Congress

SUMMARY

1. In the 104th Congress, first session, the committee approved and submitted to the House of Representatives 6 investigative reports. In addition, the committee issued 3 committee prints.

2. In the 104th Congress, first session, 295 bills and resolutions were referred to the committee and studied. Of these, the committee reported 20. In addition, 11 Memorials, 1 Petition, and 4 Presidential messages were referred to the committee.

3. Pursuant to its duty of studying reports of the Comptroller General, the committee received officially and studied 460 such reports during the 104th Congress, first session. In addition, 622 executive communications, were referred to the committee under clause 2 of rule XXIV of the House of Representatives.

4. The full committee met 22 days during the 104th Congress, first session, while the subcommittees met a total of 152 days in public hearings, markups, and meetings.

The significant actions taken by the committee with respect to these and a considerable number of other matters are discussed in detail below.

A. INVESTIGATIVE REPORTS

During the first session, 104th Congress, the Committee on Government Reform and Oversight approved and submitted to the Congress 6 reports of an investigative nature. A number of other reports were in preparation and a number of investigations were underway. These will be considered by the subcommittees and the full committee during the second session, of the 104th Congress.

For convenience, the published reports are listed here with the names of the originating subcommittees. A more detailed discussion of the material will be found in part two below in the breakdown of the committee's activities by subcommittee:

First Report (H. Rept. 104–156): "A Citizen's Guide on Using the Freedom of Information Act and the Privacy Act of 1974 to Request Government Records."

Second Report (H. Rept. 104–434): "Creating a 21st Century Government."*

Third Report (H. Rept. 104–435): "Making Government Work; Fulfilling the Mandate for Change."* (Subcommittee on Government Management, Information, and Technology)

Fourth Report (H. Rept. 104–436): "The FDA Food Additive Review Process: Backlog and Failure to Observe Statutory

*Denotes report accompanied by additional, dissenting, minority, separate, or supplemental views.

Deadlines."* (Subcommittee on Human Resources and Intergovernmental Relations)

Fifth Report (H. Rept. 104–437): "The Federal Takeover of the Chicago Housing Authority—HUD Needs to Determine Long-Term Implications."* (Subcommittee on Human Resources and Intergovernmental Relations)

Sixth Report (H. Rept. 104–438): "Voices for Change." (Subcommittee on the Postal Service)

B. LEGISLATION

The legislative jurisdiction of the Committee on Government Reform and Oversight covers a wide range of important governmental operations. In accordance with jurisdiction assumed from the former Committee on Government Operations, the committee receives all budget and accounting measures other than appropriations; all measures relating to the overall economy and efficiency of Government operations and activities, including Federal procurement, intergovernmental relationships, general revenue sharing (the latter subject was formerly within the jurisdiction of the Committee on Ways and Means), and the National Archives (formerly within the jurisdiction of the Committee on Post Office and Civil Service); all reorganization plans and bills providing for the establishment of new departments in the executive branch such as the Department of Energy and the Department of Education; and most other reorganization legislation, examples of which are legislation to reorganize the intelligence community, international trade, and regulatory agencies. Other legislation includes debt collection and proposals relating to delinquent payments and paperwork reduction. It also receives legislation dealing with the General Services Administration, including the Federal Property and Administrative Services Act of 1949 and special bills authorizing the Administrator of General Services to make specific transfers of property, plus legislation dealing with the General Accounting Office, the Office of Management and Budget, the Administrative Expenses Act, the Travel Expenses Act, the Employment Act of 1946, and the Javits-Wagner-O'Day Act relating to the sale of products and services of blind and other handicapped persons. In addition, the committee has jurisdiction over the Freedom of Information provisions of the Administrative Procedure Act, the Privacy Act, the Government in the Sunshine Act, and the Federal Advisory Committee as well as the Inspector General Act.

Rule X, 2(b) of the standing Rules of the House, requires the committee to see and review the administration of all laws in the legislative jurisdiction, and Rule XI, 1(d) requires that the committee report to the House thereon by the end of each Congress. The present report outlines the extent and nature of the committee and subcommittee activities constituting the review.

On January 4, 1995, as the first session of the 104th Congress convened, the new Republican House majority moved to fulfill its promise of true government reform by implementing its *Contract with America*. Pursuant to the *Contract*, 14 bills were introduced as the opening bells rang to promote jobs, enhance wages, take back our Nation's streets, and restore openness, accountability, and fiscal responsibility in our Federal Government. Of the *Contract*

bills, four were referred to the Committee on Government Reform and Oversight for immediate review and action. They included: H.R. 2, the Line-Item Veto Act; H.R. 5, the Unfunded Mandates Reform Act; H.R. 9, the Job Creation and Wage Enhancement Act; and H.R. 450, (830) the Paperwork Reduction Act. The actions taken on each are described below.

During the 104th Congress, first session, as noted above, the committee studied 295 bills and resolutions referred to it and reported 20 to the House. The measures reported or ordered reported are discussed more fully in part two below. However, they are listed here for convenience in the order of approval by the committee and with the name of the subcommittee that initially considered them:

H.R. 5, To curb the practice of imposing unfunded Federal mandates on States and local governments, to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations, and to provide information on the cost of Federal mandates on the private sector, and for other purposes. (H. Rept. 104–1, Pt. 2, S. 1; Public Law 104–4.)

H.R. 2, To give the President item veto authority over appropriation Acts and targeted tax benefits in revenue Acts. (H. Rept. 104–11, Pt. 2, S. 4.)

H.R. 830, To amend chapter 35 of title 44, United States Code, to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes. (H. Rept. 104–37, S. 244; Public Law 104–13.)

H.R. 450, To ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes. (Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, H. Rept. 104–39, Pt. 1, S. 219.)

H.R. 1271, To provide protection for family privacy. (Subcommittee on Government Management, Information, and Technology, H. Rept. 104–94.)

H.R. 1345, To eliminate budget deficits and management inefficiencies in the government of the District of Columbia through the establishment of the District of Columbia Financial Responsibility and Management Assistance Authority, and for other purposes. (Subcommittee on the District of Columbia, H. Rept. 104–96, Public Law 104–8.)

H.R. 1826, To repeal the authorization of transitional appropriations for the United States Postal Service, and for other purposes. (Subcommittee on the Postal Service, H. Rept. 104–174.)

H.R. 1026, To designate the United States Post Office building located at 201 East Pikes Peak Avenue in Colorado Springs, Colorado, as the "Winfield Scott Stratton Post Office." (Subcommittee on the Postal Service, passed House and Senate as H.R. 1026; Public Law 104–44.)

H.R. 1655, To authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S.

Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes. (H. Rept. 104–138, Pt. 2, S. 922; Public Law 104–93.)

H.R. 994, To require the periodic review and automatic termination of Federal regulations. (Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, H. Rept. 104–284, Pt. 1.)

H.R. 1670, To revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes. (H. Rept. 104–222, Pt. 1.)

H.R. 2108, To permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes. (Subcommittee on the District of Columbia, H. Rept. 104–227; Public Law 104–28.)

H.R. 1756, To abolish the Department of Commerce, (Title 1.) (H. Rept. 104–260, Pt. 1, S. 929.)

S. 790, To provide for the modification or elimination of Federal reporting requirements. (H. Rept. 104–327; Public Law 104–66.)

H.R. 2077, To designate the United States Post Office building located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building." (Subcommittee on Postal Service, Committees discharged, passed House and Senate; Public Law 104–27.)

H.R. 2661, To amend the District of Columbia Self-Government and Government Reorganization Act to permit the District of Columbia to expend its own funds during any portion of a fiscal year for which Congress has not enacted the budget of the District of Columbia for the fiscal year, and to provide for the appropriation of a monthly pro-rated portion of the annual Federal payment to the District of Columbia for such fiscal year during such portion of the year. (Subcommittee on the District of Columbia, H. Rept. 104–408.)

OTHER LEGISLATIVE ACTION

H.R. 1398, To designate the United States Post Office building located at 1203 Lemay Ferry Road, St. Louis, Missouri, as the "Charles J. Coyle Post Office Building." (Subcommittee on the Postal Service, passed House.)

H.R. 1606, To designate the United States Post Office building located at 24 Corliss Street, Providence, Rhode Island, as the "Harry Kizirian Post Office Building." (Subcommittee on the Postal Service, passed House, passed Senate with amendments. House disagreed to Senate amendments, Senate receded from its amendments.)

H.R. 1880, to designate the United States Post Office building located at 102 South McLean, Lincoln, Illinois, as the "Edward Madigan Post Office Building." (Subcommittee on the Postal Service, passed House.)

H.R. 2262, To designate the United States Post Office building located at 218 North Alston Street in Foley, Alabama, as the "Holk Post Office Building." (Subcommittee on the Postal Service, passed House.)

H.R. 2704, To provide that the United States Post Office building that is to be located on the 2600 block of East 75th Street in Chicago, Illinois, shall be known and designated as the "Charles A. Hayes Post Office Building." (Subcommittee on the Postal Service, passed House.)

The following bills were referred to the Committee on Government Reform and Oversight, the committee was discharged from further consideration, and, therefore, the bills were not reported by the committee. Latest action is shown:

H.R. 9, to create jobs, enhance wages, strengthen property rights, maintain certain economic liberties, decentralized and reduce the power of the Federal Government with respect to the States, localities, and citizens of the United States, and to increase the accountability of Federal officials. (Reported amended by Committee on Commerce, H. Rept. 104–33, Pt. I; amended from Committee on Science, Pt. II; passed House amended and received in Senate and referred to Governmental Affairs.)

H.R. 564, a bill to provide that receipts and disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund shall not be included in the totals of the budget of the U.S. Government as submitted by the President or the congressional budget. (Subcommittee on Government Management, Information, and Technology.)

H.R. 842, a bill to provide off-budget treatment for the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund. (Subcommittee on Government Management, Information, and Technology.)

H.R. 1022, a bill to provide regulatory reform and to focus national economic resources on the greatest risks to human health, safety, and the environment through scientifically objective and unbiased risk assessments and through the consideration of costs and benefits in major rules, and for other purposes. (Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs. Considered by House Unfinished Business. Committee Amendment in the Nature of a Substitute Considered as an Original Bill for the Purpose of Amendment. House agreed to Amendments Adopted by the Committee of the Whole. Motion to Recommit with Instructions Failed in House by Yea-Nay Vote: 174–250 (Record Vote No: 182). Passed House (Amended) by Recorded Vote: 286–141 (Record Vote No: 183). Received in the Senate and referred to Senate Committee on Governmental Affairs.)

H.R. 1182, a bill to permit certain Federal employees who retired or became entitled to receive compensation for work injury before December 9, 1980, to elect to resume coverage under the Federal employees' group life insurance program. (Subcommittee on Civil Service.)

H.R. 1508, a bill to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family oriented park. (Subcommittee on the District of Columbia. Reported Amended by the Committee on Resources, H. Rept. 104–277, Pt. I; called up by House under Suspension of Rules and passed House. Received in the Senate and referred to Governmental Affairs.)

H.R. 1530, to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes. (Reported amended by the Committee on National Security, H. Rept. 104–131; passed House amended; passed Senate amended; House agreed to Conference Rept. 104–406; called up by House as Privileged Matter. Public Law No: 104–106.)

H.R. 2017, to authorize an increased Federal share of the costs of certain transportation projects in the District of Columbia for fiscal years 1995 and 1996, and for other purposes. (Subcommittee on the District of Columbia. Reported Amended by the Committee on Transportation and Infrastructure, H. Rept.104–217, Pt. 1; called up by House under Suspension of Rules and passed House and Senate. Public Law 104–21.)

H.R. 2077, to designate the U.S. Post Office building located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building." (Called up by House by Unanimous Consent. Passed House and Senate by Voice Vote. Public Law No: 104–27.)

H.R. 2564, to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes. (Reported by the Committee on Judiciary, H. Rept. 104–339, Pt. 1; called up by House by Suspension of Rules and passed House by Voice Vote. Public Law 104–65.)

C. REORGANIZATION PLANS

The most recent authority of the President to transmit reorganization plans to Congress was reestablished by Public Law 98–614. Approved November 8, 1984, this authority expired on December 31, 1984. Legislation extending executive reorganization authority was not enacted during the first session of the 104th Congress.

D. COMMITTEE PRINTS

Three committee prints, resulting from work by the committee staff, were issued during the first session, 104th Congress, as follows:

"Rules of the Committee on Government Reform and Oversight, House of Representatives, Together with Selected Rules

of the House of Representatives (Including Clause 2 of House Rule XI) and Selected Statutes of Interest." (Full Committee.) (January 1995.)

"Oversight Plans for all House Committees with Accompanying Recommendations by the Committee on Government Reform and Oversight, House of Representatives (Required by Clause 2 of House Rule XI)." (Full Committee.) (March 1995.)

"Mail Service in the United States: Exploring Options for Improvement." Report of the U.S. Postal Service and the Postal Rate Commission, to the Committee on Government Reform and Oversight. (Full Committee.) (December 1995.)

E. COMMITTEE ACTION ON REPORTS OF THE COMPTROLLER GENERAL

Rule X, 4(c)(1)(A), of the rules of the House, imposes the duty upon this committee to receive and examine reports of the Comptroller General referred to and to make such recommendations to the House as it deems necessary or desirable in connection with the subject matter of the reports.

In discharging this responsibility, each report of the Comptroller General received by the committee is studied and analyzed by the staff and referred to the subcommittee of this committee to which has been assigned general jurisdiction over the subject mater involved.

The committee has received a total of 460 General Accounting Office Reports to the Congress for processing during the first session of the 104th Congress. After preliminary staff study, these reports were referred to subcommittees of this committee as follows:

Civil Service Subcommittee	36
District of Columbia Subcommittee	0
Government Management, Information, and Technology Subcommittee	92
Human Resources and Intergovernmental Relations Subcommittee	110
National Economic Growth, Natural Resources, and Regulatory Affairs Subcommittee	105
National Security, International Affairs, and Criminal Justice Subcommittee	109
Postal Service Subcommittee	8
Total	460

Furthermore, in implementation of section 236 of the Legislative Reorganization Act of 1970, the committee now regularly receives GAO reports that are not addressed to Congress but contain recommendations to heads of the Federal agencies. These are generally reports to the agency heads their written statements of actions taken with respect to such recommendations, as required by section 236. The committee received a total of 794 such GAO reports to Federal agencies or other committees and Members within the legislative branch.

Periodic reports are received from the subcommittees on actions taken with respect to individual reports, and monthly reports are made to the chairman as to reports received. During the session, the committees used the reports to further specific investigations and reviews. In most cases, additional information concerning the findings and recommendations of the Comptroller General was requested and received from the administrative agency involved, as

well as from the General Accounting Office. More specific information on the actions taken appears in part two below.

Complete files are maintained by the committee on all Comptroller General's reports received. Detailed records are kept showing the subcommittee to which the report is referred, the date of referral, and the subsequent action taken.

The committee will review all of the Comptroller General's reports received during the Congress in the light of additional information obtained and actions taken by the subcommittees, and determinations will be made whether specific recommendations to the House are necessary or desirable under rule X.

PART TWO. REPORT OF COMMITTEE ACTIVITIES

I. Matters of Interest, Full Committee

A. GENERAL

1. Oversight Plans of the Committees of the U.S. House of Representatives.

The 104th Congress adopted a new Rule that provides for each standing committee of the House to formally adopt oversight plans at the beginning of each year. Specifically, the Rule states in part:

> Rule X, clause (2)(d)(1). Not later than February 15 of the first session of a Congress, each standing committee of the House shall, in a meeting that is open to the public and with a quorum present, adopt its oversight plans for that Congress. Such plans shall be submitted simultaneously to the Committee on Government Reform and Oversight and to the Committee on House Oversight.

On March 31, 1995, Committee Chairman William F. Clinger, Jr., submitted the oversight plans of each committee together with recommendations to ensure the most effective coordination of such plans.

RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

OVERSIGHT PLANS OF THE COMMITTEES OF THE HOUSE

Collectively, the committee oversight plans cover a wide array of Federal programs and management issues. The challenges of dealing with the serious, pervasive problems that continue to impede effective management and efficient program delivery is formidable.

A major breakthrough in prospects for improving Federal management, as well as congressional oversight of Federal programs, has been provided by two recent laws: the Chief Financial Officers Act and Government Performance and Results Act. Together, these acts provide a framework necessary to help achieve improved government accountability and stewardship and to lower costs by focusing on results. The Congress framed it this way: Set goals, operate programs, and measure results using reliable financial and management information.

While these acts are still in the process of being implemented, efforts already completed or underway in response to both acts offer committees a valuable source of information and insight into the management problems and issues. These include issues that impact individual programs, as well as those that cut across agency programs and organizational boundaries.

The committees of the House should: (1) conduct oversight to ensure that these statutes are being aggressively implemented, and (2) use the information produced by the implementation of these statutes and the General Accounting Office's (GAO) high risk list to assess the management weaknesses in the agencies within their jurisdiction.

CHIEF FINANCIAL OFFICERS ACT

One of the underlying historical impediments to better management of government programs has been the lack of reliable financial information. With passage of the CFO Act, the Congress has said that this must change and change quickly. The long-needed fiscal accountability that the act is designed to bring about is essential to effective program management and congressional oversight.

Agencies, which represent organizations larger than the Nation's largest private corporations, have typically not been able to perform even the most rudimentary bookkeeping functions. Agency financial management systems are badly deteriorated-OMB reports that most do not meet standards and almost all agencies have been unable to pass the test of an independent financial statement audit.

A primary element of the Chief Financial Officers Act, as expanded by the Government Management Reform Act of 1994, is the requirement for all 24 major agencies to have audited financial statements. (The act also calls for governmentwide financial statements, audited by GAO, by fiscal year 1997.) Also, agencies must now have:

- financial information that is linked with program and budget data for use in both management control and planning;
- reports on program cost trends and other performance indicators from which managers can make informed decisions on running government operations effectively and efficiently

Since passage of the initial legislation in 1990, the CFO Act has already provided:

- significantly more accurate information on the government's financial status and operations, as well as an understanding of how unreliable the financial information being provided to the Congress and program managers has been;
- a better understanding of the pervasiveness of management control problems; and
- substantial savings from recoveries and better use of funds.

Annual financial statement audits, which are done by the agency Inspectors General (IGS) or by GAO, continue to provide valuable information on the results of program operations and the current financial condition of agencies. This information can be of great use to committees in their oversight efforts. Audits, for example, have identified:

- Despite over $400 billion in adjustments needed to correct errors in Defense's financial data over the last 3 years, Defense is still unable to render an accurate accounting of its hundreds of billions of dollars in assets. This unreliable data has traditionally served as the basis for Defense's reports to the Congress.

• Duplicate, erroneous, and even fraudulent payments to Defense contractors totaling billions of dollars.
• Unneeded Defense inventories of almost $40 billion.
• The IRS being unable to effectively collect or accurately account for $1.25 in annual revenues; audits show that only a fraction of over $100 billion in recorded tax receivables was collectible.

GAO's ongoing financial audit work includes the IRS, the Bank Insurance Fund, the Resolution Trust Corporation, and the Pension Benefit Guaranty Corporation, all for fiscal year 1994, and the Department of the Navy for fiscal year 1995. IG's are conducting (in some instances with contracted assistance from accounting firms) fiscal year 1994 audits in the Departments of Education, HHS, Army, Air Force, NASA, Veterans Affairs, EPA, Labor, Agriculture, HUD, Interior, and other agencies.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Effective implementation of the Chief Financial Officers Act is also a vital element to the success of the Government Performance and Results Act (GPRA). GPRA seeks to change the focus of Federal management and accountability from a preoccupation with inputs, such as the amount of program appropriations, to measured results and outcomes of Federal programs. Successful implementation of the act will help address the question: What are the American people getting for their investment in the Federal Government? Information on performance in relation to agency goals can also be helpful to the Congress.

Experiences of State governments and foreign countries that are leaders in public management show that GPRA's three key elements: strategic planning; performance measurement; and public reporting and accountability could influence the basic culture of the government so that is more results-oriented. Accurate results-oriented information will greatly assist the Congress in its efforts to oversee current programs and in making informed decisions for the future.

But making the major changes in the way Federal agencies are managed and held accountable called for under GPRA will require agencies to develop the capacity to manage for results. This will not be accomplished quickly or easily. Therefore, the act's provisions are being phased in with a series of pilot projects over the next several years.

Already, 70 pilots have been designated ranging in size from small programs to entire agencies, including the IRS, SSA, and the Defense Logistics Agency. As agencies implement the act, oversight committees should have opportunities to work with agencies in improving performance by providing managers freedom to experiment and find innovative ways to improve program results, while increasing accountability for achieving those results.

2. Investigations.

a. The Financial Holdings and Activities of Secretary of Commerce Ronald H. Brown.—Beginning in February 1994, Rep. William F. Clinger, Jr., then-ranking member of the Committee on Government Operations, wrote to Secretary of Commerce, Ronald H. Brown, requesting that Secretary Brown answer questions aris-

ing from his Financial Disclosure Statement. The questions focused on appearances of a conflict in Secretary Brown's holdings and/or role in such companies as Harmon International, Inc., First International Communication, Inc., Corridor Communication, Inc., Albimar Communications, Inc., and Kellee Communications Inc., as well as his business relationship with Ms. Nolanda Hill. Given their extensive involvement in the telecommunications field and Secretary Brown's influence in that area as the Secretary of Commerce, those companies and Ms. Hill, the owner of First International Communications, Inc., and Corridor Communications, Inc., appeared likely to benefit from a relationship with Secretary Brown.

Secretary Brown's responses, through intermediaries, generated follow-up letters by Rep. Clinger on March 23, 1994, July 11, 1994, July 20, 1994, and at least one meeting between committee staff and Commerce Department staffers before Mr. Clinger requested that Mr. Stephen D. Potts, Director of the United States Office of Government Ethics, investigate the matter pursuant to 5 C.F.R. §2638.401 et. seq. on October 5, 1994. On that same day, Rep. Clinger asked Department of Commerce Inspector General, Frank DeGeorge, to investigate Secretary Brown's relationship with the aforementioned companies as well as Boston Bank of Commerce and Boston Bank of Commerce Associates.

On December 21, 1994, Inspector General DeGeorge deferred to OGE Director Potts, stating, "this office and OGE agreed that if issues or problems arose during their review which needed investigation, OGE, pursuant to their statutory authority, would refer those matters to this office for appropriate investigation. To date, we have not been asked by OGE to look into any matter. At the end of the OGE review, we will review their findings to determine whether there are any indications of conflicts or other violations warranting further investigation."

Office of Government Ethics Director Stephen D. Potts, in a letter dated December 29, 1994, stated, "We found that the manner in which Commerce's ethics officials reviewed the financial disclosure forms was consistent with the manner in which we require and expect agencies to carry out these responsibilities." Despite acknowledging repeated discrepancies in Secretary Brown's disclosure reports, Director Potts concluded that appearances of conflicts had been avoided due to Secretary Brown's divestiture of holdings, resignation from managerial roles or receipt of waivers.

These responses, however, failed to address the concerns of Rep. Clinger who on January 4, 1995, became chairman of the Government Reform and Oversight Committee of the 104th Congress. The investigation into Secretary Brown continued.

Chairman Clinger noted in a January 23, 1995, letter to Secretary Brown that Secretary Brown had received income from First International Communications Limited Partnership during 1993—while Secretary of Commerce—and had failed to disclose that income in his Financial Disclosure Reports. Furthermore, First International Communications Limited Partnership's primary source of income was a debt instrument payable by Corridor Broadcasting Corporation, an entity controlled by Nolanda Hill, Secretary Brown's business associate in First International. In addition, Cor-

ridor Broadcasting Corporation had defaulted on a $26 million loan held by the Federal Deposit Insurance Corporation, thereby costing American taxpayers roughly $23 million.

Secretary Brown's failure to address the chairman's concerns with potential conflicts of interest involving his business affiliations, coupled with ongoing efforts by the committee's investigative staff, led to Chairman Clinger's February 27, 1995, request that Attorney General Janet Reno appoint an Independent Counsel, under the Independent Counsel Act, 28 U.S.C. § 591 et. seq., to investigate the holdings and activities of Secretary Brown. Chairman Clinger raised allegations concerning Secretary Brown's: (i) submission of incomplete, inaccurate and misleading financial disclosure statements; (ii) supplementation of salary; (iii) potential conflicts of interest; (iv) misinformation to Congress; and (v) refusing to respond to Congress.

In addition to questions raised concerning Secretary Brown's affiliation with the business previously mentioned, the February 27, 1995, request noted that Secretary Brown: (i) failed to disclose either as a gift or loan, $108,000 used as a down-payment for a townhouse purchased by Secretary Brown and his son, Michael Brown, in Washington, DC; (ii) failed to report future income of some $190,955, which he knew he would receive in the wake of his divestiture of his interest in First International; (iii) supplemented his Federal salary by receiving some $412,000, in direct payments, loan foregiveness and payments to his creditors by business partners; (iv) undertook official actions which benefited his business partners and associates; and (v) misled the Congress concerning compensation paid by business partners to members of his immediate family.

On July 6, 1995, a three-judge Federal appeals court panel announced its selection of former Federal prosecutor Daniel S. Pearson to serve as an independent counsel in the matter of Secretary Ronald H. Brown. The Government Reform and Oversight Committee provided copies of relevant documents to Independent Counsel Pearson.

No committee hearings were held during the first session of the 104th Congress on the matter of Secretary of Commerce Ronald H. Brown. None are expected during the second session given the ongoing investigation of Independent Counsel Pearson; however, the committee reserves the right to hold hearings into those areas not covered by the Independent Counsel.

b. The White House Travel Office Investigation.—At approximately 10 a.m., on May 19, 1993, all seven members of the White House Travel Office staff were fired and the five Travel Office employees present in the White House that day were ordered to vacate the White House compound within 2 hours. Returning to the Travel Office by 10:30 a.m., the fired Travel Office employees found their desks already occupied by employees of World Wide Travel, the Arkansas travel agency which arranged for press charters during the Clinton Presidential campaign, Catherine Cornelius and others.

Two White House Travel Office employees were out of the White House Travel office on May 19, 1993, one on a White House advance trip to South Korea, the other on vacation. They learned of

their firings, respectively, via CNN telecast and a son who saw Tom Brokaw announce the firings on network news that night. The seven White House Travel Office employees had served from 9 to 32 years in the White House Travel Office.

The five Travel Office employees who were present in the White House for their firings ultimately were given additional time to complete their White House out-processing. By early afternoon, they heard then-White House Press Secretary Dee Dee Myers announce at a press briefing that they were subject of an FBI criminal investigation. They had been given no such indication at the time of their dismissals. After completing out-processing, the five Travel Office employees present on May 19, 1993, were driven out of the White House compound in a panel van with no passenger seats. They were seated on the floor and wheel wells of the van along with boxes of their gathered personal effects.

While the Travel Office employees served at the pleasure of the President, their precipitous firings and replacement by the Clinton campaign's primary travel agency immediately raised a storm of criticism. Administration claims that it had acted in order to save the press and taxpayers money were met with skepticism by a White House press corps which responded with a litany of complaints of over billing and undocumented billings by World Wide itself throughout the 1992 campaign. In addition, the Clinton administration's announcement that an FBI criminal investigation had been launched was highly improper and, in fact, questionable when it was announced. Furthermore, White House contacts with the FBI in the days leading up to and immediately following the Travel Office firings also were considered improperly handled by Attorney General Janet Reno, who publicly admonished the administration for them.

Members of the House and the Senate immediately raised concerns about the manner in which the Travel Office firings took place. In the face of press, public and congressional outcry, the White House placed five of the seven Travel Office employees on administrative leave with pay on May 25, 1993, and announced that it would conduct a White House Management Review of the Travel Office and the administration's role in the Travel Office firings. The fired Travel Office director and deputy director retired.

On June 1, 1993, William F. Clinger, Jr., the then-ranking minority member of the House Government Operations Committee, requested that then Chairman John Conyers, Jr., hold hearings on the White House Travel Office firings.

Then-White House Chief Thomas F. (Mack) McLarty and then-Office of Management and Budget Director Leon Panetta released the White House Travel Office Management Review on July 2, 1993, and announced the reprimands of four White House staffers. Reprimanded were: Associate Counsel to the President, William H. Kennedy III; Assistant to the President for Management and Administration, David Watkins; former Special Assistant to the President for Management and Administration, Catherine A. Cornelius; and Deputy Assistant to the President and Director of Media Affairs, Jeff Eller. At least three of the four first learned of the "reprimands" during their televised announcement. None of the reprimands were documented in the personnel files of any of the four.

Also on July 2, 1993, the Supplemental Appropriations Act of 1993 (Public Law 103–50) required the U.S. General Accounting Office (GAO) to "conduct a review of the action taken with respect to the White House Travel Office."

In addition to the White House Management Review and the GAO Report entitled White House Travel Office Operations (released on May 2, 1994), at least three other reports were prepared concerning various aspects of the White House Travel Office firings. These reports were prepared by: the Office of Professional Responsibility (OPR) of the U.S. Department of Justice (dated March 18, 1994, and released by the committee on October 24, 1995); a Federal Bureau of Investigation Internal Review of FBI Contacts with the White House (dated June 1, 1993), and the Department of Treasury Inspector General Report "Allegation of Misuse of IRS RE: ULTRAIR" (dated June 11, 1993).

On September 23, 1993, after consultations with majority staff of the Government Operations Committee, Mr. Clinger withdrew his request for Committee hearings on the White House Travel Office firings, "contingent upon the adequacy of the GAO effort" which had been mandated by Congress through Public Law 103–50.

Individually and collectively, the five reports prepared concerning the White House Travel Office left many questions unanswered and, in fact, raised many more. Several Members of Congress, including Mr. Clinger, sought to have these questions answered through further investigation and congressional hearings. In a letter dated October 7, 1994, Mr. Clinger and 16 other House Members again requested congressional hearings on the White House Travel Office in order to "address serious questions arising from, or unanswered by, the General Accounting Office (GAO) Report to Congress, White House Travel Office Operations (GAO/GGD–94–132)."

Mr. Clinger's request was accompanied by a 71-page minority analysis of issues unaddressed by any of the previous five reports. This analysis reviewed contradictions concerning: memoranda drafted by Catherine Cornelius outlining its new organizational structure and placing her in charge; activities of Harry Thomason and Darnell Martens; mismanagement by David Watkins; White House reasons justifying the Travel Office firings; contacts between Dee Dee Myers and Darnell Martens; public disclosure of the FBI investigation; possible influence on the FBI; the integrity of Travel Office records; the role of the President; the reprimands, and inaccuracies and insufficiencies in the GAO report on the White House Travel Office.

Soon after the November 1994 congressional elections, Mr. Clinger, chairman of the Government Reform and Oversight Committee of the 104th Congress, announced that he would hold hearings on the White House Travel Office firings. In December 1994, the Public Integrity Division of the U.S. Department of Justice indicted former White House Travel Office Director Billy R. Dale on one charge of embezzlement and one charge of conversion.

The committee investigative staff conducted interviews and gathered documents from various participants in the Travel Office matter on a voluntary basis throughout the spring and summer of 1995. White House document production, however, proved problem-

atic and led to numerous meetings and phone conversations with Clinton administration representatives in the White House Counsel's Office, the Department of Justice, Department of the Treasury as well as the General Accounting Office.

In the fall of 1995, Chairman Clinger scheduled the committee's first hearing on the White House Travel Office for October 24, 1995. The hearing focused on the accuracy and completeness of the five White House Travel Office reports and to consider whether further hearings were required to address unanswered issues. The panel at the October 24, 1995, hearing included authors of each of the five reports, respectively. This hearing purposely avoided all areas that might have impacted upon the trial of former Travel Office Director Billy R. Dale which was to commence on October 26, 1995.

The committee reviewed which of seven key Travel Office issues each report addressed. These issues were: the completeness of the review of references to "Highest Levels" involvement at the White House in the Travel Office firings; whether any assessment of White House Standards of Conduct was performed and whether administration staffers had violated those standards; whether inquiries were made into the role of Hollywood producer Harry Thomason in the firings; the role of Mr. Thomason's and his firm, Thomason, Richland and Martens (TRM) in seeking contracts involving the Interagency Committee on Aviation Policy (ICAP); whether the issue of competitive bidding by the White House Travel Office and by the White House itself in dealing with the Travel Office was reviewed; and whether thorough investigations into FBI and IRS actions and reactions to the White House inquiries had been undertaken.

The hearing made clear that, given limitations on their scopes, none of the reports had addressed fully the issues raised by the Travel Office firings. The Treasury Inspector General IRS report redactions made it impossible to determine whether the IRS addressed any of the seven issues. The OPR and FBI reports only partially addressed two issues, "FBI actions" and references to "Highest Levels of the White House" and never addressed the other five. Despite its far greater understanding of the participants and circumstances leading to the Travel Office firings—or because of it—the White House Travel Office Management Review only briefly and superficially addressed Harry Thomason's role, FBI actions and references to "Highest Levels" of the White House while ignoring competitive bidding, IRS action, standards of conduct and ICAP contracts. Similarly, the GAO relied on the White House Management Review in its report on Mr. Thomason's role and only partially addressed FBI actions and "Highest Levels" while leaving ICAP, competitive bidding and standards of conduct unaddressed. IRS disclosure laws prevented the GAO from publicly addressing IRS actions.

The October 24, 1995 hearing also made clear that the GAO and OPR reports, the most independent of the five, were hobbled by what their respective authors referred to as an unprecedented lack of cooperation by the White House in their investigations. It was determined in the hearing that the White House had denied both GAO and OPR documents which were critical to their investiga-

tions, documents which well might have affected their conclusions. Accordingly, both GAO and OPR never received any of the documents subsequently produced by the White House.

The criminal trial of former Travel Office Director Billy R. Dale began on October 26, 1995, and concluded on November 17, 1995, with Mr. Dale's acquittal of both charges. After the acquittal was announced, Chairman Clinger requested that the Public Integrity Section of the Department of Justice turn over all documents related to the criminal prosecution for review by the committee.

At year-end 1995, the committee planned hearings on: the role of Mr. David Watkins in the Travel Office firings; the experiences of the fired seven Travel Office employees; the role of Mr. Harry Thomason; and the role of the FBI and IRS. In January 1996, the committee subpoenaed all of Mr. Thomason's documents related to the Travel Office and filed a "6103 Waiver" with the IRS in which representatives of UltrAir authorized the IRS, Department of Treasury and others to release all relevant documents concerning the IRS audit of UltrAir in the wake of the Travel Office firings. The Department of the Treasury had promised prompt delivery of all documents pending receipt of the expanded 6103 waiver.

As of year-end 1995, the Clinton administration continued to prove most uncooperative in Travel Office document productions. The Department of the Treasury failed to turn over the documents previously promised. The threat of further subpoenas to compel executive branch compliance with the ongoing congressional investigation loomed.

c. Health Care Task Force.—In February 1993, Rep. Clinger called into question the secretive manner in which the administration's Health Care Task Force was conducting business. After requesting information from an unresponsive White House on whether the Task Force was meeting in compliance with statutes concerning open meetings, recordkeeping, conflict of interest requirements and costs, Rep. Clinger requested a GAO audit. In a required charter, the Clinton administration claimed Task Force costs would be less than $100,000. The GAO audit, however, placed the total cost at $13.8 million.

d. Labor Department Taxpayer Funded "Toll-Free" Hotline.—Following reports of a telephone hotline set up by the Department of Labor to gather support for increasing the minimum wage from minimum wage earners, Chairman Clinger sent a letter to Secretary Reich requesting information on the costs and purpose of the telephone bank, and to ascertain whether the Department was in compliance with appropriate information collection laws. Shortly thereafter, the hotline was shut down. After several delays, the Department reported that, although total costs were not yet available, the Department had capped the total cost of the politically inspired hotline at $25,000. The minimum wage brings workers an annual salary of $8,840.

e. National Reconnaissance Office.—Chairman Clinger and subcommittee Chairman Horn have asked the GAO to review reports due from Defense Department and the Central Intelligence Agency on revelations that the National Reconnaissance Office secretly accumulated $1.7 billion in unspent appropriated funds. After the GAO report has been completed and reviewed, the committee will

determine if further action, including possible financial management reforms, is warranted.

f. Taxpayer Funded Trip to Disney World.—After learning of a Disney World training seminar conducted at taxpayer expense for as many as 400 Federal employees, Chairman Clinger wrote on behalf of the committee to the Departments of Interior, Agriculture, and Defense to obtain an accounting of the exact costs of the trip, the number of employees involved, and an explanation of how the training related to the Departments' missions. The trip was taken just 1 week after the Federal Government shut down as a result of disagreements on how to achieve a balanced budget. Chairman Clinger spelled out his concern that hundreds of thousands of dollars may have been spent for what appears to be a lavish, taxpayer-funded vacation.

3. Legislation.

a. H.R. 5, the Unfunded Mandates Reform Act of 1995 (Public Law 104–4)

a. Report Number and Date.—House Report No. 104–1, Pt. 2; January 13, 1995.

b. Summary of Measure.—The *Unfunded Mandates Reform Act of 1995* was intended to relieve the burden of unfunded Federal mandates on State, local and tribal governments and the private sector. It was designed to ensure that Congress and the executive branch (1) had information on the costs of unfunded Federal mandates, and (2) were accountable to States and localities, the private sector, and the public for imposing new mandates without paying for them.

Title I of the *Unfunded Mandates Reform Act* (Public Law 104–4) amended Title IV of the *Congressional Budget Act* to provide that Congress must have Congressional Budget Office (CBO) estimates for the costs of mandates it would impose on State and local governments and the private sector through reported legislation. Intergovernmental mandates projected to cost State, local or tribal governments over $50 million in the aggregate must be funded. Legislation that does not meet these requirements will be subject to a point of order on the House and Senate floor, where a majority of members must vote to waive the point of order before Congress can consider an intergovernmental mandate without paying its costs.

Title II of the law requires Federal agencies to analyze the effects of their rules on State and local governments and the private sector, and prepare written statements detailing the costs and benefits of rules expected to cost either State, local and tribal governments or the private sector over $100 million in the aggregate. Agencies must consult with State and local elected officials throughout the process. Agencies also must select the least costly or most cost-effective rule where possible.

Title III provides for a look back at existing mandates. It requires the Advisory Commission on Intergovernmental Relations to re-evaluate existing mandates and to make recommendations to Congress and the President within 1 year as to whether some or all should be changed or repealed.

Title IV provides for limited judicial review of agency actions under Title II.

The differences between H.R. 5 as reported by the committee and Public Law 104–4 are fairly technical in nature and do not dramatically alter the purpose or effect of the legislation.

c. Legislative History/Status.—Government Reform and Oversight Committee Chairman William F. Clinger, Jr., joined with Reps. Rob Portman (R–OH), Gary Condit (D–CA) and Tom Davis (R–VA) to introduce H.R. 5, the Unfunded Mandates Reform Act, on January 4, 1995. The bill was referred to the Committee on Government Reform and Oversight, with secondary referrals given to the Committees on Rules, Budget, and Judiciary.

d. Hearings and Committee Actions.—On January 10, 1995, the committee voted to report H.R. 5 by a voice vote after a mark up in which 18 amendments were offered and 4 were adopted. Of those amendments adopted, three were offered by Rep. Steve Horn (R–CA) and one was offered by Rep. Paul Kanjorski (D–PA). The committee did not consider sections 201, 202, or Title III of H.R. 5 based on consultations with the Parliamentarian that those provisions were not in the committee's jurisdiction.

S. 1, the companion bill in the Senate (also titled *the Unfunded Mandates Reform Act of 1995*), moved through the Senate Governmental Affairs Committee on a parallel track.

House floor consideration of H.R. 5 began on January 19, 1995, and concluded on February 1, 1995. The Conference Report on S. 1 was passed by the House on March 16, 1995, and was signed into law on March 22, 1995.

e. Legislative Time Line.—

Jan 4, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committees on Rules, the Budget, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Jan 10, 1995 Committee Consideration and Mark-up Session held.

Jan 10, 1995 Ordered to be Reported (Amended) by Voice Vote.

Jan 13, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–1 (Pt. II).

Jan 4, 1995 Referred to House Committee on Rules.

Jan 11, 1995 Committee hearings held.

Jan 12, 1995 Committee Consideration and Mark-up Session held.

Jan 12, 1995 Ordered to be Reported (Amended) by the Yeas and Nays: 9–4.

Jan 13, 1995 Reported to House (Amended) by House Committee on Rules Report No. 104–1 (Pt. I).

Jan 4, 1995 Referred to House Committee on the Budget.

Jan 4, 1995 Referred to House Committee on the Judiciary.

Jan 18, 1995 Rules Committee Resolution H. Res. 38 Reported to House.

Jan 18, 1995 Committee on Rules, by a Recorded Vote of 8 to 3, Granted an Open Rule with Two Hours of General Debate, divided between the Committees on Government Reform and Oversight and Rules; Making in Order an Amendment in the Nature of a

Substitute Printed in the Rules Committee Report as Original Text for Amendment Purposes, to be Considered by Title rather than Section; Giving Priority Recognition to Members who have Pre-Printed Amendments in the Congressional Record prior to their Consideration; Providing One Motion to Recommit With or Without Instructions.

Jan 19, 1995 Rule Passed House.

Jan 19, 1995 Called up by House by Rule.

Jan 19, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Jan 20, 1995 Considered by House Unfinished Business.

Jan 20, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Jan 23, 1995 Considered by House Unfinished Business.

Jan 23, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Jan 24, 1995 Considered by House Unfinished Business.

Jan 24, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Jan 27, 1995 Considered by House Unfinished Business.

Jan 27, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Jan 30, 1995 Considered by House Unfinished Business.

Jan 30, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Jan 30, 1995 Considered by House Unfinished Business.

Jan 31, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Jan 31, 1995 Considered by House Unfinished Business.

Jan 31, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 5 as unfinished business.

Feb 1, 1995 Considered by House Unfinished Business.

Feb 1, 1995 Committee Amendment in the Nature of a Substitute Considered as an Original Bill for the Purpose of Amendment.

Feb 1, 1995 House Agreed to Amendments Adopted by the Committee of the Whole.

Feb 1, 1995 Motion to Recommit Failed in House by Voice Vote.

Feb 1, 1995 Passed House (Amended) by Recorded Vote: 360–74 (Record Vote No. 83).

Feb 1, 1995 The House took from the Speaker's table and moved to the consideration of S. 1, a similar measure to H.R. 5.

Feb 1, 1995 For Further Action See S. 1.

Senate Version:

Jan 4, 1995 Referred to Senate Committee on the Budget.

Jan 9, 1995 Committee Consideration and Mark-up Session held.

Jan 9, 1995 Ordered to be Reported (amended).

Jan 9, 1995 Reported to Senate (Amended) by Senate Committee on the Budget.

Jan 4, 1995 Referred to Senate Committee on Governmental Affairs.

Jan 5, 1995 Committees on Budget; Governmental Affairs. Joint hearings held.

Jan 9, 1995 Committee Consideration and Mark-up Session held.

b. H.R. 2, Line Item Veto Act of 1995

a. Report Number and Date.—House Report No. 104–11, Pt. II, January 30, 1995.

b. Summary of Measure.—H.R. 2, the Line-Item Veto Act of 1995, supplements the President's existing impoundment authority by creating a new item-veto process for individual appropriations and targeted tax benefits contained in Federal tax and spending bills. Under H.R. 2, items which the President proposes to veto or rescind will automatically be canceled unless both Houses of Congress vote to disapprove the President's veto recommendations within a fixed time period. If both Houses disapprove the President's recommendations by a bill or joint resolution, the President retains his constitutional authority to veto the disapproval measure, forcing the Congress to obtain a two-thirds vote in each House to override. H.R. 2 permits the President to choose between using its new item-veto process or the existing impoundment process contained in title X of the Congressional Budget Act.

c. Legislative History/Status.—H.R. 2 was introduced on January 4, 1995, and was approved and ordered reported, as amended, by the Committee on Government Reform and Oversight on January 25, 1995. On January 26, 1995, the Committee on Rules asserted its sequential referral by marking-up the bill. The Rules Committee ordered the bill reported with two amendments which more closely defined the format of the President's special disapproval message. An amendment in the nature of a substitute to H.R. 2, incorporating both the Government Reform and Oversight and Rules Committee amendments, passed the House of Representatives on February 6, 1995. The bill remained in conference with the Senate throughout the first session of the 104th Congress.

d. Hearings and Committee Actions.—A joint hearing was held on January 12, 1995, by the House Committee on Government Reform and Oversight and the Senate Committee on Governmental Affairs. In the first panel, testimony was received from Senators John McCain and Dan Coats, and from Representatives Gerald Solomon, Jack Quinn, Mark Neumann and Michael Castle. All spoke in favor of the bill. Governor William Weld of Massachusetts then testified to the effectiveness of the line-item veto in controlling State expenditures. Dr. Alice Rivlin, Director of the Office of Management and Budget, spoke on behalf of the Clinton administration and expressed support for the legislation as enhancing the President's authority to cut spending. Dr. Robert Reischauer, Director of the Congressional Budget Office, then cautioned that the bill would provide the President with greater potential power than a constitutionally approved item-veto. Judge Gilbert S. Merritt, Chief Judge of the Sixth Circuit and chairman of the Executive Committee of the Judicial Conference, expressed concern over applying the line-item veto to appropriations acts for the judiciary. The hearing ended with the final panel, which consisted of Joseph Winkelmann of Citizens Against Government Waste, David Keating of the National Taxpayers' Union, and Dr. Norman Ornstein of the American Enterprise Institute, taking different views of the bill. Mr. Winkelmann and Mr. Keating strongly supported H.R. 2, while Dr.

Ornstein regarded the bill as more of a transfer of congressional power to the President than a process for true spending restraint.

e. Legislative Time Line.—

Jan 4, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Jan 12, 1995 Joint hearings held by the Committee on Government Reform and Oversight and by the Senate Committee on Governmental Affairs.

Jan 25, 1995 Committee Consideration and Mark-up Session held.

Jan 25, 1995 Ordered to be Reported (Amended) by the Yeas and Nays: 30–11.

Jan 30, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–11 (Pt. II).

Jan 4, 1995 Referred to House Committee on Rules.

Jan 26, 1995 Committee Consideration and Mark-up Session held.

Jan 26, 1995 Ordered to be Reported (Amended) by the Yeas and Nays: 9–4.

Jan 27, 1995 Reported to House (Amended) by House Committee on Rules Report No. 104–11 (Pt. I).

Jan 30, 1995 Placed on Union Calendar No. 5.

Feb 1, 1995 Rules Committee Resolution H. Res. 55 Reported to House.

Feb 1, 1995 Committee on Rules Granted, by a Non-Recorded Vote, an Open Rule Providing Two Hours of General Debate; Making in Order an Amendment in the Nature of a Substitute Printed in the Report Accompanying the Rule as an Original Bill for Amendment Purposes; Waiving Clause 7 Against the Amendment in the Nature of a Substitute; Giving Priority Recognition to Members who have Pre-Printed their Amendments in the Congressional Record; Providing One Motion to Recommit, With or without Instructions.

Feb 2, 1995 Rule Passed House.

Feb 2, 1995 Called up by House by Rule.

Feb 2, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 2 as unfinished business.

Feb 3, 1995 Considered by House Unfinished Business.

Feb 3, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 2 as unfinished business.

Feb 6, 1995 Considered by House Unfinished Business.

Feb 6, 1995 Committee Amendment in the Nature of a Substitute Considered as an Original Bill for the Purpose of Amendment.

Feb 6, 1995 House Agreed to Amendments Adopted by the Committee of the Whole.

Feb 6, 1995 Motion to Recommit with Instructions Failed in House by Yea-Nay Vote: 185–241 (Record Vote No. 94).

Feb 6, 1995 Passed House (Amended) by Recorded Vote: 294–134 (Record Vote No. 95).

Feb 7, 1995 Received in the Senate.

Feb 7, 1995 Referred to Senate Committee on the Budget.
Feb 7, 1995 Referred to Senate Committee on Governmental Affairs.
May 17, 1995 For Further Action See S. 4.

Senate Version (S. 4):

Jan 4, 1995 Referred to Senate Committee on the Budget.
Jan 18, 1995 Committee on Budget. Hearings held.
Feb 14, 1995 Committee Consideration and Mark-up Session held.
Feb 14, 1995 Ordered to be Reported Without Recommendation (amended).
Feb 27, 1995 Reported to Senate (Amended) by Senate Committee on the Budget Report No. 104–9.
Jan 4, 1995 Referred to Senate Committee on Governmental Affairs.
Feb 23, 1995 Committee on Governmental Affairs. Hearings held.
Mar 2, 1995 Ordered to be Reported Without Recommendation.
Mar 7, 1995 Reported to Senate by Senate Committee on Governmental Affairs Report No. 104–13.
Mar 7, 1995 Placed on Senate Legislative Calendar under General Orders. Calendar No. 26.
Mar 20, 1995 Measure laid before Senate by Unanimous Consent.
Mar 20, 1995 The reported Budget Committee amendments were withdrawn in Senate.
Mar 20, 1995 Cloture motion on SP 347 presented in Senate.
Mar 21, 1995 Considered by Senate.
Mar 21, 1995 Second cloture motion on amendment SP 347 presented in Senate.
Mar 22, 1995 Considered by Senate.
Mar 22, 1995 The first and second cloture motions on SP 347 were vitiated by Unanimous Consent.
Mar 23, 1995 Considered by Senate.
Mar 23, 1995 Passed Senate (amended) by Yea-Nay Vote: 69–29 (Record Vote No. 115).
May 16, 1995 Rules Committee Resolution H. Res. 147 Reported to House.
May 17, 1995 Considered in House by Motion.
May 17, 1995 House Struck All After the Enacting Clause and Substituted the Language of H.R. 2.
May 17, 1995 Passed House (Amended) by Voice Vote.
Jun 20, 1995 Senate disagreed to the House amendments.
Jun 20, 1995 Senate requested a conference.
Jun 20, 1995 The Senate appointed conferees: Stevens, Roth, Thompson, Cochran, McCain, Glenn, Levin, Pryor, Sarbanes, Domenici, Grassley, Nickles, Gramm, Coats, Exon, Hollings, Johnston, and Dodd.
Sep 7, 1995 House Insisted upon its Amendments.
Sep 7, 1995 House Requested a Conference.
Sep 7, 1995 House Conferees Instructed by Voice Vote.
Sep 7, 1995 The Speaker appointed conferees: Clinger, Solomon, Bunning, Goss, Blute, Collins (IL), Sabo, and Beilenson.
Sep 27, 1995 Conference held.

Oct 25, 1995 House Conferees Instructed Agreed to by the Yea-Nay Vote: 381–44 (Record Vote No. 736).

c. H.R. 1670, The Federal Acquisition Reform Act of 1995

a. Report Number and Date.—Report No. 104–222, Pt. 1, together with additional minority views; August 1, 1995.

b. Summary of Measure.—During this time of declining Federal budgets, Chairman Clinger and his colleagues sought to eliminate the mass of requirements littering the current Federal procurement system that has led to too much money being spent for too little product. H.R. 1670 would remove from statute many of these unnecessary government-unique requirements which are often non-value added obstacles to doing business with the Federal Government.

This legislation would make changes to the current competition standard; increase the government's purchase of commercial items; streamline current procurement integrity statutes; provide that it is the policy of the Federal Government to acquire goods and services from the private sector; and consolidate current contract disputes and bid protest forums into two streamlined entities, one for Department of Defense acquisitions and the other for the civilian agencies.

c. Legislative History/Status.—On June 14, 1995, a version of H.R. 1670 was offered on the floor of the House of Representatives as an amendment to the fiscal year 1996 Department of Defense Authorization Act; adopted and amended by Congresswoman Cardiss Collins' second degree amendment to remove Title I of H.R. 1670, and replace it with language which would retain the current statutory competition standard and include further statutory revisions.

An amendment in the nature of a substitute to H.R. 1670 was developed prior to committee mark-up to reflect the views of other Members of Congress (both Republican and Democrat), industry associations, senior industry executives, the administration, government contracting officials, representatives of both large and small business, and from other interested individuals. The Committee on Government Reform and Oversight met on July 27, 1995, to consider H.R. 1670. The bill, as amended, was favorably reported to the House by voice vote and without further amendment by the full Committee.

H.R. 1670 was passed on the floor of the House of Representatives on September 14, 1995, by an overwhelming vote of 423–0. The bill was sent to the Senate and referred to the Committee on Governmental Affairs.

H.R. 1670 was included in a modified form in the final conference report to accompany S. 1124, the Fiscal Year 1996 Department of Defense Authorization Act. S. 1124 was signed by the President on February 10, 1996, and became Public Law 104–106.

d. Hearings and Committee Actions.—A joint hearing by the Committee on Government Reform and Oversight and the Committee on National Security was held on May 25, 1995, to solicit views on H.R. 1670 as introduced on May 18, 1995. Procurement experts representing both government and industry provided comment.

Statements presented by industry representatives emphasized that H.R. 1670 would shift presumptions of private and public-sector business interaction from a negative one to a positive one, and would permit things to be done cheaper, faster, and better than currently is being done today. These representatives identified H.R. 1670 as clearly making a long-term mark on the acquisition system to prepare it for the 21st century.

e. Legislative Time Line.—

May 18, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

May 25, 1995 Joint hearings held by the Committee on Government Reform and Oversight and by the Committee on National Security.

Jul 27, 1995 Committee Consideration and Mark-up Session held.

Jul 27, 1995 Ordered to be Reported by Voice Vote.

Aug 1, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–222 (Pt. I).

May 18, 1995 Referred to House Committee on National Security.

Aug 1, 1995 House Committee on National Security Granted an Extension for Further Consideration Ending not Later Than August 2, 1995.

Aug 2, 1995 House Committee on National Security Granted an Extension for Further Consideration Ending not Later Than October 2, 1995.

May 22, 1995 Executive Comment Requested from DOD.

May 25, 1995 Joint hearings held by the Committee on National Security and by the Committee on Government Reform and Oversight.

May 18, 1995 Referred to House Committee on the Judiciary.

Aug 1, 1995 House Committee on the Judiciary Granted an Extension for Further Consideration ending not Later Than August 2, 1995.

Aug 2, 1995 House Committee on the Judiciary Granted an Extension for Further Consideration Ending not Later Than October 2, 1995.

Jul 18, 1995 Referred to Subcommittee on Commercial and Administrative Law.

Sep 12, 1995 Committee on Rules Granted, by Voice Vote, an Open Rule Providing One Hour of General Debate; Waiving Points of Order against Consideration of the Bill for Failure to Comply with Section 302(f) and 308(a) of the Budget Act; Making in Order the Amendment in the Nature of a Substitute Recommended by the Committee on Government Reform and Oversight as an Original Bill for the Purpose of Amendment; Waiving Points of Order against the Committee Amendment in the Nature of a Substitute for Failure to Comply with Clause 5(a) of Rule XXI and Section 302(f) of the Budget Act; Giving Priority Recognition to Members who have Pre-Printed Amendments in the Congressional Record; Providing One Motion to Recommit, With or Without Instructions.

Sep 12, 1995 Rules Committee Resolution H. Res. 219 Reported to House.

Sep 12, 1995 Referred to House Committee on Small Business Sequentially, for a Period Ending not Later Than September 12, 1995.

Sep 12, 1995 House Committee on Small Business Discharged by Unanimous Consent.

Sep 13, 1995 Rule Passed House.

Sep 13, 1995 Called up by House by Rule.

Sep 13, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 1670 as Unfinished business.

Sep 14, 1995 Considered by House Unfinished Business.

Sep 14, 1995 Committee Amendment in the Nature of a Substitute Considered as an Original Bill For the Purpose of Amendment.

Sep 14, 1995 House Agreed to Amendments Adopted by the Committee of the Whole.

Sep 14, 1995 Passed House (Amended) by Recorded Vote: 423–0 (Record Vote No. 663).

Sep 18, 1995 Received in the Senate.

Sep 18, 1995 Referred to Senate Committee on Governmental Affairs.

Senate Version (S. 1124):

Jan 23, 1996 House Committee on Rules Reported an Original Measure. Report No. 104–451.

Jan 23, 1996 Placed on House Calendar No. 178.

Jan 24, 1996 Called up by House as Privileged Matter.

Jan 24, 1996 Resolution Agreed to in House by Voice Vote.

d. H.R. 1038, a bill to revise and streamline the acquisition laws of the Federal Government.

a. Report Number and Date.—None.

b. Summary of Measure.—On February 24, 1995, Chairman William F. Clinger, Jr., of the Committee on Government Reform and Oversight, Chairman Floyd D. Spence of the Committee on National Security, and Chairman Benjamin A. Gilman of the Committee on International Relations, introduced H.R. 1038 to revise and streamline the acquisition laws of the Federal Government. The bill addressed two issues: repeal of the recoupment of research and development costs, and a rewrite of the Procurement Integrity laws.

c. Legislative History/Status.—Included as part of H.R. 1670, the Federal Acquisition Reform Act of 1995 in May 1995, which subsequently was modified and included in the conference report to S. 1124, the Fiscal Year 1996 Department of Defense Authorization Act (Public Law 104–106).

d. Hearings and Committee Actions.—The bill was referred to the Subcommittee on Government Management, Information, and Technology, which met pursuant to notification on February 28, 1995, to solicit additional proposals for further simplifying and streamlining the Federal procurement system. At the hearing, testimony was received from various procurement specialists in the contracting community representing government and industry.

Generally, the comments of the witnesses were as follows: those representing the government expressed the need for less congressional micro-management and greater flexibility and authority for agency contracting officers; those representing businesses, both large and small, reiterated their long held views about reducing government rules and regulations so they could sell to government agencies like they do to private sector buyers; and those representing other groups complained that existing laws are too complicated and too confusing.

The various proposals for reform brought forward by the witnesses ranged from minor technical corrections to a complete overhaul of the system.

e. Legislative Time Line.—

Feb 24, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, International Relations, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Mar 16, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Feb 24, 1995 Referred to House Committee on National Security.

Mar 6, 1995 Executive Comment Requested from DOD.

Feb 24, 1995 Referred to House Committee on International Relations.

Feb 24, 1995 Referred to House Committee on the Judiciary.

Mar 15, 1995 Referred to Subcommittee on Commercial and Administrative Law.

Senate Version (S. 1124):

May 2, 1995 Referred to House Committee on National Security.

May 16, 1995 Referred to Subcommittee on Military Research and Development.

May 17, 1995 Subcommittee Consideration and Mark-up Session held.

May 23, 1995 Subcommittee Consideration and Mark-up Session held.

May 23, 1995 Forwarded by subcommittee to full committee (Amended) by the Yeas and Nays: 21–1.

May 16, 1995 Referred to Subcommittee on Military Personnel.

May 17, 1995 Subcommittee Consideration and Mark-up Session held.

May 18, 1995 Subcommittee Consideration and Mark-up Session held.

May 18, 1995 Forwarded by subcommittee to full committee by Voice Vote.

May 16, 1995 Referred to Subcommittee on Military Readiness.

May 17, 1995 Subcommittee Consideration and Mark-up Session held.

May 18, 1995 Subcommittee Consideration and Mark-up Session held.

May 18, 1995 Forwarded by subcommittee to full committee by Voice Vote.

May 16, 1995 Referred to Subcommittee on Military Installations and Facilities.

May 17, 1995 Subcommittee Consideration and Mark-up Session held.

May 17, 1995 Forwarded by subcommittee to full committee by Voice Vote.

May 16, 1995 Referred to Subcommittee on Military Procurement.

May 17, 1995 Subcommittee Consideration and Mark-up Session held.

May 23, 1995 Subcommittee Consideration and Mark-up Session held.

May 23, 1995 Forwarded by subcommittee to full committee by the Yeas and Nays: 23–2.

May 24, 1995 Committee Consideration and Mark-up Session held.

May 24, 1995 Ordered to be Reported (Amended) by the Yeas and Nays: 43–8.

Jun 1, 1995 Reported to House (Amended) by House Committee on National Security Report No. 104–131.

Jun 1, 1995 Placed on Union Calendar No. 56.

Jun 8, 1995 Rules Committee Resolution H. Res. 164 Reported to House.

Jun 13, 1995 Rule Passed House.

Jun 13, 1995 Called up by House by Rule.

Jun 13, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 1530 as unfinished business.

Jun 14, 1995 Considered by House Unfinished Business.

Jun 14, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 1530 as unfinished business.

Jun 15, 1995 Considered by House Unfinished Business.

Jun 15, 1995 Committee Amendment in the Nature of a Substitute Considered as an Original Bill for the Purpose of Amendment.

Jun 15, 1995 House Agreed to Amendments Adopted by the Committee of the Whole.

Jun 15, 1995 Motion to Recommit with Instructions Failed in House by Yea-Nay Vote: 188–239 (Record Vote No. 384).

Jun 15, 1995 Passed House (Amended) by Recorded Vote: 300–126 (Record Vote No. 385).

Jun 20, 1995 Received in the Senate.

Jun 20, 1995 Referred to Senate Committee on Armed Services.

Sep 6, 1995 Senate Committee on Armed Services discharged by Unanimous Consent.

Sep 6, 1995 Measure laid before Senate by Unanimous Consent.

Sep 6, 1995 Senate Struck All After the Enacting Clause and Substituted the Language of S. 1026 Amended.

Sep 6, 1995 Passed Senate in lieu of S. 1026 By Yea-Nay Vote: 64–34 (Record Vote No. 399).

Sep 6, 1995 S. 1124, S. 1125, and S. 1126 passed the Senate relating to this measure by Unanimous Consent.

Sep 6, 1995 Senate insisted upon its amendment.

Sep 6, 1995 Senate requested a conference.

Sep 8, 1995 The Senate appointed conferees: Thurmond, Warner, Cohen, McCain, Lott, Coats, Smith, Kempthorne, Hutchison, Inhofe, Santorum, Nunn, Exon, Levin, Kennedy, Bingaman, Glenn, Byrd, Robb, Lieberman, and Bryan.

Sep 21, 1995 House Disagreed to the Senate Amendment by Unanimous Consent.

Sep 21, 1995 House Agreed to a Conference.

Sep 21, 1995 House Conferees Instructed Agreed to by the Yea-Nay Vote: 415–2 (Record Vote No. 684).

Sep 21, 1995 House Closed portions of the Conference to the public by Yea-Nay Vote: 414–1 (Record Vote No. 685).

Sep 21, 1995 The Speaker appointed conferees from the Committee on National Security for consideration of the House bill (except for secs. 801–03, 811–14, 826, 828–32, 834–38, 842–43, 850–96) and the Senate amendment (except for secs. 801–03, 815–18, 2851–57, and 4001–4801), and modifications committed to conference: Spence, Stump, Hunter, Kasich, Bateman, Hansen, Weldon (PA), Dornan, Hefley, Saxton, Cunningham, Buyer, Torkildsen, Fowler, McHugh, Watts (OK), Jones, Longley, Dellums, Montgomery, Schroeder, Skelton, Sisisky, Spratt, Ortiz, Pickett, Evans, Tanner, Browder, Taylor (MS), Abercrombie, Edwards, and Peterson (FL).

Sep 21, 1995 The Speaker appointed conferees from the Committee on National Security for consideration of secs. 801–03, 811–14, 826, 828–32, 834–38, 842–43, and 850–96 of the House bill and secs. 801–03 and 815–818 of the Senate amendment, and modifications committed to conference: Spence, Stump, Watts (OK), Dellums, and Spratt.

Sep 21, 1995 The Speaker appointed conferees from the Committee on National Security for consideration of secs. 2851–57 of the Senate amendment, and modifications committed to conference: Spence, Hefley, Jones, Ortiz, and Montgomery.

Sep 21, 1995 The Speaker appointed conferees from the Committee on National Security for consideration of secs. 4001–4801 of the Senate amendment, and modifications committed to conference: Spence, Stump, Torkildsen, Watts (OK), Longley, Dellums, Edwards, and Peterson (FL).

Sep 21, 1995 The Speaker appointed additional conferees from the Permanent Select Committee on Intelligence for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII: Combest, Young (FL), and Dicks.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Agriculture for consideration of sections 2851–57 of the Senate amendment, and modifications committed to conference: Roberts, Allard, LaHood, de la Garza, and Johnson (SD).

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Commerce for consideration of secs. 601 and 3402–04 of the House bill and secs. 323, 601, 705, 734, 2824, 2851–57, 3106–07, 3166, and 3301–02 of the Senate amendment, and modifications committed to conference: Bliley, Schaefer, and Dingell.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Economic and Educational Opportunities for consideration of sec. 394 of the House bill, and secs. 387 and 2813 of

the Senate amendment, and modifications committed to conference: Goodling, Riggs, and Clay.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Government Reform and Oversight for consideration of sections 332, 333, and 338 of the House bill, and sections 333 and 336–43 of the Senate amendment, and modifications committed to conference: Clinger, Mica, Bass, Collins (IL), and Maloney.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Government Reform and Oversight for consideration of sec. 801–03, 811–14, 826, 828–32, 834–40, and 842–43 of the House bill, and secs. 801–03 and 815–18 of the Senate amendment, and modifications committed to conference: Clinger, Horn, Davis, Collins (IL), and Maloney.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Government Reform and Oversight for consideration of secs. 850–96 of the House bill, and modifications committed to conference: Clinger, Davis, and Collins (IL).

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Government Reform and Oversight for consideration of secs. 4001–4801 of the Senate amendment, and modifications committed to conference: Clinger, Schiff, Zeliff, Horn, Davis, Collins (IL), Maloney, and Spratt.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on House Oversight for consideration of sec. 1077 of the Senate amendment, and modifications committed to conference: Thomas, Roberts, and Hoyer.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on International Relations for consideration of secs. 231–32, 235, 237–38, 242, 244, 1101–08, 1201, 1213,1221–30, and 3131 of the House bill and secs. 231–33, 237–38, 240–41, 1012, 1041–44, 1051–64, and 1099 of the Senate amendment, and modifications committed to conference: Gilman, Goodling, Roth, Bereuter, Smith (NJ), Hamilton, Gejdenson, and Lantos.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on the Judiciary for consideration of secs. 831 (only as it adds a new sec. 27(d) to the Office of Federal Procurement Policy Act), and 850–96 of the House bill and secs. 525, 1075, and 1098 of the Senate amendment, and modifications committed to conference: Hyde, Gekas, and Conyers.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Rules for consideration of sec. 3301 of the Senate amendment, and modifications committed to conference: Solomon, Dreier, and Beilenson.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Science for consideration of secs. 203, 211, and 214 of the House bill and secs. 220–21, 3137, 4122(a)(3), 4161, 4605, and 4607 of the Senate amendment, and modifications committed to conference: Walker, Sensenbrenner, and Brown (CA).

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Transportation and Infrastructure for consideration of secs. 223, 322, 2824, and 2851–57 of the Senate amendment, and modifications committed to conference: Shuster, Weller, and Oberstar.

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Veterans' Affairs for consideration of sec. 2806 of the House bill and secs. 644–45 and 4604 of the Senate amendment, and modifications committed to conference: Smith (NJ), Hutchison, and Kennedy (MA).

Sep 21, 1995 The Speaker appointed additional conferees from the Committee on Ways and Means for consideration of secs. 705, 734, and 1021 of the Senate amendment, and modifications committed to conference: Archer, Thomas, and Stark.

Sep 28, 1995 Conference held.

Dec 12, 1995 Conference held.

Dec 12, 1995 Conferees agreed to file conference report.

Dec 13, 1995 Conference report H. Rept. 104–406 filed.

Dec 14, 1995 Rules Committee Resolution H. Res. 307 Reported to House.

Dec 14, 1995 Committee on Rules Granted, by Voice Vote, a Rule Waiving All Points of Order Against the Conference Report and Against Its Consideration.

Dec 15, 1995 Rule Passed House.

Dec 15, 1995 House Agreed to Conference Report by Yea-Nay Vote: 267–149 (Record Vote No. 865).

Dec 15, 1995 Conference report considered in Senate.

Dec 18, 1995 Conference report considered in Senate.

Dec 19, 1995 Conference report considered in Senate.

Dec 19, 1995 Senate agreed to the conference report by Yea-Nay Vote: 51–43 (Record Vote No. 608).

Dec 19, 1995 Cleared for White House.

Dec 22, 1995 Presented to President.

Dec 28, 1995 Vetoed by President.

Jan 3, 1996 Failed of Passage in House Over Veto by Yea-Nay Vote: 240–156 (Record Vote No. 3).

Jan 3, 1996 Veto Message and Bill Referred to House Committee on National Security.

Jan 23, 1996 House Committee on Rules Reported an Original Measure. Report No. 104–451.

Jan 23, 1996 Placed on House Calendar No. 178.

Jan 24, 1996 Called up by House as Privileged Matter.

Jan 24, 1996 Resolution Agreed to in House by Voice Vote.

Feb 10, 1996 Became Public Law No. 104–106.

e. H.R. 830, The Paperwork Reduction Act of 1995

a. Report Number and Date.—Report No. 104–37, February 15, 1995.

b. Summary of Measure.—The Paperwork Reduction Act is intended to:

1. Reauthorize appropriations for the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) to carry out the provisions of the Paperwork Reduction Act of 1980 as amended.

2. Strengthen OIRA and agency responsibilities for the reduction of paperwork burdens on the public, particularly through the inclusion of all federally sponsored collections of information in a clearance process involving public notice and comment, public protection, and OIRA review.

3. Establish policies to promote the dissemination of public information on a timely and equitable basis, and in useful forms and formats.

4. Strengthen agency accountability for managing information resources in support of efficient and effective accomplishment of agency missions and programs.

5. Improve OIRA and other central management agency oversight of agency information resources management (IRM) policies and practices.

The legislation was premised on the committee's continuing belief in the principles and requirements of the Paperwork Reduction Act of 1980. All of the legislation's amendments to the 1980 act, as amended in 1986, are intended to further its original purposes—to strengthen OMB and agency paperwork reduction efforts, to improve OMB and agency information resources management, including in specific functional areas such as information dissemination, and to encourage and provide for more meaningful public participation in paperwork reduction and broader information resources management decisions.

With regard to the reduction of information collection burdens the legislation increases the act's 1986 goal of an annual 5 percent reduction in the public paperwork burdens to 10 percent during the first 2 years of authorization and 5 percent thereafter. OMB is required to include in its annual report to Congress recommendations to revise statutory paperwork burdens if this goal is not reached. The legislation includes third-party disclosure requirements in the definition of collection of information to overturn the Supreme Courts decision, *Dole* v. *United Steelworkers of America* (494 U.S. 26 (1990)). This will ensure that collection and disclosure requirements are covered by the OMB paperwork clearance process. The act is also amended to require each agency to develop a paperwork clearance process to review and solicit public comment on proposed information collections before submitting them to OMB for review. Public accountability is also strengthened through requirements for public disclosure of communications with OMB regarding information collections (with protections for whistle blowers complaining of unauthorized collections), and for OMB to review the status of any collection upon public request. In combination with more general requirements, such as encouraging data sharing between the Federal Government and State, local and tribal governments, the legislation strives to further the act's goals of minimizing Government information collection burdens, while maximizing the utility of Government information.

The legislation also adds further detail to strengthen other functional areas such as statical policy and information dissemination. The dissemination provisions, for example, delineate clear policies that were not articulated in the act's previous references to dissemination. The provisions require OMB to develop government-wide policies and guidelines for information dissemination and to promote public access to information maintained by Federal agencies. In turn, the agencies are to: ensure that the public has timely and equitable access to public information; solicit public input on their information dissemination activities; and not establish restrictions on dissemination or redissemination. Emphasis is placed on

efficient and effective use of new technology and a reliance on a diversity of public private sources of information to promote dissemination of Government information, particularly in electronic formats.

With regard to over-arching information resources management (IRM) policies, the legislation charges agency heads with the responsibility to carry out agency IRM activities to improve agency productivity, efficiency, and effectiveness. It makes program officials responsible and accountable for those information resources supporting their program. The IRM mandate is strengthened by focusing on managing information resources in order to improve program performance, including the delivery of services to the public and the reduction of information collection burdens on the public.

To improve accountability for agency IRM responsibilities, as well as responsibilities for paperwork reduction, the agency responsibilities provided in the act are amended to complement and more directly parallel OMB's functional responsibilities. Further, to prompt agencies to reform their management practices, the bill requires each agency head to establish an IRM steering committee, develop an IRM strategic planning process, and develop IRM performance measures linked to program performance. In these various pursuits, the goal is to integrate the management of information resources with program management and assure the use of the resources to achieve agency missions. With the Federal Government spending approximately $25 billion a year on information technology, the stakes are too high not to press for the most efficient and effective management of information resources. The reduction of information collection burdens on the public and maximizing the utility of Government information will not otherwise occur.

c. Legislative History/Status.—H.R. 830, the Paperwork Reduction Act of 1995, was introduced on February 6, 1995, by Government Reform and Oversight Committee Chairman William F. Clinger, Jr., for himself, Congressmen Norman Sisky, David McIntosh, chairman of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, and other Members of Congress.

The President signed the bill on May 22, 1995, as Public Law 104–13.

d. Hearings and Committee Actions.—After introduction, H.R. 830 was referred to the Committee on Government Reform and Oversight. On February 6, 1995, Chairman Clinger referred the bill to the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs for consideration. On February 7, 1995, the subcommittee, under the direction of Chairman McIntosh, held a hearing to consider reauthorization of appropriations for the Paperwork Reduction Act, OIRA's implementation of the act, and OIRA's conduct of regulatory review under Presidential Executive order. Testimony included comment and discussion of H.R. 830.

Witnesses at the February 8, 1995 hearing were: Sally Katzen, Administrator, Office of Information and Regulatory Affairs; Mr. James McIntyre, former Director of the Office of Management and Budget and currently an attorney; Mr. James Miller, former Direc-

tor of the Office of Management and Budget and current chairman of the Citizens for a Sound Economy; Mr. Gene Dodaro, Assistant Comptroller General, General Accounting Office accompanied by Mr. Chris Hoenig, also of GAO; Mr. Robert Coakley, executive director, Council on Regulatory and Information Management; Jack Sheehan, legislative director, United Steelworkers of America; and Bob Stolmeier, president, KLC Corp.

At the hearing, Clinton administration witness Sally Katzen testified squarely in support of H.R. 830:

> It is truly gratifying to be here today in what I hope is the last phase of improving and strengthening the Paperwork Reduction Act. For more than 2 years Congress has had legislative proposals to update and expand the Paperwork Reduction Act consistent with and building upon its original purposes. My commendations to the congressional staff who have worked professionally and constructively to develop a consensus, a bipartisan approach, which is contained in H.R. 830 and in the Senate, 244, which the Senate Governmental Affairs Committee reported out on February 1. We are pleased to report that the administration supports those efforts.

After taking into consideration the testimony of the witnesses at the February 7 hearing, and after further consultation with the staff of the House Small Business Committee, the Senate Committee on Governmental Affairs, and with staff of the General Accounting Office and Office of Management and Budget, the subcommittee held a mark-up of H.R. 830 on February 8, 1995. The full committee held its mark-up on February 10, 1995, and voted, 40 in favor and 4 against, to report H.R. 830, as amended, favorably to the full House.

e. Legislative Time Line.—

Feb 6, 1995 Referred to House Committee on Government Reform and Oversight.

Feb 6, 1995 Referred to Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs.

Feb 7, 1995 Subcommittee hearings held.

Feb 8, 1995 Subcommittee Consideration and Mark-up Session held.

Feb 8, 1995 Forwarded by subcommittee to full committee by Voice Vote.

Feb 10, 1995 Committee Consideration and Mark-up Session held.

Feb 10, 1995 Ordered to be Reported (Amended).

Feb 15, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–37.

Feb 15, 1995 Placed on Union Calendar No. 19.

Feb 21, 1995 Committee on Rules, by a Voice Vote, Granted an Open Rule Providing One Hour of General Debate; Providing One Motion to Recommit With or Without Instructions.

Feb 21, 1995 Rules Committee Resolution H. Res. 91 Reported to House.

Feb 22, 1995 Rule Passed House.

Feb 22, 1995 Called up by House by Rule.

Feb 22, 1995 Committee Amendment in the Nature of a Substitute Considered as an Original Bill for the Purpose of Amendment.

Feb 22, 1995 House Agreed to Amendments Adopted by the Committee of the Whole.

Feb 22, 1995 Passed House (Amended) by Recorded Vote: 418–0. 6 Present (Record Vote No. 157).

Feb 23, 1995 Received in the Senate.

Feb 23, 1995 Read twice. Placed on Senate Legislative Calendar under General Orders. Calendar No. 23.

Mar 3, 1995 Pursuant to the Provisions of H. Res. 101 the House Incorporated the Text of this Measure, as Passed by the House, into H.R. 9.

Jun 8, 1995 Indefinitely postponed by Senate by Unanimous Consent.

Jun 8, 1995 For Further Action See S. 244.

Senate Version (S. 244):

Jan 19, 1995 Referred to Senate Committee on Governmental Affairs.

Feb 1, 1995 Committee Consideration and Mark-up Session held.

Feb 1, 1995 Ordered to be Reported (amended).

Feb 14, 1995 Reported to Senate (Amended) by Senate Committee on Governmental Affairs Report No. 104–8.

Feb 14, 1995 Placed on Senate Legislative Calendar under General Orders. Calendar No. 21.

Mar 6, 1995 Measure laid before Senate by Unanimous Consent.

Mar 7, 1995 Passed Senate (amended) by Yea-Nay Vote: 99–0 (Record Vote No. 100).

Mar 10, 1995 Considered by unanimous consent.

Mar 10, 1995 House Struck All After the Enacting Clause and Substituted the Language of H.R. 830. Agreed to Without Objection.

Mar 10, 1995 Passed House (Amended) by Voice Vote.

Mar 10, 1995 House Insisted upon its Amendment.

Mar 10, 1995 House Requested a Conference.

Mar 10, 1995 The Speaker appointed conferees: Clinger, Meyers, McHugh, McIntosh, Fox, Collins (IL), Peterson (MN), and Wise.

Mar 15, 1995 Senate disagreed to the House amendment by Voice Vote.

Mar 15, 1995 Senate agreed to request for Conference.

Mar 15, 1995 The Senate appointed conferees: Roth, Cohen, Cochran, Glenn, and Nunn.

Mar 31, 1995 Conference held.

Mar 31, 1995 Conferees agreed to file conference report.

Apr 3, 1995 Conference report H. Rept. 104–99 filed. Filed late, pursuant to previous special order.

Apr 6, 1995 Senate agreed to the conference report by Unanimous Consent.

Apr 6, 1995 House Agreed to Conference Report by Yea-Nay Vote: 423–0, 2 Present (Roll No. 299).

Apr 6, 1995 Cleared for White House.

May 12, 1995 Presented to President.

May 22, 1995 Signed by President.

May 22, 1995 Public Law No. 104–13.

f. S. 790; The Federal Reports Elimination and Sunset Act of 1995

a. Report Number and Date.—Report No. 104–327, November 8, 1995.

b. Summary of Measure.—During consideration of S. 244 the Paperwork Reduction Act of 1995 (PRA), the Senate adopted two amendments which dealt with the elimination or modification of certain congressionally mandated reporting requirements and also placed a sunset on other similar reports. These amendments were offered by Senators John McCain (R–AZ) and Carl Levin (D–MI). Conferees meeting to resolve differences between the House and Senate versions of the PRA agreed to offer the McCain and Levin amendments as separate and freestanding legislation. The PRA was signed into law on May 22, 1995, as Public Law 104–13 without the McCain and Levin amendments.

After the President signed the Paperwork Reduction Act of 1995 into law, House and Senate staffers in both the majority and minority began meeting to initiate the work necessary to present this bill to the House Government Reform and Oversight Committee and the Senate Governmental Affairs Committee.

The Paperwork Reduction Act sets the standard by which Congress can continue to alleviate the paperwork burden on executive branch agencies. The Federal Report Elimination and Sunset Act of 1995 continues that work. By mandate, executive branch agencies annually produce thousands of reports to Congress. Many are outdated and no longer necessary. This bill eliminates or modifies nearly 200 such reporting requirements and establishes a sunset on all others.

S. 790 was needed not merely to alleviate the burden on the executive branch but to also allow the Government to focus its energy on more important issues, thereby better utilizing their time. On December 21, 1982, President Ronald Reagan signed the Congressional Reports Elimination Act of 1982 into law (Public Law 97–375) and 13 years later the Federal Reports Elimination and Sunset Act continues, with the same strong bi-partisan support that the 1982 act received, to relieve the Federal Government of needless and burdensome paperwork. President Reagan said in his statement that this was a, "useful and constructive step in reducing unnecessary paperwork and in improving executive branch operations." Also, given increasing costs of report production, this bill will help control costs in keeping with this committee's efforts to increase the efficiency of the Federal Government.

c. Legislative History/Status.—Senators McCain and Levin introduced S. 790, the Federal Reports Elimination and Sunset Act of 1995, on May 11, 1995. It was reported favorably by the Senate Committee on Governmental Affairs and was approved by the Senate by a unanimous voice vote on July 17, 1995.

In his floor speech, Senator Levin compared S. 790 to S. 2157, which he and Senator Cohen introduced in 1994. The Senator explained that the list of reports included in S. 790 was first compiled by sending out letters asking all 89 executive and independent agencies to identify those reports required by law which were no

longer necessary or useful and could be eliminated or modified. Agencies were asked to produce a clear and substantiated justification for each recommendation made.

Following Senate approval, S. 790 was sent to the U.S. House of Representatives on July 18, 1995, and held at the Clerk's desk. On September 12, 1995, S. 790 was referred to the House Committee on Government Reform and Oversight. On September 14, 1995, Congressman Robert Ehrlich (R–MD) introduced the House companion to S. 790, H.R. 2331, with 9 additional co-sponsors. Congressman Ehrlich echoed the concerns of the Paperwork Reduction Act conferees by urging his colleagues to co-sponsor H.R. 2331 and, "lighten the red tape burden on executive branch agencies so that our government can operate with fewer restrictions and greater efficiency." The Congressman also stated that he has, "the upmost confidence that the President will want to sign this important piece of legislation into law because it allows executive branch agencies to focus more resources on important current issues as opposed to focusing on outdated and unnecessary reporting requirements."

d. Hearings and Committee Actions.—The Government Reform and Oversight Committee, working in cooperation with the Senate Governmental Affairs Committee, distributed a copy of this report to all the House and Senate full committee chairmen and ranking minority members to elicit their views as to whether the changes being made would impede their committees legislative and oversight functions. Their responses were incorporated into the final amendments to this bill.

On September 21, 1995, S. 790 was amended and reported by a unanimous voice vote by the full Committee on Government Reform and Oversight. Committee Chairman William F. Clinger, Jr. (R–PA) praised the Reports Elimination and Sunset Act of 1995 by stating, "this legislation will continue the very positive work this committee started with the Paperwork Reduction Act in a continuing effort to eliminate Federal paperwork burdens." Congresswoman Cardiss Collins (D–IL), the committee's ranking minority member, also expressed her support.

During the committee's September 21, 1995 consideration of S. 790, two en-bloc amendments were offered and passed without objection. The first, by Congresswoman Collins, modified the bill as requested by the International Relations Committee, deleting some of the reports that were slated for elimination and making some minor technical changes. It was approved by a voice vote.

The second amendment was offered by Congressman Ehrlich and also passed by a voice vote. A portion of the Ehrlich amendment reinstated the *Estimated expenditures under the Food Stamp Program* report, at the request of the House Agriculture Committee. The information contained in this report was necessary to the committee as it prepared to vote on the Farm bill.

Also included in this en-bloc amendment was a request from the U.S. Railroad Retirement Board modifying a report dealing with 5-year retirement fund projections to allow for greater accuracy in projecting funds numbers. S. 790 was approved by the Government Reform and Oversight Committee by a unanimous voice vote.

e. Legislative Time Line.—

May 11, 1995 Introduced in the Senate. Read the first time. Placed on Senate Legislative calendar under Read the First Time.

May 15, 1995 Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 108.

Jul 17, 1995 Measure laid before Senate.

Jul 17, 1995 Passed Senate (amended) by Voice Vote.

Sep 12, 1995 Referred to House Committee on Government Reform and Oversight.

Sep 21, 1995 Committee Consideration and Mark-up Session held.

Sep 21, 1995 Ordered to be Reported (Amended).

Nov 8, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–327.

Nov 8, 1995 Placed on Union Calendar No. 177.

Nov 8, 1995 Placed on Corrections Calendar No. 7.

Nov 14, 1995 Considered from the Corrections Calendar.

Nov 14, 1995 Passed House (Amended) by Voice Vote.

Dec 6, 1995 Measure laid before Senate.

Dec 6, 1995 Senate concurred in the House amendment with an amendment (SP 3086) by Voice Vote.

Dec 7, 1995 House Agreed to the Senate Amendments to the House Amendment by Unanimous Consent.

Dec 7, 1995 Cleared for White House.

Dec 12, 1995 Presented to President.

Dec 21, 1995 Signed by President.

Dec 21, 1995 Public Law No. 104–66.

g. H.R. 2326, Health Care Fraud and Abuse Prevention Act of 1995

a. Report Number and Date.—None.

b. Summary of Measure.—The purpose of H.R. 2326 is to prevent, detect, control and penalize fraud and abuse in the provision of health care. The bill provides for improved coordination and data sharing among Federal, State and local law enforcement agencies and private insurers. It creates a new source of funds comprised of fines, penalties, damages and proceeds from forfeitures collected from those in violation of Federal health care fraud and abuse provisions; such funds to be used by Federal and State law enforcement agencies to supplement regularly appropriated funds. The measure establishes, recognizes and defines health care fraud and abuse as a Federal crime and prescribes penalties for violation thereof. Additionally, the legislation details initiatives to be taken in control of fraud and abuse.

c. Legislative History/Status.—H.R. 2326 was introduced on September 13, 1995, and referred to Government Reform and Oversight, Commerce, and Ways and Means. On October 16, 1995, Title II of H.R. 2326 was offered by Mr. Schiff as an amendment to H.R. 2425 "The Medicare Preservation Act of 1995," while Mr. Shays offered Title III as an amendment to that measure. The Rules Committee found the Schiff Amendment in order and it was incorporated into H.R. 2425. The Shays amendment was not. Following mark-up by Commerce, H.R. 2425, which included Title II of H.R. 2326, was incorporated, as amended, into H.R. 2491, "The Balanced Budget Act of 1995," which passed the House on November 20,

1995. The bill was then passed by the Senate and subsequently vetoed by the President.

d. Hearings and Committee Actions.—A hearing was held on September 28, 1995, before the Subcommittee on Human Resources and Intergovernmental Relations to consider both H.R. 2326 and H.R. 1850 introduced by Mr. Towns. Testimony was heard from Helen Smits, M.D., Deputy Administrator, Health Care Financing Administration, accompanied by Bill Gould, Special Assistant to the Administrator; Gerald Stern, Special Counsel for Health Care Fraud, Department of Justice; Lovola Burgess, past president, American Association of Retired Persons; William J. Mahon, executive director, National Health Care Anti-Fraud Association; and Thomas A. Schatz, president, Citizens Against Government Waste. Dr. Smits was wholly in favor of the legislation pointing out the benefits in coordination of law enforcement. Mr. Stern also spoke in favor of the bill, but voiced some concerns held by the Department of Justice specifically regarding the proposed authority of the FBI to issue administrative subpoenas. Ms. Burgess, Mr. Mahon, and Mr. Schatz all spoke in support of both bills although the provisions in H.R. 2326 are more far reaching than H.R. 1850. The hearing ended with the panel members being encouraged by the Members to speak to their own Members and urge co-sponsorship of H.R. 2326.

e. Legislative Time Line.—

Sep 13, 1995 Referred to the Committee on the Judiciary, and in addition to the Committees on Government Reform and Oversight, Ways and Means, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Oct 2, 1995 Referred to Subcommittee on Crime.

Sep 13, 1995 Referred to House Committee on Government Reform and Oversight.

Sep 15, 1995 Referred to Subcommittee on Human Resources and Intergovernmental Relations.

Sep 28, 1995 Subcommittee hearings held.

Sep 15, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Sep 13, 1995 Referred to House Committee on Ways and Means.

Sep 15, 1995 Referred to Subcommittee on Health.

Sep 13, 1995 Referred to House Committee on Commerce.

Sep 18, 1995 Referred to Subcommittee on Health and Environment, for a period to be subsequently determined by the chairman.

II. Investigations

A. INVESTIGATIONS RESULTING IN FORMAL REPORTS

GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

Honorable William F. Clinger, Jr., *Chairman*

1. "A Citizen's Guide on Using the Freedom of Information Act and the Privacy Act of 1974 To Request Government Records," House Report No. 104–156, June 22, 1995, First Report by the Committee on Government Reform and Oversight.

a. Summary.—The Freedom of Information Act (FOIA), enacted in 1966, presumes those records of the executive branch of the U.S. Government are accessible to the public. The Privacy Act of 1974 is a companion to FOIA and regulates Government agency record-keeping and disclosure practices. The Freedom of Information Act provides that citizens have access to Federal Government files with certain restrictions. The Privacy Act provides certain safeguards for individuals against an invasion of privacy by Federal agencies and permits them to see most records pertaining to them maintained by the Federal Government.

A Citizen's Guide on Using the Freedom of Information Act and Privacy Act of 1974 To Request Government Records, House Report 104–156, dated June 22, 1995, and issued by the House Committee on Government Reform and Oversight, explains how to use the two laws and serves as a guide to obtaining information from Federal agencies. The complete texts of the Freedom of Information Act, as amended (5 U.S.C. 552), and the Privacy Act, as amended (5 U.S.C. 552a), are reprinted in the committee report.

b. Benefits.—Federal agencies use the Citizen's Guide in training programs for government employees who are responsible for administering the Freedom of Information Act and the Privacy Act of 1974. The Guide enables those who are unfamiliar with the laws to understand the process and to make requests. In addition, the complete text of each law is included in an appendix. The Government Printing Office and Federal agencies subject to the Freedom of Information Act and the Privacy Act of 1974, distribute this report widely. The availability of these acts to all Americans allows executive branch information to be widely available.

c. Hearings.—None.

2. "Creating a 21st Century Government," House Report No. 104–434, December 21, 1994, Second Report by the Committee on Government Reform and Oversight, Together With Additional Views.

a. Summary.—The purpose of the Government Reform and Oversight Committee field hearings on "Creating a 21st Century Gov-

ernment" was to learn from the American public, State and local government officials and the private sector their suggestions and experiences on creating innovative, streamlined, and cost effective organizations. The committee intends that Congress learns from and adopt some of these successful strategies in an effort to restructure the executive branch and better meet the needs of Americans today and in the 21st century.

In its effort to hear from people outside Washington, DC, the committee invited witnesses from State and local government, the private sector, and the American public to testify or participate in an open forum in which members could hear their experiences and ideas with regard to organizational downsizing. Members of the committee traveled to Parma Heights, OH; Upper Montclair, NJ; Federal Way, WA; Long Beach, CA; Albuquerque, NM; and Charlotte, NC. Each one of these cities has recently challenged inefficient government by revitalizing its main functions in order to survive, compete, prosper and provide for the needs of its citizens. Identifying what has worked, what has hindered their reorganization efforts and how best to implement a plan will aid congressional initiatives to revitalize government at the Federal level.

State and local government witnesses, business representatives, and the public all advocate looking at each Federal department and agency to determine which of the functions it provides are vital to the service delivery needs of Americans and which can be better carried out by State or local governments or the private sector. The widely shared view was that the Federal Government is not meeting the needs of it customers, the American public, and is less effective, less efficient and more costly than it should be. It must be fixed.

b. Benefits.—As a result of the nationwide field hearing series and consultation with experts in the private and public sectors, the committee was successful in identifying strategies and principles used by corporate, State and local government organizations in restructuring their entities, and learning how their most successful and creative ideas might be applied to the Federal Government. We now have a better understanding of what States and local governments expect from the Federal Government, what private business expects from the Federal Government, and most importantly the American public's thoughts and ideas for a more responsive Federal Government designed to meet their needs.

Six fundamental points, or practices, were raised at all six field hearings, each to promote the efficiency, effectiveness, high quality and low cost of service delivery. The first three of these common reorganization principles in particular affect the culture of an organization, while the other three are more practical in application. The committee found—

(1) *Clear missions* and a solid organization mission statement are necessary for establishing priorities and goals and maintaining focus on established objectives.

(2) Open and honest *communication* with employees about each step of the reorganization process is vital to maintaining employee morale, as is affording employees an opportunity to convey their views on downsizing and reorganization.

(3) *Innovative management techniques* are enabling States, localities and businesses to empower employees and to strip layers of bureaucratic management in favor of more streamlined structures. The result has been more efficient, more responsive organizations with high morale and greater productivity.

(4) *Privatization* is clearly one of the most advocated means of taking government out of functions which are not inherently governmental and which can be performed more efficiently and cost-effectively by the private sector.

(5) *Competitive bidding* will improve service while saving money. The government should be forced to compete with private business for effective, efficient service delivery.

(6) The Federal Government must replace old and outdated computer systems with *advanced technology* that allows for open communication both internally and with the public. Using such technology will facilitate "one-stop shopping" and other innovations in service delivery.

The committee made the following recommendations as a result of its oversight findings:

(1) *Establish a citizens commission on 21st century government.*

(2) *Identify and remove statutory and regulatory barriers to reorganization and innovation.*

(3) *Increase privatization and competitive bidding.*

(4) *Enlist the aid of the private sector in reorganization and innovation efforts.*

(5) *Restore responsibilities to the States and local governments without imposing unfunded mandates.*

(6) *Establish, communicate and adhere to a clear mission for Federal agencies.*

(7) *Maintain open lines of communication with agency employees.*

(8) *Promote innovation by managers and employees.*

(9) *Use technology to improve service and increase efficiency.*

The committee intends that Congress learn from and adopt some of these successful strategies and recommendations in an effort to restructure the executive branch to better meet the needs of Americans today and in the 21st century.

c. Hearings.—Members of the committee began the "Creating a 21st Century Government" field hearing series on July 14, 1995, in Parma Heights, OH, and continued the series in Upper Montclair, NJ, on September 9, 1995. The committee's following three hearings were held over Columbus Day weekend traveling to Federal Way, WA, on October 6, 1995; Long Beach, CA, on October 7, 1995; and Albuquerque, NM; on October 9, 1995. The final hearing in the series was held on October 20, 1995, in Charlotte, NC.

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE

Hon. Stephen Horn, *Chairman.*

1. "Making Government Work: Fulfilling the Mandate for Change," House Report No. 104–435, December 21, 1995, Third Report by the Committee on Government Reform and Oversight, Together With Additional Minority Views.

a. Summary.—On December 14, 1995, the Committee on Government Reform and Oversight approved and adopted a report entitled, "Making Government Work: Fulfilling the Mandate for Change." The committee's report is based on a series of hearings conducted by the Subcommittee on Government Management, Information, and Technology. The subcommittee convened eight oversight hearings on various aspects of government management to solicit advice and recommendations for: (a) changing what the Federal Government does; (b) improving the overall economy, efficiency, and management of its operations and activities; and (c) effectively planning, measuring, and reporting the results to the American public. The inquiry reflected public expectation that provided a mandate to the Congress to consider with care the various Government functions, and to determine whether they should continue to be performed, and, if retained, how they can be made more effective.

The experience of American industry also influenced the committee. In the past decade, corporations and other entities have reexamined their roles and redefined their institutional objectives and purposes. Many corporate changes have been facilitated by technology that speeds information to decisionmakers and thereby reduces the need for traditional hierarchies. While such changes have been at times wrenching to the people in these institutions, the result has been to make American industry far more productive and competitive. The Federal Government has yet to implement a similar transformation on any appreciable scale. While the committee recognizes fundamental differences between the purposes and the cultures of business and Federal Government organizations, it remains receptive to the suggestion that "rethinking" and "re-engineering" methods successfully used in the private sector can be and should be adapted for use in the Federal Government.

Because of the administration's management responsibilities for the Federal Government, the point of reference for all material reviewed was the National Performance Review, Phases I and II.

FINDINGS

Based upon the investigation and oversight hearings conducted by the subcommittee, the committee found the following:

1. The Management of the Federal Government Needs Improvement.

(a) The capacity of the President as the Chief Executive Officer of the Federal Government and its principal manager has been diminished over several administrations. The Executive Office of the President has abrogated its responsibility to oversee and improve the Government's management structure.

(b) The capacity available to the President in the Office of Management and Budget [OMB] to reform or improve management has steadily declined and now barely exists, despite a competent Director of OMB and a Deputy Director of Management, whose talents in this area are underutilized. Federal management organization, oversight authority, and general influence have been consistently overridden by recurring budget crises and budget cycle demands, despite conscientious intention to give "Budget" and "Management" equal voice within OMB.

(c) The NPR, in its ad-hoc and episodic approach to management issues, reveals the weakened state of management capacity of the Executive Office of the President.

(d) The NPR-inspired announcement of a reduction of over a quarter-million Federal jobs may have been warranted; however, without first having a solid empirical rationale for doing so and not knowing where or how, it reflected a lack of strategic vision as to the Federal Government's role, and as such it seriously eroded Federal workers' morale, productivity, and planning for the future.

(e) The capacity of the Office of Personnel Management to provide leadership to a revitalized career service has been seriously impaired.

(f) Short-term political appointees have layered and "thickened" the Federal Government's upper echelons of organization to a point where productivity, management, and continuity of operation have become seriously affected.

(g) Some potential candidates for political appointment believe that service on Federal organizations will hinder their careers, imposing a protracted and intrusive nomination process as well as numerous restrictions on financial and employment activities during and following Federal Government assignments. As a result, the pool of available talent qualified for appointment and willing to serve has been diminished.

(h) Qualified people considering careers in public administration are discouraged from Federal career employment by layers of political appointees of uneven quality which preclude advancement to positions of senior responsibility.

(i) Career Federal public administrators have a long record of faithfully executing clearly established policy and rendering effective political leadership. However, political appointees as a group have tended to display more loyalty to individual political sponsors and special interests than to the President, who is elected by and ultimately accountable to the people.

(j) Employee-buyout programs in Federal organizations have not worked as well as intended, resulting in the loss of employees with the most marketable skills, leaving in the workplace many of the poorer performers.

(k) Programs for Federal-employee professional education, training, and development are vital to a smaller workforce adopting modern management methods and achieving desired productivity improvements.

(l) The Federal Government must follow the best practices of private and public organizations for exploiting information technology in reforming management, reducing size, and raising productivity and market competitiveness. A recent General Accounting Office

report provides valuable insights on how the Federal Government can lower costs, improve productivity, and provide better services to its citizens.

2. The Federal Intergovernmental Roles Are Poorly Defined.

(a) The Federal role has evolved in a patchwork manner. The Federal Government lacks a clear and comprehensive statement of its proper role. The result is similar redundant programs throughout disparate departments and agencies.

(b) Many citizens view the Federal Government as having overreached its proper role, by "meddling" in affairs such as elementary and secondary education (better left to States and communities), marketing and distribution of energy resources (better left to market forces) and applied research and development (better left to private investment and competition).

(c) Many State governments are willing to risk accepting large Federal block grants, with fewer dollars, in return for greater flexibility and fewer restrictions. There is some concern that any residual reporting burdens and controls from Washington may interfere with States' roles and as such constitute an "unfunded mandate," contrary to a law sponsored by this committee.

(d) In the current environment, many agencies and States are trying to develop program partnerships. Federal-State program partnership agreements reached a high point during the Johnson and early Nixon administrations. State and Federal leaders need to be aware that those intergovernmental agreements later deteriorated because roles and responsibilities were not clearly defined and accepted by all interested parties. Another cause was that the Federal Government seized a decisionmaking role disproportionate to the resources it provided.

3. Organization of Federal Functions Is Uneven and Duplicative.

(a) No Cabinet-level department has been eliminated outright in our Nation's history, although many have been reorganized, renamed, combined, or split.

(b) Today's Federal Government is even more enmeshed in red tape, replicated functions and controls than it was in 1971, when President Nixon tried unsuccessfully to reorganize and streamline Cabinet departments.

(c) The proposed "Department of Commerce Dismantling Act of 1995" contains a model for dismantling any high-level Federal organization using a traditional organization within the Office of Management and Budget.

(d) Approximately a million Federal employees work in some 30,000 field offices outside of Washington, DC. Although some field offices only have five or fewer staff, closing them has consistently proven to be a difficult, almost intractable political problem. The committee notes progress by the U.S. Department of Agriculture in addressing the problem.

4. Public Accountability Is Weak.

(a) The National Performance Review [NPR] contributed to identifying the need to improve the Federal Government and lower its operating costs.

(b) By not establishing first what activities the Federal Government should be performing, the NPR was flawed from the outset and did not achieve enough progress.

(c) NPR neglected to place sufficient emphasis on fiscal accountability by failing to address the Federal Government's responsibility for stewardship of public resources.

(d) The ad-hoc, even disjointed, nature of NPR is a telling sign of the disconnect between policy and management, evidence of atrophy of the tools of management, and an admission that the President has no organized capacity to manage the executive branch.

(e) The NPR recommended a doubling of the existing 1-to-7 supervisory span of control to a 1-to-14 or 1-to-15 supervisor to subordinate ration. This recommendation was without appropriate foundation and ignored the Government's widely varying missions, and threatens public accountability.

(f) With more Federal work being done under contract, with private vendors, effective contract administration is critically important in ensuring efficiency, effectiveness, and accountability.

(g) The growth of "contract government" is a direct by-product of the emphasis on personnel reduction. As successive administrations have sought to limit or reduce the number of Federal employees, more and more activities have been contracted out.

(h) The experiences of other foreign and Federal, State and local governments in carrying out significant management and accountability reforms are valuable to Federal agency managers as they implement the Government Performance and Results Act of 1993 [GPRA].

(i) Government corporations and other Government-sponsored enterprises have assumed roles and responsibilities very different from those for which the Government Corporation Control Act of 1945 was intended. Today, a conceptual framework is needed for setting up these kinds of enterprises and centralized oversight of their management operations.

(j) Executive branch accountability is made more difficult by the complex congressional budget process and by additional legislative branch restrictions and controls placed on Government agencies, such as prohibitions on closing outdated Federal field offices.

RECOMMENDATIONS

Based on the foregoing findings, the committee recommends as follows:

1. Strengthen the President's Role as Chief Executive Officer of the Executive Branch.

(a) Management of the Federal Government should be a Presidential priority. Among the President's many roles is the responsibility to serve as Chief Executive Officer or general manager of the Federal Government. Many broad initiatives intended to make the Federal Government work better depend on the commitment by the President and his staff in the Executive Office of the President. By approaching the Federal Government almost exclusively from a budget or policy perspective, Presidents limit their capacity to reform management in the Federal Government.

(b) The President, acting jointly with Congress through a Federal management office, should establish intergovernmental partnerships, with clearly defined Federal and State roles and responsibilities, and allow local Federal managers the authority and flexibility needed to assist State and local officials in managing devolved programs, functions, and resources.

(c) To make the President's executive office more accountable to the public, Congress should establish an Office of Inspector General in the Executive Office of the President.

2. Establish an Office of Management.

(a) To enhance the President's management capability throughout the executive branch, Congress should establish, in the Executive Office of the President, a top-level management and organizational oversight office headed by an administrator who has direct access to the President. Sustained attention to management issues beyond recurring budget crises is vital to ensure effectiveness. The new Federal management office would combine the management functions of the OMB, the residual policy and oversight functions of the Office of Personnel Management, and the policy functions from the General Services Administration into an entity separate from but equal in stature to the remaining Office of the Budget.

(b) The executive branch is in serious need of an office with responsibility for departmental reorganizations such as the proposed dismantling of the Department of Commerce. The current legislative initiative in that regard will be a model for managing large-scale reductions in the Federal Government's organizational structure and scope of work.

(c) An Office of Management could encourage the implementation of the strategic information management and technology practices increasingly common in high quality private and public organizations. It could stress the need to focus management attention on technology improvements that attain goals; and assert senior management control over technology investment decisions.

(d) Executive agencies should exploit, publicize, and replicate successful private sector ventures in making Federal Government organizations work more effectively by drawing upon past successes.

3. Convene a Commission on Federal Reorganization.

(a) Congress should establish a blue-ribbon inquiry commission of experts from the business, academic, and nonprofit sectors and Federal, State and local government to recommend to the President and Congress in early 1997: (i) ways to organize more efficiently the functions that the Federal Government performs; and (ii) changes in law that would reduce, transfer or eliminate Federal functions. If resources permit, such a commission should produce a reorganization plan.

(b) Such a commission should apply the guideline criteria for agency elevation to Cabinet department status which were developed in 1988 by the National Academy of Public Administration [NAPA]. Such a review ought to result in a new alignment and grouping of the tasks and functions of the Federal role by major purpose.

(c) Congress should concurrently provide the President broad authority, including optional fast-track authority, to restructure executive branch departments and agencies, similar to past (and now expired) Reorganization Acts.

(d) Congress should be fully involved in the consolidation of the many Federal programs it enacts and funds; the proposed commission should look for additional opportunities to consolidate or combine Federal programs, and make recommendations accordingly.

(e) Once changes have been made in the structure of the executive branch, Congress should conform its own committee organization and jurisdictions to parallel the executive branch changes.

4. Reshape the Federal Civil Service.

(a) Congress should proceed with legislation that would reduce the allowable number of political appointees to an initial level of 2,000—aimed principally at Schedule C (not subject to Senate confirmation) positions—and set lower targets for future years as additional executive branch organizations are consolidated or abolished.

(b) Congress should appropriate the professional education, training, and development funds for executive agencies, not as separate line items, but as an integral part of total personnel costs. That would afford managers the flexibility to choose between training and hiring to upgrade collective organizational skills.

(c) Any future Federal employee "buyout" legislation should be limited to serving the needs of the downsized Federal Government by focusing agency buyouts on those with less-needed skills, functions, and capabilities.

5. Strengthen Public Accountability.

(a) Both the President and Congress should complete the work to implement the Government Performance and Results Act, in order to make the executive branch both performance-driven and accountable. The act's performance measurement provisions ought to be used in all steps of the budget and management process.

(b) To make public accountability in the executive branch less cumbersome and counterproductive, Congress should simplify the present complex structure of 13 separate appropriations bills by combining them into a lesser number, possibly comparable to the internal budget review structure in the Office of Management and Budget. Congress should adjust its own internal authorizing and appropriating committee structure correspondingly.

(c) Congress should amend the Government Corporation Control Act of 1945 to raise the efficiency and effectiveness of the Federal Government's business-type operations and organizations and to set standards consistent with today's marketplace conditions.

(d) In its quest to attain the objective of balancing the Federal budget by fiscal year 2002, Congress must recognize three critical needs: (i) to preserve the Federal Government's accountability to the governed throughout the transformation process; (ii) to foster that objective by making investments in human and technological development during that process; and (iii) to accept the hard lessons learned by industry that workforce strength is to be cut only *after*—not before or while—the Federal roles have been determined and organizational structures have been reduced or eliminated.

b. Benefits.—Implementing the recommendations in this report will result in a Federal Government that is less expensive, more efficient, and more accountable to the taxpayer. Federal customers and partners in all program areas will benefit from sharper definition of the roles and relationships between levels of government, as well as between the government and the private sector, elimination of duplicative Federal organizations and activities, and performance measures that facilitate public discussion and decision about the ongoing value of government activities. A strengthened career civil service, well trained and well tooled in the best management practices of both the public and private sector, and empowered to employ them, is vital to making these benefits a reality.

c. Hearings.—The series of eight hearings began on May 2, 1995, with an overview of the NPR process. Testimony was received from Alice M. Rivlin, Director, and John A. Koskinen, Deputy Director for Management, Office of Management and Budget (OMB); Charles A. Bowsher, Comptroller General of the United States, General Accounting Office (GAO); Tony Dale, Budget Manager of the New Zealand Treasury (in his capacity as Harkness Fellow, 1994–5), the Commonwealth Fund of New York; Duncan Wyse, executive director, Oregon Benchmarking Project; Dwight A. Ink, president emeritus, Institute of Public Administration and former Assistant Director for Management, Bureau of the Budget and OMB; R. Scott Fosler, president, National Academy of Public Administration; Donald F. Kettl, nonresident senior fellow, Center for Public Management, The Brookings Institution, and professor at the University of Wisconsin, Madison; and Herbert N. Jasper, senior associate, McManis Associates.

The subcommittee focused next, on May 9, on the appropriate role of Federal executive leadership in strengthening the management of Cabinet level departments, hearing testimony from Thomas P. Glynn, Deputy Secretary of Labor; George Muñoz, Assistant Secretary for Management and Chief Financial Officer, Department of the Treasury; Assistant Comptroller General Johnny C. Finch, General Government Programs, and Gene L. Dodaro, Accounting and Information Management Division, GAO; Alan L. Dean, former Assistant Secretary of Transportation for Management and coordinator of President Nixon's plan for departmental reorganization; William D. Hansen, former Assistant Secretary of Education for Management and Chief Financial Officer under President Bush; and Roger L. Sperry, director of management studies, National Academy of Public Administration.

The third hearing, on May 16, turned to consolidating and restructuring the executive branch, assessing alternative ideas for rearranging or reducing several departments and agencies. Witnesses were Representative Robert S. Walker of Pennsylvania, chairman of the Committee on Science; Representative Sam Brownback of Kansas; Representative Dick Chrysler of Michigan; Representative Todd Tiahrt of Kansas; Robert A. Mosbacher, Secretary of Commerce in the Bush administration; Scott A. Hodge, Grover M. Hermann Fellow in Federal Budgetary Affairs, the Heritage Foundation; Jerry Taylor, director, Natural Resources Studies, Cato Institute; and Herbert N. Jasper, senior associate, McManis Associates.

In its fourth session, on May 16 and 23, the subcommittee examined the consolidation of a large number of Federal programs and organizations. The subcommittee heard testimony from Secretary of Energy Hazel R. O'Leary, Donald P. Hodel, former Secretary of Energy under President Reagan; Admiral James D. Watkins, U.S.N. (ret.) former Secretary of Energy under President Bush; John S. Herrington, former Secretary of Energy in the Reagan administration; Shelby T. Brewer, former Under Secretary of Energy during the Reagan administration; Donna R. Fitzpatrick, former Under Secretary of Energy during the Bush administration; Marshall S. Smith, Under Secretary of Education; Donald Wurtz, Chief Financial Officer, Department of Education; Chester E. Finn, Jr., John Olin Fellow, the Hudson Institute and former Assistant Secretary of Education during the Reagan administration; William D. Hansen, executive director of the nonprofit Education Finance Council and Assistant Secretary of Education for Management in the Bush administration; George Muñoz, Assistant Secretary for Management and Chief Financial Officer, Department of the Treasury; and Paul Posner, Director, Budget Issues, Accounting and Information Management Division, GAO.

Attention turned in June to the Federal Government's field establishment. After reviewing several types of possible corporate structures for Federal aviation, electric power, and transportation on June 6, the subcommittee heard testimony from several regional administrators on June 13 to understand their roles and hear their suggestions, then returned to Chicago on June 19 for a firsthand look at the Federal Government's operations from the field perspective. Witnesses at the June 6 hearing were Donald H. Rumsfeld, former Secretary of Defense under President Ford and chief executive officer of General Instruments Corp.; Roger W. Johnson, Administrator of General Services; Jack Robertson, Deputy Administrator and Paul Majkut, general counsel, Bonneville Power Administration; Daniel V. Flanagan, Jr., president, Flanagan Consulting Group; Harold Seidman, senior fellow, National Academy of Public Administration; Jack Johnson, president, Professional Airways Systems Specialists; and Barry Krasner, president, National Air Traffic Controllers Association. Witnesses at the hearing on June 13 and 19 were Dwight A. Ink, president emeritus, Institute of Public Administration; Alan L. Dean, senior fellow, National Academy of Public Administration; Charles F. Bingham, visiting professor of public administration, the George Washington University; Wardell C. Townsend, Jr., Assistant Secretary of Agriculture for Administration; Shirley Sears Chater, acting Commissioner, Social Security Administration; Mary Barrett Chatel, president, National Council of Social Security Management Associations; D. Lynn Gordon, Miami District Director, U.S. Customs Service, Department of the Treasury and George Rodriguez, Houston Area Coordinator, Department of Housing and Urban Development; William Burke, Great Lakes Regional Administrator, General Services Administration and chair, Chicago Federal Executive Board; Gretchen Schuster, Chicago Regional Director, Passport Agency, Department of State and Federal Executive Board member; Joseph A. Morris, former General Counsel, Office of Personnel Management; Michael P. Huerta, Associate Deputy Secretary of Transportation and Direc-

tor, Office of Intermodalism, Department of Transportation; Kenneth A. Perret, Garrome Franklin, and Donald Gismondi, Federal Regional Administrators in Chicago for highways (FHA), aviation (FAA), and transit (FTA) respectively; and Colonel Richard Craig, North Central Division Engineer, U.S. Army Corps of Engineers.

The seventh hearing, on June 20, in Washington, emphasized improving government results through performance measurement, benchmarking, and re-engineering, as many private corporations have done. Witnesses providing testimony were Donald F. Kettl, Center for Public Management, the Brookings Institution, and professor at the University of Wisconsin, Madison; Harry P. Hatry, Director of State and Local Government Research Programs, the Urban Institute; Herbert N. Jasper, senior associate, McManis Associates, Johnny C. Finch, Assistant Comptroller General, General Government Programs, GAO; Linda Kohl, director of Minnesota State Planning; Sheron K. Morgan, North Carolina Office of State Planning; Joseph G. Kehoe, Managing Partner for Government Services, Coopers and Lybrand, LLP; and Laura Longmire, National Director, Benchmarking, KPMG Peat Marwick LLP.

The series of hearings ended on June 27, 1995, focused on agencies' preparation for compliance with the Government Performance and Results Act of 1993 (GPRA).

Testifying at the final hearing were OMB Deputy Director for Management John. A. Koskinen; Johnny C. Finch, Assistant Comptroller General for General Government Programs, GAO; Paul C. Light, director, Public Policy Programs, the Pew Charitable Trusts; R. Scott Fosler, president, National Academy of Public Administration; Anthony A. Williams, Chief Financial Officer, Department of Agriculture; Vice Admiral A.E. (Gene) Henn, Vice Commandant, U.S. Coast Guard, Department of Transportation; Joseph Thompson, New York Regional Director, Department of Veterans Affairs; and Colonel F. Edward Ward, Jr., Director, Field Offices, Department of Defense Finance and Accounting Service, formerly with the Air Force Air Combat Command.

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

Hon. Christopher Shays, *Chairman.*

1. "The FDA Food Additive Review Process: Backlog and Failure To Observe Statutory Deadline," House Report No. 104–436, December 21, 1995, Fourth Report by the Committee on Government Reform and Oversight, Together With Additional Views.

a. Summary.—Since April 1995, the Human Resources and Intergovernmental Relations Subcommittee has been conducting an oversight investigation into the delays in the Food and Drug Administration's (FDA) review and decisionmaking on food additive petitions. This is the first comprehensive oversight investigation into the FDA's management of the food additives program since the food additive amendments were passed in 1958. Based on this study and two subcommittee oversight hearings, the committee adopted its fourth report to the 104th Congress on December 14, 1995.

The Federal Food, Drug, and Cosmetic Act (FFDCA) of 1938 gave the FDA authority over food and food ingredients. The Food Additive Amendments to the FFDCA were passed by Congress in 1958 to require FDA's pre-market approval for the use of an additive prior to its inclusion in food. This authority is now found in section 409 of the FFDCA. (21 U.S.C. 348) An "additive" is "any substance the intended use of which results or may reasonably be expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristics of any food." This definition covers any substance used in the production, processing, treatment, packaging, transportation or storage of food such as colors, packaging materials, artificial sweeteners and fat substitutes. Food additives are commonly used to impart or maintain desired consistency, improve or maintain nutritive value, maintain palatability and wholesomeness, produce texture, control acidity/alkalinity and enhance flavor or impart color.

Food additive petitions must be reviewed and acted upon by the FDA "not more than 180 days after the date of filing of the petition." (21 U.S.C. 348(c)(2)). The regulatory scheme in the United States for food additive review is dysfunctional, and as a result, the American consumer and patient are deprived of technologies that could increase the variety and nutritional benefits of foods, improve diet and advance public health. The statutory deadline is not being met. Statutory changes are needed to establish more realistic and binding timeframes for petition reviews.

On June 22 and June 29, 1995, the subcommittee held oversight hearings to address these issues. At these hearings, testimony was received from FDA officials with primary responsibility for food safety and operation of the food additive petition process, academicians, food manufacturers, trade associations, food scientists, and consumer groups.

The committee report contained nine major oversight findings:

1. FDA does not meet the 180 day statutory deadline to review and make a decision on food additive petitions.
2. As of June 1995, there were 295 pending food additive petitions, some of which were filed in the 1970's.
3. The lack of fixed deadlines and the increased scientific ability to detect and measure potential hazards have resulted in a review process that is risk-averse.
4. FDA is reluctant to decline incomplete or inadequate petitions, and consequently, allows incomplete and inadequate petitions to remain under review at FDA for more than 180 days.
5. FDA has committed insufficient resources to its food additive review responsibilities.
6. FDA does not set food additive petition review priorities appropriately.
7. FDA's failure to expeditiously review food additive petitions has stifled innovation and the introduction of new ingredients by the food industry.
8. A petition review process with no fixed deadlines can be manipulated for anti-competitive purposes.
9. FDA does not make sufficient use of independent scientific resources for food additive petition review.

Based upon this investigation, the report made the following detailed recommendations:

1. Congress should amend the Federal Food, Drug, and Cosmetic Act review period for food additive petitions from 180 days to 360 days for the most scientifically complex reviews, and the deadline should be strictly observed by FDA.

2. The FDA should recognize that the approval of useful and safe new products can be as important to the public health as preventing the marketing of harmful or ineffective products.

3. The FDA should eliminate the backlog of pending food additive petitions within 1 year by reallocating the necessary agency resources.

4. The FDA should utilize outside expertise in its evaluation of food additive petitions but retain authority for petition approval.

5. The relevance of the "Delaney clause" should be studied in view of modern scientific standards so that better distinctions can be made between nominal hazards and actual risks. The Delaney clause stipulates that no food additive can be deemed safe if it has been found to induce cancer when ingested by man or animal. The FDA should establish a level of acceptable risk for food additives, below which there is no hazard to humans through consumption under normal or intended use.

6. The FDA should amend the review process to prohibit anonymous submissions of data or comments.

b. Benefits.—The investigation into delays in the food additive petition review process allowed FDA officials, food industry representatives, and others involved in the process of approving or requesting the approval of food additive petitions the opportunity to articulate their views of flaws in the regulatory system. When fixed, FDA's food additive petition review process could benefit the American public by providing a vast new array of useful and safe products which could add to or replace less effective products.

c. Hearings.—The subcommittee convened two hearings on this subject, both entitled "Delays in the FDA's Food Additive Petition Process and GRAS Affirmation Process." These hearings provided subcommittee members the opportunity to say directly to those involved in FDA's food additive petition process that Congress was not receptive to the agency's failure to meet its statutory deadlines, but would consider amendments to FDA's food additive petition review process to give the agency and petitioners a more reasonable timeframe within which to work.

On Thursday, June 22, 1995, the subcommittee received testimony from: Linda Suydam, Acting Deputy Commissioner for Operations of the FDA; Dr. Fred Shank, Director of the Center for Food Safety & Applied Nutrition of the FDA; Dr. Alan Rulis, Acting Director of the Office of Premarket Review of the FDA; Dr. Sanford Miller of the University of Texas Health Sciences Center; Dr. Richard Hall, chairman of the Food Forum of the National Academy of Sciences; Al Clausi of the Institute of Food Technologists; Dr. Stephen Ziller of the Grocery Manufacturers of America; Dr. Rhona Applebaum of the National Food Processors Association; Robert Gelardi of the Calorie Control Council; Dr. Stephen Saunders of

Frito-Lay; Dr. C. Wayne Callaway of the George Washington University School of Medicine; and Dr. Michael Davidson of the Chicago Center for Clinical Research, the Rush-Presbyterian-St. Luke's Medical Center.

On Thursday, June 29, 1995, the subcommittee's second FDA oversight hearing, testimony was received from: Dr. Kenneth Fisher of the Federation of American Societies for Experimental Biology; Jerome Heckman of the Society of the Plastics Industry; Stuart Pape of the National Soft Drink Association; Donald Farley of Pfizer, Inc.; and Dr. Michael Jacobson of the Center for Science in the Public Interest.

2. *"The Federal Takeover of the Chicago Housing Authority—HUD Needs to Determine Long-Term Implications," House Report No. 104–437, December 21, 1995, Fifth Report by the Committee on Government Reform and Oversight, Together With Additional Views.*

a. Summary.—On May 30, 1995, the U.S. Department of Housing and Urban Development (HUD) assumed control over the day to day operations of the "troubled" Chicago Housing Authority (CHA). A declared breach of contract between CHA and HUD signed by HUD Secretary Henry Cisneros on June 2, 1995, made the takeover legally effective. Executed in the wake of the resignation of CHA's Board of Commissioners on May 26, 1995, the takeover was an unprecedented HUD action.

Although HUD has authority to intervene in troubled housing agency operations at any time, HUD has never before assumed responsibility for the day-to-day operations of a housing agency the size of CHA. CHA is the Nation's third largest public housing authority and is surpassed in size only by those of Puerto Rico and New York City. The CHA, created in 1937 by a resolution of the city of Chicago pursuant to the Housing Authorities Act of the State of Illinois, administers over 55,000 public and assisted housing units and serves over 150,000 residents.

On June 1, 1995, Congresswoman Cardiss Collins (D–IL), ranking member of the Government Reform and Oversight Committee, submitted a request to Committee Chairman William F. Clinger, Jr. (R–PA) that hearings be conducted in Chicago on the role of the U.S. Department of Housing and Urban Development (HUD) in the operation of the Chicago Housing Authority (CHA). Subsequent to this letter, the subcommittee began an investigation into the Federal takeover at CHA.

The subcommittee submitted an initial inquiry and document request to HUD on July 11, 1995, regarding HUD's role in the takeover of the CHA. The July 11 letter requested information concerning CHA's demolition and redevelopment initiatives, HUD's previous efforts to reform CHA administration and the CHA budget reconciliation for fiscal year 95.

HUD responded to the inquiry on August 1, 1995. Additionally, Assistant Secretary Joseph Shuldiner and HUD staff met with the subcommittee and Member staff on August 21, 1995, to address other issues raised regarding the takeover. On August 28, 1995, the subcommittee directed another document request and inquiry to HUD's Office of General Counsel. The Office of General Counsel

staff met with the subcommittee staff the next day to provide a response and to answer staff questions.

The subcommittee staff also conducted numerous interviews with members of the Chicago community including: former CHA Executive Director Vince Lane, Mayor Richard Daley, CHA residents, former CHA staff and local housing and community development experts. Further, on August 25, 1995, majority and minority staff conducted onsite investigations and interviews in the city of Chicago.

On September 5, 1995, the subcommittee held an oversight hearing in Chicago to investigate the Federal takeover of the Chicago Housing Authority. The hearing focused on HUD's progress at CHA since the May 30 takeover, the agency's short and long term strategies for reforming CHA and its plans for installing new leadership and management at the CHA. At the hearing, testimony was received from top level HUD officials, including Henry Cisneros, HUD Secretary; the U.S. General Accounting Office (GAO); panels of tenants; public housing management experts; and representatives from the city of Chicago and the private sector.

Based on the investigation and the oversight hearing, the committee adopted its fifth report to the 104th Congress on December 14, 1995.

The report contained nine major oversight findings:

1. HUD's takeover of CHA was a necessary response to the resignation of the CHA Board of Commissioners.
2. HUD implemented a 120 day-plan to stabilize CHA finances, management, security and physical inventory.
3. Three months following the takeover, HUD lacked a long term strategy for reforming CHA, and extricating itself from CHA management.
4. HUD's presence at CHA will be required beyond January 1, 1996.
5. HUD lacks clear statutory or regulatory standards to trigger intervention at troubled housing agencies.
6. HUD does not have the staff resources necessary to run several troubled housing agencies at once.
7. The Resident Management Corp. at 1230 North Burling, Cabrini Green in Chicago has improved living conditions and economic opportunities for public housing residents.

Based upon its investigation, the subcommittee report made the following detailed recommendations:

1. HUD should promptly secure strong, long term leadership at CHA.
2. HUD and new CHA management should develop a long term strategy for the recovery of CHA.
3. HUD should maintain a clear distinction between its actions as a Federal agency and its actions as CHA manager.
4. HUD's takeover of CHA should be evaluated as a pilot program to determine the effectiveness of direct HUD intervention at other troubled housing agencies.
5. Clear statutory or regulatory standards should be established for HUD intervention at troubled housing agencies.

6. HUD should do more to support viable Resident Management Corp.'s, particularly those operating in troubled public housing developments.

The report includes additional views by Mrs. Collins and Mr. Towns expresssing general support for the report, and noting that a briefing by HUD on December 5, 1995, provided additional information, not reflected in the report, that some of the subcommittee's recommendations have already been adopoted by HUD. The additional views include references to facts that can be found in the hearing record that provide a more complete picture of the status of the intervention effort, the rationale for the takeover, and the capacity of HUD to intervene in other troubled housing authorities.

Mrs. Collins and Mr. Towns noted that HUD had acted on the subcommittee's recommendation regarding hiring of CHA staff and regarding formulation of a long range plan for the CHA. The additional views also pointed out that HUD offered information to support the conclusion that the Department does have the capability to intervene in other troubled housing authorities. Finally, the ranking members expressed the view that budget constraints must be acknowledged in any evaluation of the HUD intervention at CHA.

Mr. Shays' additional views concurred with those of Mrs. Collins and Mr. Towns regarding HUD's action on the subcommittee's recommendation.

b. Benefits.—The investigation found that HUD's takeover of the day-to-day operations of the Chicago Housing Authority (CHA) was necessary given the magnitude and severity of the problems faced by the housing authority and its residents. Significant investment of Federal funds are at risk as a result of the mismanagement of the CHA. Taxpayers and residents will benefit from this intervention by HUD. Moreover, the subcommittee's continued oversight with respect to this matter may spare the Chicago Housing Authority future years of deferred maintenance, administrative waste and further deterioration.

c. Hearings.—On Tuesday, September 5, 1995, the subcommittee convened an oversight hearing entitled "HUD's Takeover of Chicago Housing Authority," to receive testimony from: Henry Cisneros, Secretary of the Department of Housing and Urban Development (HUD); Joseph Shuldiner, Assistant Secretary for Public and Indian Housing at HUD; Kevin Marchman, Deputy Assistant Secretary for Distressed and Troubled Housing at HUD; Artensia Randolph, president of the Central Advisory Committee; Hattie Calvin, president of the Cabrini Green Leadership Advisory Council; Cora Moore, 1230 North Burling, Cabrini Green, Resident Management Corp.; Jeffrey Lines, a Kansas City receiver and president of TAG Associates; Judy England-Joseph, Director of Housing and Community Development Issues for the U.S. General Accounting Office (GAO); Rosanna Marquez, director of programs for the city of Chicago; George Murray, chief of the CHA Police Department; and William Wallace, managing director of the Housing Technology Corp.

POSTAL SERVICE SUBCOMMITTEE

Hon. John M. McHugh, *Chairman.*

1. "Voices for Change," House Report No. 104–438, December 21, 1995, Sixth Report by the Committee on Government Reform and Oversight.

a. Summary.—"Voices for Change" analyzes 10 hearings held by the Subcommittee on the Postal Service during the first session of the 104th Congress. Nearly 40 witnesses testified regarding the problems and challenges facing the current postal system. Witnesses urged members to consider fundamental reform of the quarter-century old Postal Reorganization Act because of the challenges confronting the Postal Service in a changing communications environment. Four key reform issues emerged in the hearings, including mail monopoly, labor-management relations, ratemaking and new postal products. Although witnesses raised a variety of issues and suggested a broad range of proposals for improving mail delivery, no unanimity appeared for any specific approach. However, the report notes that "maintenance of universal service and a need to either strengthen or modify the postal ratesetting process were the legislative-related issues consistently discussed by a large majority of witnesses."

b. Benefits.—The report provides Congress a concise record of the testimony received by the subcommittee regarding the operations of the Postal Service and its capacity to perform its constitutional and statutory mandates. The eight general oversight hearings highlighted by the report indicate the need for Congress to review, systematically, the statutory structure under which the Postal Service operates. An efficient and fiscally sound Postal Service benefits the American people by providing a cost-effective and reliable communications system. In addition, the constitutional undergirding of the Postal Service requires additional congressional attention in order to preserve and ensure the future viability of the institution.

c. Hearings.—On February 23, 1995, testimony was received from Marvin T. Runyon, U.S. Postmaster General, and Michael E. Motley, General Accounting Office. On March 2, 1995, testimony was received from the Postal Rate Commission: Edward J. Gleiman; W.H. LeBlanc; George W. Haley; Edward Quick, Jr.; and Wayne A. Schley. On March 8, 1995, the subcommittee heard testimony from Postal Service Governors: Sam Winters, LeGree S. Daniels, Einar V. Dyhrkopp, Susan E. Alvardo, Bert H. Mackie, and Norma Pace. On May 23, 1995, the subcommittee received testimony from Art Sackler, Mailers Council; Ian D. Volner, Advertising Mail Marketing Association; Richard Barton, Direct Marketing Association; David Todd, Mail Order Association of America; Timothy May, Parcel Shippers Association; Tonda Rush, National Newspaper Association; Cathleen P. Black, Newspaper Association of America; George Gross, Magazine Publishers of America; Steve Bair, Association of American Publisher; Alan Kline, Alliance of Nonprofit Mailers; and Lee Cassidy, National Federation of Nonprofits. The June 7, 1995, hearing testimony was received from Moe Biller, American Postal Workers Union; Vincent Sombrotto, National Association of Letter Carriers; Scottie Hicks, National

Rural Letter Carriers Association; William Quinn, National Postal Mail Handlers Union; W. David Games, National Association of Postmasters; Bill Brennen, National League of Postmasters; and Vincent Palladino, National Association of Postal Supervisors. On June 14, 1995, the subcommittee received testimony from John V. Maraney, Nation Star Route Mail Contractors Association; Randall Holleschau, National Association of Presort Mailers; Don Harle, Mail Advertising Service Association; Robert Muma, Envelope Manufacturers Association of America; Anthony W. Desio, Mail Boxes, Etc.; Kathleen Synnott, Pitney-Bowes; Neal Mahlstedt, Ascom Hasler; George W. Gelfer, Postalia; James Rogers, United Parcel Service; James Campbell, Federal Express; Peter N. Hiebert, DHL Worldwide; and Harry Geller, Air Courier Conference of America. On June 28, 1995, Postmaster General, Marvin Runyon and Deputy Postmaster General, Michael Coughlin testified before the subcommittee. On July 25, 1995, hearing testimony was received from Kenneth J. Hunter, Inspector General.

B. OTHER INVESTIGATIONS

GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

1. Review of the Federal Government's Acquisition Strategy Regarding the Post Federal Telecommunications System 2000 Program (Post FTS 2000).

a. Summary.—Currently the Federal Telecommunications System 2000 (FTS 2000) is the government's long distance telecommunications service. This multi-billion dollar program provides telecommunications services to approximately $1.7 million users across the Federal Government. The current FTS 2000 contracts which were awarded in 1988 will expire in December 1998, affording the government sufficient time to develop a smooth transition to a Post-FTS2000 environment. The General Services Administration (GSA)—working with a group of information resources management and telecommunications professionals from several executive agencies—developed an acquisition strategy for the purchase of telecommunications services in the Post-FTS2000 environment.

In preparing the program strategy, GSA considered many ideas from a broad spectrum of industry users, academia, and other interested parties. This included two industry concept development conferences and six calls for comments. The intent was to ensure, through early and substantive dialog, that industry had an opportunity to participate in the Post-FTS2000 concept development and that the best ideas from the private sector were considered.

Given the potential magnitude of the Post-FTS2000 program, many different sectors within the telecommunications industry are very interested in the program: the long distance carriers; the system integrators; the Regional Bell Operating Co.s; and the subcontractor tiers, all hoping to participate in the next procurement.

GSA maintains that the Post-FTS2000 program, when in place, will save the government millions of dollars. It also maintains that it is the culmination of months of hard work from expert telecommunications/acquisition professionals from both government and industry and will be in the best interests of the government.

b. Benefits.—Monitoring the development of the next phase of procurement for the Federal Government's telecommunications system ensures that the Federal Government receives technically effective and cost-efficient telecommunications services in a Post FTS2000 environment. The government and the taxpayer reap the benefits for the best prices and excellent service quality which helps the executive agencies to do their jobs of serving the citizens more efficiently and effectively. As originally structured in 1988, the FTS program was developed to meet the needs of the time, and since then, those needs have changed dramatically, as has technology, as the government moves into the 21st century.

c. Hearings.—On March 21, 1995, the Subcommittee on Government Management, Information, and Technology held a hearing to solicit comment from the General Accounting Office, the long distance carriers, system integrators and the Regional Bell Operating Co.s on the Post-FTS2000 acquisition strategy developed by the government. The General Accounting Office raised eight major areas of concern and testified that these concerns must be addressed before proceeding to the next phase of the program (the issuance of draft request for proposals). Other witnesses made reference to the strategy as presented and gave comment according to the particular segment of the industry represented.

A second hearing was held on March 28, 1995, to receive testimony from GSA and the executive agencies. GSA assured that the program will strive to leverage information and telecommunications technologies to improve overall functions and services in the Federal Government. The witnesses testified that they will make use of the existing private-sector owned and operated infrastructure, as well as adopt a flexible approach with more competition and user choices, with multiple contracts initiated and terminated based on strategic decisions, rather than on a set of fixed contracts.

Finally, a hearing was held on July 20, 1995, to receive further testimony from senior government witnesses. GSA Administrator Roger Johnson presented testimony which provided the subcommittee a snapshot of the benefits received by the taxpayers through the utilization of the current Federal telecommunications system (FTS 2000). Administrator Johnson also stated that the contracts for 1998 should include many more services and a richer set of features, including value-added data services, wireless, international, and a broad set of technical and management support and should be implemented in the most flexible and efficient manner.

CIVIL SERVICE SUBCOMMITTEE

1. Restructuring of the Office of Personnel Management.

a. Summary.—Vice President Gore's National Performance Review of 1993 (NPR) "challenged" the Office of Personnel Management (OPM) to become an agent for change. OPM, which oversees 2.1 million people in the Federal Civil Service System, announced it would meet this challenge by "leading the initiative to reinvent Federal human resource management by working with all agencies to assess their needs in accepting more responsibility in this area."

Since the release of the administration's NPR, OPM has focused on decentralizing many of its functions.

OPM intends to concentrate on certain core functions and devolve other activities. Accordingly, the agency has already RIFed a large number of training staff and reduced its Federal investigative program in anticipation of privatization. The agency intends to cease all governmentwide training activities before the end of the fiscal year and to divest itself of the investigations function by the beginning of fiscal year 96.

OPM also intends to delegate all recruitment and staffing responsibilities to Federal agencies. The functions the agency will retain include retirement and health benefit programs, compensation programs, testing and evaluation on a reimbursable basis, and some policy and oversight responsibilities.

With deep reductions in its workforce, as well as the vast changes that will occur from the decentralization initiatives, concerns have been raised over what substantive role OPM will retain in the future. Of particular concern was OPM's continued ability to provide adequate oversight over and protection of the Merit System.

b. Benefits.—The subcommittee will continue to monitor OPM's restructuring process, and how this downsizing and decentralization will effect its client agencies. Subcommittee Chairman Mica voiced his commitment to instituting whatever remedies necessary to unburden Federal employees from unnecessary rules and regulation, while ensuring that the process produces meaningful results that do not interfere with OPM's ability to carry out core functions and responsibilities.

c. Hearings.—A hearing entitled, "Restructuring Office of Personnel Management" was held on February 7, 1995.

2. Federal Workforce Restructuring Statistics.

a. Summary.—The Federal Workforce Restructuring Act of 1994 established personnel ceilings for fiscal years 1994 through 1996, while targeting 272,900 full-time-equivalent positions for elimination by the end of 1999. To accomplish this, without relying entirely on reductions-in-force (RIF's), the act established temporary financial retirement incentive programs to encourage voluntary separations from certain Federal agencies. However, the act does not specify where the cuts should occur, and preliminary figures indicate the Department of Defense is bearing the brunt of the reductions.

All executive branch agencies were provided with detailed guidance by OMB, including steps to be taken to flatten hierarchies, reduce headquarters staff, and pare down management control structures. However, nearly three-fourths of the fiscal year 94 reductions were among civilian employees in the Department of Defense, and DOD is expected to experience an even larger share of the reductions in 1995—reportedly up to 98 percent. From 1993 through the middle of fiscal year 95 over 90 percent of total reductions can be attributed to defense base closures and downsizing activities at the Department of Defense. The chairman expressed concern over the disproportionate distribution of workforce reductions and raised questions about whether the administration's reinventing govern-

ment initiatives will result in meaningful government restructuring or prove to be simply a reduction of the Department of Defense civilian workforce.

b. Benefits.—This oversight review provided an early examination of restructuring activities in the executive branch and highlighted the disproportionate downsizing of the Department of Defense. The planning and out placement programs of the Department of Defense should serve as useful models for workforce reductions in other government agencies.

c. Hearings.—A hearing entitled, "Federal Workforce Restructuring Statistics" was held on March 2, 1995.

3. Examining the Federal Retirement System.

a. Summary.—The Federal pension system consists of two programs: the Civil Service Retirement System (CSRS) covers Federal employees hired prior to 1984, and the Federal Employees Retirement System (FERS) covers those employees hired after 1984. A total of 2.8 million active employees are covered, with 1.5 million in CSRS and 1.3 million in FERS. Currently, 2.3 million participants receive annuities. CSRS has 2.2 million retirees and survivors, FERS has 37,800.

Acccording to OPM's 1993 Annual Report on the Civil Service Retirement and Disability Fund (CSRDF) in 1996, the outlay for monthly payments for retirees of the Federal Government is estimated to be $39.2 billion. The CSRDF is projected to take in approximately $10 billion in cash receipts and payments from employee payroll deductions and from cash contributions from the U.S. Postal Service. Transfers from the General Treasury will make up the difference between receipts and payments—nearly $30 billion. The annuities are projected to grow, while the cash receipts will stay relatively the same. In 2025, cash coming in will total $3.6 billion, while outlays will total $166.2 billion. And by 2035, cash receipts are estimated to be $5.6 billion, while outlays will top $218.5 billion. This increasing burden on the taxpayer and the overall financial stability of the Federal retirement system is of utmost importance to the chairman of the subcommittee.

The subcommittee is involved in an ongoing analysis examining a host of various proposals concerning Federal pension reform.

The subcommittee reviewed the retirement benefits available for Members of Congress, congressional staff, and executive branch employees under current law. In the 104th Congress a number of Members pension reform bills have been introduced and were reviewed by the subcommittee. Under current law, Members and staff under CSRS accrue benefits at 2.5 percent of preretirement pay for each year of service. Executive branch employees with 10 or more years of CSRS service accrue benefits at 2.0 percent per year. Members and staff under FERS accrue benefits at 1.7 percent per year of service up to 20 years, and 1.0 percent per year over 20. Executive branch FERS employees benefits accrue at 1.0 percent per year, or 1.1 percent if the individual retires at age 62 or over. Members and staff contribute a greater portion of payroll in exchange for the greater benefit.

b. Benefits.—The investigation exposed growing reliance of the Federal retirement system on general tax revenues. To stabilize the

Federal retirement system the subcommittee will consider the creation of a new retirement system which would be fully funded outside of the Federal budget and would be subject to the same standards and requirements as private sector pension plans. Such a system would assure Federal retirees full payment of benefits without having to rely on the Treasury to subsidize their annuities. This is a responsible approach to financing the government's commitments to its employees and it allows for the permanent elimination of one entitlement program from the Federal budget.

The retirement reform of Members and congressional staff was included in the Balanced Budget Act of 1995. Under this reform Members and staff retirement benefits and payroll contributions will conform to that available to executive branch employees.

c. Hearings.—Hearings entitled "Federal Retirement Systems: Overview," "Federal Retirement: Congressional Pensions" and "Funding Civil Service Retirement" were held on March 7, 1995, March 10, 1995, and June 28, 1995.

4. Contracting Out.

a. Summary.—Federal policy, adopted during the Eisenhower administration and endorsed on a bipartisan basis by all subsequent Presidents, affirms that Federal agencies should not be performing commercial activities in competition with private sector businesses. Although Federal agencies contract for more than $200 billion in goods and services each year, the Office of Management and Budget estimated in a 1987 Report to the President's Commission on Privatization that more than 900,000 civilian Federal employees were performing commercial functions. In spite of this substantial commercial activity by Federal agencies, previous hearings alleged that Federal agencies were involved in "arbitrary and perhaps ill-conceived contracting out."

OMB Circular A–76 provides administrative guidance to agencies for conducting cost comparisons to evaluate the efficiency of proposed contracts. In spite of the established mechanism, few cost comparisons of commercial functions are completed, in part because Federal agencies consider the process itself costly and a disruption to the workforce, and in part because Congress has included numerous provisions of law that restrict agencies from conducting the studies and/or from contracting after the studies are completed. In a June 16, 1995, release, the National Performance Review reported that 25 such obstacles to privatization remain in law.

Subcommittee Chairman Mica has routinely asserted his belief that it could and should be possible to contract out more than 50 percent of the services and activities of the Federal Government as we know it today. If the widespread contracting successes being achieved by State and local governments do not move the Federal Government in the direction of greater contracting for commercial services, inevitably budget constraints will.

OMB's Circular A–76 maintains that the government should use competition to reduce the costs of goods and services so that it would pay no more than necessary for the quality services that it needs. The subcommittee's analysis has shown that the absence of competition results in excessive costs, with the salaries and benefits of government employees comprising approximately 60 percent

of the cost of government operations. Wendell Cox of the American Legislative Exchange Council testified that between 1980 and 1991, Federal employees' wages increased approximately $4.56 for each dollar that private sector compensation increased. As a result, average Federal employees make 45 percent more than private sector employees and 30 percent more than State Government employees. Over the course of a 40-year career, the expected lifetime earnings of a Federal employee have been estimated to be $600,000 greater than that of a comparable private sector employee. Surveys of government managers have demonstrated savings in 98 percent of the cases where functions have been converted to contract, and that the mere fact of competition has the effect of restraining cost increases. Although government must retain full policy control of all its operations, contracting could be used much more extensively to minimize the costs of providing public services and performing government activities.

b. Benefits.—The investigation highlighted the need to update OMB Circular A–76, and OMB reissued the circular in March 1996.

c. Hearings.—Hearings entitled "Contracting Out: Summary and Overview" and "Contracting Out: Current Issues" were held on March 29, 1995, and April 5, 1995.

5. Examination and Review of the Federal Workforce Restructuring Act of 1994.

a. Summary.—The Federal Workforce Restructuring Act of 1994 authorized Federal agencies to provide voluntary separation incentives ("buyouts") to Federal employees as one means of reducing Federal employment by 272,900 by fiscal year 1999. Civilian agencies were authorized to offer buyout incentives not to exceed $25,000 each during a period which expired March 31, 1995, and the Department of Defense was allowed to continue offering buyout opportunities through September 30, 1999. By the end of fiscal year 1995, OPM reported that more than 112,500 former Federal employees had been paid buyouts and left their agencies, with more than 68,000 of them leaving the Department of Defense. An additional 50,000 are anticipated to accept Department of Defense offers during the coming 4 years. Total costs to the government of these incentive payments are expected to exceed $2.4 billion.

Former Federal employees who accept the buyouts may not return to Federal employment for a 5-year period or are required to repay the full amount of the incentive. By encouraging voluntary separation, buyouts are intended to reduce reliance on reduction in force (RIF) procedures and enable agencies to retain relatively younger workers while senior employees (those eligible or nearly eligible for retirement) accept payments to leave. Separation rates, however, are severely affected by rumors that a buyout might be offered, as evidenced by the reduction in the number of voluntary retirements from Federal agencies while the buyout program was being authorized in legislation.

The General Accounting Office (GAO) has reported that 38 percent of buyout payments reported to date went to people in the overhead/administrative positions that were targeted by the National Performance Review. Nearly 70 percent went to employees

at or above the GS–11 level, and 62.9 percent went to men. Minority members received 24 percent of the buyouts. The average age of people accepting buyouts was 60—about 1 year younger than regular retirement. Fifty-two percent of the buyout payments reported so far went to employees who were eligible for retirement. The GAO testified that there appears to have been some use of contract personnel to replace departed employees, but the absence, so far, of cost comparison studies required by Section 5(g) of the *Workforce Restructuring Act* makes difficult the tracking and analysis of buyout effects.

b. Benefits.—Buyout authority may be a beneficial tool in downsizing and restructuring the Federal workforce, provided certain procedures are followed: agencies must engage in long range planning and know how they want the organization to look at the end of the restructuring; buyout window should be short to avoid generating rumors and behavior changes based upon expectation of buyouts; buyouts should not be done in successive waves; and buyouts should be effective early in the fiscal year to maximize savings. Additionally, buyouts should be targeted and never offered across the board to avoid additional funds being used to hire and train people with skills identical to those benefiting from buyouts. Downsizing and reorganization are most successful when the importance of directing restructuring efforts to a revised organizational goal is recognized, and detailed planning strategies are employed to achieve it. As a result, the committee has not recommended extending executive branch buyout authority at this time.

c. Hearings.—A hearing entitled "Buyouts: Boon or Boondoggle" was held on May 17, 1995.

6. Review of the Ramspeck Act.

a. Summary.—The Ramspeck Act is a 1940 law that enables members of congressional staffs who have served at least 3 years to gain noncompetitive appointment to the career civil service if they lose their congressional positions through no fault of their own; often as a result of the defeat of a Member or a Member's choosing not to run again. GAO reported that more than 80 percent of recent Ramspeck appointments have been in offices of congressional affairs, public affairs, or policy and strategic planning.

Congressman Porter Goss introduced legislation to repeal the Ramspeck Act, H.R. 913, which was referred to the Civil Service Subcommittee. Rep. Goss recommended repeal of the Ramspeck authority, arguing that constituents view this law as merely another special privilege that Members of Congress arrange for their staffs. Ramspeck procedures give former congressional employees privileges that are not available to other citizens, who must compete for positions in the Federal service. He believes that Ramspeck authority is inconsistent with the *Congressional Accountability Act*, adopted early in this session, which holds Congress subject to the same laws that affect other citizens.

b. Benefits.—Conditions have changed since the Ramspeck law was enacted, and it is no longer difficult to attract quality applicants to congressional staff positions. The committee was concerned that continued use of Ramspeck appointments creates situations

where policies repudiated by the electorate in recent elections may gain continuity in the career civil service through non-competitive transfers of staff.

Congress repealed the Ramspeck Act authority as part of the *Lobbying Disclosure Act* (H.R. 1564). The repeal, which becomes effective 2 years after the President signed the law, will eliminate this end run around the merit system.

c. Hearings.—A hearing entitled "Ramspeck: Repeal, Reform or Retentions" was held on May 24, 1995.

7. Review of the Combined Federal Campaign.

a. Summary.—The Combined Federal Campaign (CFC) is an annual, taxpayer-subsidized solicitation drive in the Federal workplace that began as an effort to aid genuine charities while minimizing workforce disruption. However, many political and ideological advocacy groups and others, who do not directly provide or support human health and welfare, litigated and lobbied their way into the CFC.

On February 23, 1995, subcommittee Chairman Mica wrote to James B. King, the Director of the Office of Personnel Management (OPM), asking for his support and cooperation in restoring the Combined Federal Campaign to its rightful role of aiding genuine human health and welfare charities. While the chairman fully endorses and encourages supporting genuine charities, the presence of advocacy groups raises questions about requiring taxpayers to subsidize organizations with which they disagree. A 1988 Task Force on the CFC established by OPM estimated that the CFC costs taxpayers between $55–60 million a year. (OPM's current leadership estimates the cost of the CFC as $22.1 million.)

b. Benefits.—Examination of this issue revealed the extent to which taxpayers are forced to subsidize numerous advocacy groups and other organizations with political agendas that participate in the CFC.

c. Hearings.—A hearing entitled "Combined Federal Campaign: Lawyers & Lobbyists v. People in Need?" was held on June 7, 1995.

8. Contracting Federal Investigations—Policy and Oversight.

a. Summary.—Since the *Atomic Energy Act* of 1954, background investigations have been an important factor in deciding the suitability, security, and public trust qualifications of Federal employees. President Eisenhower extended background investigation requirements through Executive Order 10450, but such investigation centered primarily around employee susceptibility to threats from foreign governments. Some critics believe that several Supreme Court decisions, the *Freedom of Information Act*, and the *Privacy Act* combine to make it difficult to gather the information essential to a meaningful adjudication of these areas. As part of the administration's initiatives to reinvent government, OPM abolished chapters of the Federal Personnel Manual establishing criteria for security, suitability, and public trust determinations required to oversee a diverse range of agency requirements in a unified civil service.

The administration considers the transition of investigations to the private sector an important component of its effort to reinvent

government. This reflects a reorientation of the agency from providing services to conducting policy direction and oversight. OPM proposed an employee stock ownership program (ESOP) as the privatization vehicle chosen for this transition. A sole source contract to the ESOP is an essential ingredient to successful implementation of this plan. Oversight of the investigation function would remain a Federal responsibility under the purview of OPM, but the bulk of the current workforce is expected to shift to the ESOP. Data bases essential to the system would remain government-owned but reside on contractor-operated equipment. OMB testified that any savings from this program would be realized only when agencies became able to acquire investigative services competitively from private firms, thereby reducing the costs of background investigations. The ESOP would have to compete on an equal basis as a private provider.

The committee is concerned that Federal agencies with legitimate concerns about the security and suitability of Federal employees have adequate access to investigative services. Many agencies already obtain background investigations through private contractors; work that amounts to more than $20 million each year. Even agencies with significant national security concerns, such as the Department of Defense, contract for significant portions of their background investigations. These agencies rely upon OPM's Federal Investigations Processing Center at Boyers, PA, for essential data and information to support their suitability determinations. In the 6 months between announcement of the privatization plan and the subcommittee's oversight hearing, OPM witnesses were unable to describe systematic planning for conversion, with most of the planning being contracted through a trustee organization.

b. Benefits.—These hearings documented the deficiencies in the administration's planning for the transition from a government function to an ESOP operation. GAO and OPM testified that the gathering of information for background investigations is not an inherent function of the Government, the administration demonstrated less-than-effective planning for the proposed transition. Cost estimates included in OMB's budget submissions suggested that these initiatives would save 4 percent per year. OPM awarded a trustee contract to develop a business plan and negotiate a transition on June 9, 1995, only a week before the hearing. These planning deficiencies strengthened the argument to delay implementation from the December 31, 1995, administration proposal to March 31, 1996, as approved in the OPM appropriation for fiscal year 1996.

c. Hearings.—Hearings entitled "Oversight of Federal Investigations Policy" and "Outsourcing of OPM's Investigations Program" were held on June 14, 1995, and June 15, 1995.

9. Administration's AIDS Training Program.

a. Summary.—Title 5 authorizes training in the scientific, professional, technical, mechanical, trade, clerical, fiscal, administrative or other appropriate fields. Section 4101 requires workplace training to be a "planned, prepared, and coordinated program . . . which will improve individual and organizational performance and assist in achieving the agency's mission and performance goals."

Department heads are required, at least once every 3 years, to review training and other developmental needs essential to meeting mission and performance requirements. This review is an integral part of agency planning, the purpose of which is to ensure that public funds used to develop an organization's human resources have a direct relevance to (1) improving productivity; (2) fulfilling the organizational mission; and (3) providing quality products and services to the public.

On September 30th, 1993, President Clinton delivered a memorandum to the heads of executive departments and agencies directing full implementation of comprehensive HIV/AIDS workplace policies and employee education and prevention programs by World AIDS Day, 1994. The Office of the National AIDS Policy Coordinator was authorized to implement the directive, and in a follow-up memo, then-Director Kristine Gebbie required mandatory employee attendance at HIV/AIDS education and prevention training.

The HIV/AIDS mandatory training sessions received much adverse attention, due to reports that inappropriate and questionable materials were presented. The committee received numerous letters and calls from Federal employees objecting to being subjected to graphic talk about uncomfortable subjects in the midst of fellow workers. These recent reports raised questions as to whether the Federal HIV/AIDS education training is designed to meet the statutory requirements designated in Title 5: to improve individual and organizational performance, and assist in achieving the agency's mission and performance goals.

b. Benefits.—Witnesses testified that many aspects of the administration's training program were not fit for the Federal workplace, either in content or method of presentation. They argued that Federal employees should not have to suffer training programs that assail their fundamental religious and moral principles on pain of losing their jobs, as was the case with the administration's mandatory AIDS training program. According to OPM's figures, Federal agencies spend more than $1 billion on training. In light of the controversy generated by the administration's AIDS training, it is clear that closer oversight of employee training is necessary in order to assure that training is appropriate for the Federal workplace, both in content and method of presentation. Legislation has been proposed to protect Federal employees from improper training and to ensure that taxpayers' dollars are used only for appropriate workplace training.

c. Hearings.—A hearing entitled "Administration AIDS Training Program" was held on June 22, 1995.

10. Privatization of OPM Training Responsibilities.

a. Summary.—On May 16, 1995, the Office of Personnel Management and the U.S. Department of Agriculture Graduate School signed a memorandum of understanding (MOU) transferring OPM's Workforce Training Services, along with its office space, training obligations, and student lists, to the Graduate School, effective July 1, 1995. OPM separated 220 individuals from the agency, 134 of whom were extended offers of employment by the Graduate School. This transfer of functions moved a service from OPM's revolving fund to a "non-appropriated fund instrumentality," a

move that OPM Director James B. King described as a "seamless transition" enabling many former employees of the Workforce Training Services to retain employment while continuing arrangements through which Federal agencies could obtain training services without the burden of Federal procurement regulations.

This initiative has been described among the "privatization" initiatives advanced through the National Performance Review. Yet, by retaining authority to work through interagency agreements, this transition strategy reduced the exposure of the training services to competition—a critical factor in improving quality and reducing prices. Witnesses testified that full privatization—including the possibility of a sale of assets to interested private bidders—might have resulted in greater funds for the Treasury while increasing competitive pressures for quality. Moreover, OPM retains responsibility for oversight of training, even though the transition does not provide explicit description of that role.

b. Benefits.—More direct privatization of training activities could have resulted in substantial cost-savings to the government. However, concerns have been raised that OPM is choosing to compete unfairly with the private sector and closing off an area that would thrive if full competition were the result. Instead, the USDA Graduate School became eligible to receive annually more than $72 million of noncompetitive work funded by taxpayers, despite the fact that these training activities are commercial services readily available from private competitors.

c. Hearings.—A hearing entitled "OPM Privatization Initiatives Training" was held on July 26, 1995.

11. Review of Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

a. Summary.—Beneficiaries of the military health care system are eligible to receive medical care at military facilities. However, depending upon the level of demand and ready access to facilities, this care is not always assured. In 1995, 6.6 million non-active duty people are eligible for care through the military health care system. The deficiencies of the overall military health system, of which the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is a part, are identified by a July 1995 Congressional Budget Office (CBO) study. In that study, CBO reported that a major complaint among beneficiaries is that their access to health care at military medical facilities is poor, and that CHAMPUS is not a satisfactory alternative because of its high out-of-pocket costs.

CHAMPUS costs grew dramatically after the program's inception in 1966. Costs almost tripled from $1.2 billion in fiscal year 1984 to $3.18 billion in fiscal year 1990. Many of these costs were unanticipated and required supplemental appropriations or transfer authority. In 1983, in an attempt to put an end to the increasing costs of its health care system, and uneven access to health care services, the Department of Defense (DOD) began a managed care program, called TRICARE. TRICARE offers beneficiaries an alternative to the current CHAMPUS program. Beneficiaries are assigned a primary care physician to manage their care. In administering TRICARE, DOD has reorganized the military delivery system into 12 regions. TRICARE is scheduled to be implemented na-

tionwide by May 1997. Four regional contracts have been awarded, all to the same civilian health care company, and all bid awards have been protested. However, while TRICARE is still in the early stages, some have suggested that it is unlikely to result in giving eligible military beneficiaries access to stable, high quality health care benefits, nor will it improve the efficiency of the military health care system.

The Federal Employees Health Benefit Plan (FEHBP) provides voluntary health insurance coverage for over 9 million Federal Government employees, annuitants, and their dependents, and has long been considered the foremost health care plan in the country. The Federal Government and enrollees jointly pay for the cost, or premiums, of the FEHBP plans, according to a statutory formula. The Government's portion of each enrollee's premium is a fixed dollar amount equal to 60 percent of the average of the high option premiums for what are commonly known as the Big Six plans. The average premium contribution for both nonpostal and USPS employees and all annuitants was 72 percent in 1994, with the employees paying the remaining 28 percent.

Federal employees and annuitants enroll voluntarily in FEHBP and may terminate their enrollment at any time. Employees are allowed to enroll in FEHBP or change from one plan to another during designated "open season" periods. In 1995, over 9 million individuals were covered: 2.3 million active employees, 1.8 million annuitants, and over 5 million dependents. Approximately 5 percent of enrollees change plans each year.

b. Benefits.—The government could benefit from an overall reduction in the cost of medical services provided to military families and access to services could be greatly improved by moving to an FEHB type of program. However, the cost of transition to such an alternative delivery system could be high and disruptive of readiness requirements. Further study of this issue is required.

c. Hearings.—A hearing entitled "FEHB/CHAMPUS: Improving Access to Health Benefits for Military Families" was held on September 12, 1995.

12. Review of Current Civil Service Reform Initiatives.

a. Summary.—The *Civil Service Reform Act* of 1978 reorganized the Civil Service Commission by creating the Office of Personnel Management to perform policy, oversight, and service functions; adding the Merit Systems Protection Board to adjudicate personnel disputes; and formed an Office of Special Counsel to investigate personnel management issues. In addition, the 1978 law enacted measures intended to make government more performance-oriented and to achieve greater accountability.

Vice President Gore's National Performance Review (NPR) of 1993 promised a Civil Service Reform program package that would be developed in conjunction with the President's Management Council. However, initiatives of NPR could rescind many of the Civil Service Reform Act's provisions. The administration's package considered a comprehensive range of changes, from hiring procedures through each phase of recruitment, retention, management, labor-management relations, dispute resolution procedures, termination, and Office of Personnel Management operations.

Although this National Performance Review product was initially presented as a comprehensive package for civil service reform. The modifications included in the NPR package were never formally submitted as legislation, and generated limited support among five panels of witnesses. The committee continues to analyze such civil service reform proposals.

b. Benefits.—Former OPM officials encouraged the subcommittee to approach civil service reform issues deliberatively, because the long-term effects of apparently sound proposals only surface after extensive experience. The normal constituencies share interests, especially increasing pay and benefits, in ways that do not easily surface in complex reviews of classification systems, performance evaluation systems, appeals procedures, and other details.

c. Hearings.—A hearing entitled "Civil Service Reform I: NPR and the Case for Reform" was held on October 12, 1995.

13. Continuation of Civil Service Reform Review: Performance and Accountability.

a. Summary.—Federal agencies experience difficulties linking the activities of their employees to results intended when laws are enacted and policies implemented. The Civil Service Reform Act of 1978 included provisions to improve Federal personnel management, among them the creation of the Senior Executive Service, the GM–13–15 management grades, and greater incentives to better improved performance of agency managers. Oversight agencies reported that these incentives faced sustained resistance among the managers, who contended that the system limited the number of bonuses available and exacerbated the morale problems associated with performance ratings.

Abundant evidence points to the failure of performance management systems in Federal agencies. Most agencies use a five-step scale where managers are asked to rate subordinates as "outstanding," "exceeds fully successful," "fully successful," "minimally successful," and "unsuccessful." The Office of Personnel Management's report of fiscal year 1993 ratings shows that 99.6 percent of Federal employees who received a rating were evaluated at least "fully successful," and more than 73 percent were rated "exceeds fully successful" or "outstanding." OPM recently issued regulations enabling agencies to replace these multi-step evaluations with "pass-fail" rating systems.

Human resource professionals contend that performance management systems which focus on results or ratings concentrate attention on an end process and divert attention from earlier stages in the employee management process. Private sector consulting firms and corporations have testified before the subcommittee asserting a more comprehensive approach to personnel management can reduce the need for unsatisfactory ratings and/or firings to strengthen performance. The Hay Group, for example, encourages its clients to evaluate potential employees not only in terms of "knowledge, skills, and abilities" (factors identified on all Federal vacancy announcements), but also "values, attitudes, and motives," factors that are seldom (if ever) incorporated in Federal hiring decisions.

The 103d Congress repealed the Performance Management and Recognition System. With improved performance measures re-

quired by both the *Chief Financial Officers Act* of 1990 and the *Government Performance and Results Act* of 1993, Congress reaffirmed its commitment to pursue improved performance by attempting to shift attention to results rather than procedures.

b. Benefits.—The Merit Systems Protection Board surveyed Federal managers and learned that although 78 percent reported managing a "poor performer," only 23 percent of them initiated demotion or removal actions to address the problems. The hearing demonstrated that the challenges facing the Federal managers are identical to those in the private sector. The evaluation and management of poor performers must be linked to recruitment, hiring, promotion, and development activities if it is to be effective. This hearing provided additional material for deliberation related to civil service reform proposals.

c. Hearings.—A hearing entitled "Civil Service Reform II: NPR & the Case for Reform—Continuation" was held on October 26, 1995.

14. Review of Federal Employee Appeals Procedures.

a. Summary.—Federal employees have at their disposal many avenues through which they can appeal a variety of personnel actions. The U.S. Merit Systems Protection Board (MSPB), the independent quasi-judicial agency in the executive branch which has a statutory mandate to adjudicate appeals of personnel actions for the government and its employees, decided approximately 8,500 cases in fiscal year 1994. Other agencies involved in the Federal employment complaints process, include: the Federal Labor Relations Authority (FLRA), the Office of Special Counsel (OSC), and the Equal Employment Opportunity Commission (EEOC). In addition, there are multiple levels of reviews of actions within employing agencies, internal agency grievance procedures, and negotiated grievance procedures in collective bargaining agreements, as well as special agency procedures for resolving discrimination claims.

The complicated, lengthy means of appeals available to Federal employees led witnesses to testify that the maze of multi-layer, multi-agency appeals processes deters managers from disciplining poor performers or initiating action in conduct cases. Due to the extraordinary amount of time and unknown expense involved in a lengthy appeal, both GAO and the National Academy of Public Administration have expressed the need for consolidating the appeals process and adjudicatory agencies. A recent Issue Paper published by the MSPB emphasized that "[t]he wide choice of review paths available to employees serves to exacerbate" the hesitancy of Federal managers to take appropriate action against poor performers. That Issue Paper concluded that the "current multi-level, multi-agency process should be reexamined," observing that the Federal Government needs "a system that ensures fairness, not one that deters appropriate actions from being taken."

b. Benefits.—The committee heard extensive testimony that creating a simpler, more straightforward, less duplicative mechanism for resolving disputes in the Federal workplace could improve performance management in the executive branch. Some components of the current system, most notably the unnecessarily complex "mixed case" procedure, are simply inefficient and needlessly burden American taxpayers with unnecessary costs. Testimony before

the subcommittee clearly demonstrated that there are several attractive alternatives for simplifying and consolidating the appeals process. Witnesses also recommended greater use of alternative dispute resolution methods, which will be the subject of a future subcommittee hearing.

c. Hearings.—A hearing entitled "Civil Service Reform IV: Streamlining Appeals Procedures" was held on November 29, 1995.

15. Shutdowns of Federal Agencies Due to Lapses in Appropriations.

a. Summary.—President Clinton vetoed a continuing appropriations resolution on November 13, 1996, resulting in the 10th shutdown of government due to a lapse in appropriations since 1981. The first shutdown lasted from November 14 to November 21, 1995. Subsequent vetoes resulted in another shutdown of agencies covered by six appropriations bills that had not been enacted, with the second shutdown extending from December 16, 1995, to January 6, 1996.

The Office of Management and Budget documented that the administration had been coordinating planning for a potential shutdown beginning in August. Although all agencies were required to submit shutdown plans to OMB, committee staff found that the plans revealed little consistency in planning and an absence of standards in assessing agency plans. Although the initial reason for the shutdown was a lapse of appropriations and fear of violating the Antideficiency Act, the President proposed to modify shutdown guidelines after only a few days, arguing that the shutdown had fostered conditions that would meet the legal exception for "emergency" recall of selected Federal employees. After hearing testimony from nine senior agency officials, several committee members expressed concern that many of the employees whose work could qualify as "emergency" in only a few days, probably should not have been furloughed in the first place. The subcommittee also received testimony from 14 members who were proposing a variety of legislation to address disruptions caused by the shutdowns.

b. Benefits.—The subcommittee's first hearing on the shutdown enabled members to identify functions that should not have been interrupted during the first shutdown. Those views were communicated to the President, and the designated functions remained open during the second shutdown, even though some of them still lacked appropriations.

c. Hearings.—Hearings entitled "Government Shutdown: What's Essential?" and "Government Shutdown II" were held on December 6, 1995, and December 14, 1995.

16. Employee Benefits in the Context of Total Compensation.

a. Summary.—Economic constraint is the primary factor that guides the level and design of compensation and benefit packages throughout the private sector. Some employment-based benefits, such as pensions, life insurance, and health insurance are provided voluntarily by employers. Employers and employees often jointly make payments to fund these voluntary employee benefit programs. Other benefits, including Social Security, Medicare, workers' compensation and unemployment insurance, are mandated by

government. These mandatory programs are jointly funded by employers and employees, and provide retirement income and health care coverage for elderly and disabled workers and their dependents. Whether mandatory or voluntary, each of these programs is employment based and financed primarily through employer and employee payroll deductions. The government also promotes the granting of additional benefits through favorable treatment under the tax code.

Compensation packages can be tailored to achieve the workforce goals of the employer while simultaneously accommodating the needs and preferences of workers. The integration of benefit policy, with both short and long range personnel planning, is essential in the private sector. Flexible benefits plans are growing in popularity in response to the changing demographics of the American population, and the dual income family. Within such arrangements, employees are permitted choices among benefits and/or benefit levels. Employees thus may exchange benefits that they consider less valuable for others better suited to their needs. The level of benefit provided can vary greatly, and tends to be directly related to the size of the business. According to the Employee Benefits Research Institute's Data Book on Employee Benefits, less than half of all small employers provide a retirement benefit for their workers.

b. Benefits.—The Federal Government could benefit from a review of its compensation strategies to keep abreast of changing workforce demographics. As the population ages, as corporations face increasing competition in the global marketplace, and as the needs of their employees change, the private sector is adapting its human resource management strategies. As Congress seeks to better allocate available resources within realistic budget constraints, it makes sense to reevaluate our Federal personnel management strategies.

c. Hearings.—A hearing entitled "Civil Service Reform III: Private Sector Compensation Practices" was held on October 31, 1995.

17. Medical Savings Accounts (MSA's) in the Federal Employees Health Benefits Plan.

a. Summary.—A number of proposals have been introduced during the 104th Congress to allow individuals and families to establish tax-favored Medical Savings Accounts (MSA's) for uninsured medical expenses. An MSA can be viewed as a savings account for uninsured medical expenses. MSA's are primarily designed to encourage workers to be more cost conscious in how they spend their money on routine health care, and are also aimed at controlling employer costs. An MSA allows the employer to put aside a fixed amount of money into an account for each employee to pay for his or her own health expenses. In lieu of giving the employee first-dollar or low-deductible coverage, the employer puts cash into a medical savings account and insures or covers the employees' health care costs in full above the amount in the MSA—often referred to as catastrophic coverage. Whatever funds are not spent on health care can be withdrawn at the end of the year and used for any other purpose, or saved for future use.

MSA's make economic sense for the employee because out-of-pocket spending can be substantially less with an MSA than under

the traditional health plans, and employees can keep any money left in their account at the end of the year while still retaining major medical coverage. In effect, MSA's permit people to manage the spending of their own funds for non-catastrophic health care.

b. Benefits.—In examining the utilization of MSA's in the private sector and at the local government level, witnesses testified that MSA's are an extremely attractive health care option for all ages, and that they have not experienced the "adverse selection" attributed to MSA's testimony also indicated that MSA's provided greater flexibility and freedom to choose doctors and services than do current plans. Witnesses also testified that with an MSA, an employee is less likely to neglect necessary or preventive care than with a traditional fee-for-service health care plan. Under conventional insurance, individuals receive no reimbursement until they have met the deductible. That places all the out-of-pocket spending on the first expenditures; expenditures that are most likely to cover preventive care. MSA's would actually provide a pool of money that could be used to pay for preventive care.

c. Hearings.—A hearing entitled "FEHB/MSA: Adding Medical Savings Accounts—Broadening Employee Options" was held on December 13, 1995.

DISTRICT OF COLUMBIA SUBCOMMITTEE

1. Closing of Pennsylvania Avenue.

a. Summary.—The purpose of this subcommittee investigation is to explore issues concerning the closure of Pennsylvania Avenue. Called "America's Main Street", it is a major artery connecting the Capitol Building and the White House and is part of the original L'Enfant Plan for the District of Columbia. Any closing of this historic street, whether temporary or permanent, has enormous impact on the orderly flow of city traffic. Existing law gives both the DC government and Congress key roles in local street closings.

Subcommittee Chairman Davis convened a hearing on June 30, 1995, to gather information on the legal authority necessary to make permanent changes to city streets in the District, and to assess the consequences of taking such actions including lost revenue, and disrupted traffic patterns. The need for Presidential security was not questioned.

The subcommittee heard testimony from officials of the Washington municipal government including the Office of the City Administrator, the Departments of Public Works and Housing and Urban Affairs as well as the DC Council. The Municipal testimony stressed the loss of revenue from parking meters, and the dislocation caused by disrupted traffic patterns, as well as the cost of rerouting the transit system. The problem of jurisdiction between the Municipal and Federal law enforcement branches was discussed at length, and the matter of reimbursement of the city by the Federal Government.

The Department of the Treasury was asked to present written testimony to be included in the record. Following the hearing, subcommittee Chairman Davis again contacted Secretary Rubin, seeking additional information and clarification of points made in the original written testimony. Information was also requested from

the Federal Bureau of Investigation regarding the parking ban in effect around the perimeter of their building.

The subcommittee also reviewed the Vulnerability Assessment of Federal Facilities report dated June 28, 1995, prepared by the U.S. Marshals Service of the Department of Justice in direct response to the April 19, 1995, bombing in Oklahoma City.

b. Benefits.—This investigation furnished critical information to the Congress necessary to the formation of public policy regarding both government and commercial establishments in the effected area.

c. Hearings.—On June 30, 1995, the subcommittee held an informational hearing on the closing of Pennsylvania Avenue. The hearing followed an order signed by Treasury Secretary Robert E. Rubin on May 19, 1995, prohibiting vehicular traffic on portions of Pennsylvania Avenue and certain other streets adjacent to the White House. Secretary Rubin delegated to the Director of the U.S. Secret Service "all necessary authority to carry out such street closings."

2. Traffic Disruptions.

a. Summary.—The subcommittee held an oversight hearing into recent traffic disruptions in the District of Columbia organized by a local labor organization. The group deliberately blocked major traffic arteries in the Nation's Capitol and caused massive traffic disruptions effecting both the public and private sectors. The subcommittee sought information into the consequences of the traffic disruption to area business, commuters, and police procedure.

An incident on September 20, 1995, generated the hearing, in which morning commuter traffic was brought to a standstill on Interstate 66, Routes 50 and 110, the Theodore Roosevelt Memorial Bridge, and the George Washington Memorial Parkway. An estimated 100,000 motorists were effected. As part of the disruption, a bus was pulled across the Roosevelt Bridge and abandoned. Each of the 34 persons arrested was fined $50. According to news reports, the traffic disruption "impeded an ambulance on call" and caused "neighboring small businesses untold losses of normal revenue."

Testimony at the hearing revealed the problems such demonstrations cause the law enforcement officers, and traffic management personnel. Additional testimony was heard that outlined the difficulties generated by the traffic disruption including a rise in the number of auto accidents. The impact on area businesses and medical facilities was discussed at length.

Following a subsequent disruption on December 4, 1995, which created a huge traffic jam in Northwest Washington in the area of the DC Financial Control Board offices, the subcommittee is reviewing legislative options to prevent and control future non-permitted demonstrations.

b. Benefits.—The investigation provided information critical to drafting legislation to discourage reoccurrence of deliberate traffic interruptions in Washington, DC.

c. Hearings.—The subcommittee held an oversight hearing on October 6, 1995, concerning the recent traffic disruptions in the District of Columbia organized by a local labor organization.

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE

1. Capital Budgeting.

a. Summary.—Since the imposition of ever-tightening caps on discretionary spending in the 1990 Omnibus Budget Reconciliation Act, committee members have been concerned that long-term investments in capital have been neglected in favor of current consumption. Borrowing funds to invest in capital projects with long-term benefits is an appropriate activity, as the future generations that enjoy the benefits of the assets will also pay for them. However, the Federal Government lacks experience with capital budgeting concepts and techniques. Therefore, committee members were interested in examining the practices of State and local jurisdictions, as well as that of other nations.

The subcommittee examined H.R. 767, the Federal Budget Structure Act, introduced on February 1, 1995, by Chairman William Clinger. Two hearings were held to review various proposals to implement a Federal capital budget and the manner in which such budgets impacted other government operations. The hearings examined the workings of capital budgets operated by Fairfax County, VA, New York, NY, Philadelphia, PA, and the government of New Zealand, as well as the work of scholars and private sector financial experts in the area of investment budgeting.

b. Benefits.—Implementing a Federal capital budget will help rebuild the Nation's deteriorating capital stock, and will help improve Federal planning, investment and budgeting processes.

c. Hearings.—Subcommittee Chairman Horn convened the first hearing on March 2, 1995, to examine the practices and experience of local jurisdictions in the area of capital budgeting. He opened the hearing by noting the importance of planning capital projects, and that the Federal Government has failed to adequately plan. Chairman Clinger noted his endorsement of Federal capital budgeting and that his bill, the Federal Budget Structure Act of 1995, H.R. 767, had been co-sponsored by a number of committee members.

Representative Bob Wise also mentioned that he supports the concept of capital budgeting and has introduced two bills on the issue. Representative Norman Mineta testified that borrowing funds to invest in capital projects with long-term benefits was an appropriate activity, as the future generations that enjoy the benefits of that asset will also pay for it. Representative Ray Thornton noted that Arkansas had successfully operated a capital budget for most of this century. Rep. Thornton also referred to his support of a capital budget and his introduction of a bill to provide for a Federal capital budget.

Katherine Hanley, chairwoman of the Fairfax County Board of Supervisors, accompanied by William J. Leidinger, county executive, Fairfax County, discussed Fairfax's capital budget. Mr. Leidinger testified that the county is prohibited from allowing capital costs to exceed 10 percent of total general fund disbursements. This is the centerpiece of the county's Ten Principles of Sound Financial Management, which has allowed Fairfax to maintain a AAA bond rating, 1 of only 33 local governments out of 30,000 jurisdictions to claim that honor.

Thomas McMahon, director of Finance Division, New York City Council, testified on New York City's capital budget. Mr. McMahon noted that Federal adoption of a capital budget would help rebuild the Nation's deteriorating capital stock and testified that New York City has witnessed a decline in the quality and quantity of the city's capital stock.

Ted Sheridan, the president of Sheridan Management Corp., and former CFO of Fairchild, testified on behalf of the Financial Executives Institute. Mr. Sheridan stressed that capital budgeting was essential to efficiently plan the Federal investment program. He proposed a pilot program for capital budgeting based on three assets: a weapons system, an information system, and a power generation station.

David Chu, a fellow at the National Academy of Public Administration (NAPA), served on NAPA's expert panel on capital budgeting. Dr. Chu believes that capital budgeting has many strengths, including improving planning, investment and identifying budget expenditures for investments. Dr. Chu also mentioned technical problems with capital budgeting, such as the treatment of capital equipment, and the treatment of tax expenditures, government-sponsored enterprises.

On June 29, 1995, His Excellency John Wood, Ambassador of New Zealand, described how government agencies in New Zealand changed their accounting, budgeting, and management systems beginning in 1984. These changes affected (1) the way department heads were chosen; (2) the way in which agencies define, measure and report performance; (3) delegation of input control to departments or agencies; and (4) the way government fiscal performance is measured and reported.

Government departments in New Zealand are assessed a charge for capital controlled by the department, determined by multiplying total capital times a market rate of interest. In addition, agencies may sell surplus assets and use the proceeds to upgrade computer systems. These features make explicit to agencies the cost of owning assets.

Edward Rendell, mayor of Philadelphia, noted that capital budgets are common to local and State governments, are enforceable by a borrower's bond rating, and force long-range prioritization and planning for capital projects.

Mr. Paul Posner, Director of Budget Issues, Accounting and Information Management Division of the U.S. General Accounting Office, testified that if the Federal budget were balanced, the long-term boost to Gross Domestic Product would mean that GDP would be 34 percent larger in the year 2025 than if no action were taken to reduce the deficit. Similarly, Mr. Posner noted that within the budget process, care is needed to be taken to improve selection of investments to improve productivity.

Mr. Posner noted the temptation that lawmakers would face to classify non-capital expenditures as capital in order to get more favorable budget treatment for the asset. He also noted that the Federal Government does not own many of the capital assets it funds in the budget. Many are owned by States or local governments and funded by subsidies or grants. In addition, Mr. Posner noted the need to impose long-term control over the obligation of public

funds. Finally Mr. Posner noted the importance of recognizing the full cost of a long-term obligation up front in order to impose discipline on agencies.

2. Integrity of Government Documents.

a. Summary.—On September 30, 1994, former U.S. Representative Barbara Jordan, as chair of the Commission on Immigration Reform, released the Commission's first report to the Congress on the status of the Nation's immigration policy. The report was required by the Immigration Act of 1990, Public Law 101–649. The Commission cited widespread counterfeiting of documents that entitle people to gain public benefits or to be hired for work as a major factor undermining current immigration policy. It recommended development of a "simpler, more fraud-resistant system for verifying work authorization."

In the President's Budget for fiscal year 1996, the administration proposed to reform the Nation's immigration process, in part through development of a nationally available employment verification system. In that connection, the subcommittee met to consider a range of views on the nature, the role, the need, the cost, and the potential social consequences of using fraud-resistant personal identification documents as part of a national employment verification system.

b. Benefits.—The shortcomings with regard to the security of government documents identified by the hearing will assist the committee in advising relevant Federal agencies on the need to develop more secure documents to verify work eligibility and immigration status.

c. Hearings.—Subcommittee Chairman Horn called the hearing on March 7, 1995, to examine the situation regarding the integrity of government documents with testimony from representatives from the U.S. Commission on Immigration Reform and the Immigration and Naturalization Service (INS).

Subcommittee Chairman Horn opened the hearing by describing it as a fact-gathering effort toward fraud-proofing personal identification documents. Congressman Becerra, the first witness, cautioned all concerned to remain sensitive to the considerations of personal privacy, data base accuracy, and total public cost as major factors bearing on U.S. immigration policy, "big-brotherism," and perceptions of discrimination.

Mr. Robert C. Hill and Dr. Susan Martin, U.S. Commission on Immigration Reform, summarized the Immigration Reform Commission's published recommendation for electronic validation of the Social Security number as the fairest, fastest, most reliable, and most efficient way to guard against employment authorization fraud. They advocated starting slow and small with one or more alternative "pilot programs" prior to constructing a nationwide employment verification registry, and letting the Commission monitor preliminary results.

Mr. James A. Puleo, Executive Associate Commissioner for Programs, INS, explained his agency's telephone verification system (TVS) for checking identities of Los Angeles area "green card" holders (immigrants) applying for work. TVS methodology is potentially usable in a national employment verification system. INS data

bases on non-citizen U.S. residents need to be purified, reconciled, and integrated in order to be usable in a national employment verification system. The agency has taken some steps toward fraud-proofing "green cards" (resident alien registration cards), but the current re-issuance program will take a year longer than planned. INS is working with the Social Security Administration (SSA) on a multi-stage plan that would ultimately lead to a national employment verification registry.

Dr. Shirley S. Chater, Commissioner, Social Security Administration, emphasized that Social Security cards have never been intended to guarantee individual personal identity. Nonetheless, the current counterfeit-resistant Social Security card has been issued to 61 percent of active card holders. SSA has a toll-free telephone number which employers can use to verify Social Security numbers (SSN's) for payroll purposes, but it is not used much, and it could not handle a large nationwide verification workload at present. The agency's "enumeration at birth" program has nearly eliminated fraudulent SSN's for infants and children. SSA's data base, recently much improved, still needs more work in order to support employment verification nationwide.

Mr. Richard W. Velde, former head of the Law Enforcement Assistance Administration (LEAA), suggested that in today's established electronic data base networks for exchanging health and vital records, criminal history, and bad motor vehicle driving records, we may already have a framework for the proposed national employment registry. In addition, sophisticated moderate-cost biometric identification technology is available to produce encoded personal documents that definitively establish the bearer as either the person described on the document or as a different person. Several States use such technology in issuing drivers' licenses. A nationwide hookup of State motor-vehicle driver registries, coupled with uniform issuance of biometric State drivers' licenses, could serve as the functional equivalent of the Immigration Reform Commission's employment verification registry.

Mr. Frank W. Reilly, Ms. Hazel E. Edwards, and Mr. John Chris Martin, Accounting and Information Management Division, General Accounting Office, commented briefly on INS and SSA data bases, TVS's, and plans for a two-step process to cross-check each other's files for discrepant information. They described a newly implemented statewide system for managing public benefits eligibility in Connecticut. The system uses state-of-the-art technology in providing a one-step application for three Federal benefit programs that links nine separate supporting data bases. Connecticut's experience could help in developing the Federal employment verification registry.

Joseph Eaton, professor at the Graduate School of Public and International Affairs, University of Pittsburgh, praised the Immigration Reform Commission's work and summarized the advantages and the ready availability of biometric identification technology. The protection of publicly stored private information can be assured and enhanced by (1) feedback to the individual whenever a privacy-sensitive personal file is accessed; (2) standards for data base matching; (3) bonding and licensing of sensitive data bank owners and employees; and (4) administrative and legal remedies.

Mr. Robert Rasor, Special Agent, U.S. Secret Service, mentioned several different kinds of identification-document fraud that the Secret Service pursues in conjunction with the INS's Forensic Identification Laboratory. He described his agency's role of coordinating and assisting the efforts of State bureaus of health and vital statistics and departments of motor vehicles to strengthen and standardize identification media and documents.

Mr. Russell Meltzer, Head of Security, Schlumberger-Malco, Inc., explained in concept how the credit card industry's authorization system could be copied and retrofitted to serve as a national employment registry and verification system. The Federal Government would function analogously to a bank, an employer to a retail merchant, and a job applicant to a consumer. Inquiry terminals at work places would not allow users (inquirers) to alter anything in the data bank. An applicant's document would take the form of a "smart (computer-chip) card," biometrically encoded to match to the individual bearer. Written testimony was provided by Mr. Lamar Smith of Visa USA, which described how today's credit card industry authorization process works.

3. Federal Role in Privatization.

a. Summary.—The Budget of the United States Government, the President's budget request submitted on February 6, 1995, contained numerous proposals for privatization of government functions, assets, and agencies, including the helium program, the National Weather Service, U.S. Enrichment Corporation, four of the Power Marketing Administrations, and the Naval Petroleum Reserve. The committee examined the history of privatization in other countries and levels of government to determine lessons to be derived from these sources.

b. Benefits.—This hearing demonstrated the necessity for additional private sector capital being deployed to meet public needs. From wastewater treatment to airports, many publicly owned assets are not receiving sufficient levels of investment. There are investors willing to provide this capital, and the experience of other nations proves that such measures can improve economic performance while increasing investment, and reducing the role of the Government in the economy.

c. Hearings.—Subcommittee Chairman Horn opened the hearing by noting the historical increase in the number of privatizations all over the world, with the exception of the United States. Representative Klug, who chairs the Speaker's task force on privatization, listed the types of Federal agencies and activities which his task force has identified as possible candidates for privatization. Roy Bernardi, mayor of Syracuse, NY, testified about his city's plans for privatization. Chief among the plans is a proposal to privatize the airport. However, this sale is partially blocked by Federal rules regarding grant repayment of assets constructed with Federal dollars.

Andrew Jones, worldwide privatization coordinator at Arthur Andersen Consulting, testified about privatizations in other countries and lessons to be learned from those experiences.

Roger Leeds, managing director of Barents PLC, testified about his experience directing privatization efforts abroad. Mr. Leeds

noted that the likeliest prospects for privatization in the Federal Government were services (though Leeds did mention the power marketing administrations).

Louis Albano, president of Civil Service Technical Guild in New York City, testified about the dangers of contracting out additional government services. Mr. Albano suggested that government workers could do the same job cheaper and better than a private contractor whose motive was profit.

Bert Concklin, president of Professional Services Council, testified that the Federal Government should contract out more. Mr. Concklin spoke against the system of cost comparison whereby costs of private contractors are compared against the cost of performing work in-house. He also testified that such cost comparisons were misleading, since Federal costs usually do not include many overhead items.

Ralph L. Stanley, a senior vice president with United Infrastructure Corp., testified on the need for private infrastructure finance initiatives. He proposed an infrastructure bank which would take several billion Federal dollars and leverage them with private investment.

Ronald Correll, president and CEO of United Water Resources, testified about the need for private financing of water system improvements.

Viggo Butler, president of Lockheed Air Terminal, testified about the need for relief from the Federal grant repayment requirement.

4. National Performance Review.

a. Summary.—On May 2, 1995, the subcommittee convened a hearing to evaluate the accomplishments of the National Performance Review. The National Performance Review (NPR) was initiated by Vice President Gore in 1993 and consisted of two phases. The purpose of the first phase was to make government work better and cost less; the second phase required agencies to fundamentally reevaluate their missions, goals, and objectives.

b. Benefits.—Ongoing review of the National Performance Review process will help Congress and the public assess what the NPR has accomplished to date, and what can be expected from the second phase of the NPR initiative. This effort will help the Federal Government determine how to better serve the Nation.

c. Hearings.—Witnesses were asked to give their opinions on the mission and role of the NPR, whether benchmarks for evaluating NPR's progress existed, whether NPR as implemented met their expectations for improving government, and whether NPR could achieve its stated objectives.

Dr. Alice Rivlin, Director, Office of Management and Budget, supported NPR's effectiveness in improving executive branch departments and agencies. She noted that Vice President Gore, who spearheaded Phase I, encouraged the agencies to adopt the 1,200 recommendations developed by NPR. In describing Phase II, Ms. Rivlin stated that the focus switched from "how" government operates to "what" it should do. She urged Congress to help NPR with funding.

Charles Bowsher, Comptroller General of the United States, applauded the concept and aims of the NPR, but saw many short-

comings. Two examples he cited were failing to address many critical management problems in the agencies and ignoring nearly three-fourths of other issues GAO had identified. He felt that the goals should be stated more clearly, reliable information should be available, and that the focus should be on outcome-based management.

Tony Dale, budget manager of the New Zealand Treasury, describes the public sector reform of New Zealand in the mid-eighties. The corporatization, privatization, and public sector reforms are the very reasons that New Zealand now has constant economic growth, a low inflation, a shrinking percentage in government expenditures, and instead of a 9 percent deficit, the country now has a 7 percent surplus. He strongly supports public sector reform.

Duncan Wyse, executive director, Oregon Benchmarking Project, made three points: (1) most of the Federal agenda is delivered by State and local governments, and improvement must be made by taking this into consideration; (2) the system needs to be reformed; and (3) Congress as well as the executive branch needs to be reformed.

Dwight Ink, Institute of Public Administration, thought that the implementation of NPR concepts has been very disappointing and he hoped the situation will change in the future. He pointed to the hiring process, the inconsistency among NPR agencies, and the inability of leadership as examples of NPR ineffectiveness. He blames the problems of organization and execution in the NPR on too much restructuring without establishing missions and roles.

R. Scott Fosler, National Academy of Public Administration agreed with the scope and purpose of the NPR. He believed the move from the "how" of government to "what" government does is a positive step; however, NPR has to address key areas if it wants to sustain its energy. Such key areas are accountability, a coherent framework, and capacity within the agencies.

Donald Kettl, senior nonresident fellow, the Brookings Institution, stated that NPR had made substantial progress, and achieved substantial savings, but the progress of NPR is not self-sustaining and that there are still many unanswered questions.

Herbert Jasper, McManis Associates, lauded many of the accomplishments of the NPR, while expressing some misgivings. He cited as disappointing NPR's lack of analysis, statutory promises that are not backed up with resources, the "command" or top-down philosophies of some recommendations, and the "government bashing" that permeates NPR reports.

5. Strengthening Departmental Management.

a. Summary.—In the past 30 years, there has been a multiplication in the numbers of management functions, and a diffusion of their responsibility among numerous centers. These centers of management authority include Secretary, Chief of Staff, Inspector General, Chief Financial Officer, Chief Operating Officer, and Assistant Secretary for Management. The number of employees in executive levels I through V totaled 249 in 1960 and 1626 in 1992. Similarly, occupants of the Senior Executive Service (SES) also increased dramatically in number during the same period. The larger number of management and control personnel resulted in increased

layers of management, who delayed implementation of management program and distorted information passing between levels of management.

b. Benefits.—The hearing demonstrated the need for a government focus on management issues. This was part of the subcommittee's ongoing interest in and oversight of the management practices at Federal agencies.

c. Hearings.—On May 9, 1995, the subcommittee convened a hearing entitled, "Strengthening Departmental Management." Subcommittee Chairman Horn opened the hearing by noting the framework of general management laws which exists to coordinate management reform efforts. Chairman Horn described his intent to bring together private and public sector experience to help solve the problems of government management.

Tom Glynn, the Deputy Secretary of Labor, testified about his experience as a Chief Operating Officer at the Department of Labor. Mr. Glynn described his agency's reinvention efforts, including reducing the steps it takes to hire a new worker from 120 to 41 steps. Chairman Horn and Glynn exchanged comments concerning the diffused nature of management responsibilities within the current organizational structure. The Chief Operating Officer, the Secretary's Chief of Staff, the Inspector General, the Assistant Secretary for Management and the Chief Financial Officer each have large management responsibilities. The proposed chief information officer would diffuse management responsibilities further.

George Muñoz, Assistant Secretary for Management and Chief Financial Officer, Department of the Treasury, testified concerning his agency's recent reinvention efforts. Mr. Muñoz described the principles which have guided Treasury's management improvements: customer service, strategic planning and streamlining. Representative Michael Flanagan and Mr. Muñoz gave their views on debt collection.

Johnny Finch, Assistant Comptroller, General Government Division, and Gene Dodaro, Assistant Comptroller, Accounting and Information Management Division, GAO, testified on GAO's reviews of agency management improvement efforts. Mr. Finch noted that the Government Performance and Results Act, the Chief Financial Officers Act and the Paperwork Reduction Act have formed the basis of the agency management improvement efforts. Mr. Finch noted that agencies need to define their mission, improve operational effectiveness by using information technology to re-engineer, strengthen financial management, and build the capacity to manage the Federal workforce.

Upon questioning, Mr. Dodaro outlined the problem areas in information technology investment and described weaknesses in financial management at the Department of Defense. Mr. Finch detailed differences between the National Performance Review and successful government reform efforts abroad.

In panel III, Alan Dean, senior fellow of the National Academy of Public Administration, described recent changes in the Federal workforce, such as the increasing numbers of non-career officials. Mr. Dean also discussed reorganization proposals, including the creation of an Office of Federal Management and restructuring executive departments. William Hansen, former Chief Financial Offi-

cer at the Department of Education, outlined the reorganization of the Department in the 1980's, and the restructuring and block-granting of programs that occurred in 1981–1983. Mr. Dean testified that OMB's restructuring has denuded the agency of any expertise in government corporations.

Roger Sperry, director of management studies of the National Academy of Public Administration, identified the five key areas to any efforts at government reform: strengthening Federal leadership, automating, integrating and streamlining government, focusing on performance, streamlining Federal field structures and congressional-executive relations. Mr. Sperry also commented on interagency and intergovernmental coordination in a region responding to a critical situation.

6. Consolidating Federal Programs and Organizations.

a. Summary.—This is part of the Making Government Work series described in Section II. A.1.

b. Benefits.—These are described in Section II. A.1.

c. Hearings.—On Tuesday, May 16, 1995, the subcommittee began its third hearing in its "Making Government Work" series. The hearing was held in two parts and considered proposals for restructuring the programs and functions of the Departments of Energy and Education. The first part of the hearing will be held on May 16th; the second session was on May 23rd.

Subcommittee Chairman Horn noted at the opening of the hearing that a number of proposals recommended terminating the Departments of Education and Energy. He offered a criterion to be used when considering whether, if an agency or department did not already exist, it would make sense to create it.

Ranking subcommittee member Mrs. Maloney noted that the country had little experience with abolishing Cabinet departments. She cautioned against not adequately providing for the continuation of many of the activities of the Energy Department that she regarded as important.

In her testimony, Secretary O'Leary presented her agency's own plan to reduce its workforce by 27 percent and its budget by $14 billion over the next 5 years. She stated that the Department would still be required to perform its four critical missions. The Secretary identified these missions as national security protection and nuclear danger reduction, weapons site clean up and environmental management, science and technology management, and energy security enhancement. She concluded that the Energy Department, smaller in size, was still the best institutional vehicle to perform these tasks.

In response to questions from the subcommittee, the Secretary stressed the advantages of maintaining civilian control over the Nation's nuclear weapons program. She criticized suggested alternatives to the Energy Department, such as the proposed Department of Science, as unwieldy and ill-advised. When asked by subcommittee Chairman Horn about the opportunities for closer policy coordination that a "Natural Resources Department" offered, as had been proposed by President Nixon, she responded that regular meetings by administration Cabinet members in related fields provided for policy coordination and the resolution of disputes.

The subcommittee reconvened its hearing on "Consolidating Federal Programs and Organizations" on May 23, 1995. Donald Hodel, former Secretary of Energy told the subcommittee that in a market economy, the Energy Department had little to do with producing or generating energy. He concluded that the very existence of a Department of Energy was undesirable, as "it suggests that the U.S. Government is doing or is going to do something about energy beyond what I believe government should do."

Former Energy Secretary Admiral James Watkins indicated that he appeared before the subcommittee neither as an advocate nor an opponent of the Department's elimination. Rather the Admiral stressed his concerns for the appropriate stewardship of the Nation's nuclear energy program. He called upon Congress to initiate a careful review, drawing upon outside experts, to determine which of the Department's functions should be retained, which ought to be transferred and which could be privatized.

Former Energy Secretary John Herrington called for the elimination of the Department. He advocated ending all energy research and development and energy conservation programs. He further supported the privatization of government owned laboratories engaged in research, the five Power Marketing Administrations and the naval petroleum reserves. He proposed placing nuclear weapons functions under the jurisdiction of a newly created Under Secretary of Defense.

Former Under Secretary of Energy Shelby T. Brewer observed that the Energy Department had strayed from its original mission of obtaining national energy security. He noted that as the Nation's energy circumstance had changed, the Department shifted its mission to become an environmental management department, a basic science department, and a biological and medical research department. As a result, according to Mr. Brewer, energy development and demonstration now accounts for a little over 10 percent of the total budget. Mr. Brewer also testified that a substantial contributory factor to the Department's lack of a clear mission was the multiplicity of congressional committees, each of which has its own set of interests, different from the others.

Former Under Secretary of Energy Donna R. Fitzpatrick joined her former colleagues in calling for the elimination of the Department, suggesting that it had outlived its usefulness. She advocated placing weapons related activities into a sub-cabinet agency independent of the Defense Department.

As the hearing shifted its attention to the Department of Education, subcommittee Chairman Horn noted that several proposals would either eliminate the subcommittee and transfer its activities to the States, or else merge its functions into another Cabinet subcommittee, such as Labor.

Under Secretary of Education Marshall S. Smith stressed in his testimony the strong public support for the Department and its programs. He commented that: Federal involvement in education supports democracy and our economy. This is not just a State and local interest; this is a national interest. He claimed that administrative costs account for only 2 percent of the budget, with the subcommittee having the smallest ratio of employees to total budget in the Federal Government.

Accompanying Secretary Marshall was Donald Wurtz, Chief Financial Officer of the Department. Subcommittee Chairman Horn and Ranking Member Maloney engaged Wurtz in a discussion of the Department's efforts to improve its debt collection efforts for student loans.

Chester Finn, of the Hudson Institute, testified that the Federal Government had become a meddlesome force in American education. He advocated eliminating the Department and transferring its grant programs into either strings-free block grants to the States, or transferring all the Department's functions to other Federal agencies.

William Hansen echoed the views of Mr. Finn, adding that the number of the Department's categorical programs had grown from 130 in 1981 to over 250. According to Mr. Hansen the number of Federal employees and the extent of local intrusion could be reduced by greater use of program consolidation and block grants. Through program consolidation, he said, the Department could greatly reduce its staff.

George Muñoz, Assistant Secretary of Treasury and the Department's Chief Financial Officer testified that the Education Department has undertaken a number of management reforms. In particular he noted improvements in the Department's financial management practices.

Paul Posner, Director of Budget Issues in the Accounting and Information Management Division of the General Accounting Office, testified on his office's conclusions on duplicative and overlapping Federal programs. Program consolidation, he reported, held out promising opportunities for increasing the efficiency of government operations and improving performance. He noted that savings were possible when programs with similar objectives and clients were brought together and conflicting requirements, duplication and overlap were reduced.

7. Corporate Structures for Government Functions.

a. Summary.—As the Federal Government continues along the road of structural change, the demand for more efficient operations will become more evident. This hearing drew lessons from effective private and public sector managers on how to downsize institutions effectively. The hearing also probed recent proposals to create additional Federal entities (such as the Air Traffic Control Corporation, the Forrestal Corporation, and the Bonneville Power Corporation).

b. Benefits.—Learning from the best practices in business will assist lawmakers and Federal managers to downsize and streamline institutions effectively, with the least detrimental impact on vital public services.

c. Hearings.—On June 6, 1995, subcommittee Chairman Horn called the hearing which focused on the use of corporate forms of organization, examining various forms of government corporations and determining what advantages each possesses.

Donald H. Rumsfeld, chief executive officer, General Instrument Corp., testified about the general concept of using corporate structure for government functions. Mr. Rumsfeld testified that in a reorganization, it is essential to question an agency's mission, and restructure based on that review. If an agency restructures prior to

this review, the effort is wasted. Mr. Rumsfeld also described several of the successful restructuring of corporations in which he had been involved.

Roger W. Johnson, Administrator, General Services Administration, testified on the reorganization underway at the General Services Administration. Mr. Johnson noted that the National Performance Review needs to make more progress, but this was blocked by risk aversion and governing by process rather than results. He also suggested that executives with profit-loss responsibility could be deployed in certain Federal jobs involved in operations. Johnson also criticized the capital planning and budget processes and the lack of incentives to invest in long-term systems to improve operations and the annual budget process.

Jack Robertson, Deputy Administrator, Bonneville Power Administration, testified concerning the Bonneville Power Administration's proposal to become a government corporation. Mr. Robertson described the competitive forces driving Bonneville toward a corporate structure, including increases in compliance costs associated with the Endangered Species Act and enhanced competition between local power producers.

Daniel V. Flanagan, the Flanagan Consulting Group, Inc., testified about the proposed Forrestal Corporation, which would funnel private sector investments into Federal energy improvement required by the 1990 Energy Act.

Harold Seidman, senior fellow, the National Academy of Public Administration, explained the history of the Government Corporation Control Act of 1945, and the need to update it to reflect modern realities. Mr. Seidman outlined a "Government Enterprise Standards Act" which would improve oversight over government corporations. Mr. Seidman described the uses of a government corporation and the need to have a central body of expertise to govern the creation of such entities.

Barry Krasner, president, National Air Traffic Controllers Association, and Jack Johnson, president, Professional Airways Systems Specialists, testified concerning the proposals to create an Air Traffic Control Corporation. Both endorsed the concept of corporatization, but advocated a government corporation rather than private ownership of such a corporation.

8. Streamlining Federal Field Structures.

a. Summary.—These two hearings were part of the *Making Government Work Report*, see section II.A.1.

b. Benefits.—See Section II.A.1 referenced above.

c. Hearings.—On Tuesday, June 13, 1995, the subcommittee held its sixth hearing in its "Making Government Work" series. The hearing, entitled "Streamlining Federal Field Structures" considered whether the Federal Government's existing network of field offices is best suited for the Government's current responsibilities. The hearing further inquired into the impediments that hinder making field office networks more efficient.

Subcommittee Chairman Horn noted at the opening of the hearing that close to a million Federal employees carry out the daily work of the Federal Government at some 30,000 filed offices, of which 12,000 have five or fewer employees. He observed that over-

lapping and conflicting agency responsibilities, programs, jurisdictions, and separate offices have often made an ordinary citizen's contact with the Federal Government a frustrating experience.

Ranking subcommittee member Carolyn Maloney commented that over the past 50 years the number of Federal field offices has proliferated with the initiation of each new Federal program. She observed that many were set up when transportation and communications were quite different. She praised the reform efforts of the National Performance Review recommendations for field office service improvement.

Mr. Dwight Ink, president emeritus of the Institute of Public Administration and a fellow of the National Academy of Public Administration, noted that field structure reforms ought to be the product of a comprehensive consideration of overall agency missions and activities. This review should consider three interdependent dimensions: structures, systems, and people. The review should also begin with a careful consideration of the agency's impact on the public. Mr. Ink noted that agency personnel ought to be well trained and that field employee grade levels should be increased relative to headquarters staff.

Mr. Alan Dean, former chairman of the board of trustees and currently senior fellow of the National Academy of Public Administration, commented that no single model for field structure could be applied to all department and agencies. Each agency, consequently, should design its field offices at every level to reflect its mission and impact upon the public. Mr. Dean also testified that agencies needed to decentralize management to the lowest practicable level in order to achieve greater responsiveness and best use of resources.

Professor Charles Bingman, of George Washington University, decried barriers to reform noting that once a program or activity had been enacted or implemented, all the relevant interests tend to resist efforts at change. The Federal Government, as a result, tended to lack the flexibility to accomplish reorganizations of operating structures.

Mr. Wardell C. Townsend, Assistant Secretary for Administration for the Department of Agriculture Department, testified both on the President's Management Council Federal Field Office Study and the Agriculture Department's own progress in field office restructuring. He proposed four general guidelines for field office restructuring. First, where face-to-face contact is necessary, government presence should be maintained at the point of service delivery. Second, if face-to-face contact is unnecessary, communication technology should be used to upgrade service. Third, back-room operations should be centralized for efficiency. Fourth, unnecessary layers of control should be eliminated.

Social Security Commissioner Shirley Chater testified on her agency's reappraisal of its own field structure. She reported her intention to reduce the number of its regional offices from 10 to 5. She also intends to reduce layers of management and increase the numbers of employees to supervisors from 1 to 7 to 1 to 15 by 1999. Commissioner Chater said that the changes were made possible, in part, by a 5-year, $1.1 billion investment in automation.

The Commissioner was followed by Ms. Mary Chatel, the president of the National Council of Social Security Management Associations. She presented her organization's plan for redeploying 30 percent of headquarters and regional office staff resources into the field. The plan would go farther than the Social Security Administration's own plan to reduce management layers.

Lynn Gordon, District Director of the Bureau of Customs in Miami, FL, and George Rodriguez, Area Coordinator, Department of Housing and Urban Development presented their National Performance Review stories. Each were involved in local initiatives, highlighted by the National Performance Review, to improve "customer service" through enhanced agency administrative flexibility. Both initiatives also seek to improve communications with affected individuals and institutions that are in contact with the agencies.

On June 19, 1995, the subcommittee held the second part of its "Streamlining Federal Field Structures" hearing in Chicago, IL, at the Chicago Historical Society. Subcommittee Chairman Stephen Horn, in his opening statement, noted that the subcommittee had come to Chicago for firsthand answers to four questions. How should agencies determine their most effective field structure? How can the management of field offices be improved? How can closer interagency cooperation in the field be encouraged? What factors deter agency heads from changing field structures?

In his opening statement, Rep. Michael Flanagan welcomed the subcommittee to his hometown and his district. He noted that the hearing would focus on transportation and infrastructure issues. Rep. Flanagan recalled that the Chicago area had long been a leader in this area, beginning with its role as a railroad crossroads and extending through the development of O'Hare as the world's busiest airport.

Mr. William Burke, the Regional Administrator of the General Services Administration (GSA) for the Great Lakes Region, reported both on GSA's and the Federal Government's presence in the area. Mr. Burke also serves as chair of the Chicago Federal Executive Board. This board coordinates certain activities of Federal agencies in the region. Among the initiatives that Mr. Burke described was the "Cooperative Administrative Support Unit" (CASU) program. CASUs are an effort to hold down administrative costs by sharing overhead costs among different agencies. He also cited telecommuting programs as another means to hold down administrative costs. Gretchen Schuster, Regional Director of the Department of State's Passport Agency testified on her involvement with the Chicago Federal Executive Board. She described the board's efforts in coordinating the work of 154 member agencies in the Chicago area.

Mr. Joseph Morris, an attorney in private practice in Chicago, drew upon his prior experience as General Counsel for the Office of Personnel Management. In addition to recommending moving more of the Federal Government's work outside Washington, Mr. Morris advocated better coordination among field offices through the Federal Executive Boards and more reliance by the Federal Government on Federal managers in the field.

A second panel of witnesses, led off by Michael Huerta, Associate Deputy Secretary of Transportation, covered field offices involved

in transportation and infrastructure programs. Mr. Huerta explained to the subcommittee his Department's proposal to reorganize. The plan would combine several functions into a new Intermodal Transportation Administration, combining all surface transportation and civilian maritime functions. In response to questions, he noted that the Department had yet to determine how the reorganization would affect regional offices.

Mr. Huerta was joined by Mr. Garrote Franklin, Regional Administrator of the Federal Aviation Administration, Mr. Kenneth Perret, acting Regional Administrator, Federal Highway Administration, and Mr. Donald Gismondi, Deputy Regional Administrator of the Federal Transit Administration. The regional officials discussed the cooperation among the various components of the Transportation Department located in Chicago. They noted that changes in Federal transportation grant process resulting from the Intermodal Surface Transportation Act of 1991 had necessitated even more cooperation than had been the practice in the past.

Col. Richard Craig, Commander and Division Engineer, North Central Division of the Army Corps of Engineers, described the current distribution of responsibility within the Corps among district, division and headquarters offices. The headquarters is primarily responsible for budget and broad policy issues, the division offices provide contact with State and local officials, program management and quality assurance. In response to questions, Col. Craig discussed the Corps' coordination with local governments on environmental regulatory issues.

9. Performance Measurement, Benchmarking, and Re-engineering.

a. Summary.—Performance measurement uses indicators and measures to assess how well a program or organization is doing in terms of its mission, goals, and objectives. It focuses on results and outcomes, not processes or compliance. The indicators used are inputs, outputs, and outcomes. Inputs are dollars or time expended, outputs are the quantity and quality of services delivered, and outcomes are the quality and quantity of the results the outputs achieved. Measures are benchmarks to evaluate the indicators, such as a percentage increase or decrease.

Performance measurement is necessary for benchmarking, which is the measuring of performance against some actual or desired standard of achievement, to be successful. Re-engineering involves examining how a program or organization works, followed by improving performance by redesigning work processes.

b. Benefits.—Developing strategic plans that include performance goals, and measuring and monitoring performance on an ongoing basis, improves the quality of the activities performed or services rendered, contributes to greater efficiency, and can help to offset reductions in funding. Focusing on results rather than on inputs will lead to improvement in managing government operations.

c. Hearings.—On June 20, 1995, the subcommittee convened a hearing on performance measurement, benchmarking, and re-engineering. It received testimony from witnesses representing States and think tanks.

Representative Bass opened the hearing by stating that the subcommittee would examine performance measurement,

benchmarking, and re-engineering and learn how the private sector, other countries, and State governments are using these techniques to respond to the needs of their customers, boost the quality of their products and services and lower costs.

Mr. Donald Kettl, professor of public affairs and political science, University of Wisconsin, and the LaFolette Institute of Public Affairs, and nonresident senior fellow, the Brookings Institute for Public Management, stressed that performance measurement offers the potential to measure success in terms of results produced. It requires a long-term view. Performance measurement is about communication and management, not number crunching. Citizens can find out how tax dollars are delivering and Congress can find out how programs are producing. It is very difficult to measure outcomes, easier to measure outputs.

Mr. Harry P. Hatry, director, State and local government research programs, the Urban Institute, had three recommendations for Congress: seek and use information on program quality and outcomes; coordinate among authorizing, appropriations and oversight committees to review agency performance information; and encourage State and local governments to measure performance in terms of quality and service to the public.

Mr. Herbert N. Jasper, senior associate, McManis Associates, Inc., cautioned that performance measurement is not a panacea, there are pitfalls such as gaming by selecting safe targets, selecting data because it is readily available, even if irrelevant, and ignoring the fact that it is labor-intensive. He indicated that performance budgeting seeks to make budget decisionmaking more analytical and objective. However, the budget process is highly political and decisions will not always be made objectively. He called re-engineering the systematic application of common sense and described its basic steps.

Mr. Johnny C. Finch, Assistant Comptroller General, General Government Division, GAO, reported that GAO studies on reform efforts show four actions to be critical if performance measurement is to be used effectively to improve programs: focus on mission and desired results; involve key stakeholders; develop performance measurement systems that have certain characteristics to provide relevant performance information for program managers, staff, and other decisionmakers; and use performance information in the selection and use of process improvement techniques that will further enhance performance. He emphasized that the number of measures chosen should be limited to significant ones.

Ms. Linda Kohl, director of Minnesota Planning, described the comprehensive statewide benchmarking project known as Minnesota Milestones. It involved three stages. The first asked Minnesotans to decide on a long-term vision for the State. The second saw the development of measurable indicators called "milestones" which are clear, valid, associated with available data, accurate, and outcome-based. The third phase involved soliciting feedback on the indicators. In her opinion, benchmarking and the Milestones can be a tool to assure accountability for block grants.

Ms. Sheron Morgan, Office of State Planning, North Carolina, discussed North Carolina's use of performance measurement, known as Performance/Program Planning and Budgeting (P/PPB).

It links policy and budgeting and shifts accountability from efforts to results. She mentioned the need for evaluation, analysis and agency buy-in for successful implementation of P/PPB, and for senior management involvement.

Mr. Joseph G. Kehoe, managing partner, government services, Coopers and Lybrand, LLP, described activity-based costing (ABC). He explained how ABC can be used to determine how much a service or activity truly costs and the usefulness of value analysis in ABC. Significant savings can be found with no associated reduction in quality when managers focus on activities and processes and eliminate the ones which do not add value.

Ms. Laura G. Longmire, national director of benchmarking, KPMG Peat Marwick, LLP, in discussing benchmarking, performance measurement, and business process re-engineering, made it clear that the key issue in adopting these techniques is enhancing accountability. She said that processes must be measurable to be improved. In her opinion, all processes can be measured both in terms of quality and response time. Successful projects share common themes: long-term scope; management commitment; investment in technologies and tools; and constant communication. The culture has to become one focused on results rather than compliance.

10. Agency Initiatives To Implement the Government Performance and Results Act of 1993.

a. Summary.—The Government Performance and Results Act of 1993 required agencies to evaluate their missions, goals, and objectives; develop strategic plans and performance measurement systems, set goals, and then evaluate results in the context of those goals. Strategic plans are due by September 1997, annual performance plans beginning in fiscal year 1997, and annual performance reports, beginning in the year 2000. The performance plans must include performance goals for agency program activities, and performance indicators that will be used to measure performance. OMB designated a series of pilots for fiscal years 1994 through 1996 in performance planning and reporting. A second set of at least five pilots will focus on managerial flexibility and accountability for fiscal years 1995 and 1996.

b. Benefits.—Using performance measurement will change the focus of management from process and inputs to results and outcomes, increase efficiency and reduce costs by eliminating non-value-added activities.

c. Hearings.—Subcommittee Chairman Horn opened the hearing by summarizing the series of hearings on "Making Government Work". This final hearing in the series focused on the administration and its success in implementing the GPRA.

Mr. John A. Koskinen, Deputy Director for Management, Office of Management and Budget, gave an update on the administration's progress, saying that the pilot project stage is valuable because it provides time for experimentation. There are over 70 pilot projects in the first stage, none as yet in the second. OMB's aim is to integrate GPRA information into the budget and NPR processes.

Mr. Johnny C. Finch, Assistant Comptroller General, General Government Division, GAO, suggested that there were five challenges for agencies preparing to implement the GPRA: developing and sustaining top management commitment; building the capacity within the agencies to implement GPRA and use performance information; creating incentives to implement GPRA and change the focus of management and accountability; integrating GPRA into daily operations; and building a more effective congressional oversight approach. He thought the hearing was an important first step in communicating to the agencies the importance to Congress of performance-based management.

Dr. Paul C. Light, director, public policy program, the Pew Charitable Trusts, described the three types of accountability system, compliance based, capacity based, and performance based and these are not compatible, so changing from the compliance based system predominant in the administration currently to a performance based system will be difficult. He also discussed "thickening" of government, how it affects results, and how it can be reversed. He suggested getting rid of one-to-one spans of control and abolishing regional office layers.

Dr. R. Scott Fosler, president, National Academy of Public Administration, thought GPRA could be a critical tool in improving government performance, if properly understood and effectively implemented. GPRA changes the focus from inputs to results. Success of GPRA depends on leadership from the executive branch and support from Congress. He questioned whether the capacity was there in the agencies for GPRA implementation and suggested that GPRA implementation may lag behind schedule.

Mr. Anthony A. Williams, then-Chief Financial Officer of the U.S. Department of Agriculture, is responsible for coordinating GPRA implementation and testified on Forest Service efforts which constitute one of eight USDA pilots. He described how it had developed a set of 8–10 outcome-oriented corporate performance measures and the All Resources Reporting System, an integrated financial and reporting system which tracks both output- and outcome-related accomplishments. Performance measurement is achieved through a Management Attainment Report. He mentioned that good cost accounting systems are necessary to capture the cost of achieving outcomes, and that it is important to provide incentives to build management support for GPRA.

In his testimony, Vice Admiral Arthur E. (Gene) Henn described the Coast Guard's pilot project which was distilled from a business plan developed in the Vice Admiral's office. It is one of four pilots in the Department of Transportation. He described the process as using a simple formula to get the desired outcomes, set goals, empower, manage risks, and measure activities. He emphasized the need to get "buy-in" from everyone involved in the project and encouraged the subcommittee to review the reports sent to Congress by the agencies.

Mr. Joseph Thompson, Director, New York Regional Office, U.S. Department of Veterans Affairs, testified on the status of the implementation of GPRA in the New York regional office of the VA, which is also an NPR reinvention lab. Organization was changed from a hierarchical model to a self-managed team structure; the

step process was reduced from 30 to 20. He praised the GPRA as a tool for organizational improvement.

Colonel F. Edward Ward, director of field offices, Defense Finance Accounting Service, reported on the Air Combat Command (ACC) GPRA pilot. ACC is involved in the performance measurement pilot now and hopes to take part in the performance budgeting pilot in 1988. He described how ACC had developed a cost accounting methodology to track costs per unit of output and capture cost associated with performance measures, the Job Order Cost Accounting System II. He stressed the need to link goals and performance measures, for measures to be quantifiable so that costs can be linked to the performance indicators, and to track areas important to the ACC's mission, not just areas that are easy to measure.

11. The General Services Administration's (GSA) Security Measures at Federal Office Buildings.

a. Summary.—On April 19, 1995, a bomb destroyed the Murrah Federal Office Building in Oklahoma City, killing 168 people, including 19 children, and injuring over 600 people. As a result of the bombing, security procedures were tightened and a thorough review conducted of security at Federal office buildings. In 1988, the Congress passed Public Law 100–440, which mandated that officer strength of the Federal Protective Service (FPS) be augmented by not less than 50 officers per year until a strength of 1,000 was reached. Instead, FPS personnel were reduced gradually to less than 400.

b. Benefits.—This hearing, part of the subcommittee's ongoing activities relating to oversight of the GSA, revealed that GSA had not complied with Public Law 100–440. By identifying the barriers to improving workplace security, including low pay, inadequate recruitment, and the extension of buyouts to security personnel, the subcommittee pointed out methods for remedying the situation.

c. Hearings.—Subcommittee Chairman Horn called the hearing on May 3, 1995, to examine GSA's security measures at Federal office buildings in the aftermath of the terrorist attack on the Oklahoma City Federal Building.

Mr. Roger Johnson, then-Administrator, General Services Administration (GSA), testified as to GSA's initial response to the Oklahoma City bombing, and spoke about follow-up security measures to protect the Federal worker.

Mr. Kenneth Kimbrough, then-Commissioner, Public Buildings Services, GSA, noted that Federal Protective Service officers were understaffed at the time of Oklahoma City with only 409 positions filled. Mr. Kimbrough added that a 1988 law mandates that the Federal Protective Service shall be not less than 1,000 officers. GSA under the current and previous administrations were not in compliance with this law.

Mr. Gary Day, Assistant Commissioner for Federal Protective Services, Public Building Service, GSA, echoed Mr. Kimbrough's remarks and added that low pay and compensation have hindered the Federal Protective Service's ability to hire and retain up to its authorized complement of 1,000 officers.

Ms. Faith Wohl, Director, Family Workplace Institute, GSA, testified that GSA has taken numerous preventive measures to deter kidnaping and child abuse in Federal child care facilities, but that it was not in GSA's experience to expect a terrorist attack.

Ms. Julia Stasch, Deputy Administrator, GSA, testified as to the competence of contract security officers. Ms. Stasch noted that officers were well trained and worked in concert with local law enforcement forces.

Ms. Emily Hewitt, General Counsel, GSA, was questioned about whether she had performed a compliance audit to determine which laws GSA was not complying with. Ms. Hewitt had not performed such an audit. Subcommittee Chairman Horn recommended that administration orientation for new agency heads include such an audit.

12. Controls Over Illegal Immigration—Along the Border and Within the Interior.

a. Summary.—In 1993 and 1994, Congress voted to increase funds available to control immigration at the border, and increase the numbers of Border Patrol officers by 6,000. As these officers are deployed, the subcommittee remained interested in determining how they were being used, and how they were being divided amongst border duty and interior duty.

b. Benefits.—This hearing shed light on the problems faced by State and local officials as a result of Federal policies on illegal immigration. Moreover, the lack of intergovernmental coordination and Federal agency attention to the concerns of local government brought into relief the frustration of local officials: They have neither the policy levers to stop immigration, nor control of the Federal tools to minimize the impact, but still must bear the cost of criminal justice, health, and education related to illegal immigration.

c. Hearings.—On June 12, 1995, the subcommittee held a hearing to explore the resources that should be used to control illegal immigration at the border and within the interior of the United States. Witnesses included California State and county officials and officials from the Immigration and Naturalization Service (INS). Subcommittee Chairman Horn called the hearing to examine what resources should be deployed to control illegal immigration at the border and the interior.

Mr. Daniel E. Lungren, attorney general, State of California, testified on the impact of illegal immigration on California's prison population and crime problem. Mr. Lungren noted that the dramatic costs involved with illegal immigration drains California tax dollars.

Mr. Bill Jones, secretary of State of California, noted that the Motor-Voter Act increases the opportunity for a large number of people to participate in the political system. However, Mr. Jones voiced concern that a number of illegal immigrants would also participate unless California is allowed to take preventive steps.

Mr. Gustavo de la Vina, Director, Western Region, INS, testified that the INS has developed a comprehensive immigration enforcement strategy that consists of border enforcement and management, work site enforcement and verification, detention and re-

moval of criminal and deportable aliens, and customer service and assistance to States. Mr. Richard K. Rogers, Western Region, Los Angeles District, INS, testified on a new L.A. initiative which will enable employers to become fraudulent document experts. Mr. Johnny N. Williams, Chief Patrol Agent, INS Border Patrol Sector Headquarters (San Diego), testified on the cooperation that his agency has received from State and local law enforcement agencies. Mr. Williams noted that the Border Patrol's interdiction rate has steadily increased.

Mr. Frank Ricchiazzi, assistant director of research, California Department of Motor Vehicles, testified on California policy and technological initiatives designed to improve their ability to provide secure, authentic and durable driver's licenses and ID cards.

Mr. Timothy J. Staffel, chairman of the board of supervisors, county of Santa Barbara, noted that local and county governments bear the brunt of costs associated with illegal aliens in California. For example, Mr. Staffel asserted that one in five births in Santa Barbara County were to illegal alien mothers whose deliveries were funded by Medicaid.

Mr. Jim Thomas, sheriff, county of Santa Barbara, voiced concerns about the large number of illegal aliens in California jails, the increase in the illegal criminal element in narcotic and gang investigations, and the lack of effective illegal employment investigations.

Mr. Thomas W. Sneddon, Jr., district attorney, county of Santa Barbara, described the responsibilities of the Immigration and Naturalization Service, the U.S. attorney's office and the Social Security Administration and the level of assistance given by those offices to local government. Mr. Sneddon faulted the Social Security Administration for not providing information to local government to assist in crime control by identifying illegal aliens.

13. Budget and Financial Information—Annual Shareholders Report: How Does the Citizen Know What Is Going On?

a. Summary.—Under the terms of the Congressional Budget Act, Congress passes a budget resolution outlining aggregate levels of discretionary spending and targets for reconciliation. Lacking from the annual budget process is a review of the total financial liabilities and assets of the Federal Government. The hearing examined ways to improve information to bring liabilities totaling trillions of dollars under the discipline of an annual budget.

b. Benefits.—Increased public accessibility would enhance the Federal Government's accountability and demonstrate that it is fulfilling its stewardship duty to the American public. The hearing gave attention to the absence of important financial information in the budget process. It is important to regularly review this additional financial information and begin incorporating it into the annual budget process.

c. Hearings.—Subcommittee Chairman Horn called the hearing on July 11, 1995. The hearing focused on information on the financial health of the Federal Government available to private citizens, and options for improving access to that information. At the hearing, testimony was received from witnesses from the General Ac-

counting Office, the Office of Management and Budget, Citizens for Budget Reform, and America *Report*.

Mr. Gene Dodaro, Assistant Comptroller General, Accounting and Information Management Division, General Accounting Office (GAO), noted the importance of having solid budgetary and financial information when making crucial policy decisions. Mr. Dodaro noted shortcomings in financial management, but asserted that progress in improving financial reporting was occurring as a result of the Chief Financial Officers Act and the creation of the Federal Accounting Standards Advisory Board (FASAB).

Mr. Don Chapin, Chief Accountant, GAO, updated the subcommittee on the activities of FASAB. According to Mr. Chapin, FASAB is developing standards for reporting financial information which will allow Congress to improve its ability to provide oversight of Federal operations. Mr. Chapin noted the possibility that agencies might not be able to make operational the standards recommended by FASAB.

Mr. G. Edward DeSeve, Controller, Office of Federal Financial Management, Office of Management and Budget, focused on three areas: the integration of the budget formulation and execution process with financial standards; the role of performance and program integrity in budgeting and financial management; and streamlining current reporting procedures.

Mr. Harrison Fox, president, Citizens for Budget Reform, testified on the importance of including non-budgetary financial information in the annual budget process, to give greater attention to the deteriorating financial position of the Federal Government, as measured by the USA Report published by Citizens for Budget Reform. Mr. Fox advocated adoption of a financial plan to improve accessibility of information, risk assessment, and measuring outcomes and results.

Mr. Brecht, publisher, America *Report*, testified about his project to make clear to citizens the financial health of the government in America *Report*, which is modeled on corporate annual reports. Mr. Brecht advocated a clearer vision of where the United States is headed, the role the Federal Government should play, and clarifying the core values which will guide these efforts. He also suggests that every agency be required to communicate its goals to citizens in an understandable fashion.

14. The Inspector General Act of 1978.

a. Summary.—On Tuesday, August 1, 1995, the subcommittee held an oversight hearing of the Inspector General Act of 1978. Inspectors General (IG's) are charged with protecting the integrity of Federal programs and resources. Through their audits and investigations, Offices of Inspectors General (OIG's) seek to determine whether program offices, contractors, Federal workers, grantees and others are conforming with regulations and laws.

Since the IG Act first established Inspectors General in 1978, the number of departments and agencies with IG's has grown to 61. Of these, 29 IG's are Presidentially appointed and subject to Senate confirmation. Another 32 IG's in smaller agencies are appointed by their agency heads. Presidentially appointed IG's have staffs totaling about 10,000 employees, with budgets adding to $900 million.

Last year IG's' findings led to more than 14,000 successful criminal and civil prosecutions, $1.9 billion in investigative recoveries, and $24 billion in recommendations that agency funds be better used. Presidentially appointed IG's sit on the President's Council on Integrity and Efficiency (PCIE), chaired by the Deputy Director of the Office of Management and Budget; agency appointed IG's are on the Executive Council on Integrity and Efficiency (ECIE).

To assure their independence, the IG Act gives them latitude in running their offices. They report directly to agency heads when identifying serious shortcomings, and directly to Congress in semi-annual reports. IG's are effectively the only executive branch officials reporting directly to Congress without the need for clearance. They historically have been vigilant in protecting their autonomy, and this has led to differences with their bosses on issues of resources, staffing, and priorities. Critics have argued that IG autonomy has made them less responsive to management's legitimate need to use its audit and program evaluation function for managing agency operations. Also at issue is that IG's "compliance" orientation may lead to adversarial relationships between them and their agency managers.

The National Performance Review (NPR) has led to a reappraisal of the IG mission. The NPR advocated that IG's broaden their focus "from strict compliance auditing to evaluating management control systems." The NPR further argued that the IG compliance focus stifled agency innovation. IG's have answered, in part, with a vision statement that commits them to greater cooperation with program managers to strengthen operations.

The PCIE is working on procedures for acting on allegations of OIG impropriety. The FBI would investigate criminal complaints, but the process is less clear on how to address non-criminal complaints, which might allege malfeasance or equal employment opportunity violations. The Associate FBI Director for Investigations usually serves as chair of the PCIE's Integrity Committee.

The Federal Government's reliance on information technology systems raises several issues for IG's. GAO, for example, concluded that "seriously inadequate automated financial management systems are currently the greatest barrier to timely and meaningful reporting" at Federal agencies. Weak automated systems are more vulnerable to fraud, and they reduce management's ability to monitor operations.

IG's have a stake in developments affecting Federal financial management. The Chief Financial Officer Act (CFOA) requires agencies to have audited financial statements beginning for fiscal year 1997. OIG's will perform most agency audits. Under the Government Performance and Results Act (GPRA) agencies will develop performance measures for agency management and eventually use the measures for allocating budgets.

b. Benefits.—The IG's work reduces fraud, waste, and abuse in the Federal Government and contributes to improvement in efficiency and effectiveness of agency operations. The independent status of the IG's renders their opinions more objective, and therefore of greater value to lawmakers and other reviewers.

c. Hearings.—Subcommittee Chairman Horn opened the hearing on August 1, 1995, stating that Inspectors General must be ac-

countable. They should encourage improvement while not stifling innovation. He noted that the IG Community is working on increasing their cooperation with management.

June Gibbs Brown, Inspector General of the Department of Health and Human Services and Vice Chair of the President's Council on Integrity and Efficiency, noted that the IG's are in a unique position to help program managers and the Congress find ways to achieve a more effective and efficient government.

Hubert Sparks, the vice chair of the executive council on integrity and efficiency and inspector general of the Appalachian Regional Commission emphasized the unique role and relationship between IG's and the rest of their organization. IG's will always be in a position of balancing actions that will fulfill the requirements of the IG Act and contribute positively to improve government operations.

In response to a question from Mr. Bass, Ms. Brown disputed the conclusion of Vice President Gore contained in a National Performance Review report, from which Mr. Bass quoted, that "At virtually every agency he visited, the Vice President heard Federal employees complain that the IG's basic approach inhibits innovation and risk-taking. Heavy-handed enforcement with the IG watchfulness compelling employees to follow every rule, document every decision, and fill out every form has had a negative effect in some agencies." Ms. Brown stated that very little of the IG resources are really directed internally to people filling out forms or doing that last "i"-dotting.

Ms. Valerie Lau, the chairman of the PCIE audit committee and the Inspector General of the Department of the Treasury testified on the "substantial" new audit responsibilities imposed on the Inspectors General as a result of the Chief Financial Officers Act. She commented on the inherent difficulty of the audits.

Mr. Frank DeGeorge, Inspector General of the Commerce Department, reported on his office's experience with information technology evaluations. He testified that system acquisitions at Commerce are often disorganized and ad hoc.

Mr. William Esposito, Deputy Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation and chairman of the PCIE's integrity committee, reviewed the process for considering allegations of wrongdoing against Inspectors General. He noted that revisions to the policy were currently under consideration.

Mr. Charles Dempsey, former vice-chair of the PCIE and former Inspector General of the Department of Housing and Urban Development thought the IG Act was the best piece of public administration legislation in the last 20 years.

Mr. Sherman Funk, former Inspector General of the Departments of State and Commerce, also commented on the balancing act that the Inspectors General perform. He disputed the contention, which he attributed to his fellow witness Paul Light, that IG's are too often focused on peripheral issues rather than concerned with the performance of the activities for which they were responsible.

Dr. Paul Light, Pew Charitable Trusts, recalled the observation from his book, *Monitoring Government* that the Inspectors General were not sufficiently focused on prevention. He was of the opinion

that the IG's hide behind the Yellow Book too frequently when it comes time to give meaningful advice to their departments and agencies on how they might prevent mistakes before they happen.

Mr. Dwight Ink, president emeritus, Institute of Public Administration, observing that he testified from the perspective of his experience as a program manager, urged a narrower focus for the IG's. He testified that because program managers are held accountable for program outcomes, they ought to have their own resources for ensuring the integrity of the programs for which they are responsible.

15. Implementation of the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994.

a. Summary.—The Chief Financial Officers (CFO) Act of 1990 required agencies to have audits of revolving funds, trust funds and all funds that resembled commercial enterprises. The 1994 Government Management Reform Act (GMRA) extended the CFO requirements to cover all agency resources, with agency-wide audited financial statements due in March 1997, and Federal Government-wide audited financial statements due in March 1998.

b. Benefits.—Audited financial statements improve the quantity and quality of information provided to users of financial statements, allowing better decisionmaking concerning the allocation of scarce resources. Requiring agencies to prepare and have audited their financial statements requires them to strengthen their internal controls over waste, fraud and abuse, and enhances the reliability of the information contained in the financial statements. In all, the result for the executive branch will be greater efficiency and effectiveness of agency operations.

c. Hearings.—Subcommittee Chairman Horn opened the hearing held on July 25, 1995, by stating that audited agency financial statements will minimize weak management controls, fraud and waste. The goal of each agency must be to produce a full statement on time and get an unqualified or "clean" opinion on the statement.

Mrs. Maloney, in her statement, said that quick action was necessary to ensure compliance with the laws and stressed that there should be no delay in meeting the deadlines for audited financial statements.

Mr. Charles A. Bowsher, Comptroller General of the United States, described the progress made by the 24 agencies of the executive branch in implementing the CFO Act and the GMRA and stressed that proper accounting and financial reporting leads to much better barriers against fraud, waste, and abuse.

Mr. G. Edward De Seve, Controller, Office of Federal Financial Management (OFFM), Office of Management and Budget (OMB), discussed the role of the Federal Accounting Standards Advisory Board in developing Federal accounting standards. He hopes these will be available in time to be used for the fiscal year (FY) 1996 agency audited financial statements and the fiscal year 1997 Government-wide audited financial statements.

Mr. Gerald R. Riso, fellow of the National Academy of Public Administration and former Associate Director for Management and Chief Financial Officer, OMB, provided a historical perspective of the development of the CFO Act. In his view, the CFO Act has im-

proved Federal financial management in many agencies, although the rate of progress in system improvement has slowed down.

Mr. Edward J. Mazur, vice president for administration and finance, Virginia State University, and former Controller, OFFM, OMB, had several recommendations to strengthen the CFO Act, for instance the Controller of OFFM should report directly to the OMB Director, and that agencies should establish audit committees.

Mr. Harold I. Steinberg, former Deputy Controller, OFFM, OMB, testified on four aspects of the CFO Act: its genesis and initial funding; agency CFO structures and appointments, financial management staffing; and the preparation of audited financial statements. In his opinion, agencies derive the real benefit from being audited from going through the process of preparing the financial statements, because they learn about and can correct weaknesses in their accounting and financial reporting systems.

Mr. Buel T. Adams, vice president and treasurer, CBI Industries, representing the Financial Executives Institute, described the state of fiscal affairs of the Federal Government as "woefully inadequate", especially with respect to financial management systems. He said that management accountability must be improved and that taxpayers should hold Congress accountable for ensuring that their tax dollars are being spent efficiently.

Mr. Thomas V. Fritz, president and chief executive officer of the Private Sector Council, listed benefits from audits required by the CFO Act: savings; knowledge about internal control and information systems problems; and clearer, more accurate and useful information about an agency's financial condition.

Mr. Anthony A. Williams, then-Chief Financial Officer (CFO), U.S. Department of Agriculture, described USDA's accomplishments in financial management, including procurement reform, developing cost management techniques, oversight of the National Finance Center, and the Financial Vision and Strategy project.

Mr. Alvin Tucker, Deputy CFO, Department of Defense, described steps the Department of Defense is taking to try to ensure that the goals of the CFO Act can be attained.

Mr. Dennis Fischer, CFO, General Services Administration, described GSA's approach to CFO Act compliance. GSA is one of only four agencies that routinely receive unqualified opinions as a result of agency-wide audits. He credited GSA's success on having implemented the fundamental aspects of good financial management: CFO organization and responsibility well defined and strong controllers in place in major program areas such as the Public Buildings Service, Federal Supply Service, and Information Technology Service.

Ms. Bonnie Cohen, Assistant Secretary for Administration and CFO, Department of the Interior, stressed the advantages of having responsibility for both budget and finance functions, and predicted that, with increased use of performance measurement, the link between budget and finance will become even stronger.

16. Department of Defense's Financial Management Problems.

a. Summary.—The subcommittee has been examining certain indications, as expressed in news articles and in congressional hearings, of the Department's lack of ability to control problem dis-

bursements, specifically negative unliquidated obligations and unmatched disbursements, as well as contractor overpayments which the Department of the Navy took years to recover. Additionally, as part of the ongoing subcommittee review of the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994, it appears that the Department of Defense (DOD) will be unable to comply with the requirements of the GMRA for a considerable number of years, until they implement modern accounting and financial systems that currently they lack.

Recent articles in the national press and other hearings on Capitol Hill have highlighted serious shortcomings in the Defense Department's financial management systems. The Washington Post reported that, in the past 10 years the Department of Defense had spent $15 billion that it could not account for. Contractors are routinely overpaid millions of dollars and are sometimes stonewalled when they try to give the money back. The systems are antiquated and make it difficult for staff to do their work accurately. The CFO Act of 1990 required the preparation and audit of financial statements for the Departments of the Army, the Air Force and 22 funds. Out of 24 parts of DOD examined in fiscal year (FY) 1994, only 1, a minor fund, received an unqualified opinion. Most were either not audited or received a disclaimer, meaning that the statements were not auditable, and therefore not in compliance with the CFO Act.

b. Benefits.—The hearing addressed areas of needed improvement in financial management at the Department of Defense. If the millions of dollars that have been reported as overpayments to contractors had been used for necessary expenses, the Department would have been able to improve its readiness at a lesser cost than at present.

c. Hearings.—A hearing was convened on November 14, 1995, to examine the Department of Defense's compliance with the Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act of 1994. Subcommittee Chairman Horn opened the hearing by saying that strong financial management was needed and that the hearing would focus on what the Department was doing to strengthen its management control.

Mrs. Maloney echoed Mr. Horn's statements and emphasized the need to follow generally accepted accounting principles (GAAP), citing the example of the improvement in the city of New York's fiscal situation after it adopted GAAP.

Mr. John Hamre, Comptroller, Department of Defense, responded to the criticisms in the May 14, 1995 Washington Post article, and asked that the letter he had sent to the Honorable Bill Young, chairman, Subcommittee on National Security, Committee on Appropriations, dated May 22, 1995, be included in the record. He gave his perspective on how DOD was doing in reform and improvement of financial management, and emphasized DOD's commitment to consolidate its accounting systems, and resolve the longstanding problem of unmatched disbursements.

Mr. Richard Keevey, director, Defense Finance Accounting Systems, in answer to a question from subcommittee Chairman Horn as to how he would rate the DOD, on a scale of 1 to 10, with 10

being closest to getting clean audit opinions, he rated the Department as a 3.

Mr. Alvin Tucker, Deputy CFO, DOD, discussed DOD problem disbursements, specifically the unmatched disbursements problem and overpayments to contractors. He then described DOD's plans for financial management reform. He stated that the overarching problem preventing an unqualified or qualified opinion on the DOD's financial statements is that the accounting systems which support the financial statements do not have an integrated general ledger or produce account-oriented transaction files, but gave no timetable for implementing a transaction-driven general ledger system.

Mr. G. Edward DeSeve, Controller, Office of Federal Management, Office of Management and Budget, testified that OMB has been helping the Department of Defense move toward meeting the requirements of the CFO Act as set out in OMB Circular A–127, *Financial Management Systems* (the Circular). OMB has recommended that DOD look outside of its own current financial management structure for system solutions, rather than building on the best of the in-house systems, since 76 percent of them do not meet the Circular's requirement to be consistent with the U.S. Standard General Ledger.

Mr. Gene Dodaro, Assistant Comptroller General, General Accounting Office, gave the GAO's perspective on the challenges facing the DOD in meeting the objectives of the CFO Act. He stated that CFO Act audits have brought greater clarity to DOD's financial management problems. Progress is slow. According to a recent DOD IG report, general fund financial statements will remain unadaptable until September 1998 and the DOD IG will not be able to render an audit opinion on any of the services until the year 2000 at the earliest. He suggested the establishment of an independent, outside board of experts to aid in reform efforts.

Ms. Helen T. McCoy, Assistant Secretary of the Army, described the improvements the Department of the Army has made in implementing the Chief Financial Officers (CFO) Act. The Army has prepared agency-wide audited financial statements as a pilot under the CFO Act since fiscal year (FY) 1991 but the auditors have been unable to express an opinion on the reliability of the financial statements because the accounting systems that provide the information for the statements do not have an integrated general ledger or produce account-oriented transaction files. The audit opinions, however, did note significant progress. The management control process has been restructured, and there is a new performance assessment process within Department of the Army headquarters.

Ms. Deborah P. Christie, Assistant Secretary of the Navy, discussed the plans that the Department of the Navy has for financial management improvement. She emphasized the role of selection, upgrading, and deployment of financial systems. Four key activities in improving Navy financial operations are: organizing the Department, consolidating finance and accounting services in DFAS, standardizing and upgrading accounting systems, and improving the feeder systems and the quality of the data they contain. The final step will be to ensure the input of accurate data through modern feeder systems and a system of internal controls to provide

sound financial information for internal decisionmaking and external reporting.

Mr. Robert F. Hale, Assistant Secretary of the Air Force, discussed the progress the Department of the Air Force had made under his leadership. He has set up the Financial Improvement Policy Council, which works with senior Air Force and DOD leaders, and with organizations within the DOD such as DFAS and DBOF, the Financial Management Steering Committee, and the Senior Financial Management Oversight Council. He has called on the GAO and the Financial Executive Institute for advice and guidance on how to improve financial management. As a result, the Air Force has asked for assistance from Coopers and Lybrand and Electronic Data Systems in the area of systems certification and performance indicators. The Air Force is concentrating its efforts in the critical areas of inventory management, automated data processing security, internal controls, and streamlining the financial management process.

Ms. Eleanor Hill, Inspector General, DOD, provided an assessment of the Department's ability to improve its finance and accounting operations and to comply with the acts. She also discussed the audit approach devised by the DOD IG's office. She stated that the financial statement data for the vast majority of DOD funds remain essentially not in condition for audit, because of a general lack of effective internal management controls. Neither the OIG nor the Service audit organizations were able to give audit opinions on the financial statements for the largest DOD funds covered by the CFO Act requirements for fiscal year 1994, funds totaling $715.5 billion. The most fundamental problem was that accounting systems do not compile and report reliable audit information.

17. Electronic Reporting Streamlining Act of 1995.

a. Summary.—The Paperwork Reduction Act of 1995 included a number of reforms designed to reduce the burden of government-imposed paperwork on businesses and households. The Electronic Reporting Streamlining Act of 1995 would reduce the burden of regulatory reporting for business by allowing necessary data to be reported in an electronic format.

b. Benefits.—This will improve the efficiency of Federal Government operations by allowing electronic filing of the necessary documents.

c. Hearings.—Subcommittee Chairman Horn held a hearing on October 10, 1995, which focused on possibility of streamlining Federal operations, and easing the burden on private firms of reporting regulatory information, by adopting a scheme for electronic reporting.

Mr. Thomas Kelly, Director, Regulatory Management and Information, Office of Policy, Planning and Evaluation of the U.S. Environmental Protection Agency (EPA) testified concerning his agency's use of information technology and the various initiatives related to electronic reporting and dissemination of information. Many of these initiatives were associated with the National Performance Review projects.

Mr. Stephen Hanna, assistant for information technology, California EPA, explained his agency's pilot project for reporting regu-

latory information on hazardous waste manifests and other data required to be reported by private companies.

Mr. Brad W. Lamont, vice president, Romic Environmental Technologies Corp., testified about his company's role in the California pilot. Mr. Lamont noted the large number of pages of data that Romic was required to submit to Cal-EPA, and that this volume of data was transferred by modem in 45 seconds. Upon questioning, Mr. Lamont noted the receptiveness of the Cal-EPA to new electronic reporting initiatives.

Mr. David Roe, senior attorney, Environmental Defense Fund, noted the role that increased information about toxic release can play in improving enforcement and community information. Rose explained the manner in which electronic data in California eases the work of his organization in maintaining oversight of environmental data.

Mr. Richard Ferguson, board member and executive director of Environment and Safety Data Exchange, is a leading expert on data exchange and standards issues. Mr. Ferguson explained the rationale for moving toward increased electronic reporting. According to Mr. Ferguson, the primary reason is that some will benefit from a reduced reporting burden, and it is those who must do the work to achieve the standards required for the plan to work.

18. Use of Transportation by Executive Branch Officials.

a. Summary.—The Office of Management and Budget, in (OMB) Circular A–126, has developed standards for government aircraft use by senior executive branch officials. These requirements have been supplemented by a White House Memorandum (dated February 10, 1993) and by OMB Bulletin 93–11. As President Clinton stated in his memorandum: "The taxpayers should pay no more than is absolutely necessary to transport government officials. The public should be asked to fund necessities, not luxuries, for its public servants."

In addition to covering the use of government aircraft, the President's memorandum contains limitations on the use of regularly scheduled commercial aircraft. It further requires that travel documentation "be disclosed to the public upon request, unless classified." The General Services Administration (GSA) is charged with compiling a semiannual "Senior Federal Travel Report," based on submissions from Federal agencies. It is incumbent upon the agency to supply full and accurate data in compliance with travel protocols and requirements. However, this has not been the case. OMB Circular A–126 requires the semi-annual publication of specific data in the Senior Federal Travel Report, published by the General Services Administration. Two problems exist in the reporting of senior official travel. First, agencies are frequently late in submitting completed reports to GSA. Second, agencies do not always supply all the needed data (specifically, cost to the government, reimbursable cost), intermediate destinations on round trip flights are frequently not reported, and costs are not pro-rated per individual.

Additionally, the published copies of the Senior Federal Travel Reports are difficult to read and interpret. The International Civil Aviation Organization (ICAO) codes as listed in the text of the reports are not parallel to the ICAO codes as listed in the index. Im-

portant data elements were omitted from the final reports. There is no audit structure that enables GSA to enforce compliance.

b. Benefits.—Misuse of government aircraft and poor reporting of trips on government aircraft is a serious problem. Because of the casual reporting standards on the part of most Federal agencies it is difficult to determine which flights are in violation of Federal travel requirements. Subsequently it is difficult to determine how much money can be saved by eliminating abuse of the aircraft by senior Federal officials. Also hearings and recent data request by this subcommittee and other committees sent a signal to agencies that cost consciousness is to be a factor in traveling on government aircraft.

c. Hearings.—December 29, 1995, the subcommittee held a hearing entitled, "The Use of Government Aircraft by Senior Federal Officials." Subcommittee Chairman Horn opened the hearing by pointing out that government is not an economy-oriented culture. Abuse of travel by Energy Secretary Hazel O'Leary, former White House staff official David Watkins, General Joseph Ashy, as well as incomplete reporting by agencies such as NASA are commonplace and must be addressed in order to change the culture of spending.

Rep. Bartlett testified about his 2 year involvement in examining the use of government aircraft by senior Federal officials. He became interested in the abuse of aircraft after David Watkins, at the time a White House staffer, used a Presidential "whitetop" helicopter for transportation to play golf at a Frederick, MD, golf course.

Mr. Dabis B. Buckley, Special Assistant to the Inspector General, Department of Defense, testified that as a result of investigations by the Office of the IG, the Department of Defense has taken steps to tighten its policy regarding the use of its aircraft.

Mr. Mark E. Gebicke, Director, Military Operations and Capabilities Issues, National Security and International Affairs Division, General Accounting Office, testified on the contents of two GAO reports, "White House Staff Use of Helicopters" and "Government Aircraft: Observations on Travel by Senior Officials."

Mr. David E. Williams, research director, Citizens Against Government Waste, testified about the Citizens Against Government Waste's longstanding examination of the travel of Secretary Hazel O'Leary of the Department of Energy. Mr. Williams testified that Secretary O'Leary retains a staff of 14 to handle her invitations and travel arrangements. Additionally, Secretary O'Leary allowed 51 Energy Department employees plus 68 business executives to travel with her on a recent visit to South Africa.

Mr. Peter B. Zuidema, Director, Aircraft Management Division, Federal Supply Service, General Services Administration, testified that Federal aircraft can be used only for official purposes, and only when commercial airlines are not reasonably available. A cost comparison must also be performed.

Mr. Zuidema further testified that early editions of the Senior Federal Travel Reports were neither the most thorough pieces of work nor the most user-friendly.

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

1. Efforts To Reorganize and Improve Program Performance and Efficiency at the U.S. Department of Housing and Urban Development (HUD).

a. Summary.—The Human Resources and Intergovernmental Relations Subcommittee reviewed budget data, National Performance Review recommendations, Inspector General audits and reports, and General Accounting Office studies and recommendations to identify opportunities for cost savings, improved efficiency and consolidations in the programs and operations of the Department of Housing and Urban Development (HUD).

The subcommittee convened two oversight hearings with respect to the agency. On February 13, 1995, the subcommittee invited the HUD Secretary Henry Cisneros to testify about the agency's core mission, management, plans, programs, and potential cost savings. The Secretary was also asked to discuss successes and challenges facing HUD in meeting its core mission. Secretary Cisneros spoke about HUD's *Blueprint for Reinvention* which focuses on the consolidation of several programs, the Department's efforts to transform the Federal Housing Administration (FHA) "from a government bureau to a government corporation," and the agency's sweeping efforts to transform public housing throughout the country. Subcommittee Chairman Shays congratulated Secretary Cisneros on the agency's efforts to reorganize into a "leaner and more efficient" agency.

On February 22, 1995, the subcommittee held a second hearing to receive information from HUD's Inspector General (IG); the Director of Housing and Community Development Issues of the U.S. General Accounting Office (GAO); a senior fellow from the Hudson Institute; a former chairman of the Chicago Housing Authority and president of American Community Housing Associates; a private organization; and the founder of the National Low Income Housing Coalition.

b. Benefits.—American taxpayers and public housing residents, in particular, benefit from administrative savings, greater flexibility, and more effective concentration of limited HUD resources. The hearings demonstrated that there are opportunities at HUD for cost reduction, improved efficiency and reform and allowed HUD officials, former HUD officials, and other Federal and private officials the opportunity to come together to discuss what HUD is doing right as well as what the agency might be doing wrong.

c. Hearings.—Hearings entitled "Oversight Hearing on the Department of Housing and Urban Development" were held on February 13 and 22, 1995.

2. Efforts To Improve Program Performance and Efficiency at the U.S. Department of Health and Human Services (HHS).

a. Summary.—The subcommittee reviewed budget data, National Performance Review recommendations, Inspector General audits and reports, and General Accounting Office studies and recommendations to identify opportunities for cost savings, improved

efficiency and consolidations in the programs and operations of the Department of Health and Human Services (HHS).

On March 1, 1995, the subcommittee convened an oversight hearing to receive testimony from HHS Secretary Donna E. Shalala. The Secretary was invited to discuss the agency's core mission, goals, programs, and plans for cost saving; to indicate what HHS does well and describe what HHS programs could possibly be better done by the States and localities; and to address agency efforts to move Medicare and Medicaid into managed care systems.

Secretary Shalala testified about HHS efforts to reinvent the agency, and indicated that she continually asks the following questions with respect to the duties and responsibilities of HHS: Are the programs or functions critical to the agency's mission and based on customer input? Can the program or the function be done as well or better at the State or local level? Is there a way to cut cost or improve performance by introducing competition? Can the program be improved by putting customers first, cutting red tape, and empowering employees?

On March 22, 1995, the subcommittee convened a second oversight hearing to receive testimony from public and private sector witnesses, as well as testimony from the U.S. General Accounting Office (GAO), HHS's Office of Inspector General (OIG), and representatives from the Heritage Foundation and Project HOPE.

GAO and OIG officials focused on the critical area of losses due to waste, fraud and abuse in the Medicare and Medicaid programs. Losses in national health care spending are estimated by the GAO to be as high as 10 percent of total spending. If these estimates are correct, losses due to waste, fraud and abuse in Medicare and Medicaid in fiscal year 95 could be in excess of $24 billion.

b. Benefits.—Every American taxpayer benefits from a Federal health care and human services delivery system operated in the least costly manner with the needs of the customer given great weight in the decisionmaking processes. The subcommittee will continue to monitor waste, fraud and abuse in Medicare and Medicaid programs. Recommendations made by the GAO, OIG and others in the course of this hearing to reduce staggering and unacceptable losses will be carefully examined and monitored.

c. Hearings.—Hearings entitled "Oversight Hearing on Department of Health and Human Services" were held on March 1 and 22, 1995.

3. Efforts To Reorganize and Improve Program Performance and Efficiency at the U.S. Department of Labor (DOL).

a. Summary.—The subcommittee reviewed budget data, National Performance Review recommendations, Inspector General audits and reports, and General Accounting Office studies and recommendations to identify opportunities for cost savings, improved efficiency and consolidations in the programs and operations of the Department of Labor (DOL).

On March 9, 1995, the subcommittee convened an oversight hearing. DOL Secretary Robert B. Reich was asked to address what DOL does well and to describe particular situations that the agency was finding challenging in the accomplishment of its core mission,

goals, programs, and plans for cost saving. Secretary Reich was questioned about Rep. Steven Gunderson's (R–WI) proposal to combine the Departments of Education and Labor. The Secretary disagreed with the proposal, claiming that each agency has its own specialized and distinct function.

Secretary Reich presented charts that showed the decline of real wages for middle and lower income workers. The Secretary advocated raising the minimum wage and increasing the level of job training, which he defined as "any vocational course of instruction, directly related to gaining job skills, outside of a formal degree program." The Secretary also testified about efforts to consolidate job training programs and the agency's plans regarding downsizing.

On April 4, 1995, the subcommittee convened a second oversight hearing to identify other opportunities for cost reduction, increased efficiency and reform in the $33.8 billion Labor Department. Testimony was received from the U.S. General Accounting Office (GAO), DOL's Office of Inspector General (OIG), and a representative from the Urban Institute. The GAO and OIG officials focused on consolidation and termination of overlapping job training programs. The GAO told the subcommittee that the Federal Government runs 163 job training programs administered by 15 agencies. Secretary Reich of DOL has proposed to consolidate 70 education and training programs. Urban Institute officials testified about potential administrative cost savings from Federal program consolidations and about administrative savings that might be expected from various program consolidation models.

b. Benefits.—The hearings provided an overview of the policy issues presented by current DOL programs, particularly as the issues relate to opportunities for consolidations and terminations of ineffective and/or duplicative programs.

c. Hearings.—Hearings entitled "Oversight Hearing on Department of Labor" were held on March 9 and April 4, 1995.

4. Efforts To Reorganize and Improve Program Performance and Efficiency at the U.S. Department of Education (DOED).

a. Summary.—The subcommittee reviewed budget data, National Performance Review recommendations, Inspector General audits and reports, and General Accounting Office studies and recommendations to identify opportunities for cost savings, improved efficiency and consolidations in the programs and operations of the Department of Education (DOED).

On March 13, 1995, the subcommittee convened a hearing to allow DOED Secretary Richard Riley to discuss the agency's core mission, goals, programs, and plans for cost savings. Subcommittee Chairman Shays opened the hearing by mentioning the States' role in education and indicated his wish to understand the changes taking place in the Department of Education, especially in light of proposals to merge the Departments of Labor and Education.

Secretary Richard Riley testified about the new and controversial direct student loan program, training program consolidations, and problems the agency had with block granting. Secretary Riley also indicated that he did not agree that combining the Departments of Labor and Education would help to save money since the DOED was already consolidating programs.

Deputy Secretary of Education Madeleine Kunin testified that DOED had made significant managerial and attitudinal changes that she believed would break down agency bureaucracy and bring the DOED's philosophy in line with budget constraints.

On April 6, 1995, the subcommittee convened a second oversight hearing to discuss whether significant cost savings could be achieved through a consolidation or elimination of duplicative programs and improved efficiencies in DOED program administration. Testimony was received from: the public and private sectors; DOED's Office of Inspector General (OIG); the U.S. General Accounting Office (GAO); and a former DOED Assistant Secretary for Management and Budget.

GAO testified that according to Office of Management and Budget data, fiscal year 95 spending on education is estimated to be $70 billion. DOED spends less than half, $33.4 billion or 47 percent of the total. The Department of Labor spends $5.5 billion, or 7.9 percent of the total. Other Federal agencies also manage numerous education-related programs, including the Department of Health and Human Services with 129 programs, the National Endowment for the Arts and Humanities with 27, and the Department of Agriculture with 26. The OIG testified that, since 1965, the Federal Family Education Loan program has suffered $57 billion in defaults, with $4.7 billion in 1993 alone.

b. Benefits.—The hearings provided subcommittee oversight of DOED, its core missions, goals, and efforts to downsize and consolidate training and other programs. The hearings also produced information on the potential and the limitations of program consolidations in education and training.

c. Hearings.—Hearings entitled "Oversight Hearing on Department of Education" were held on March 13 and April 6, 1995.

5. Efforts To Reorganize and Improve Program Performance and Efficiency at the U.S. Department of Veterans Affairs (VA).

a. Summary.—The subcommittee reviewed budget data, National Performance Review recommendations, Inspector General audits and reports, and General Accounting Office studies and recommendations to identify opportunities for cost savings, improved efficiency and consolidations in the programs and operations of the Department of Veterans Affairs (VA).

On March 13, 1995, the subcommittee convened a hearing to allow VA Secretary Jesse Brown to discuss the agency's core mission, goals, programs and plans for cost savings. Secretary Brown was asked to testify about successes and challenges at the VA and about agency efforts to reform the VA's vast health care system. The Secretary testified that the agency's biggest success so far had been evidenced in its ability to respond more quickly to the needs of veterans. Secretary Brown also discussed VA's continuing efforts to help veterans from the Persian Gulf war, addressed questions relating to VA hospital utilization rates and the accessibility of health services to veterans.

On May 9, 1995, the subcommittee convened a second oversight hearing to identify opportunities for improved efficiency and management reforms in the $38.2 billion VA. Testimony was received from the U.S. General Accounting Office (GAO), the VA's Office of

Inspector General (IG), and from representatives of veterans organizations.

The subcommittee also probed the views of the witnesses on VA's plans for reorganizing hospital and medical facilities. Subcommittee Chairman Shays requested comments about plans to improve the efficiency and quality of the VA's health care service, and asked the witnesses for their views about how to raise the level of management coordination and accountability in VA programs and operations.

b. Benefits.—The VA health system is the largest centrally managed health care delivery system in the Nation. Veterans and every American taxpayer will benefit from cost effective VA programs and services. If the VA health care system is to remain viable, it must fundamentally change its approach to providing care. The need for structural change is acute. By holding these hearings, the subcommittee has benefited the system by demonstrating congressional concern that the VA adapt its health care delivery system to meet the changing demands of the health care marketplace.

c. Hearings.—Hearings entitled "Oversight Hearing on Department of Veterans Affairs" were held on March 13 and May 9, 1995.

6. Examination of Programs and Operations of the Corporation for National and Community Service.

a. Summary.—On April 25, 1995, the subcommittee directed an inquiry to the Corporation for National and Community Service (Corporation) regarding the agency's AmeriCorps program. The inquiry requested information on the per-participant costs of the program, the quality and performance standards applied to AmeriCorps grant applications and programs, the amount of training received by AmeriCorps participants and information on any AmeriCorps programs that did not involve AmeriCorps participants.

On May 4, 1995, the Corporation responded to the subcommittee's inquiry. The Corporation reported per participant costs to be $17,600 for full time members. They noted this figure was subject to change if their original fiscal year 95 funding levels were rescinded. The Corporation also provided a breakdown of the per-participant costs indicating the percent of costs devoted to educational awards, stipends, travel, training and benefits. Part-time participants were reported to have a cost of $8,800. Again, this figure would also be subject to change if the fiscal year 95 appropriations if rescissions were passed by Congress for that fiscal year.

The Corporation also outlined the selection criteria applied in the agency's evaluation of AmeriCorps program applications. The criteria were set out under the headings of: quality, sustainability, innovation, replicability and special considerations (such as geographic diversity and start dates). The Corporation further outlined the quality standards used at both Federal and State levels in selecting grantees. These standards are printed in the AmeriCorps grant application and are reflected in the Corporation's "Principles for High Quality National Service Programs" which include: strong organization, excellent service projects, evaluation, participant experience, community partnerships and diversity.

The Corporation also reported that the programs were made subject to several levels of performance reviews conducted by State commissions, national parent organizations, Corporation staff and impartial national evaluators. According to the Corporation, performance reviews include quarterly report forms, financial status reports, site visits, and independent evaluations. The Corporation stated that the performance results are taken into consideration during the grant renewal decisionmaking process.

In the response, the Corporation also described the statutorily mandated "planning grants" that make up 1.5 percent of their grant budgets. Planning grants, such as one awarded to the Northeastern University's Center for the Study of Sports in Society, must be used for activities such as: site selection, anticipating roadblocks, studying other AmeriCorps programs, creating partnerships with businesses, non-profits, police and school districts. The Corporation disputed allegations that planning grants are used to help organizations write grant applications.

The Corporation response indicated that AmeriCorps participants must devote at least 80 percent of their hours to direct service, with no more than 20 percent going to education, training or community building activities during a full-time or reduced term of service. The education or training activities may include preparation for the GED.

To address questions raised by the Corporation response, the subcommittee convened an oversight hearing to examine the programs and operations of the Corporation for National and Community Service. Testimony was received from Corporation Chief Executive Officer Eli Segal, along with representatives from AmeriCorps program sponsors, participants and critics of the Corporation.

This was the first oversight hearing on the Corporation since its creation in 1993, with the passage of the National and Community Service Trust Act (Public Law 103–82). The act consolidated responsibility for a number of community service programs, including AmeriCorps, Volunteers in Service to America (VISTA), the National Civilian Community Corps, Serve-America, and the Retired Senior Volunteer Program (RSVP).

b. Benefits.—The subcommittee hearing provided a balanced discussion of the costs and benefits of the national service programs which became operational under the Corporation umbrella in 1993.

c. Hearings.—A hearing entitled "Oversight Hearing on the Corporation for National and Community Service" was held on May 18, 1995.

7. Revelations of Wasteful Spending.

a. Summary.—In 1992, the House Government Operations Committee issued a report concluding that waste, fraud and abuse "cost the government $300 billion in recent years."[13] The report added, "Government waste has not only bilked the taxpayer of billions of dollars, but it has created a public cynicism about government at a time when effective government is needed the most." After hav-

[13] "Managing the Federal Government: A Decade of Decline," December 1992, Majority Staff Report to the Committee on Government Operations.

ing received testimony from the Secretaries of five cabinet departments, the Human Resources and Intergovernmental Relations Subcommittee convened an oversight hearing in order to seek the perspectives and recommendations of commentators and investigators from outside the government on ways to identify and reduce waste, fraud and abuse in these departments. Testimony was received from: Thomas Schatz, president of Citizens Against Government Waste; Martin Gross, an author and commentator; James Bovard, journalist and author; and Dr. Ronald Walters, chairman of the political science department of Howard University.

Mr. Schatz testified about the Departments of Education and Veterans Affairs. He discussed collection problems in Student Financial Aid Programs, which he believes should be unsubsidized and administered by the Treasury Department. He testified that he believes that the VA frequently overpays pension and compensation benefits and suggested forms of data collection that he believes would fix problems of overpayment.

Mr. Gross testified about the Department of Health and Human Services. He believes that to prevent the insolvency of the Social Security system, the retirement age should be raised to 70 years. Mr. Gross also discussed his views regarding how Medicare and Medicaid could be run more efficiently.

Mr. Bovard discussed problems in the Section 8 housing system. He cited several examples of the government paying for expensive housing for the poor, and argued that Section 8 projects are linked to many inner city problems.

Mr. Kennedy testified about his experience of going undercover for 2 months on the streets of New York City to expose scam artists—doctors, pharmacists and black marketeers—who he says rip off the Medicaid program in New York State for hundreds of millions of dollars. Mr. Kennedy said that he was able to "easily rent Medicaid cards" from unscrupulous people on the street and use the cards to obtain thousands of dollars "in unneeded tests, exams and services—all at taxpayer expense." Mr. Kennedy further testified that "after 30 years of existence, Medicaid has failed to require ID photos or any other descriptive information on its cards, allowing thousands of unscrupulous recipients to barter their cards for quick cash or drugs."

Dr. Walters supported the administration's Reinventing Government initiative as an indicator of the national commitment to improve government operations and service delivery. He also voiced concern about the counterproductive outcomes of dismantling programs too quickly or ill-advisely. Dr. Walters contended that the reason many of the poverty programs do not work is because their operating costs are under funded.

b. Benefits.—Congressional action to produce a major reduction in losses to waste, fraud and abuse would help restore public confidence in government.

c. Hearings.—A hearing entitled "Waste in Human Service Programs: Other Perspectives" was held on May 23, 1995.

8. Fraud and Abuse in Medicare and Medicaid.

a. Summary.—Pursuing oversight issues identified in previous general oversight hearings, the subcommittee requested informa-

tion from the Health Care Finance Administration (HCFA), the HHS Inspector General and others concerning providers who defraud the programs but continue to bill Medicare and Medicaid. The effectiveness of legal and administrative sanctions against abusive providers, and management controls over provider access to Federal health care programs were examined. In particular, the subcommittee focused on whether more could be done to keep fraudulent providers out of those important government programs.

Testimony was received from: the Administrator as well as the Senior Advisor for Program Integrity of the Health Care Financing Administration; the HHS Inspector General; the Special Counsel for Financial Institutional Fraud of the U.S. Department of Justice; the Assistant Director of the Agency for Health Care Administration for the State of Florida; and the executive director of the National Health Care Anti-Fraud Association.

Federal health care programs will cost $262 billion this year. According to the GAO, up to 10 percent of health care spending is lost to fraud and abuse. That means Medicare and Medicaid losses are perhaps as much as $26 billion, or $71 million each day!

b. Benefits.—Losses of this magnitude pose a real threat to the solvency of Federal health care programs. The subcommittee learned of the limited impact of penalties—such as suspension or debarment—that can now be imposed on providers who are consistently abusive, indicted or convicted of defrauding the government's health care systems.

c. Hearings.—A hearing entitled "Keeping Fraudulent Providers Out of Medicare and Medicaid" was held on June 15, 1995.

9. Bringing Health and Support Services to Women, Minorities and Adolescents—Growing Segments of the AIDS Population.

a. Summary.—Continuing oversight conducted in the previous Congress, the subcommittee convened a field hearing on July 17, 1995, in Brooklyn, NY, to examine how the U.S. Department of Health and Human Services (HHS) and local health care providers are preparing to bring health and support services to women, minorities and adolescents—growing segments of the AIDS population. Testimony was received from: representatives from Deputy Inspector General for Evaluations and Inspections, HHS; the Associate Director of Health Policy of the U.S. General Accounting Office; the Director of the Office of HIV/AIDS Policy, Assistant Secretary of Health, HHS; the acting commissioner of health, New York City department of health; the director of the AIDS Institute of the New York State Title II grantee; the AIDS program coordinator of the Stamford department of health of the Connecticut Title II grantee; the vice president of institutional advancement of the Brooklyn and Caledonian Hospitals; the executive director of Brooklyn Housing Works; the chairman of the Stewart B. McKinney Foundation; a board member of the LAMBDA Independent Democrats; Senator Velmanette Montgomery, New York State Senator, 18th Senate District in Brooklyn, NY; and the executive director of the Corporation for Supportive Housing.

The subcommittee found that, in 1993 and 1994, over one-half of the newly reported AIDS cases were in minority groups. The United States has also seen a 17 percent yearly increase in the number

of women infected with AIDS. Fifty-four percent of those women are between the ages of 13–19. HHS provides funding to local service providers through the Ryan White CARE Act, administered by the Health Resources and Services Administration (HRSA). In fiscal year 95, HRSA will provide $633 million in Ryan White CARE Act funds.

b. Benefits.—By holding the oversight hearing, the subcommittee acknowledged the importance of slowing the spread of AIDS and provided an opportunity for members to discuss how available Federal funding can be effectively utilized to meet the needs of the changing AIDS population.

c. Hearings.—A hearing entitled "AIDS in the 90's: Service Delivery to Emerging Populations (Field Hearing)" was held on July 17, 1995.

10. Debating and Defining Federalism—the Sharing of Power Between the Federal Government and the States.

a. Summary.—The subcommittee is charged under the Rules of the House with the responsibility of studying the intergovernmental relationships between the United States and the States and municipalities. Pursuant to this authority, the subcommittee convened an oversight hearing in the form of a debate regarding what principles should guide Congress in balancing the relationship between the national government and the States, counties, cities and towns.

Testimony was received from: the director of State-Federal relations of the National Governors Association; a former regional EPA Administrator; an author and director for the center for american political studies at Harvard University; the director of the Center on Budget and Budget Policy Priorities; a senior fellow from the Progressive Policy Institute; a commissioner from the Advisory Commission on Intergovernmental Affairs; the director for the center for constitutional studies from the CATO Institute; and the director for the Governors' forum for the Heritage Foundation.

Today Federal powers and programs occupy, and in many cases, preempt, virtually every area of public concern. The legacy of the conflict between States' rights and civil rights continues to haunt efforts to empower State government. Any "new federalism" will have to overcome that historical barrier and reassure all Americans that States can do what needs to be done more effectively, more efficiency and more fairly than a top-heavy, one-size-fits-all Federal bureaucracy.

b. Benefits.—The great national debate over the proper distribution of the people's sovereign powers continues. Today, as Congress moves to implement a smaller Federal Government, it is beneficial to continue that discourse over the responsibility and capacity of each level of government to perform essential public functions.

c. Hearings.—A hearing entitled "Federalism Debate: Why Doesn't Washington Trust the States?" was held on July 20, 1995.

11. FDA Regulation of Medical Devices, Including Silicone Gel Breast Implants.

a. Summary.—Continuing oversight conducted in previous Congresses, the Human Resources and Intergovernmental Relations

Subcommittee and the National Economic Growth, Natural Resources, and Regulatory Affairs Subcommittee investigated FDA's approval process and enforcement standards for medical devices, including silicone gel breast implants.

The subcommittees reviewed scientific and medical literature on so-called "silicone diseases," requested extensive documents from the FDA on device review and enforcement policies and interviewed physicians, researchers and patients. These inquiries explored how the FDA, doctors and scientists assess the risks of silicone and other materials used in medical devices.

The subcommittees inquired how the FDA establishes enforcement standards for medical device regulations, how consistently those standards are enforced, and the appearance of arbitrary or selective enforcement practices. The subcommittees also explored formal and informal procedures used by the FDA to promulgate enforcement standards.

Pursuant to the results of these inquiries, both subcommittees became concerned that the FDA's evaluation standards and enforcement procedures for medical devices may create product shortages and inhibit innovation and technical advances. In order to explore these issues further, the subcommittees convened two oversight hearings.

At the first hearing, testimony was received from: the Hon. Marilyn Lloyd, a former Member of Congress; the Hon. James A. Traficant, Jr. (D–OH), a Member of Congress; the Hon. Greg Ganske, M.D. (R–IA), a Member of Congress; the Commissioner of the FDA; the Director for the Center for Devices and Radiological Health from the FDA; the chief medical officer from Vanderbilt University Medical Center; an official from the department of pathology from the University of Tennessee in Memphis; an associate professor of medicine and epidemiology at the Mayo Clinic; an official from the department of gynecology and obstetrics from Emory University; medical device patients; device industry representatives; clinicians; and scientists.

At the second hearing, testimony was received from the FDA Deputy Commissioner, device industry representatives, and device manufacturers. The witnesses testified about the development and promulgation of FDA standards used in enforcement of statutes and regulations governing the manufacture and distribution of medical devices.

b. Benefits.—The investigation updated the status of FDA review of silicone gel breast implants and the impact of that protracted review on the development and availability of other life-sustaining devices containing silicones. In addition, there is a great need for the American public to know that there is an open and predictable FDA process for promulgating enforcement guidance. As a result of these hearings, the FDA committed to more timely device review and a more open process for the development and issuance of guidance.

c. Hearings.—A hearing entitled "FDA Regulation of Medical Devices (Joint Hearing)" was held on August 1, 1995. A hearing entitled "FDA Enforcement Standards for Medical Devices (Joint Hearing)" was held on September 14, 1995.

12. Management of Threats to the Nation's Blood Supply.

a. Summary.—After infection with the HIV virus, there is a period of time known as a "window" in which infection may be present but antibodies to the virus have not been produced in sufficient quantity for detection. This window can last up to 6 months in some individuals, but is usually about 20 days. However, antigens appear and can be detected sooner than antibodies, reducing the window by 10 days or more.

Subcommittee investigation discovered that on June 23, 1995, the FDA's Blood Products Advisory Committee (BPAC) recommended against routine HIV–1 antigen screening of blood donor units. On July 12, subcommittee Chairman Shays wrote to FDA Commissioner David Kessler urging him not to accept the BPAC's decision and to approve the immediate licensing of HIV–1 antigen tests for the screening of the Nation's blood supply. Subcommittee Chairman Shays pointed out that antigen testing would further close the window of potential infection in recipients of blood and blood products, a goal which was consistent with remarks made by Commissioner Kessler at a September 26, 1994 FDA Conference. Kessler said, "[The FDA has] an obligation to foster the development of new technologies, especially if these technologies hold the promise of a blood supply that is even safer. This is especially true for detecting HIV—the AIDS virus. We need to close the window."

On August 10, 1995, the FDA announced its recommendation that, despite the BPAC recommendation, blood establishments should test donors with new HIV–1 antigen test kits after the tests become available. Under the new guidance, the FDA recommended that blood establishments begin screening all blood and plasma donors with newer test kits for HIV–1 antigen within 3 months after FDA approves one of the kits.

To examine this and other issues raised by the subcommittee's inquiries, the Human Resources and Intergovernmental Relations Subcommittee convened two oversight hearings to discuss efforts by the U.S. Department of Health and Human Services (HHS) and the blood products industry under HHS jurisdiction to protect the Nation's blood supply from emerging infectious agents.

At the October 12, 1995 oversight hearing, HHS Secretary Donna Shalala provided the agency's response to a recent study that was critical of past HHS efforts to protect the blood supply from infectious agents. Secretary Shalala testified that HHS accepted recommendations of the report released by the Institute of Medicine (IOM)—*HIV and the Blood Supply: An Analysis of Crisis Decision-making (July 13, 1995)*—which had concluded that the medical and governmental response in the early 1980's to blood-borne HIV infection strongly suggests the need for greater coordination and more aggressive policies by HHS to meet the threat of future infectious agents.

In addition, the Secretary named the Assistant Secretary for Health to the newly created post of Blood Safety Director and created a Blood Safety Committee which she indicated would include the FDA Commissioner, the Director of the National Institutes of Health (NIH), and the Director of the Centers for Disease Control and Prevention (CDC).

Other hearing witnesses included representatives from the Committee of 10,000, the National Hemophilia Foundation, the Hemophilia Federation, the Oklahoma Blood Institute, and Michigan State University.

A second oversight hearing on the subject was convened on November 2, 1995, so the subcommittee could consider the blood industry's response to the IOM report. In addition, the roles of the CDC and NIH in protecting blood safety were discussed. Witnesses included representatives from the CDC, NIH, the American Association of Blood Banks, the Council of Community Blood Centers, the American Red Cross, the American Blood Resources Association, the Bayer Corp., the Baxter Healthcare Corp. and the Armour Pharmaceutical Co.

b. Benefits.—With 4 million patients in the country receiving transfusions of whole blood and blood components each year, raising the standards for blood collection and processing to meet new threats is a critical national priority. These hearings brought together all the major governmental and private sector players in the blood safety field and elicited a new commitment to diligence in protecting against infectious agents in the blood supply.

c. Hearings.—Hearings entitled "Protecting the Blood Supply from Infectious Agents: New Standards to Meet New Threats" were held on October 12 and November 2, 1995.

13. The Occupational Safety and Health Administration's (OSHA) New Strategy for Changing the Way it Does Business.

a. Summary.—On October 17, 1995, the Human Resources and Intergovernmental Relations Subcommittee convened an oversight hearing to explore initiatives and programs claimed to have been adopted by the Occupational Safety and Health Administration (OSHA) as part of the agency's change in its strategy for doing business in a technology-based workplace. The agency had indicated in numerous publications and announcements that it was seeking to form new partnerships of employers, workers and OSHA to promote common sense regulations, focus on results, and reduce red tape.

In the past the agency had earned a "red tape reputation." The agency was widely perceived as an agency with a "gotcha" mentality, a preoccupation with small technical violations and governed by confusing, outmoded rules.

OSHA's Assistant Secretary of Labor for Occupational Safety and Health Joseph A. Dear discussed the innovative programs the agency has developed to improve workplace protections for America's working men and women. Mr. Dear fully discussed what the agency refers to as the newly reinvented and responsive—"New OSHA"—and promised that the agency would continue to become more customer friendly and less driven by adherence to red tape and technical rules.

In addition to Assistant Secretary Dear, testimony was also received from: the Associate Director for the U.S. General Accounting Office (GAO); the director of the Voluntary Protection Programs Participants' Association; and representatives from trade unions and the private industry.

b. Benefits.—Through this hearing, the subcommittee was able to confirm that OSHA's efforts to re-engineer worker safety standards and enforcement to meet the new realities of the 21st century workplace are welcomed by business and workers. Given that no amount of enforcement resources would ever permit the agency to inspect all of America's workplaces, cooperation as opposed to confrontation will permit OSHA to better focus scarce budget resource and meet its core mission of correcting the most serious hazards in the most dangerous workplaces.

c. Hearings.—A hearing entitled "OSHA: New Mission for a New Workplace" was held on October 17, 1995.

14. Management of U.S. Department of Housing and Urban Development Funds in Public Housing Tenant Programs.

a. Summary.—In September 1995, Representative William Martini (R–NJ), a member of the Human Resources and Intergovernmental Relations Subcommittee, forwarded to the subcommittee materials regarding a convention of public housing tenants sponsored by the National Tenants Organization (NTO). The subcommittee initiated inquiries to the Department of Housing and Urban Development (HUD) and several local public housing authorities regarding the use of HUD funds to attend the NTO convention which was described as a "vacation" in the promotional material.

The subcommittee also learned that public housing tenants attended this and other training sessions using funds from HUD's Tenant Opportunity Program (TOP). At least two tenant groups obtained advances of anticipated TOP grant awards from their public housing agencies.

As a result of these inquiries, the subcommittee also learned that 6 TOP grants had been awarded then rescinded by HUD in Delaware after questions were raised regarding the level of consultant fees and the planned use of the funds.

On November 9, 1995, the subcommittee convened an oversight hearing on possible waste and mismanagement of HUD grant funds used in public housing tenant programs. Tenant programs support training and leadership activities in order to empower tenants for resident management purposes.

The subcommittee investigated whether HUD has appropriately controlled or monitored TOP program results to ensure that program objectives are met. Testimony at the hearing was received from representatives from HUD, HUD's Inspector General, and from tenant and public housing organizations.

b. Benefits.—The hearing raised the question whether weak HUD management of tenant training funds undermines the legitimate goals and effectiveness of tenant empowerment programs.

c. Hearings.—A hearing entitled "HUD's Management of Tenant Empowerment Funds" was held on November 9, 1995.

15. Status of Major Computer System Development.

a. Summary.—Testimony at earlier oversight hearings on Medicare claims processing, and General Accounting Office (GAO) reports on Health Care Finance Administration (HCFA) acquisition and implementation of a centralized Medicare claims system, pre-

sented troubling questions regarding whether HCFA had the capacity to develop, procure and implement such a large computer application. Earlier testimony by HCFA also indicated the agency had foregone other claims management and program integrity efforts in favor of placing all their emphasis on the new Medicare Transaction System (MTS). Based on a GAO analysis, the subcommittees were concerned that the use of available claims screening software by HCFA contractors could yield significant savings to the Medicare program immediately, while the MTS system was being developed.

To answer these questions, the Subcommittee on Human Resources and Intergovernmental Relations and the Subcommittee on Government Management, Information, and Technology convened a joint oversight hearing on HCFA's MTS project, a proposed $127 million data system to process Medicare claims and enable HCFA to detect and control fraud and abuse.

Witnesses at the hearing discussed the status of the MTS computer programs which HCFA began planning in the early 1990's and which the agency claims will curb the loss of billions of dollars annually from fraud and abuse in Medicare claims. HCFA Administrator Bruce Vladek appeared before the Human Resources Subcommittee on June 15, and testified that the system would be fully implemented by late 1999. The subcommittee chairmen and other members wanted to know whether that schedule would be kept and whether the system, with potential for significant cost overruns, would be delivered on budget.

b. Benefits.—The hearing provided necessary oversight of the MTS contract terms and milestones. The subcommittees learned that HCFA's schedule and cost estimates for MTS were neither reliable nor realistic, and that HCFA was using an inconsistent approach to define current and future system requirements. This information will be beneficial to those guiding health care management and anti-fraud policy pending the implementation of the MTS system.

c. Hearings.—A joint hearing entitled "Oversight and Review of Medicare's Transaction and Information Systems" was held on November 16, 1995.

16. Radioactive Contamination of 27 People, Including Researcher Dr. Maryann Ma, in June 1995 at the National Institutes of Health (NIH).

a. Summary.—A study by the Human Resources and Intergovernmental Relations Subcommittee, requested by Congresswoman Constance Morella (R–MD), was conducted over a 5-month period to determine if the National Institutes of Health (NIH) was negligent in conforming to safety regulations in its handling of nuclear materials. On June 28, 1995, a contamination of 27 people occurred at the facility.

The subcommittee also studied the 3-year safety record of NIH to see if there was a pattern of safety violations present at the facility. These studies were aided through documentation, meetings and conversations with the Nuclear Regulatory Commission (NRC) and with the NIH.

b. Benefits.—The subcommittee's studies concluded as follows: (1) the NIH has a history of minor safety violations but ranks among the safest of organizations licensed by the NRC to handle radioactive materials; and (2) even with a perfect safety record, NIH could not have prevented what Federal investigators term a "not unintentional contamination" by "someone" of Dr. Ma and the incidental poisoning of 26 others by radioactive material (in this case, by Phosphorus–32). The NRC agrees with these conclusions.

c. Hearings.—None.

NATIONAL ECONOMIC GROWTH, NATURAL RESOURCES, AND REGULATORY AFFAIRS SUBCOMMITTEE

1. Grantee Lobbying.

a. Summary.—For decades, the Federal Government has awarded billions of dollars in grants to organizations that engage in lobbying and other forms of political advocacy. Much of this money is given to non-profit organizations. According to IRS figures, in 1992 alone, approximately 44,274 non-profit groups received $42.6 billion in grants from the Federal Government. Non-government sources put the figures even higher.[14] The Independent Sector, a coalition of some of the largest non-profits in the country, reports that non-profits received nearly $160 billion from all government sources in 1992; and OMB Watch's Gary Bass claims the Federal Government granted approximately $226 billion in fiscal year 1994 to non-profits, for-profits, and to State, local and tribal governments.

In many instances, government funding far exceeds donations received directly from private citizens. For example, in 1994 Catholic Charities, one of the largest non-profit organization in the country, obtained $1.2 billion or 65 percent of its total annual revenue from government sources.

While much of the money given away by the government is undoubtedly put to good use, too much of it is spent to subsidize political advocacy—whether it be lobbying on pending legislation, buying paid advertisements for political races, or simple grass-roots organizing. Federal grantees naturally develop a symbiotic relationship with their governmental funding sources. Even where Federal funds are not *directly* used for political advocacy, *indirect* support is inevitable—after all, money is fungible. Several votes have clearly demonstrated that Congress firmly believes the practice of giving grants to politically active organizations, termed "Welfare for Lobbyists," must stop.

The subcommittee explored the issue of Welfare for Lobbyists in great detail throughout the first session of the 104th Congress. A total of four hearings were held by the subcommittee to investigate allegations that certain groups receiving Federal grants were engaging in political advocacy; to consider how Welfare for Lobbyists adversely affects both government and charity; and to explore possible solutions to the problem.

The subcommittee also worked in coordination with the General Accounting Office to investigate the National Council of Senior Citizens (NCSC). NCSC is a non-profit organization that receives

[14] Letter from the U.S. General Accounting Office, Associate Director, Tax Policy and Administration Isssues, Natwar M. Gandhi, to Ernest Istook, 11/08/95, found in subcommittee files.

over 95 percent of its funding from the Federal Government (ostensibly to provide housing and jobs to senior citizens). Yet it is highly active in partisan politics. Half of NCSC's annual report for 1994 was devoted to a description of its political activities. As part of this investigation, electronic copies of NCSC's financial records for fiscal year 1994 were requested. Those records are now being analyzed to determine whether current restrictions on the use of Federal funds were violated, and, if no violations took place, to identify the loopholes that permit an organization so heavily funded by the government to engage in significant political activity. This investigation will continue through the second session of the 104th Congress.

In addition to investigatory hearings, the subcommittee and other Members also proposed legislation to address some of the problems associated with Welfare for Lobbyists. Ultimately, language was added to section 18 of the Lobbying Disclosure Act of 1995 to prohibit certain non-profit organizations (qualified as tax-exempt under IRC section 501(c)(4)) from receiving Federal funds in any form, if they engage in lobbying activities. That bill was signed into law by President Clinton on December 19, 1995, as Public Law No. 104–65. Those restrictions have no effect on grantees other than 501(c)(4)'s, nor do they prevent a 501(c)(4) grantee from creating shell corporations to separate, on paper, the grant receipts from the political activity.

b. Benefits.—There is a need to protect the taxpayers by ensuring that Federal funds are not used to subsidize legislative or political advocacy. To that end, the subcommittee's hearings have exposed abuses of Federal grants. Many Members believe that further reforms are needed to increase accountability to the taxpayers and to prevent the abuse of tax dollars. With at least $42 billion in government grants each year, there is substantial room for waste, fraud, and abuse by unscrupulous grantees. The subcommittee's efforts will continue with an eye toward exposing existing abuses and demonstrating the case for reform to protect the American taxpayers.

c. Hearings.—As part of its investigatory work, the subcommittee held four hearings on the question of Welfare for Lobbyists. Hearings were held to investigate allegations that certain groups receiving Federal grants were engaging in political advocacy; to consider how Welfare for Lobbyists adversely affects both government and charity; and to explore possible solutions to the problem. On June 29, 1995, the subcommittee heard from representatives from nonprofits that refuse to engage in political activity or take Federal grants; General Accounting Office researchers and private scholars who have studied Welfare for Lobbyists; and Congressmen and Senators who are concerned about the problem as well. In addition, the subcommittee questioned representatives of the Nature Conservancy and the National Fish and Wildlife Foundation about allegations of improper political activity in connection with Federal grants they receive. Subsequent hearings were held on July 28, August 2, and September 28, 1995.

2. Investigation of Improper EPA Lobbying on Pending Legislation.

a. Summary.—The Anti-Lobbying Act is a criminal statute that prohibits executive branch agencies from using *any* appropriated money directly or indirectly to influence a Member of Congress on pending legislation, except through proper official channels. 18 U.S.C. sec. 1913. The dual purpose of the act is to prevent agency officials from squandering public money in attempts to increase their budgets or protect their jobs, and to prevent executive branch agencies from using tax dollars to disseminate propaganda about pending legislation. Pursuant to this statute, and other Federal anti-publicity and propaganda statutes, the executive branch is free to propose such legislative measures as the President deems appropriate and communicate its comments directly to Members of Congress on any pending legislation. Executive branch officers and employees are prohibited, however, from engaging in any grass-roots lobbying, even indirect grass-roots lobbying, that is intended to influence the legislative debate.

In late February, the committee learned the following facts regarding improper EPA lobbying: (1) EPA officials had used taxpayer funds to create non-public advocacy material strongly condemning pending regulatory reform legislation; (2) the EPA used taxpayer funds to fax these documents to more than 150 grass-roots lobbying organizations and industry groups that are active in lobbying Members of Congress on these legislative proposals; (3) an objective reader would interpret these documents as a call to action, or in the words of one newspaper, "a call to arms;" (4) most of the documents, including the strongest advocacy pieces, were not solicited; (5) the mass-faxing of these documents was carefully timed to coincide with important votes in the House of Representatives; and (6) such action was consistent with a pattern of other EPA contacts with grass-roots lobbying organizations to defeat the reform legislation. These undisputed facts constituted strong evidence that some EPA officials had violated the criminal anti-lobbying laws. Indeed, the concerted EPA actions appeared to precisely fit the accepted definition of prohibited grass-roots lobbying.

On March 2, 1995, a written request for information was submitted to EPA Administrator Carol Browner. The Administrator initially responded that the EPA would cooperate with the oversight investigation and provide answers to the questions. However, EPA did not provide complete answers to any of the questions that were posed after an extension of time was granted. For example, EPA refused to say who approved the content of the lobbying material and who was involved in the decision to send it out. The EPA also refused to disclose whether EPA officials had meetings or conversations with outside lobbying groups to discuss lobbying Members of Congress. Instead, EPA's response to the legitimate oversight request was largely an argument why EPA need not provide Congress information regarding potential wrongdoing and waste of taxpayer resources.

On March 21, 1995, subcommittee Chairman McIntosh and ranking subcommittee Member Peterson sent Administrator Browner a letter insisting on complete responses to all of its questions pursuant to its authority under Rules X and XI of the U.S. House of Representatives. The March 21 letter explained that the subcommittee

knew of documents that EPA was refusing to produce, which raised concerns about possible violations of several Federal statutes besides the Anti-Lobbying Act, including other appropriation laws, the Hatch Act prohibitions against political activity by executive branch officials, the conspiracy statute, and the statute prohibiting misprision of felony. As the March 21 letter relayed:

EPA simply cannot pick and choose which of the subcommittee's requests for information it will honor and which it will reject. We insist on complete responses to all of our requests. . . . It is impossible for the subcommittee to discharge its oversight duty without uncovering all of the facts. Your position that the Congress is not entitled to the information because no one at EPA violated the Anti-Lobbying Act is troubling for two reasons. First, your assertion that the act prohibits almost nothing is unsupportable. The very opinions cited in the EPA letter from the Department of Justice refute EPA's interpretation of what the law allows and what it prohibits.

Second, even if we accepted EPA's . . . construction of the law and blindly accepted EPA's conclusion (based on EPA interviews not provided to us) that no laws were violated, the information we seek still would be highly relevant to our core legislative duty. If current law is as empty as you assert, then our oversight investigation is necessary to determine whether to propose new legislation, similar to that which exists for many agencies, which prohibits an even broader category of publicity and propaganda activities.

The March 21 letter also contained a four-page appendix that refuted the agency's legal interpretation of the Anti-Lobbying Act.

In the following months, EPA missed every agreed-upon deadline to provide the requested information. Although EPA eventually produced a significant number of documents, the agency continued to stonewall on producing answers to the most important questions and the most relevant documents and e-mail messages. At the same time, the Department of Justice's Office of Legal Counsel (OLC) issued new "guidelines" to executive branch agencies on interpreting the Anti-Lobbying Act. The OLC guidelines were substantially different from prior General Accounting Office (GAO) and OLC guidelines and directly contradicted the text of the Anti-Lobbying Act without justification.

Despite the Department of Justice's refusal to investigate the facts, committee Chairman William F. Clinger, Jr., and subcommittee Chairman McIntosh reviewed the available evidence of improper lobbying by EPA and a host of other executive branch agencies. That evidence was more than sufficient to find a widespread pattern of lobbying by executive agencies within the Clinton administration, including the Departments of Commerce, Interior, Housing and Urban Development, Labor, the EPA, the Small Business Administration, and AmeriCorps.

Chairman Clinger introduced an amendment to H.R. 2564, the "Lobbying Disclosure Act of 1995," which would clarify existing prohibitions and create a civil enforcement mechanism to prevent further improper lobbying activity. Although the amendment was narrowly defeated, there was widespread recognition that legislation of this type was needed to correct executive branch abuses.

b. Benefits.—This investigation demonstrates the need for additional civil legislation, and greater enforcement of existing criminal laws regarding improper executive branch lobbying. The investigation lays the groundwork for the consideration of stand-alone legislation in the current year that would create a civil enforcement mechanism to prevent further waste and abuse of taxpayer resources.

c. Hearings.—No hearings were held.

3. OSHA's Ergonomics Standards.

a. Summary.—During the 104th Congress, the subcommittee conducted oversight into the Occupational Safety and Health Administration's (OSHA) rulemaking process for an ergonomics standard. The term "ergonomics" originated in industrial engineering to explain the idea that workplaces should be designed around the people who use them. The recent attention focused on ergonomics comes from its association with repetitive strain injuries (RSI's), also known as cumulative trauma disorders (CTD's). In spite of the lack of scientific evidence to support either of these theories, OSHA has proceeded aggressively with an ergonomics regulation.[15]

The regulatory moratorium bill (H.R. 450) would have prevented further work by OSHA on an ergonomics standard. When an OSHA official publicly indicated her intent to defy the moratorium, Congress passed a "Stop Work Order" on this rulemaking as part of H.R. 1158 and H.R. 1944, the 1995 Rescissions Bill. Press accounts in June 1995 reported that OSHA had abandoned the ergonomics rulemaking. As Congress continued to review comprehensive regulatory reform proposals, the subcommittee held a hearing on July 12, 1995, with OSHA Assistant Secretary Joseph Dear as a witness, to finally establish the status of OSHA's regulatory activities on the ergonomics issue.

The committee also examined whether a single, one-size-fits-all rulemaking could ensure workplace safety and health, especially when serious questions still existed about the scientific basis of the regulation. The investigation brought into light the fact that the sweeping regulation would require that 96 million jobs across the Nation be formally reviewed for ergonomic "risk factors." These risk factors are inherent in every job they include: repetitive motion; frequent or heavy lifting; contact stress; unsupported or awkward postures for long periods; and vibrating tools and equipment.[16] Under this standard, workers would be prohibited from repeatedly pinching small binder clips or twisting their necks to cradle a telephone receiver. The investigation revealed that many jobs which include these risk factors would be abolished altogether in favor of automation.[17] As a result of this investigation, the committee was able to establish that OSHA is continuing to work on the promulgation of an ergonomics rulemaking. Prior to the July 12, 1995 hearing, conflicting press reports were written on the subject.

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[15] Eugene Scalia, "Ergonomics: OSHA's Strange Campaign to Run American Business," *White Paper, National Legal Center for the Public Interest*, Vol. 6, No. 3, August 1994, pp. 8–20.

[16] *OSHA's Regulatory Process and Activities Regarding Ergonomics* before the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs. Testimony of Joseph A. Dear, Assistant Secretary of Labor for Occupational Safety and Health. (Original transcript pp. 26–28, in subcommittee files.)

[17] Ibid., pp. 36–40.

In addition to establishing the status of the ergonomics rulemaking, the hearing helped make a strong case that the rulemaking was overreaching and the House showed its agreement by passing a rider to deny funding DOL for promulgation of the ergonomics regulation.

b. Benefits.—During the investigation, the committee learned from Assistant Secretary Dear that the agency is continuing to work on its proposed ergonomics regulation. Assistant Secretary Dear also confirmed that the agency is already enforcing the scientifically dubious ergonomics principles under the general duty clause, without a regulation. The airing of this information refuted press reports that the agency had stopped work on the massive regulation and renewed congressional scrutiny of the rulemaking process. A study released in January 1995, conducted by experts in occupational medicine, concludes that OSHA did not ground its proposed ergonomic regulation in sound medicial science. Rather OSHA selected research that supported its position and ignored or minimized findings that did not. In the Labor-HHS Appropriations bill to fund OSHA in 1996, Congress approved a prohibition on funds for further work on the ergonomics standard.

c. Hearings.—The subcommittee held a hearing on July 12, 1995, on "OSHA's Regulatory Activities and Processes Regarding Ergonomics." Testimony was received from: Joseph A. Dear, Assistant Secretary of Labor for Occupational Safety and Health, U.S. Department of Labor; Joseph M. Woodward, Esquire, Associate Solicitor, Occupational Safety and Health Division, Office of the Solicitor, U.S. Department of Labor; David Sarvadi, attorney, Keller and Heckman; Howard M. Sandler, M.D., president, Sandler Occupational Medicine Associates, Inc.; C. Boyden Gray, Esquire, chairman, Citizens for A Sound Economy; Rick Treaster, president, Local 2400, Amalgamated Clothing and Textile Workers Union; Deborah Berkowitz, director, office of occupational health, United Food and Commercial Workers International Union.

4. Improper FDA Rule-making.

a. Summary.—The committee conducted an investigational hearing on the improper use of informal rulemaking by the Food and Drug Administration in cooperation with the Subcommittee on Human Resources and Intergovernmental Relations. This investigation resulted from a compelling Citizens' Petition filed with the FDA pursuant to section 553 of the Administrative Procedures Act by the Indiana Medical Device Manufacturers Council and the law firm of Baker & Daniels on May 2, 1995. That Citizens' Petition asked the FDA to add back certain language that the agency had deleted from its regulations in 1991 requiring notice and comment procedures for most rules. The 1991 language deletion permitted the FDA to issue guidance documents without subjecting them to notice and comment rulemaking. The Petition also asked the FDA to implement a consensus-based approach to the initiation, development and issuance of guidance documents that do not impose new rules, and to adopt greater internal controls over its communications with the public. In support, the Petition identified dozens of examples where informal guidance documents had been used by

the FDA to justify enforcement actions or approval decisions that could not be otherwise justified by a formal rule or statute.

Subcommittee Chairmen McIntosh and Shays submitted written questions to the FDA, which resulted in the production of hundreds of pages of documents and a number of instructive answers. For example, the FDA revealed that its decision in 1991 to exempt guidance documents from notice and comment rulemaking procedures was made despite criticism from an independent government agency charged with improving government regulations. In a September 24, 1990 letter, Marshall Breger, chairman of the Administrative Conference of the United States, advised the Acting Commissioner of the FDA, James Benson, "FDA should reconsider its seeming "all-or-nothing" approach with regard to using notice-and-comment procedure in the promulgation of interpretive rules."

In addition to focusing on the Citizens' Petition, the hearing also provided an opportunity for Members to consider a briefing paper published by David Murray of the Hudson Institute, entitled "The Human Cost of Regulation: The Case of Medical Devices and the FDA." In that paper, the Hudson Institute concluded thousands of Americans had died as a result of FDA delay in approving just four medical devices. As one example from the paper indicates, nearly 1,100 Americans died as a result of a 24-month delay in the FDA's approval of endocardial leads.

On October 30, 1995, the FDA provided a preliminary written response to the Citizen's Petition. Significantly, the FDA granted the petitioners' request that the FDA improve its guidance document procedures. In a letter signed by the Deputy Commissioner for Policy, the FDA concluded:

> "FDA believes that there is merit to your concern about the initiation, development, and issuance of guidance documents. FDA agrees that public participation benefits the guidance document development process. Moreover, FDA believes that the Agency can do a better of [sic] job of communicating to its employees and to the public the nonbinding nature of guidance documents."

However, the FDA denied the petitioners' request for the FDA to add back certain language that the agency had deleted from its regulations in 1991 requiring notice and comment procedures for most rules. The FDA ruled "notice-and-comment rulemaking would significantly delay the issuance of guidance documents, or more likely, make it impracticable to issue them at all. The Agency believes that the proper balance between the need for public input and the need for timely guidance can be struck if FDA modifies its guidance document procedures. This approach addresses your concerns regarding adequate public participation but does not make it impossible for FDA to continue making guidance available."

In that same letter, the FDA also announced plans to publish by January 31, 1996, a Federal Register notice setting forth its proposed ideas for revising guidance document procedures and its intention to solicit comment on the issues raised in the Citizens' Petition.

b. Benefits.—The investigation helped focus both the public's and the FDA's attention on an issue that is of significant importance

to the regulated community. The extent to which guidance documents and other informal statements issued by a regulatory body are used by that body is a core problem for any regulatory system. The Administrative Conference of the United States has recognized this concern, and has attempted to address solutions on a governmentwide basis. This investigation helps to highlight this concern with respect to the FDA. However, the FDA is not the only agency that could benefit from considering its treatment of informal rulemaking. The EPA, OSHA, and every other regulatory body needs to voluntarily examine their current rulemaking procedures. Failure to act voluntarily will inevitably lead more private citizens to use the Citizens' Petition process as a means of forcing the agencies to act responsibly. The subcommittee encouraged the filing of such petitions, and invites private citizens to bring them to its attention.

c. Hearings.—A hearing on this matter was held on September 14, 1995. Witnesses included: William Schultz, Deputy Commissioner for Policy, FDA; Brad Thompson of the law firm of Baker & Daniels; Larry Pilot, counsel to the Medical Device Manufacturers Association; Ed Kimmelman, regulatory affairs director for Boehringer Mannheim Corp.; Thomas Lenard, Ph.D., director of regulatory studies at the Progress & Freedom Foundation; David Murray of the Hudson Institute's Competitiveness Center; and Jeff Brinker, M.D., director of interventional cardiology, Johns Hopkins Hospital.

5. Regulatory Reform.

a. Summary.—The committee conducted an examination to measure how average Americans are affected by the plethora of Federal regulations in nine cities.

In Washington, DC, Federal agency officials and some Members of Congress make the case that more and more regulations are needed. However, outside Washington, DC, citizens plead for relief from the needless burden of regulations that already exist. In St. Cloud, MN, for example, the owner of a small construction company, Bruce Gohman,[18] disclosed how regulations kill jobs. Mr. Gohman said he deliberately keeps the number of his employees under 50, thus avoiding many Federal regulations and the red tape that goes with them.

The subcommittee learned that in Richmond, IN,[19] the city government recently added five fully equipped vans to its transit system to provide on-call service 12 hours a day for handicapped and senior citizens. It satisfied the city's need, but it was not enough to satisfy regulations of the Americans with Disabilities Act. Instead, the city was forced to refit nine city buses with wheelchair lifts at a cost of $58,500, a high price for a service that was not

[18] *Economic Impact of Regulations on the 7th District of Minnesota* field hearing before the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs held 08/07/95. Testimony of Bruce Gohman, president, W. Gohman Construction Co. (Original transcript pp. 37–38).

[19] *The Need for Regulatory Reform* field hearing before the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs held 04/17/95. Testimony of Terri Quinter, Supervisor of Rose View Transit System. (Original transcript pp. 105–107).

needed. The wheelchair lifts are never used because the vans already meet the needs of local citizens with disabilities.

Witnesses at the field hearings have shared more than compelling anecdotes. They offered serious suggestions for easing regulatory excess. For example, the mayor of Moorhead, MN, submitted nine principles which he believes should guide the Federal-municipal government relationship regarding regulations. One of his best suggestions was to give local governments the flexibility to spend limited resources on the problems they deem the most serious.

Some of the most compelling testimony from these hearings supports the idea that Federal regulations can cause lives to be lost rather than saved. In Rochester, MN, the subcommittee heard from Dr. Robert Schwartz, an interventional cardiologist at the Mayo Clinic, who manages a research laboratory devoted to designing new angioplasty technologies for coronary bypass surgery. Dr. Schwartz is in the frustrating position of testing and perfecting new technologies in his laboratory which he cannot offer to patients until the FDA approves them for the public. When such devices are ready for patient use, the Mayo laboratory must go outside the United States to perform the first procedures—a situation which prevents them from offering Americans state-of-the-art medical care.[20]

For example, the coronary stent, which is permanently implanted into the coronary artery to hold it open, was available to European patients long before it was available to Americans, although it was invented in the United States. Now a new stent is available that is drug coated to prevent blood clotting, which is a serious problem for some patients with coronary stents. This new technology was pioneered by an American company, but it has to be tested overseas. Dr. Schwartz testified that no problems have arisen in European patients using this device, but it will not be available to Americans for many years.

In St. Cloud, MN, Dr. Peter Larsen testified that the drug ALG, one of the most successful transplant medicines ever used to keep the body from rejecting a new organ, is the victim of a research scandal at the University of Minnesota. ALG was withdrawn about 3 years ago by the FDA after more than two decades of use. Thousands of organ transplant patients are suffering as a result. These patients have been denied a drug which many doctors consider the safest and best, and are using substitutes which may cause serious side effects or lower survival rates.[21]

The field hearings have brought a new phenomenon to Congress' attention: There is a growing market across the Nation for regulatory consultants and specialists. Unfortunately, such expertise is on the rise because Federal regulations are too voluminous and complex for untrained people to follow, and furthermore, the cost of being found out of compliance is too high. Many small businesses can barely stay afloat because complying with regulations is so

[20] *Regulatory Reform* field hearing before the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs held 08/08/95. Testimony of Robert Schwartz, M.D. (Original transcript pp. 13).

[21] *Economic Impact of Regulations on the 7th District of Minnesota* field hearing before the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs held 08/07/95. Testimony of Peter Larsen, M.D., F.A.C.S., St. Cloud Eye Clinic. (Original transcript pp. 83–84.)

costly. They certainly cannot afford to hire additional staff or consultants just to interpret regulations. Tommy Brock, a strawberry grower in Hillsborough County, FL, was advised by a local regulatory agency to hire an outside consultant to interpret their regulations. The consultant turned out to be a former staff person of the agency.

Some small business owners try to cope on their own. Donnovan Eaker, who owns and operates Steve's Meat Market with her husband in Ellendale, MN, testified that she spends 6 hours a day in her office doing the work required to comply with U.S.D.A. regulations. That is time she should be able to invest in running her business and providing quality products for her customers. As it is, she can barely afford to stay in business and keep her 15 employees on board.

One consultant testified in St. Cloud, MN, that his company offers a private-sector approach to enhancing worker safety which purposely avoids regulatory compliance. David Volker is a manager with the Berkley Administrators, a third-party administrator of self-funded insurance programs. His clients rely on him to interpret and apply OSHA regulations, and they see him as an alternative, less threatening source of information than the agency itself.

Mr. Volker emphasizes procedural safety and making each employee individually responsible for preventing injuries. But some of his clients no longer want to take this proactive approach to promoting safety due to fines from OSHA for such minor offenses as an extension cord with a missing ground prong.[22] These companies have asked Mr. Volker to check for OSHA violations on his visits rather than give advice on safety improvements. The subcommittee heard through testimony that OSHA's punitive approach is forcing companies to focus solely on compliance, at the expense of safety.

b. Benefits.—The field hearings have allowed the views of these individuals across the Nation to inform the regulatory reform debate in Congress. Through this series of hearings, testimony was given that, with its zeal for regulating, the Federal Government has lost sight of its original goals—health, safety, a clean environment—in a sea of paperwork and rules. More tragically, its very rules often exacerbate the problems they seek to solve. EPA rules can slow rather than speed environmental clean ups. OSHA rules can detract from rather than promote safety in the workplace. FDA rules can cause lives to be lost rather than saved.

In some cases the hearings have made inroads on particular regulatory problems, such as the slow drug approval process at the FDA. In Norristown, PA, the subcommittee examined the FDA's drug approval process. One witness, Mariah Gladis, has ALS or Lou Gehrig's disease. At the time of the hearing, there were no drugs available in the United States to treat ALS. Ms. Gladis and other ALS patients were willing to pay for experimental drugs, either personally or via health insurance, but current FDA barriers to such drugs had to be removed before she could try them. In December, the FDA, whose officials participated in the Norristown

[22] *Economic Impact of Regulations on the 7th District of Minnesota* field hearing before the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs held 08/07/95. Testimony of David Volker, Loss Control Manager, Berkley Administrators. (Original transcript p. 56.)

hearing, finally approved the drug Rilutek—the first drug for the treatment of Lou Gehrig's disease.

In other cases, the hearings have brought regulatory issues to the legislative forefront. At many field hearings, local citizens bring regulatory problems to the subcommittee's attention which become candidates for Corrections Day [See Section III, Legislation].

While not every regulatory problem can be fixed on Corrections Day, the field hearings have helped to build the case for a comprehensive reform of the regulatory system that the 104th Congress will continue to pursue in 1996.

c. Hearings.—The subcommittee held the following field hearings: "The Regulatory Transition Act of 1995 (H.R. 450) and Clean Air Act Regulations" in Fairfax, VA, on February 2, 1995. Testimony was received from: Robert W. McGillicuddy, AutoCare, Inc.; Dennis Dwyer, Potomac Mills Exxon, Ron Harrell, Capital Services, Inc.; Becky Norton Dunlop, secretary of natural resources, Commonwealth of Virginia; Robert E. Martinez, secretary of transportation, Commonwealth of Virginia; Robert B. Dix, Jr., Fairfax County board of supervisors; Lorraine Lavet, Fairfax County chamber of commerce; Stan Laskowski, Deputy Regional Administrator, Region 3, Environmental Protection Agency; Ellen Bosman, vice chairman, Arlington County board; Sheryll Crosby, Shortness of Breath Club, American Lung Association. "The Need for Regulatory Reform" in Muncie and Indianapolis, IN, on April 17, 1995. In Muncie, testimony was received from: Betty Devoe, executive director, Westminster Village; Joseph Russell, farmer; Wayne Townsend, farmer; Tom Miller, vice president, commercial lending, American National Bank; Lowell Williams, senior vice president, First Merchants Bank; Eugene Roach, M.D., medical director, Anderson Center of St. John's; James Currier, M.D., radiation oncologist; Robert Brodhead, president, Ball Hospital; George Brannum, M.D., Pathologists Associated; G.W. Bartlett, president, G.W. Bartlett Co.; Richard Brown, sales manager, Beckett Bronze; Robert Kersey, president, Rochester Metal Products; Robert Anderson, plant manager, Delphi Interior and Lighting Systems; Richard Sullivan, vice president and division manager, New Venture Gear; Mike Lunsford, realtor; Terri Quinter, supervisor, Rose View Transit; Katherine Kleber, Abate of Indiana PAC; Dan Conaway, Abate of Indiana PAC. In Indianapolis, testimony was received from: Alan Kemper, farmer; Warren Baird, farmer; Bart Dye, farmer; Jean Ann Harcourt, president, Harcourt Outlines; Malcolm Applegate, president and general manager, Indianapolis Newspapers; Jeff Bowe, president, Benham Press; John Keach, Jr., president, Home Federal Savings Bank; Jerry Baumgartner, president, Tri County Bank and Trust; Jeff Robinson, Indiana American Water Co.; Myles Brand, president, Indiana University. "Regulatory Problems Maine Citizens Face Under the Clean Air, Clean Water, and Safe Drinking Water Acts" in Portland, ME, on May 26, 1995. Testimony was received from: Richard Verville, Citizens for Sensible Emissions; Monte Sloan, United Bikers of Maine; David Dixon, Earth Tech; Jinger Duryea, C.N. Brown Co.; Edward F. Miller, American Lung Association of Maine; Everett B. Carson, Natural Resources Council of Maine; Senator Jeffrey H. Butland, president of the senate, Maine State Senate; David Sweet, superintendent,

Kennebunk, Kennebunkport and Wells Water District; Delores Lymburner, Maine Peoples Alliance; Judy W. Hayes, president, Consumers Maine Water Co.; Dale Glidden, superintendent, Augusta Sanitary District. "Regulatory Reform and the FDA Drug Approval Process" in Norristown, PA, on June 9, 1995. Testimony was received from: Beverly Zakarian, president, Cancer Patients Action Alliance; David and Faith Samowitz; Mariah Gladis; Kiyoshi Kuromiya; Dr. David Bios, vice president, worldwide regulatory affairs, Merck & Co.; Dr. James Molt, vice president, worldwide regulatory affairs, Rhone-Poulence Rorer; Dr. Robert Powell, vice president, regulatory affairs, SmithKline Beecham Co.; Bruce Carroll, manager, government relations division, Centocor, Inc.; Dr. Robert Larkin, director, registration & regulatory affairs, agricultural chemicals business, Rohm & Haas Co.; Mike Lumpkin, Deputy Director, Center for Drug Evaluation and Research, FDA. "The Need for Regulatory Reform" in Tampa, FL, on July 17, 1995. Testimony was received from: Juan Adriatico, farmer; Roy Davis, nurseryman and president, Hillsborough County Farm Bureau and president, Tampa Bay Chapter of the Florida Nurserymen and Growers Association; Tommy Brock, farmer and president, Hillsborough County Strawberry Growers Association; David Boozer, executive director, Florida Tropical Fish Farms Association; Charles E. Weeder, chairman and CEO, Homes of Merit, Inc.; Bruce Congleton, president and CEO, Florida Food Industry Association. "Federal Regulatory Reform" in St. Cloud, MN, on August 7, 1995. Testimony was received from: Harold Anderson, president, Anderson Trucking Service; Mike Helfeson, CEO, Gold'n Plump Poultry; Bruce Gohman, president, W. Gohman Construction Co.; Morrie Lanning, mayor, Moorhead, MN; Don Adams, director, Stearns County Environmental Services; David Volker, loss control manager, Berkley Administrators; Peter Larsen, M.D., F.A.C.S., St. Cloud Eye Clinic; John Solheim, CEO, St. Mary's regional health center, Detroit Lakes; Ed Zapp, president, chairman and CEO, Zappco Inc. "Federal Regulatory Reform Pertaining to Federal Contracts" in St. Paul, MN, on August 8, 1995. Testimony was received from: Ron Turner, president, Minnesota Federal Contractors Council, Joe Weis, chairman, Weis Builders; Todd Goderstad, legal counsel, Ames Construction Co.; Ted Arneson, president, Professional Instruments; Donnovan Eaker, owner, Steve's Meat Market; Charles McDuff, director of government and technical affairs, Ecolab Inc.; Lyle Clemenson, president, CEI, Inc.; William D. Smith, Jr., executive vice president, Brown & Bigelow. "FDA Medical Product Approvals" in Rochester, MN, on August 8, 1995. Testimony was received from: Dr. Robert Schwartz, cardiologist, the Mayo Clinic; Dr. Richard Geier, president, Olmsted Medical Group; Dr. Mike Murray, president-elect, Minnesota Medical Association; Paul Citron, vice president of science and technology, Medtronic; Mike Gozola, president, Rochester Prosthetic Laboratories.

6. Privatization of Sallie Mae and Connie Lee.

a. Summary.—The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs and the Subcommittee on Postsecondary Education, Training and Life-Long Learning of the House Committee on Economic and Educational Opportunities

held a joint hearing on the possible privatization of Sallie Mae and Connie Lee, both of which were chartered under the Higher Education Act. Sallie Mae was established in 1972 as a shareholder-owned, for-profit corporation to help ensure adequate private sector funding for federally guaranteed education loans. Sallie Mae supports financing for higher education loans primarily by making a secondary market in such loans and providing related financial and operational support to lending and educational institutions. Connie Lee was established in 1986 as a Triple-A rated, for-profit municipal bond insurance company which guarantees the repayment of bonds issued by colleges, universities, and teaching hospitals for the construction and renovation of facilities. Connie Lee helps educational institutions with lower investment grades obtain low cost, long-term capital.

Members were interested in hearing testimony on whether it was in the public interest, and the interest of the stockholders of Sallie Mae and Connie Lee, that they be privatized because of changes in the secondary markets that these government-sponsored enterprises (GSE's) serve, and other changes in government policy.

b. Benefits.—The information gained by the hearing provided valuable information on the following three questions: (1) whether the markets served by Sallie Mae and Connie Lee were mature enough to allow these GSE's to be privatized and pursue other socially productive business opportunities; (2) if the markets were mature enough, whether it was fundamentally unfair to prevent the stockholders of these companies from deciding for themselves the future of their companies; and (3) if privatization of Sallie Mae and Connie Lee was in the public and private interest, what general form the legislation should take to accomplish this objective.

c. Hearings.—On May 3, 1995, the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs and the Subcommittee on Postsecondary Education, Training and Life-Long Learning of the House Committee on Economic and Educational Opportunities held the joint hearing. The first panel of witnesses included Larry Hough, the president of Sallie Mae; Oliver Stockwell, the president of Connie Lee; along with representatives from the U.S. Department of Education and the U.S. Department of the Treasury. These witnesses testified about advantages of privatizing these GSE's and the possible terms of such privatization arrangement. The second panel of witnesses included experts on the financial markets served by Sallie Mae and Connie Lee. These witnesses discussed the typical life cycle of a GSE and explained that the secondary markets served by Sallie Mae and Connie Lee were sufficiently mature to make privatization appropriate.

NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE SUBCOMMITTEE

1. Office of National Drug Control Policy.

a. Summary.—The National Narcotics Leadership Act of 1988 (21 U.S.C. 1501 et seq.) established the Office of National Drug Control Policy (ONDCP). The act also provided for appointment of a Director of ONDCP, and required that the Director develop an

overall strategy and budget for Federal anti-narcotics efforts, including both supply and reduction. Specifically, the statute provides that ONDCP: "(A) include comprehensive, research based, long-range goals for reducing drug abuse in the United States; (B) include short-term measurable objectives which the Director determines may be realistically achieved in the 2 year period beginning on the date of the submission of the strategy; (C) describe the balance between resources devoted to supply reduction and demand reduction; and (D) review State and local drug control activities to ensure that the United States pursues well-coordinated and effective drug control at all levels of government." Pursuant to the Government Reform and Oversight Committee's jurisdiction over ONDCP, the Subcommittee on National Security, International Affairs, and Criminal Justice convened five indepth oversight hearings during 1995 to assess the status and effectiveness of the Nation's Federal drug control strategy and the strategy's implementation. The subcommittee zeroed in on the interdiction program, source country, law enforcement, prevention and treatment components as prescribed by the Federal strategy.

Before, during and after these hearings, expert advice and recommendations were sought from top administration officials and preeminent outside experts. The subcommittee's twin aims were to (a) identify strategic and implementation problems, and (b) identify sound recommendations for achieving measurable improvement in combating illegal drug importation and use.

As a backdrop for this investigation, the committee recognized that the impact of illegal drugs on our society has been a growing concern since the early 1970's. For example, in June 1971, President Nixon told Congress that a national response to drug addiction was needed since "the problem has assumed the dimensions of a national emergency."[23]

Moreover, by 1980, illegal drug use was so widespread that anti-drug parent groups such as Pride and National Family Partnership began to take root in America's heartland; in fact, by 1979 more than half of all minors surveyed acknowledged illegal drug use.[24]

During the early 1980's, the Nation awakened to the enormity of the incursion being made by illegal drugs. Former First Lady Nancy Reagan became a leader in the anti-drug, or drug abuse prevention, movement. Mrs. Reagan effectively led the campaign to educate our Nation's youth and stem rising youth drug abuse. Her most famous statement, "Just Say No," the answer to a child's question about how to respond if pressed to take drugs, became a guiding phrase in the prevention movement. Unrivaled in her energy and commitment, Nancy Reagan became the movement's chief spokesperson for much of the decade.

Finally, as indicated earlier, during the mid-1980's, President Reagan showed unprecedented leadership in what soon became known as a war against illegal drug use and those who trafficked in illegal drugs.[25]

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[23] Musto, David F. The American Disease: Origins of Narcotic Control, at 256 (1987).

[24] In 1979, 54 percent of youth respondents to the Monitoring the Future Survey indicated drug use. *See* the *1995 Pride Report*, Executive Summary, at 1.

[25] *See* "Testimony of Admiral Paul Yost," *supra*.

In 1988, Congress passed the Anti-Drug Abuse Act of 1988 (Public Law 100–690, Title I, Subtitle A), which established the Office of National Drug Control Policy (ONDCP) and created the new position of "White House Drug Czar" or ONDCP Director. In recognition of the threat posed to our society by the menace of illegal drug use, the act required the White House ONDCP Director to present an annual strategy with measurable goals and a Federal drug control budget to the President and Congress.[26]

The 1988 act has been tinkered with in the years since. In 1994, pursuant to the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322, Title X), the "Drug Czar" was authorized to make recommendations to agencies during budget formulation. The aim of this 1994 change was to improve resource targeting and policy consistency at Federal agencies involved in implementing the National Drug Control Strategy, as well as to heighten overall counternarcotics coordination throughout the Federal Government. In addition, the "Drug Czar" was authorized under the 1994 act to exercise discretion over 2 percent of the overall drug budget. While some have suggested that this provision achieved little, the "Drug Czar" could theoretically transfer up to 2 percent of the budget among National Drug Control Program accounts, upon approval by the appropriations committees.[27]

Beyond these hallmark 1995 hearings, during recent prior sessions of Congress, legislative and oversight hearings have been held on various aspects of national drug policy. However, these hearings have focused on particular aspects of the ONDCP Strategy and have been conducted against the backdrop of falling drug use or general support by the minority-controlled Congress for the overall White House Strategy.

This subcommittee's 1995 oversight hearings, proposed and supported by both minority and majority subcommittee members, were the result of recent developments, including the steep rise in juvenile and overall drug use (including both rising casual drug use, and increasing regularity of use); the growing awareness that increased juvenile drug use is linked to rising juvenile crime;[28] the absence of a long-promised White House Heroin Strategy;[29] an objective reduction in interdiction efforts;[30] an apparent lack of progress in source countries toward goals set forth for so-called source country programs;[31] reports of lagging accountability in certain drug prevention programs;[32] deemphasis by the media on drug abuse;[33] overall rise in drug related juvenile violence;[34] and

[26] Public Law 100–690, Title I, Subtitle A.

[27] In fact, this 2 percent measure has proved more theoretical than actual, as particular agency heads have resisted the transfers and prevailed in those efforts. For example, FBI Director Louis Freeh reportedly blocked resource allocations by ONDCP in 1994.

[28] 1995 OJJDP Report, pp. 58–65.

[29] The President promised a Heroin Strategy within 120 days of taking office. Without any White House announcement, he signed a Heroin Strategy in late November 1995. The signed Strategy offers little detail, and was promulgated without Implementing Guidelines, which has so far made it a nullity.

[30] See "Interdiction Policy Oversight" section, below.

[31] *See* "Source Country Program Oversight" section, below.

[32] In particular, reports of waste and misapplication of funds have been associated with certain States' administration of Safe and Drug Free Schools moneys, and these allegations are under continuing investigation by the Department of Education Inspector General's Office and the General Accounting Office.

[33] *See* "prevention Policy Oversight" section, below.

[34] *See* "Background" section, below.

general concerns about interagency coordination of the Federal counternarcotics effort.[35]

The intent to examine National Drug Control Strategy was set forth in the February 6, 1995 subcommittee Strategic Plan in accord with both the majority and minority view that the area required oversight.[36]

In the course of investigating the status of the National Drug Control Strategy, the Strategy's implementation and the need for improvement, the subcommittee engaged in extensive correspondence with the administration, including direct correspondence with the President; the Vice President; Anthony Lake, the President's National Security Advisor; Dr. Lee P. Brown, Director of ONDCP; Admiral Robert E. Kramek, U.S. Interdiction Coordinator and Coast Guard Commandant; Thomas A. Constantine, Administrator of the Drug Enforcement Administration; George Weise, Commissioner of the U.S. Customs Service; Brian Sheridan, Department of Defense Deputy Assistant for Drug Enforcement Policy; Ambassador Jane E. Becker, Department of State Deputy Assistant Secretary for International Narcotics and Law Enforcement; and others at the Departments of Justice, Defense, State, ONDCP and elsewhere in the administration.

The committee investigation included one fact finding trip. Subcommittee members, and members of the United States Coast Guard traveled to the Seventh Coast Guard District in the Caribbean transit zone. There, they attended briefings at Seventh District Headquarters in Miami, Coast Guard interdiction initiatives at sea, Drug Enforcement Administration (DEA) activities in the Greater Antilles, high level interagency briefings in Puerto Rico by the FBI, DEA, Customs, Border Patrol, and local authorities, and received indepth briefings by Admiral Granuzo and others at Joint Task Force Six in Key West, dedicated to Eastern Caribbean Drug Interdiction. This trip was arranged in coordination with the U.S. Coast Guard, and invitations were extended to majority and minority members. The trip occurred on June 16 through 19, 1995. Additionally, in coordination with ONDCP, subcommittee Chairman Zeliff traveled with the White House Director of ONDCP to see prevention and treatment programs first-hand in Massachusetts.

Throughout 1995, the subcommittee met extensively with the agencies involved in the counternarcotics effort, and endeavored to collect directly and indirectly both statistical and anecdotal evidence on the effectiveness and accountability of the current National Drug Control Strategy and programs. These efforts spanned the key areas of interdiction, law enforcement, prevention, treatment, and source country initiatives. The subcommittee sought further insight from GAO investigators, agents in the field, and departmental inspectors general.

b. Benefits.—As a result of its investigation into the use of illegal drugs in America and the Nations fight against drugs, the committee uncovered the following basic facts:

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[35] *See, e.g., Yost Testimony,* below.

[36] The topic was discussed at a meeting of the full subcommittee in early February, views were solicited by the subcommittee chairman, and both minority and majority members indicated a desire to conduct oversight in this area.

(1) Casual teenage drug use trends have suffered a marked reversal over the past 3 years, and are dramatically up in virtually every age group and for every illicit drug, including heroin, crack, cocaine hydrochloride, LSD, non-LSD hallucinogens, methamphetamine, inhalants, stimulants, and marijuana.

(2) Rising casual teenage drug use is closely correlated with rising juvenile violent crime.

(3) If rising teenage drug use and the close correlation with violent juvenile crime continue to rise on their current path, the Nation will experience a doubling of violent crime by 2010.[37]

(4) The nature of casual teenage drug use is changing. Annual or infrequent teenage experimentation with illegal drugs is being replaced by regular, monthly or addictive teenage drug use.[38]

(5) The nationwide street price for most illicit drugs is lower than at any time in recent years, and the potency of those same drugs, particularly heroin and crack, is higher.[39]

(6) Nationwide, drug related emergencies are at an all time high.[40]

(7) The 1994 and 1995 White House ONDCP strategies consciously shift resources away from priorities set in the late 1980's, namely from prevention and interdiction to treatment of "hardcore addicts" and source country programs.

(8) During 1993, 1994, and most of 1995, the President put little emphasis on, and manifested little interest in, either the demand side war against illegal drug use or the supply side war against international narcotics traffickers. An objective look at the President's public addresses and his actions regarding gutting the ONDCP when he became President, interactions with Congress, and discussions with foreign leaders reveals that attention to the rising tide of illegal drug use is a low Presidential priority.[41]

(9) The President's actual attention to this problem, measured by other than the paucity of speeches and proposed budget cuts, has been uniformly low. In addition to the absence of direct Presidential involvement in the drug war, the President produced no 1993 Annual Strategy, despite a statutory duty to do so under the 1988 Antidrug Abuse Act; delayed appointment of a White House Drug Czar, or ONDCP Director, until half way through 1993; and produced only a terse "interim" 1993 Strategy.

(10) The Drug War appears also to have been expressly reduced to a low national security priority early in the administration, and not to have been formally elevated at any time since.[42]

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[37] *See* Juvenile Offenders and Victims: A National Report, OJJDP, Department of Justice, September 1995.

[38] *See* 1995 surveys conducted by PRIDE, The National Household Survey, and The University of Michigan's Monitoring the Future Survey.

[39] *See* "Interdiction Policy Oversight" section, below.

[40] *See* "Background" section, below.

[41] *See* "Background," "Interdiction Policy Oversight" and "Prevention Policy Oversight" sections, below.

[42] *See* "Interdiction Policy Oversight" section, below. Reportedly, the drug war's national security priority during the first 3 years of the Clinton administration was number 29 out of 29.

(11) While the position is contested by the administration's ONDCP Director, a wide cross section of drug policy experts inside and outside of the administration concur that the absence of direct Presidential involvement in foreign and domestic counternarcotics efforts is one reason for the recent reversal in youth drug use trends, reduced street prices for most narcotics, and increased potency of most illicit drugs.

(12) Prevention programs that teach a right-wrong distinction in drug use, or "no use," such as D.A.R.E., G.R.E.A.T., the Nancy Reagan After School Program, community-based efforts run by groups such as C.A.D.C.A., PRIDE, the National Parents Foundation, and Texans War on Drugs, as well as other local school and workplace programs, have proven both successful and popular where they have been well-managed and accountable—despite the 1995 White House ONDCP Strategy statement that "[a]ntidrug messages are losing their potency among the Nation's youth;".[43]

(13) Federal drug prevention programs, such as Safe and Drug Free Schools, while supporting successful prevention programs in many parts of the country, have also been subject to misapplication, waste and abuse.[44]

(14) The Nation's law enforcement community needs greater flexibility and support from the Federal Government in addressing the rise in juvenile and drug related crime. While certain developments are promising, such as the $25 million increase in Byrne Grant funding in fiscal 1996, a law enforcement block grant to supersede the COPS program, and increased reliance on joint interagency task forces, valuable time has been lost in addressing this need. Renewed attention to strengthening Local, County, State and Federal law enforcement's counternarcotics efforts is required.

(15) The Nation's interdiction effort has been dramatically curtailed over the past 3 years, due to lack of White House support for interdiction needs, reduced funding, a tiny staff at the United States Interdiction Coordinator's Office, the absence of an ONDCP Deputy for Supply Reduction, reduced support for National Guard container search days, the elimination of certain cost effective assets in the Eastern Caribbean, reassignment or absence of key intelligence gathering assets, reluctance by the Department of State to elevate counternarcotics to a top priority in certain source and transit countries, unnecessary interagency quarreling over asset management and personnel issues, and the apparent inability or unwillingness of the White House Drug Czar to bring essential interdiction community concerns to the attention of the President or to aid the President's Interdiction Coordinator in doing so; and

(16) Poor management and interagency coordination in source countries.

c. *Hearings.*—The subcommittee held five hearings in conjunction with its investigation of ONDCP. Those hearings include the following: (1) "Effectiveness of the National Drug Control Strategy

[43] *See* "Prevention Oversight" section, below.
[44] *See* "Prevention Oversight" section, below.

and the Status of the Drug War," March 9 and April 6, 1995. (2) "Illicit Drug Availability: Are Interdiction Efforts Hampered by a Lack of Agency Resources?," June 27 and 28, 1995. (3) "The Drug Problem in New Hampshire: A Microcosm of America," September 25, 1995.

On March 9, 1995, the subcommittee investigation resulted in its first hearing. The purpose of this hearing was to examine President Clinton's 1995 National Drug Control Strategy, and to begin an assessment of how effectively the Nation is fighting illegal drug abuse, domestically and internationally. Acknowledged components of the Drug War under review include prevention, treatment, interdiction, law enforcement, and source country programs.

At this hearing, testimony was received from four panels. The subcommittee heard first from former First Lady of the United States, Nancy Reagan.

Testimony was received from William J. Bennett, former Director of the Office of National Drug Control Policy (ONDCP); Robert C. Bonner, former Administrator of the Drug Enforcement Administration; and John Walters, former Acting Director of ONDCP.

The subcommittee also heard testimony from Dr. Lee Brown, Director of ONDCP. Finally, the subcommittee heard from Admiral Paul A. Yost, Jr., former Coast Guard Commandant; and several nationally recognized drug abuse prevention experts, including Thomas Hedrick, Jr., senior representative of the Partnership for a Drug-Free America; G. Bridget Ryan, executive director of California's BEST Foundation; James Copple, national director of the Community Antidrug Coalitions of America (CADCA); and Charles Robert Heard III, director of program services for Texans' War on Drugs.

With varying degrees of emphasis, all panels acknowledged that current Federal efforts are under strain from reduced emphasis on certain components of the Drug War, budgetary pressure, and in some cases accountability.

The panels also acknowledged that, over the past several years, there has been a marked reversal in several important national trends including most notably a rise in casual drug use by juveniles, but also reaching to perceived drug availability (up), perceived risk of use (down), average street price (down), drug related medical emergencies (up), drug related violent juvenile crime (up), total Federal drug prosecutions (down), and parental attention to the drug issue (down).[45]

The subcommittee found that these reversals have continued through the period 1993 to 1995, although certain trend lines, including a shift from falling to rising casual use, typically among juveniles, began in 1992. In addition, a shift of certain interdiction resources, which were earlier a part of the counter narcotics force structure, began in late 1991 with the advent of the Persian Gulf war.

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[45] Press Release, the University of Michigan, "Drug Use Rises Again in 1995 Among American Teens," December 15, 1995; Press Release, PRIDE, "Teen Drug Use Rises for Fourth Straight Year," November 2, 1995; Preliminary Estimates from the Drug Abuse Warning Network, U.S. Department of Health and Human Services, September 1995; James E. Burke, "Presentation: An Overview of Illegal Drugs in America," Partnership for a Drug-Free America, Fall 1995.

All panels agreed, albeit with differing emphases, that renewed national leadership, including both Presidential and congressional leadership, will be necessary to combat these recent trend reversals, especially the rise in juvenile drug abuse and drug related violent juvenile crime.

Subcommittee Chairman Zeliff initiated the hearing by noting that Mrs. Reagan "woke the Nation up to this [juvenile drug abuse] problem and its pervasiveness in the early 1980's." Subcommittee Chairman Zeliff observed that the former First Lady's "Just Say No" campaign effectively launched a "national crusade" for drug abuse prevention.

Subcommittee Chairman Zeliff also noted that, in April 1985, Mrs. Reagan held the first International Drug Conference for the world's First Ladies. In 1988, she held the second such conference and became the first American First Lady to speak before the United Nations; and after leaving the White House, she founded the Nancy Reagan Foundation, which has since "awarded grants in excess of $5 million to drug prevention and education programs . . ."

Appearing before the subcommittee, First Lady Nancy Reagan testified that America has forgotten the dangers of drug use, that America's children are at increased risk in 1995, that there is an absence of national leadership on the drug issue, and that a national strategy focused on treatment of so-called hardcore addicts misses the largest at-risk population, namely children participating in casual use. Specifically, Mrs. Reagan explained that she had "decided to speak [before Congress on the drug issue] only after a lot of soul searching . . . because my husband and everything he stands for calls for me to be here."

She then explained that the Nation "is forgetting how endangered our children are by drugs," that societal "tolerance for drugs" is up, and that "the psychological momentum we had against drug use [in the late 1980's and early 1990's] has been lost." In short, she asked, "How could we have forgotten so quickly?"

Directing herself to national policy, Mrs. Reagan quoted from President Clinton's 1995 National Drug Control Strategy, which states that "[a]nti-drug messages have lost their potency." Mrs. Reagan disagreed, testifying: "That's not my experience. If there's a clear and forceful 'no use' message coming from strong, outspoken leadership, it is potent . . . Half-hearted commitment doesn't work. This drift, this complacency, is what led me to accept your invitation to be in Washington today . . . [W]e have lost a sense of priority on this problem, we have lost all sense of national urgency and leadership."

John P. Walters, president of the New Citizenship Project and former Acting Director of ONDCP, testified that President Clinton has promoted policies that reversed or accelerated the reversal of nearly a decade of falling drug use. Mr. Walters tagged President Clinton as the source of major reversals in: the cultural aversion to drug use, falling drug availability, falling drug purities and rising drug prices. He sees these trends as significant and dangerous.

Mr. Walters pointed to the President's 80 percent reduction of ONDCP staff,[46] the Attorney General's stated goal of reducing mandatory minimum sentences for drug trafficking,[47] and a Presidential directive reducing Department of Defense support to drug interdiction efforts as damaging to the drug control program. Further, Walters testified, the reduction in resources to transit and source countries by 33 percent (from $523.4 million in fiscal year 1993 to $351.4 million in fiscal year 1994),[48] a reduction in Federal domestic marijuana eradication efforts, a call by the President's Surgeon General for study of drug legalization,[49] and "no moral leadership or encouragement" from President Clinton himself as significant factors in the Nation's rising drug problems.

In short, Mr. Walters testified, "the drug problem is simply not a part of the foreign policy agenda of the United States under President Clinton—there is no carrot and no stick facing countries from which the poison destroying American lives every day comes." Finally, he noted that this de-emphasis on international efforts "fuels calls in other countries for abandoning antidrug cooperation." [*See also* the New York Times (February 20, 1994), pp. A6; the New York Times (February 27, 1994), Section 4, pp. 15.]

In Mr. Walter's view, "if these trends continue, by 1996, the Clinton administration will have presided over the greatest increase in drug use in modern American history."

William J. Bennett, current Co-Director of Empower America and former Director of ONDCP, testified that there has been a "sharp rise in drug use," citing many of the same studies cited by subcommittee Chairman Zeliff, Mrs. Reagan, Mr. Walters and others.

According to Mr. Bennett, this rise should have "mobilized the Federal Government to forcefully state the case against drug use, enforce the law and provide safety and security to its citizens." Instead, "the Clinton administration has abdicated its responsibility" and "has been AWOL in the War on Drugs," said the former White House Drug Czar.

Widely regarded as the most effective White House Drug Czar to date, Mr. Bennett denounced the 80 percent cut by President Clinton in the ONDCP staff, and the willingness of Clinton's Attorney General to endorse reductions in mandatory minimum sentences for drug traffickers.

Mr. Bennett introduced new facts into the national dialog when he observed that, "last year, the Clinton administration directed the U.S. Military to stop providing radar tracking of cocaine-trafficker aircraft to Colombia and Peru," a policy "Congress again had to reverse," and noted that "last month, for the first time in history, the nation's drug control strategy was introduced without the participation of the President." He also believes that, if present trends continue, by 1996 the Clinton administration will have pre-

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[46] On February 9, 1993, the White House announced that ONDCP would have its personnel cut from 146 to 25.

[47] *See also* Isikoff, the Washington Post (November 26, 1993), pps. A1, A10–A11.

[48] *See also*, ONDCP, *National Drug Control Strategy: Budget Summary* (February 1994), pp. 184.

[49] *See also*, Reuter, "Elders Reiterates Her Support for Study of Drug Legalization," the Washington Post (January 15, 1994), pp. A8.

sided over the greatest increase in drug use "in modern American history."

Expanding his analysis beyond the failure of public policy, Mr. Bennett testified that "the Clinton administration suffers from moral torpor on the issue" and that, as a general matter, "policy follows attitude." In support of this statement, Mr. Bennett quoted several statements by the President on his own prior use of drugs, in particular, President Clinton's 1991 statement that he had never "broken any drug law," followed by the 1992 statement that he had used marijuana in England but "didn't inhale it," followed in turn, when asked if he would inhale if he had it to do over, by: "Sure, if I could, I tried before."

Mr. Bennett noted, on closing, that "success in the drug war depends above all on the efforts of parents and schools and churches and police chiefs and judges and community leaders." Giving examples from more than 100 cities visited when President Bush's Drug Czar, Mr. Bennett urged renewed leadership.

Robert C. Bonner, former Administrator of the Drug Enforcement Administration (DEA) under both Presidents Bush and Clinton, a former Federal judge, and currently a partner at Gibson, Dunn and Crutcher, testified forcefully for renewed leadership in the Drug War: "The bottom line is unmistakable—during the past two years, drug use among the youth of America has soared in nearly every category of illegal drug . . . When juxtaposed against the immediately preceding period and nearly a decade of declining drug use, there can be only one conclusion—the Clinton administration's National Drug Strategy has failed miserably, and indeed it is a tragedy."

Crediting Mrs. Reagan's "Just Say No" campaign and the Anti-drug Abuse Act of 1988, Mr. Bonner noted that the onslaught of direct and indirect damage from illegal drugs was turned back in the mid-1980's and early 1990's. In Mr. Bonner's view, national will and a combination of "strong law enforcement," a strong "educational and moral message," and effective treatment programs for hardcore users made the difference. However, he warns that drug treatment programs should not be "oversold."

Bluntly, Mr. Bonner concluded, "there has been a near total absence of presidential leadership by President Clinton in the fight to turn back illegal drug use . . ." and his Surgeon General's remarks on legalization "arguably encourages it" by further reducing perceived risk; Mr. Bonner called Surgeon General Jocelyn Elders' statement on legalization "dead wrong and flagrantly irresponsible for a national public health official."

Dr. Lee P. Brown, Director of ONDCP, testified defending the 1995 National Drug Control Strategy. Dr. Brown testified that President Clinton's fiscal 1996 budget sought $14.6 billion in funding across the Federal Government for drug related Federal programs.

For context, the President's 1995 National Drug Control Strategy lists the total "Drug Budget" as $14,550.4 (millions). This figure is somewhat misleading, however, since it contains funding for a variety of programs mixed purposes, such as the Federal Court System, Food and Drug Administration, Social Security Administration, Department of Agriculture's Agricultural Research Service and U.S.

Forest Service, Department of Interior's Bureau of Indian Affairs, Bureau of Land Management, Fish and Wildlife Service, and National Park Service, Department of Justice's Community Policy, Immigration and Naturalization Service, U.S. Marshal's Service and Tax Division, an unidentified grant to the Department of Labor, ONDCP's "gift fund" (zeroed out in fiscal 1996), the Small Business Administration, the Agency for International Development (AID), the Department of Treasury's Internal Revenue Service, and U.S. Secret Service, the U.S. Information Agency (USIA), and a range of other disparate Federal initiatives.[50]

A dual concern raised by some members of the subcommittee was how these funds are actually spent and who coordinates the spending. The latter concern boiled down to accountability, avoiding duplication, and assuring interagency coordination.

Seeking to justify the administration's acknowledged shift to treatment of hardcore drug users and the President's request for "$2.8 billion for treatment" in fiscal 1996, Dr. Brown noted that "chronic hardcore drug users comprise 20 percent of the drug user population but consume two-thirds of the drugs . . ." From this, he argued that "past strategy [sic] ignore this inextricable part of the drug problem."

In fact, while the 1995 National Drug Control Strategy does increase the proportion of overall spending devoted to treatment, past strategies have included—and have steadily increased—funding for treatment. In fact, Federal treatment funding has increased every year from 1982 to 1995.[51]

Dr. Brown acknowledged that "drug use among adolescents is rising," but attributed the trend to the final year of the Bush administration. Dr. Brown offered the view that Safe and Drug Free Schools moneys are "the cornerstone of this nation's efforts to educate our children about drug use" and are currently disbursed to "94 percent of the school districts in this country."

Dr. Brown confirmed a shift in trafficking patterns toward greater use of container cargo and noted that "over 70 percent of the cocaine entering our country crosses the border with Mexico," but was unable to explain reduced emphasis in the current strategy on National Guard Container Search Workdays along the United States-Mexican border. Specifically, Dr. Brown had no answer for the question why National Guard Container Search Workdays fell from 227,827 in 1994 to a 1996 projection of 209,000, as described in ONDCP's own 1995 Strategy at page 41.

Generally, Dr. Brown condemned "Congress" for having "failed to fulfill [the President's] budget request." However, Dr. Brown made no attempt to provide specific answers to Members' questions concerning (1) the President's own proposed deep cuts in interdiction and international program funding; (2) accountability; (3) shifting interdiction resources to source countries, (4) a reduction of Customs agents at the Southwest border; or (5) the shift in resources from prevention of casual use (80 percent of total users) by juve-

[50] *See* National Drug Control Strategy, February 1995, the White House, pp. 120–121.

[51] Fiscal year 1992, Federal treatment spending stood at $505.6 million. Fiscal year 1995, Federal treatment spending stood at $2.65 billion. *National Drug Control Strategy: Budget Summary*, Office of National Drug Control Policy, February 1995, pp. 238.

niles to treatment for older, chronic, hardcore users (20 percent of total).

Subcommittee Chairman Zeliff introduced an unclassified piece of correspondence dated December 1994 between the Interdiction Coordinator, Admiral Kramek, and the Director of ONDCP, Dr. Brown, which stated that a consensus of agency heads believed "we need to restore assets to the interdiction force structure . . ." and "we must return to the 1992–1993 levels of effort."

The Kramek letter also indicated that the source country programs were not yet "producing necessary results." Addressing drugs as a national security threat, the Kramek letter specifically asked for a meeting with the President. The letter read, "I believe it appropriate that we meet with the President and National Security Advisor as soon as possible to brief them on the results of our conference and discuss the current state of implementation and national strategy . . . Of key importance to this meeting is the determination of priority of counting narcotics trafficking as a threat to national security of the United States as evaluated against other threats to our security that compete for resources."

Subcommittee Chairman Zeliff asked Dr. Brown if he had followed the Interdiction Coordinator's and agency heads' consensus that drug interdiction resources be returned to the "1992–1993 levels." Dr. Brown indicated that he held a view different from that of the Interdiction Coordinator and had, apparently, not followed that recommendation. Similarly, subcommittee Chairman Zeliff asked Dr. Brown if he had taken the Interdiction Coordinator's request to the President or National Security Advisor. Dr. Brown indicated that he had not, and apparently also had not set up the requested meetings between Kramek and the President, or between Kramek and the National Security Advisor to "determin[e] [the] priority of counting narcotics trafficking as a threat to national security . . ."

Admiral Paul Yost, former 18th Commandant of the U.S. Coast Guard and presently president of the non-partisan James Madison Fellowship Foundation, testified on the topics of interdiction and interagency coordination. He testified that the Nation witnessed a "major build-up in drug interdiction in the at-sea war on drugs from 1984 through 1990," with the result that this interdiction effort "successfully interrupted the flow of bulk marijuana by sea and cocaine by air over the water routes [of the Caribbean]."

In Admiral Yost's view, "strong interdiction and law enforcement were providing a climate [from 1984 through 1990] that made it clear to the [drug] trafficker that 'this is wrong, and your chances of being intercepted are very high.'"

Since that time, he testified, there has been a "tragic dismantling" of the at-sea interdiction effort, so that today "there are several orders of magnitude less effort spent on drug interdiction."

Calling the resultant increase in drug availability and drug use predictable, Yost testified that the Nation "will never stop drug use without a solid interdiction foundation for . . . education and treatment programs."

Accordingly, Admiral Yost favored a return to "emphasiz[ing] the interdiction prong of the drug strategy" and increased budget authority for the Coast Guard.

Finally, Admiral Yost discussed the need for better interagency coordination. He supports greater "authority" for the White House Drug Czar and President's Interdiction Coordinator. Without the ability, specifically, to "direct cabinet-level officers regarding budget allocation, personnel allocation, or forced deployments" on this issue, both positions are "largely ceremonial," he said.

Thomas Hedrick, Jr., vice chairman of the Partnership for a Drug-Free America, testified that prevention and interdiction advocates must begin to work together, and that "preventing drug use by young people" is essential "if we are to have prayer of building safe and healthy families and communities."

As a prevention expert with 10 years of experience, Mr. Hedrick testified that, "quite frankly, I am frightened because after nearly a decade of progress, drug use is rapidly increasing. The issue has 'overarching importance.' 'Crisis' is not an overly dramatic or inappropriate description, particularly when you consider that drug use among our youngest kids, 13 and 14, has more than doubled in the last three years," observed Mr. Hedrick.

Mr. Hedrick favors increased parental involvement in setting a "clear expectation of no use," better in-school education, and reduced exposure of children to "pro-drug information," especially exposure to the "recent re-glamorization of drug use in some of the media."

Significantly, Mr. Hedrick reported that the Partnership has received—since inception—"over $2 billion in time and space" from the media. In 1990 and 1991, this produced roughly one antidrug message per household per day.

However, Mr. Hedrick testified that "support for these messages has declined 20 percent in the past three years," apparently "because the media is not as convinced that the drug issue is as important as it was."

Media coverage is also down, from 600 antidrug stories on the three major networks in 1989 to 65 last year, which Mr. Hedrick said is tantamount to "zero" from a communications point of view.

Mr. Hedrick expressed the view that "Federal support and Federal leadership in making drugs a critical national priority is essential, if we are to help convince the media that this is an important issue." National leaders must also tell those community leaders involved in this fight that what they are doing is important.

Mr. Hedrick's 14-year-old son, Todd, testified briefly that his generation is surrounded by drugs. He said that "parents need a serious wake-up call" and that all kids now know where to get drugs in their schools. "This entire country needs a huge turn-around in how it deals with drugs," since "the fact that drugs aren't a prominent issue anymore tells kids that adults don't care about it." The younger Hedrick said, "that's suicide to my generation . . ." He proposed starting prevention earlier, in elementary school, having parents talk more with their kids, increasing media attention to the problem, and stopping the legalization movement.

Bridget Ryan, former program director for the Charles Stuart Mott Foundation and presently executive director of the BEST Foundation for a Drug-Free Tomorrow, testified that a recent RAND study advocated drug prevention as "the first priority" in curbing drug abuse. Ms. Ryan distinguished between "validated"

and "unvalidated" drug prevention programs, and urged that the former be adequately funded.

The best "validated" prevention programs build, Ms. Ryan testified, on three propositions: first, "target[ing] substances used first and most widely by young people;" second, "helping students develop the motivation to resist using drugs;" and third, teaching effectively.

Ms. Ryan described a recent RAND study on the effectiveness of prevention as one "conducted with methodological exactitude" and "one of the most rigorous ever undertaken."

Ms. Ryan testified that the RAND prevention study disproves three common criticisms of prevention—"first, that it works only for middle class, largely white, suburban situations; second, that the programs work only for kids who need them least; and finally, that prevention programs prevent only trivial levels of use."

RAND found that a properly designed prevention program, such as Project Alert, "works well in urban, suburban, and rural areas, in middle- and low-income communities, and in schools with high and low minority populations." Project Alert is one of the prevention programs made available to "schools across America" by the BEST Foundation.

James Copple, national director of the Community Anti-Drug Coalitions of America (CADCA), testified that CADCA is a non-partisan group with approximately 2,500 community coalition members in every State and two U.S. territories. He noted that CADCA was founded in 1992 by the President's Drug Advisory Council, a creation of President Bush, and is privately funded.

Expressing support for the Safe and Drug Free Schools Program, Mr. Copple retold a moving story of a young child that "made her stand" against drugs, while forced to live in a crack house. During a law enforcement raid of the house, this child was found in her room, surrounded by antidrug posters and "a workbook on drug refusal skills;" the posters and workbook were funded by Safe and Drug Free Schools moneys.

In closing, Mr. Copple cited Peter Drucker's recommendation that budget cutting be conducted without imperiling the Federal Government's ability to conduct some "national crusades." Mr. Copple noted that Drucker identified the war on drugs as one such crusade, and Mr. Copple urged the Congress to "embrace a national strategy that is comprehensive, balanced and directs the majority of the resources to local communities to address local problems."

Charles Robert "Bobby" Heard III, director of program services at the Texans' War on Drugs, testified that "parents, community leaders, and elected officials don't realize how easy it is for kids to get involved in drugs." He credited the precipitous drop in drug use "between 1979 and 1992" to substance abuse prevention, and noted that "no other social issue can claim that kind of success."

Mr. Heard sees the primary solution to drug abuse in demand reduction. He testified that "prisons alone will not break the cycle," and "we can't treat our way out of this problem." He also noted that prevention is not a one-time mission, but an ongoing duty that must continue "from generation to generation."

The subcommittee continued it's investigation into the Nation's drug control strategy with a hearing on April 6, 1995. Testimony

at this hearing was received from Dr. Lee P. Brown, Director of ONDCP, who continued testimony he gave the subcommittee on March 9, 1995. Dr. Brown testified on a range of topics, including treatment, prevention, law enforcement, interdiction and source country programs.

The purpose of this hearing was to continue an evaluation of President Clinton's 1995 National Drug Control Strategy, and assess the status of the Nation's fight against illegal drug trafficking and drug abuse.

In his opening statement, subcommittee Chairman Zeliff noted that the subcommittee's March 9 hearing may have jump-started media interest in the drug war, since a series of articles appeared after the hearing. Subcommittee Chairman Zeliff credited the Washington Post with "an excellent series of articles describing the brutal infiltration by Colombia's Cali drug cartel in our own society." The series included the assessment that, "[t]he Cali cartel is increasingly using violence to protect it's lucrative U.S. cocaine market . . . and they are trying to do things in this country similar to what they do in Colombia." Subcommittee Chairman Zeliff also noted that the newly powerful Mexican drug cartels present looming challenges to United States law enforcement, and credited the media with writing about this development.

Subcommittee Chairman Zeliff returned to the December 1, 1994 letter from Admiral Kramek, U.S. Coast Guard Commandant and Interdiction Coordinator, addressed to Dr. Brown containing Kramek's views that drugs constituted a national security priority, and that funding of drug interdiction must be returned to the 1992–1993 levels. Admiral Kramek's letter also requested a meeting with the President and National Security Advisor to discuss this issue.

Subcommittee Chairman Zeliff and others were disturbed by Director Brown's failure to divulge the existence of the December 1, 1994 Kramek letter, despite clear oral and written requests for it. Subcommittee Chairman Zeliff noted that he had personally asked Dr. Brown on March 3, 1995—4 days before they met in subcommittee Chairman Zeliff's congressional office and 6 days before the March 9, 1995 hearing—for "any communications received by you from the administration's Interdiction Coordinator regarding the adequacy of interdiction resources." Dr. Brown had provided several letters, but the key December 1, 1994 letter was not included.

Subcommittee Chairman Zeliff asked Dr. Brown, who subsequently acknowledged having received the subcommittee chairman's requests, why he had failed to include this unclassified and critical letter.

Dr. Brown conceded that subcommittee chairman had been denied the document, but explained that this was because "this letter was attached to a classified document." Dr. Brown's answer struck many as non-responsive, since the letter itself was unclassified. Indeed, it was secured by the subcommittee through other sources independent of attachments. Moreover, it was obvious to all present that there was no legitimate reason for a Federal agency to hide or refuse disclosure of such a material document to a Mem-

ber of Congress, whether classified or not. The issue was thereafter dropped.

On the substance of the Kramek letter, Brown stated that Admiral Kramek's recommendation for returning interdiction funding to "1992–1993 levels" did not "provide [Brown] with the appropriate information upon which to make decisions."

Although he did not elaborate, Dr. Brown indicated he was "working with the Interdiction Coordinator," and "once we come to a conclusion about what we need, then we can make some decisions" Dr. Brown did not address the then-existing lapse of 6 months from October 1994 to April 1995, and why the relevant interdiction decisions had not been made during that period.

Referring again to the Kramek letter, subcommittee chairman Zeliff asked Dr. Brown if he had presented to the President the October 1994 interdiction conference findings, along with Admiral Kramek's specific request to meet with the President and National Security Advisor. Brown conceded that "the specific request was never given to the President. . . ."

The subcommittee chairman closed the discussion by observing that the Admiral Kramek's letter represented not only the Interdiction Coordinator's views, but an "agency head consensus." Dr. Brown responded that he was a co-sponsor of the conference, and was "working with the Interdiction Coordinator," which struck many as non-responsive.

Dr. Brown testified that the Bush administration's "linear kingpin strategy" was still being pursued, contradicting testimony on March 9, 1995, by former Clinton DEA Administrator Bonner, but stressed that the Clinton administration had shifted resources to source country programs and away from the "less than effective interdiction efforts." Dr. Brown offered no statistical support for his view that interdiction was "less than effective."

Questioned about the President's fiscal 1993, 1994, and 1995 requests for reduced interdiction spending—collectively, a 12.3 percent cut, Brown responded that it was Congress which had cut the Defense and State Department budgets in 1993, and further that the President's interdiction cuts were part of the administration's "controlled shift" to the source countries.

During the hearings, there was much debate about the success of safe and drug free schools programs and their accountability. On balance, the difference of opinion between those who favored deep 1995 cuts in programs which appear subject to abuse, such as Safe and Drug Free Schools, and those who did not favor such cuts was relatively straight forward: whether to fund programs that are highly successful in some locations, but have been subject to waste and abuse in others, and do not yet have adequate accountability mechanisms.

The aim shared by all subcommittee members and Dr. Brown appeared to be strong encouragement for effective and accountable drug prevention programs, as well as adequate funding for such programs, once accountability and the no-use message could be assured.

Subcommittee Chairman Zeliff closed the hearing by applauding Dr. Brown's participation, noting that the drug war and drug abuse is "probably the number one issue facing our country," and pledg-

ing to work with the administration if the administration will refocus on this issue. The subcommittee chairman also asked Dr. Brown to seek a meeting between key congressional leaders concerned about this issue and the President.

The subcommittee's investigation into the Nation's war on drugs turned to efforts to fight the influx of drugs from outside America's borders. In the first of two back-to-back interdiction hearings held on June 27, 1995, and June 28, 1995, entitled "Illicit Drug Availability: Are Interdiction Efforts Hampered by a Lack of Agency Resources?," the subcommittee received testimony from a variety of witnesses, beginning with a technology and K–9 demonstration,[52] and proceeding through testimony from student witnesses. The hearing continued with testimony from the Administrator of the Drug Enforcement Administration and three investigators from the General Accounting Office (GAO), who evaluated the effectiveness of the Clinton administration's source country programs.

The subcommittee first heard from four students affected by drugs in their schools, including Michael Taylor of Browne Junior High School, Natasha Surles of Roper Junior High School, Willie Brown of McFarland Middle School, and Lan Bui of Bell Multicultural School.

Subsequently, the subcommittee heard testimony by Thomas A. Constantine, Administrator of the Drug Enforcement Administration, and expert witnesses Joseph Kelley, Allan Fleener and Ron Noyes of the General Accounting Office. Mr. Kelley is Director-In-Charge of the International Affairs Section and Mr. Fleener and Mr. Noyes are investigators who principally assisted in producing the June 1995 GAO report on Source Country Programs.

Finally, the subcommittee heard testimony from Jane E. Becker, Acting Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, U.S. Department of State; and Brian Sheridan, Deputy Assistant Secretary for Drug Enforcement Policy and Support at the Department of Defense.

During this hearing, the subcommittee examined the current drug interdiction efforts of the major Federal agencies engaged in the National Drug Control Strategy, namely DEA, the U.S. Coast Guard, U.S. Customs, and the Departments of Defense and State.

Collectively, the expert witnesses confirmed that on November 3, 1993, President Clinton signed a Presidential Decision Directive for counter narcotics (PDD–14), which instructed Federal agencies to shift the emphasis in United States international antidrug programs from the transit zones such as Mexico, Central America and the Caribbean to the source countries such as Colombia, Peru, and Bolivia. PDD–14 provided that the Director of the Office of National Drug Control Policy (ONDCP) should appoint a Coordinator for Drug Interdiction "to ensure that assets dedicated by the Federal drug program agencies for interdiction are sufficient and that their use is properly integrated and optimized." [PDD–14, November 3, 1993.]

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[52] The U.S. Customs Service Canine Training Center provided a demonstration on the utilization of drug sniffing dogs in illicit narcotic interdiction. Also, a representative from the U.S. Coast Guard's Miami Law Enforcement Division demonstrated how an Ionscan and the Compact Integrated Narcotic Detection Instrument (CINDI) operate to detect and locate illicit narcotics.

The aim of this hearing was to offer the administration's principals on interdiction, those whose mission was affected by PDD–14, an opportunity to assess their own efforts and explain the impact on their agencies of PDD–14 and its concomitant "controlled shift" of resources.

The opening panel consisted of local students: Michael Taylor of Browne Junior High School, Natasha Surles of Roper Junior High School, Willie Brown of McFarland Middle School, and Lan Bui of Bell Multicultural School. The students offered testimony on the availability of illegal drugs in their schools. Summing up their collective testimony, Lan Bui stated that "[drugs] are really cheap to buy . . . I have seen them everywhere, from the streets which we use to get to school every day to right in front of my building." The students focused on the importance of role models, antidrug programs in their schools, student drug testing, and the need for national leadership.

Thomas A. Constantine, Administrator of the Drug Enforcement Administration (DEA), testified on the role that the DEA, as the lead Federal agency in enforcing narcotics and controlled substances laws and regulations, plays in the interdiction of illicit narcotics. He noted that DEA has offices throughout the United States and in more than 50 countries.

Emphasizing the importance of interdiction Constantine stated, "[w]hat happens in the source country often affects what happens on the streets of Boston or Schenectady or Tulsa or Savannah, GA," adding that those in charge of interdiction efforts must "strike a balance between our domestic and our international role."

Mr. Constantine addressed the "controlled shift" to source countries by stressing that it is imperative that we "destroy some of these organizations [drug trafficking cartels] rather than merely disrupt them." He also testified that he was "concerned that if we relent on any of our efforts to control the drug problem in this country [the United States] . . . we're going to be facing immense problems in the future . . . [so] we have to address this problem effectively and dramatically in the present."

Joseph Kelley, Director-In-Charge of International Affairs Issues at the General Accounting Office (GAO), testified on the GAO's review of the source country programs, including sub-strategies and Federal efforts to stop production and trafficking of cocaine and heroin.

As part of GAO's review, investigators traveled to Colombia, Mexico, and other nations to observe counter narcotics programs in those countries. GAO discussed these programs with U.S. officials at in-country headquarters and field locations. Mr. Kelley offered five general observations, each corroborated by the investigators themselves.

First, in response to the shift in strategy from the transit zone to the source countries, the executive branch has had difficulty implementing key elements of their strategy. In fact, "resources applied to the transit zone [have] been significantly reduced," said Kelly. "At the same time, we have not seen a shift in resources to the source countries." This observation troubled GAO, and Kelly confirmed that counter narcotics assistance to each of the three primary source countries (Colombia, Bolivia, and Peru) was less in

1995 than it was in 1991 and 1992. Mr. Kelley also emphasized that "a plan for a country as well as a region [is necessary]."

Second, GAO found that there is high intensity competition for attention and resources with other foreign policy objectives which are deemed important by the Department of State. As Mr. Kelley noted, ". . . these decisions may result in counter narcotics objectives receiving less U.S. attention than other objectives." For example, "In Mexico . . . countering the drug trade is the fourth highest priority in what the [U.S. Department of State] call[s] the U.S. Mission Program Plan." Incredibly, the United States Ambassador to Mexico told the GAO that he had focused his attention during the last year and a half on other issues.

Third, GAO found that more coordination and leadership are needed in this effort. Mr. Kelley, in his testimony, stated they found U.S. officials generally agreed that "no single organization was in charge of antidrug activities in the cocaine source countries of the transit zone."

Fourth, GAO reports that U.S. funds are "not always well managed." While end-use monitoring requirements have been established in the source countries, oversight is limited. Mr. Kelley testified that, "In Colombia, the Narcotics Affairs Section of the Embassy conducts reviews of how the national police uses counter narcotics assistance," but "they lacked reports from the Colombian Air Force on how U.S. provided equipment is being used—and this is some of the big ticket items . . . C–130s and things like that."

Finally, GAO found that our dependence on the willingness and ability of the foreign governments to combat the drug trade leaves us vulnerable in our counter narcotics efforts. This is especially apparent in countries such as Colombia and Mexico, where extensive corruption is prevalent, according to GAO. As the Ambassador in Mexico emphasized to the GAO review team, in Mexico, the key lies with the Mexicans, who must be committed and involved if counter narcotics efforts are to take hold.

Jane E. Becker, Acting Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, testified on what she sees as her two missions. Ms. Becker said that the office of International Narcotics and Law Enforcement Affairs (INL) "provide[s] counter narcotics support to those countries that demonstrate a commitment to narcotics control," adding the observation that "the goal is for those countries to use this assistance to reduce the supply of illicit drugs destined for the United States." She noted that "INL leads bilateral and multilateral diplomatic efforts to advance our international narcotics control policies."

Ms. Becker noted, somewhat surprisingly and contrary to other testimony on this topic, that cooperation with Mexico and Colombia has been good. She highlighted the source country focus of the administration when she stated that "transit interdiction is important to our overall counterdrug effort, [but] it is not the sole solution." For the record, no member of the subcommittee had suggested that interdiction alone could serve as a "sole solution." Ms. Becker drove the point home when she stated that "the heart [of the administration's counterdrug] policy lies in the source countries."

Ms. Becker had no response to the GAO study, and seemed unfamiliar with essential facts surrounding the source countries, for example, she seemed unable to identify major cities in Colombia.

Brian Sheridan, Deputy Assistant Secretary for Drug Enforcement Policy and Support at the Department of Defense (DOD), focused on DOD's five-point counterdrug program. DOD offers support to the following efforts: source nations, transit zone, domestic law enforcement, demand reduction, and dismantling drug cartels.

Mr. Sheridan emphasized DOD's objectives in the source nations, testifying that these efforts were threefold: They were: (1) to support the host nation interdiction efforts and help them disrupt the flow of semi-finished cocaine from Peru and Bolivia up to Colombia; (2) support for our law enforcement and for host nation C14 programs, communications, equipment, and intelligence support; and (3) to provide a significant amount of training for host nation police and for some military units that are engaged in counter narcotics work.

Assessing programs in Colombia, Peru, and Bolivia, Sheridan testified that Colombia gets a "C" for their counterdrug performance, but their efforts of late have been much better. One area he highlighted is the Colombian military occupation of San Adreas Island and denial of the island to the drug traffickers as a transshipment point.

Mr. Sheridan noted that, in the transit zone, the use of general aviation aircraft by drug traffickers continues to decrease. He offered no clear support for this apparent development, although he observed that smuggling of drugs is now more common via maritime and ground transport.

On DOD program for reduction of demand, Mr. Sheridan again rolled out three points: (1) DOD employs rigorous military drug testing; (2) prevention and education are part of DOD's plan; (3) community outreach is conducted. Details of these programs and who they reach were not discussed.

On June 28, 1995, the subcommittee received testimony on interdiction policy from additional administration witnesses, including Admiral Robert E. Kramek, Commandant of U.S. Coast Guard and U.S. Interdiction Coordinator, as well as George Weise, Commissioner of U.S. Customs. This hearing, was a continuation of the June 27 hearing, "Illicit Drug Availability: Are Interdiction Efforts Hampered by a Lack of Agency Resources?"

Admiral Robert E. Kramek, U.S. Interdiction Coordinator and Commandant of the U.S. Coast Guard, serves a dual role in the Nation's interdiction efforts. He testified before the subcommittee in both capacities. Initially, he explained that the U.S. Coast Guard serves as the lead agency for maritime interdiction and as co-lead with Customs for air interdiction, adding that drug interdiction takes only *9 percent of the Coast Guard budget* and emphasizing the important role intelligence plays in drug interdiction. On this topic, he testified that "70 percent of our operations are based on intelligence."

Admiral Kramek, in his role as Interdiction Coordinator, does not have command or control of the affected agencies, nor does he have any authority over their budgets. Rather, he works with the agencies "in a collegial atmosphere" and coordinates their activities. Ac-

cording to Kramek's testimony, the Interdiction Coordinator holds quarterly conferences that bring agency heads together.

Admiral Kramek took particular note of the importance of national leadership on this issue. Offering implicit criticism of a reduced interdiction effort in the Clinton administration, he testified that, when the smugglers see our foreign policy priorities change and make drug interdiction much lower on the priority list than other things, they're quick to take advantage of that.

More pointedly still, he said ". . . when they see it doesn't rate number one on our national security priority list, they're quick to take advantage of that." He stressed that, in his view, the issue stands "number one" with the American people.

George Weise, Commissioner, U.S. Customs, testified on Customs' interdiction of drugs at the Nation's borders. Mr. Weise reiterated the importance of knocking out smuggling by private plane into this country, and attributes the increased shift to ground smuggling along the Southwest border to the efforts against air transport. He believes that the 2,000 miles of the Nation's Southwest border has now emerged as the primary entry point for cocaine, although he did not contradict Admiral Kramek's assessment that Puerto Rico has recently taken on new significance as a port of entry into the United States.

Said Weise, "Our big load strategy is causing traffickers to . . . reduce the load size," although support for this assertion was thin. Reckless and aggressive driving along the border, or "port running," has increased in the last few years, Weise stated.

The subcommittee's investigation led to an examination of the fight against drugs on the streets of America's cities. At the subcommittee's September 25, 1995, hearing on the drug problem in New Hampshire, entitled "The Drug Problem in New Hampshire: A Microcosm of America," members received testimony from an array of highly qualified witnesses.

The purpose of the hearing was to continue an examination of national drug control policy, focusing on the successful drug fighting efforts of Manchester, NH, which had recently participated in a joint interagency task force called Operation Streetsweeper.

Collectively, the expert testimony confirmed the following facts. Early in 1995, statistics showed that the overall crime rate in Manchester, which is New Hampshire's largest city, had declined. However, these statistics also showed that arrests for drug offenses had increased dramatically, as they had for other drug related crimes. After a number of murders were linked to drug distribution and usage, the community "came together to rid their city of this scourge."

Manchester Police Chief Peter Favreau received a $100,000 grant to help pay for State police officers to patrol city streets with city police, and a short time later Manchester Police were joined by the Sheriff's Department, the State Attorney General's Drug Task Force, the State Police Special Investigations Unit, the Drug Enforcement Administration, the Bureau of Alcohol, Tobacco and Firearms (ATF), and the Immigration and Naturalization Service (INS). This Federal-State-local interagency task force put jurisdictional issues aside and singularly pursued the aim of getting drug dealers off the streets of Manchester.

As various panelists and community representatives testified, the change on the streets of Manchester could be felt immediately. As Chief Favreau testified, "With as much coverage as we have out there, I honestly feel [the criminals] are going elsewhere. It's almost impossible not to have that happen."

In an effort to understand how the interagency task force worked and what made it so effective, the principals in this successful anti-drug effort testified before the subcommittee. Since illegal drugs and associated violent crime plague virtually every city in America, the accounts these witnesses told offer valuable insights into how best to tackle drugs and violent crime in other cities around this country.

First, Jeff Howard, attorney general for the State of New Hampshire, offered testimony regarding the value of effective coordination between local, State, and Federal law enforcement in the fight against drugs. The Attorney General specifically credited the creation of the New Hampshire Drug Task Force with "keep[ing] pressure on all areas of the problem, going from what we have identified as kingpins to mid-level dealers to street dealers, and putting as much of the resources as we can into treatment programs to include treatment of State prisoners, and prevention particularly through educational efforts."

The Attorney General also singled out the Byrne grant programs as an effective means of funding law enforcement, since it offers needed flexibility in how valuable law enforcement funds may be utilized. In New Hampshire's case, Howard noted that the State has committed less than one-quarter of the grant funds to State agencies. The rest of it has all gone back to the communities.

The subcommittee then heard from Geraldine Sylvester, the director of New Hampshire's Office of Alcohol and Drug Abuse Prevention. Ms. Sylvester, in her testimony, emphasized the importance of giving "equal attention to the battle fronts of treatment and prevention." She also noted the important role that student assistance programs, parental training and peer leadership groups play in preventing or abating drug usage among young people.

Paul Brodeur, commissioner of New Hampshire Department of Corrections, offered testimony on the Byrne grant funded correctional options program called "Pathways" utilized by the New Hampshire Department of Corrections. Mr. Brodeur noted that Pathways emphasizes education, substance abuse treatment and employment counseling. He further illustrated the importance of programs like Pathways by pointing out that in New Hampshire 20 percent of the State's inmates are incarcerated for drug related offenses, and 80 percent or more of the inmates have substance abuse problems.

Neal Scott, assistant unit commander of the narcotics investigation unit with the New Hampshire State Police, offered testimony regarding the status of current drug usage in New Hampshire. Statewide, he testified, the No. 1 problem is marijuana; cocaine in powder form is No. 2; crack, LSD and heroin run third. Mr. Scott quantified drug usage according to regions of New Hampshire, further emphasizing the importance of localities being able to set their own priorities according to local need.

Billy Yout, Special Agent in Charge of Drug Enforcement Administration, concurred with Commander Scott, stating that "marijuana . . . is by far the biggest problem [because it is] easily accessible to children." Mr. Yout also testified on how traffickers are moving their bases of operation into New Hampshire from Massachusetts and other New England States, although he noted that New Hampshire remains predominantly a consumer State.

Ray Wieczorek, the mayor of Manchester, in his testimony, focused on the important role that a public sector-private sector relationship plays in the war against illegal drugs. Wieczorek encouraged other communities to follow Manchester's model of how to establish a public-private partnership. Mayor Wieczorek explained how the city has effectively tapped all available resources, including cooperation from financial institutions, citizens and the business community, in uniting to fight this battle.

Peter Favreau, chief of the Manchester Police Department (MPD), reviewed the creation of Operation Streetsweeper and its importance as a model for future multi-agency efforts. Early in 1995, Favreau and U.S. Attorney Paul Gagnon, planned a round-up of crack dealers. Favreau testified that MPD's undercover people, along with the State drug task force arranged to make a lot of buys from crack dealers, and make the round-up all at one time. This round-up occurred in June 1995. As a result, most of the 55 dealers picked up by more than 150 law enforcement officers are now behind bars. This was Phase I of Operation Streetsweeper.

Favreau testified that Phase II included cooperation between the MPD and the New Hampshire State Police in dismantling street gangs and getting them off Manchester's streets. Phase III was a continuation of the anti-gang component of the Operation, Phase II, but included Federal law enforcement agencies.

Paul Gagnon, U.S. attorney for New Hampshire, focused on interagency cooperation, indicating that the success of Operation Streetsweeper was as dependant upon cooperation as upon the institutional framework that made it possible. Mr. Gagnon also noted the importance of Federal funding in the success of Operation Streetsweeper, and urged continued funding. Finally, Mr. Gagnon recommended a similar marshaling of law enforcement resources and key agencies in the future.

Alice Sutphen, a representative from the citizen's group Take Back Our Neighborhoods, delivered testimony to the subcommittee on the importance of citizens working with law enforcement and local authorities, as well as mobilizing on their own, to take back their neighborhoods. She described how a coordinated and dedicated citizenry can make a difference, and can genuinely assist law enforcement. Chief Favreau and Mayor Wieczorek credited Sutphen and the local citizenry with making Operation Streetsweeper a success and echoed her sentiments about citizen participation.

Dana Mitchell, captain, Dover Police, offered testimony on the success and overall utilization of Dover's Drug Free program. He testified that this program includes an expansive D.A.R.E. program beginning in elementary school, and continuing through junior high and high school. Ms. Mitchell also stressed the importance of law enforcement's role in prevention, focusing on Dover's Youth Out-

reach Program. Ms. Mitchell noted that this program represented a successful initiative to bring the community's young people into the prevention effort in the form of organized student groups.

Ms. Mitchell also urged congressional leaders to allow greater creativity and flexibility as they authorize Federal drug prevention programs. For example, Mitchell noted that the Dover Police Department recently approached the director of a 180-unit low-income Dover Housing Authority, which is a Department of Housing and Urban Development facility, about mandating that all parents receiving the housing subsidy receive a D.A.R.E. seminar. The Housing Authority's director stated that Federal regulations bar that kind of condition on a housing subsidy. Greater flexibility in the hands of local authorities would allow them to cooperate more fully and adapt Federal programs to community needs.

Michael Plourde, executive director of the Nashua Youth Council, offered testimony on how community coalitions assist in assessing the priorities that are needed for a locality. Mr. Plourde recommended that any Federal money that comes down to localities should require that those coalitions exist prior to the money being received, and that those coalitions assess the community needs prior to the money being distributed to those communities.

John Ahman, regional program director for Marathon House, testified that there is a definite link between crime and drug use, and emphasized the importance of effective drug treatment in breaking this link. Effective treatment, Ahman said, means that "after treatment, recovering addicts are less likely to be involved in crime and more likely to be employed." Ahman also stated that, in the case of drugs, treatment is often more appropriate and less expensive than incarceration.

Dick Tracy, sergeant, crime prevention division, Manchester Police Department, offered testimony on the effectiveness of the 17-week D.A.R.E. program for Manchester students. Tracy went on to testify that having a police officer in the school to teach the kids about the dangers of drugs is more effective because the officer can relate firsthand experience of cases he has dealt with. Tracy's testimony concluded the expert witness portion of the hearing.

As indicated above, the subcommittee's 1995 investigation included one fact finding trip to the Drug War's front line. Subcommittee members, the U.S. Coast Guard and staff, traveled to the Seventh Coast Guard District in the Caribbean transit zone between June 16 and June 19, 1995.

In the transit zone, subcommittee members and staff attended briefings at Seventh District Headquarters in Miami, Coast Guard interdiction initiatives at sea, DEA activities in the Greater Antilles, high level interagency briefings in Puerto Rico by the FBI, DEA, Customs, Border Patrol, and local authorities, and received indepth briefings by Admiral Granuzo and others at Joint Interagency Task Force East (JIATF East) in Key West, dedicated to drug interdiction in the transit zone.

This interdiction trip was arranged in coordination with the U.S. Coast Guard, and invitations were extended to minority and majority members. Additionally, in coordination with ONDCP, subcommittee Chairman Zeliff traveled with the White House Director

of ONDCP to prevention and treatment programs in Massachusetts.

In the transit zone, the subcommittee learned a number of important facts. In addition to traveling on HU–25 interdiction aircraft as they demonstrated interceptions, witnessing FLIR or forward-looking infrared radar tracking during interceptions, and traveling to the United States Coast Guard Cutter MELLOIN on the heels of that cutter's successful interdiction of 5,000 pounds of marijuana, the subcommittee received demonstrations of the ion scanner and CINDI technologies, received briefings by agents participating in Operation OPBAT on the remote island of Great Inagua, and toured OPBAT assets by HH–60 helicopter. Before receiving briefings at JIATF East, the subcommittee also visited the interdiction cutters Ocracoke and Spenser.

In briefings, a number of interdiction facts became more clear. Agents participating in OBAT (Operation Bahamas, Turks and Caicos), a multi-agency, international operation based in Nassua, Bahamas, made clear that they have lost major assets over the past 2 years.

At the Greater Antilles Section Coast Guard Base (GANTSAC) in Puerto Rico, which covers 1.3 million square miles, multi-agency briefers expressed the view that, if 70 percent of the cocaine coming into the United States comes over the Southwest border, the rest comes through Puerto Rico, which has seen as much as $40 million in money laundering in recent years.

In attendance at the briefing were representatives of the FBI, DEA, Border Patrol, Coast Guard, INS, Customs, Department of Defense and Puerto Rico.

Summarizing the candid counsel received at this briefing, the assets most needed are: more radars (including a suggested radar in Belize); more Jayhawk helicopters; more 378-foot Coast Guard Cutters; ion scanners and CINDI's; air rights agreements with more Caribbean nations (perhaps 1 day Cuba); and more top people. The Coast Guard also indicated that they have recently lost 4 of 10 HU–25 intercepter aircraft by re-deployment or demobilization.

At JIATF East, briefers included Rear Admiral Andrew A. Granuzo, who bluntly admitted that the central obstacle to waging a more effective drug war, particularly in interdiction, is that "there is no one in charge." This assessment mirrored the views of Admiral Yost, Bill Bennett, John Walters, Robert Bonner, and a host of others inside and outside the administration.

JIATF East was created by Presidential Decision Directive 14 (PDD 14), which ordered a review of the Nation's counternarcotics command and control intelligence centers. Creation of three joint interagency task forces and a domestic air interdiction center was authorized by the White House Drug Czar in April 1994. Accordingly, JIATF East is joined in its interdiction mission by JIATF West in Almeda, CA; JIATF South in Panama; the DAICC at March Air Force Base, CA; and JTF–6 in El Paso, TX.

JIATF East is dedicated to deconfliction of all non-detection and monitoring counter drug activities in the transit zone. The command integrates intelligence with operations, and coordinates the employment of the United States Navy and United States Coast Guard ships and aircraft, United States Air Force aircraft, and air-

craft and ships from allied nations, such as Great Britain and the Netherlands. The command's mission boils down to maximizing the disruption of drug transhipment, collecting, integrating and disseminating intelligence, and guiding detection and monitoring forces for tactical action.

Just as importantly, JIATF East integrates law enforcement personnel, primarily from Customs, into the international interdiction effort. For that reason, the command includes FBI, DEA, DIA and State Department, in addition to the Department of Defense.

2. *Federal Law Enforcement Actions in Relation to the Branch Davidian Compound in Waco, TX.*

a. Summary.—The conduct of three executive branch Departments, and subsidiary agencies, came under intense scrutiny following the defective raid and burning of the so-called Branch Davidian compound in West Texas in 1993. Accordingly, the committee conducted a 5-month prehearing investigation into executive branch conduct of these departments and agencies, presented testimony by 97 witnesses in 10 days of hearings, and concluded 1995 with a 4-month post-hearing investigation.

The essential facts, while well known and extensively covered in the media, nevertheless bear reporting. On February 28, 1993, the Bureau of Alcohol, Tobacco and Firearms (ATF) attempted to serve an arrest warrant on Vernon Howell (a.k.a. David Koresh) at the Branch Davidian Compound in Waco, TX. The initial raid brought about the death of four ATF agents and numerous Branch Davidians, thereby commencing the longest stand-off in the history of the Federal Bureau of Investigation. The siege ended tragically. The Branch Davidian compound burned to the ground, resulting in the death of 22 children and more than 60 adults. The initial raid apparently consisted of participants from the Department of Treasury (DOT), ATF, and local law enforcement officials. U.S. Special Forces personnel may have been involved in training some of the foregoing agents in specific raid techniques. The standoff progressed, the effort intensified and brought about the involvement of the Federal Bureau of Investigation (FBI) and others at the Department of Justice (DOJ), the White House, the Department of Defense (DOD) and the Texas National Guard.

Pursuant to its oversight jurisdiction over the Federal law enforcement community, the committee's National Security, International Affairs, and Criminal Justice Subcommittee, jointly with the Crime Subcommittee of the House Committee on the Judiciary, conducted an investigation into the initial raid, ensuing standoff, and eventual fire at the Branch Davidian Compound near Waco, TX.

b. Benefits.—As has been widely reported, throughout the investigation and the hearings, the committee had difficulty obtaining information from certain agencies and offices under investigation. Unfortunately, correspondence files that will likely be released with the committee's final report attest to a constant battle for documents and evidence relating to the tragedy at Waco. This battle was largely institutional with the legislative and executive branches both seeking to assert and protect their respective procedural and institutional rights. Nonetheless, the investigation and

the hearings brought to light a great deal of new information, educated the public on a matter that had continued to be unsettling, and put to rest many errant theories about the incident. The committee meticulously organized and indexed hundreds of thousands of documents in its possession, some of which were law enforcement sensitive and classified. After months of investigating the facts about Waco, the subcommittee heard from 97 witnesses during 10 days of televised hearings. To the committee's knowledge, there exists no more exhaustive compilation of testimony or comprehensive set of documentation than that which was gathered during these hearings into executive branch conduct at the Branch Davidian Compound near Waco, TX.

This investigation opened up to the public more information about this tragedy than ever before and also unearthed many of the institutional strengths and weaknesses inherent in our current Federal executive branch.

Unlike prior reports and investigations undertaken by the agencies involved in the tragedy, the subcommittee presented a divergence of highly detailed views to be presented, and seen together, in an attempt to find out exactly what went wrong at Waco. The central purpose of this investigation, as indicated earlier, was to initiate internal reforms that would prevent any such tragedy from occurring again. As a result of this investigation, agencies have changed their policies in an attempt to approach future investigations and operations with less likelihood of tragedy, and greater opportunity for success.

Specifically, ATF has experienced an entire change of leadership. Moreover, the FBI now has 30 Senior Agents specially trained as "crisis managers," who can be called on at any time to assist in any similar crisis. The FBI's Hostage Rescue Team (HRT) has increased personnel and equipment, as well as the size and training of its negotiating team. Today, there are 9 FBI SWAT teams around the country to assist the HRT in any similar emergency. The FBI has also established a working relationship with the crisis resolution centers at Michigan State University and George Mason University, and now keeps a resource list of experts on marginal eclectic or unusual religious groups. In addition, FBI Director Louis Freeh has implemented a new policy regarding the use of force in crisis situations that reinforces the FBI's standing policy in favor of a negotiated solution, and has finally disposed of the prior FBI policy permitting a barrage of unseemly noise-making in hostage or barricade situation.

Perhaps the most beneficial aspect of the investigation of Waco was refutation of various errant theories of conspiracy and generally circulating accusations of malfeasance on the part of particular government agencies.

c. *Hearings.*—Oversight Hearings on Federal Law Enforcement Actions in Relation to the Branch Davidian Compound in Waco, TX, July 19, 20, 21, 24, 25, 26, 27, 28, 31, and August 1, 1995. Witnesses testified regarding the involvement of different agencies on pre-assigned "agency days." This testimony grouped witnesses together by agency, but also allowed the presentation of raid and post-raid evidence in rough chronological order. The particular days, witnesses and testimony are described below. Since several

agencies were investigated, the evidence collected at these hearings is grouped under agency headings, e.g. ATF, FBI, etc.

(i) THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS.—The initial investigation of Vernon Howell was conducted by ATF. ATF's investigation began in late May 1992. With the results of that investigation, the ATF obtained an arrest warrant for Vernon Howell. The attempt to serve that warrant on February 28, 1993, went badly awry resulting in an armed confrontation which cost the lives of four Federal agents and several Branch Davidians. Following a 51 day stand-off, the siege ended tragically, on April 19, 1993, when the compound was totally destroyed by fire costing the lives of 22 children and more that 60 adults. Based on those facts, the subcommittee initiated an investigation into ATF's actions leading to the raid. The committee submitted document requests to the Department of the Treasury for all documents in its possession pertaining to the initial investigation of Vernon Howell. The committee carefully analyzed the documents relating to the investigation and interviewed numerous individuals involved in the investigation and the raid. ATF agents, supervisors and legislative affairs personnel briefed subcommittee staff on events surrounding the investigation of Vernon Howell and preparations for the initial raid on the Mt. Carmel complex. Surviving Branch Davidians instructed the subcommittee about conditions at Mt. Carmel and events surrounding the initial raid. In addition to the defense attorneys for certain Branch Davidians, representatives of the National Association of Criminal Defense Lawyers gave their interpretation of the sufficiency of the warrant that the ATF attempted to serve on Vernon Howell. These briefings and interviews were in addition to the many telephone conversations and informal briefings that were conducted.

An integral part of the inquiry into ATF's investigation of Vernon Howell was a schedule of hearings lasting 10 days and comprising 97 witnesses. As indicated earlier, the subcommittee held these hearings jointly with the Subcommittee on Crime of the House Committee on the Judiciary. Following the chronology of the actual events, the early days of the hearings focused on ATF's investigation and plan to serve Vernon Howell (a.k.a. David Koresh) with an arrest warrant.

July 19 marked the first day of hearings. On that day, the subcommittee heard testimony from Dick Reavis, author of *Ashes of Waco*; Stuart Wright, contributor and editor of *Armageddon in Waco*; Ray Jahn, assistant U.S. attorney; Gerald Goldstein, president of the National Association of Criminal Defense Lawyers; Robert L. Descamps, president of the National District Attorneys' Association; Henry McMahon, firearms dealer; David Thibodeau, resident at Mt. Carmel; Kiri Jewell, resident at Mt. Carmel; David Jewell, father of Kiri Jewell; Lewis Gene Barber, former lieutenant with the McLennan County Sheriff's Office; Bill Johnson, assistant U.S. attorney; Davey Aguilera, ATF Special Agent; Chuck Sarabyn, former ATF ASAC in Houston; Earl Dunagan, former ATF acting SAC in Austin; Dan Hartnett, former ATF Deputy Director for Enforcement; Ed Owens, ATF Firearms Expert; H. Geoffrey Moulton, Jr., Project Director of Treasury Department Review Team; and Dr.

Bruce Perry, associate professor of psychiatry and behavioral sciences at Baylor College of Medicine.

Noteworthy among those testifying on the first day of hearings was Kiri Jewell. Jewell, a former resident of Mt. Carmel, testified about the conditions as she understood them at Mt. Carmel, her view of the beliefs of the Davidians, and her treatment by Vernon Howell. In particular, she strengthened the existing view that Howell was a nefarious individual.

Another engrossing witness on the first day of hearings was former ATF Special Agent Davey Aguilera. Aguilera went undercover among the Branch Davidians posing as a philosophy student. A fact discussed publicly for the first time in detail through the testimony of Aguilera was that ATF agents knew the Branch Davidians were expecting the raid on Mt. Carmel. Aguilera testified to his desperate attempts to inform ATF Supervisory Special Agents not to go ahead with the raid, and tearfully recalled the results of not being able to turn back the raid.

Chuck Sarabyn, former ATF Assistant Special-Agent-in-Charge in Austin, testified before the subcommittee about his decision to allow the raid to proceed in light of the fact that the Branch Davidians knew the ATF was planning to raid Mt. Carmel. Sarabyn defended his decision to go ahead with the raid, and to do so forcefully. Sarabyn maintained the view that the ATF was afraid of mass suicide among the Branch Davidians.

The subcommittee heard additional testimony on day two, July 20, 1995. Those testifying before the subcommittee regarding the role of ATF included Robert Sanders, Former ATF Deputy Director for Enforcement; Wade Ishimoto, Sandia National Laboratories; George Morrison, Los Angeles Police Department; William Buford, ATF Resident-Agent-in-Charge, Little Rock, AR, Office; Lewis Merletti, Deputy Director of Treasury Department Review Team.

This second day of testimony concentrated on the investigation of Howell's collection of weapons and the alleged or initially asserted existence of a methamphetamine laboratory on the premises of Mt. Carmel. Mr. Morrisson, of the Los Angeles Police Department, testified that ATF should have employed better investigative techniques and more organized methods for case management. He told the subcommittee that newspaper articles surfacing soon before the raid on Mt. Carmel could have assisted ATF in gathering information. Mr. Ishomoto, of Sandia National Laboratories, told the subcommittee that the team assembled in Waco to serve the arrest warrant on Howell was inexperienced and that the raid plan lacked the sophisticated procedures necessary for such an operation. Several witnesses testified to the danger of explosive devices in the presence of chemicals necessary for the production of methamphetamines.

The third day of hearings on Waco was July 22, 1995. On this day, the subcommittee obtained the statements of Steve Higgins, former Director of the ATF; John Simpson, former acting Assistant Secretary of Treasury; Christopher Cuyler, ATF Liaison for Acting Deputy Assistant Secretary Michael Langan; Michael Langan, former acting Deputy Assistant Secretary of Treasury; Lloyd Bentsen, former Secretary of Treasury; Joyce Sparks, Texas Department of Child Protective Services; George Morrison, Los Angeles

Police Department; Tim Evans, attorney; John Kolman, formerly with the Los Angeles County Sheriff's Department; Victor Oboyski, Law Enforcement Officers Association; Lewis C. Merletti, Deputy Director of the Treasury Department Review Team; Robert Rodriguez, ATF Special Agent; Chuck Sarabyn, former ATF Special Agent-in-Charge in Houston; Phillip Chojnacki, former ATF Special Agent-in-Charge; Sharon Wheeler, ATF Special Agent; Dan Hartnett, former ATF Deputy Director for Enforcement; Daniel Black, ATF Personnel Office; James Cadigan, FBI Firearms expert; William Buford, ATF Resident Agent-in-Charge; Roland Ballesteros, ATF Agent; and John Henry Williams, ATF Agent.

On this final day of testimony regarding the actions of ATF at Waco, the subcommittee heard the testimony of former Secretary of Treasury Lloyd Bentsen. Secretary Bentsen testified about the actions he took in response to ATF actions at Waco. He told the subcommittee that, upon hearing of the failure of the raid, he established an in-house review commission that investigated the incident for 5 months and compiled a report based on more than 500 interviews. Secretary Bentsen testified that he believed the review team had the total cooperation of ATF. Bentsen listed for the subcommittee those agencies involved in the Treasury investigation: Secret Service, Customs Service, the IRS, and the Financial Crimes Enforcement Network. Notably, Bentsen was unable to explain why a warning from Mr. Altman, his aide at the time, was not viewed with seriousness or passed on to the FBI; the Altman warning indicated the possibility of "tragedy" if the Davidian Compound was, as occurred on April 19, 1993, confronted with what Davidians might perceive as an assault.

Secretary Bentsen also mentioned corrective actions taken by ATF and Treasury in the wake of the incident at Waco. According to Bentsen, ATF leadership was replaced, the intelligence chief was demoted, and the two raid commanders were relieved of their law enforcement duties. In addition, Bentsen told the subcommittee that Treasury has enhanced the formal and informal communication between the Office of Enforcement and the bureaus within the department.

(ii) THE FEDERAL BUREAU OF INVESTIGATION.—Almost immediately after the raid on Mt. Carmel, the FBI was called in to take over the operation of the standoff. The FBI Hostage Rescue team was in place and FBI negotiators were on the phone with Davidians almost continuously for the succeeding 51 days. Jeffrey Jamar, FBI Special Agent-in-Charge in San Antonio, commanded the FBI team and was charged with deciding which tactics to employ. The subcommittee investigation produced audiotapes and transcripts of these negotiations, as well as contemporaneous memoranda from both inside and outside experts attempting to explain the actions of Vernon Howell and the Branch Davidians. After 51 days of standoff, the siege ended tragically. The Branch Davidian compound burned to the ground and resulted in the death of 22 children and more than 60 adults.

The investigation into the role of the Department of Justice and the Federal Bureau of Investigation continued into a second day, constituting day four, of the subcommittees' hearings. On this day, the subcommittee heard from John Coonce of the Drug Enforce-

ment Administration and Donald A. Bassett, Former FBI Crisis Management Specialist.

John Coonce testified before the subcommittee on the dangers of the use of explosives in the presence of those chemicals used to produce methamphetamine. The Branch Davidians had been accused of operating a methamphetamine laboratory at Mt. Carmel. Coonce testified that in order to "take down" a methamphetamine laboratory, an agent must first be certified by the Occupational Safety and Health Administration (OSHA), and must be very knowledgeable about the process involved. Coonce enumerated the hazards involved with drug enforcement of laboratories producing methamphetamines. In particular, he discussed the effect of firing a gun, the possibility of explosion or leakage of chemicals, and the safety of individuals inside or entering any such laboratory.

The investigation into the Department of Justice and FBI participation at Waco continued on the fifth day of hearings. On July 25, 1995, the subcommittee heard the testimony of Jack Zimmerman, attorney for Steve Schneider; Dick DeGuerin, attorney for Vernon Howell; Philip Arnold, Ph.D, Reunion Institute, Houston, TX; James Tabor, Ph.D., associate professor of religious studies, University of North Carolina at Charlotte, author of *Why Waco?*; Captain Maurice Cook, senior Texas Ranger; Captain David Byrnes, Texas Ranger; Glen Hilburn, Baylor University; Captain Frank McClure, deputy sheriff, Douglas County, GA.

Jack Zimmerman and Dick DeGuerin, attorneys for Steve Schneider and Vernon Howell, testified before the subcommittee about their dealings with the Branch Davidians and explained in detail their attempts to assist in negotiating a surrender. DeGuerin testified about difficulties he personally encountered in brokering a potential surrender. DeGuerin told the subcommittee about his trips into Mt. Carmel and the breakthrough he believed he had achieved upon receiving Howell's final promise to surrender. DeGuerin obtained a letter from Howell in which Howell promised to complete his interpretation of the "Seven Seals," contained in the Bible, and then surrender with all the Branch Davidians. DeGuerin testified that he believed Howell was sane. Although others later disagreed, DeGuerin perceived Howell as a person deeply committed to and sincere in his religious beliefs.

Also testifying on July 25 were several of the local Texas Rangers. The Texas Rangers were charged with investigating the deaths of the four ATF agents killed on the day of the initial raid. Captain Byrnes testified that the Texas Rangers had many disagreements with FBI's Jamar, and generally felt excluded. Byrnes testified that, in addition to problems with destruction of the crime scene by FBI tactical personnel, the Rangers were disappointed about a lack of communication between FBI personnel and local officials.

On its sixth day of hearings, the subcommittee heard, in greater detail, the facts surrounding the Department of Justice and FBI involvement in Waco. On July 26, 1995, the subcommittee received testimony from Peter Smerick, former Criminal Investigative Analyst, Investigative Support Unit, National Center for the Analysis of Violent Crime, FBI Academy, Quantico, VA; Jim Cavanaugh, ATF Special Agent; Byron Sage, FBI Supervisory Special Agent, San Antonio, TX; Ronald McCarthy, former officer, Los Angeles Po-

lice Department; George F. Uhlig, professor of chemistry, College of Eastern Utah; David Upshall, Ph.D, British biochemist; Paul Rice, Ph.D., toxicologist, Environmental Protection Agency; Dr. Alan A. Stone, professor of psychiatry and law, Harvard Law School; Larry Potts, former FBI Assistant Director, Criminal Investigations; Anthony Betz, FBI CS Gas Expert; Dick Rogers, former Head of the Hostage Rescue Team; Jeffrey Jamar, former FBI Special Agent-in-Charge in San Antonio; Byron Sage, FBI Supervisory Special Resident Agent in Austin; and Harry Salem, Defense Department Toxicologist.

James Cavanaugh, although an ATF Special Agent, testified before the subcommittee regarding negotiations with the Branch Davidians and the transition from ATF control of the operation to FBI control. Cavanaugh was the first person to engage in serious negotiations with the Branch Davidians. He recounted the planning of the initial raid, the ensuing negotiations for a cease-fire, the first surrender offer of the Branch Davidians and the lengthy negotiations for a surrender. Cavanaugh described the tension between negotiators and tactical personnel: in general, he expressed the view that negotiators prefer to wait for a peaceful solution to a crisis and tactical personnel generally prefer to intercede with tactical measures.

Peter Smerick was the Criminal Investigative Analyst the FBI used to profile Howell for the FBI negotiators and the FBI's Hostage Rescue Team. Smerick testified that his first four memoranda urged the FBI to "wait Koresh out" and advised against increasing the pressure from outside. Smerick told the subcommittee that he changed his final memorandum based, essentially, on his knowledge that the FBI was not pleased with the tone of his memoranda. Smerick told the subcommittee that, although he felt no overt pressure to change the approach of his memoranda, he knew that FBI agents on the ground in Waco wanted a view that supported a more clearly tactical approach.

Jeffrey Jamar, the FBI Special Agent-in-Charge in San Antonio at the time, was the onsite commander of all forces in Waco. Jamar testified before the committee that he was hopeful of a surrender based on Koresh's promise to come out of Mt. Carmel when he completed his interpretation of the Seven Seals. In response to questions regarding the possibility of the withdrawal of the FBI from Mt. Carmel, Jamar explained that the danger of gun fire from the building, the risk to children inside, and the sanitary conditions in Mt. Carmel made withdrawal untenable. Jamar testified before the subcommittee regarding the decision to implement the CS gas plan. Jamar said, "I would have waited a year if we had something to work with, if there was just something there we could attach something to. We did it from February 28 until a decision was made in late March that we thought we were going nowhere." Jamar told the subcommittee he was certain that Koresh would end the standoff "his way." Jamar also testified that he knew with "99 percent" certainty that the Davidians would open fire on the FBI's Bradley vehicles inserting CS gas, an eventuality that he also knew would mean acceleration of the CS gas, under the FBI's CS gas insertion plan.

On July 28, 1995, the subcommittee heard compelling testimony from many decisionmakers regarding the events at Waco. The subcommittee took the testimony of Webster Hubbell, former Associate U.S. Attorney General; Mark Richard, Deputy Assistant Attorney General; William Sessions, former Director of the FBI; Floyd Clarke, former Deputy Director of the FBI; Larry Potts, former Assistant Director of the FBI, Criminal Investigations; Harry Salem, Ph.D., Defense Department Toxicologist; Rick Sherrow, fire expert; Paul Gray, Houston Fire Department and leader of the fire review team; James Quintere, arson expert, University of Maryland; and Clive Doyle, former Branch Davidian.

Webster Hubbell, the former Associate U.S. Attorney General and close associate of President and Mrs. Clinton, testified before the subcommittee on the decisionmaking process that led to the implementation of the CS gas insertion plan. According to Hubbell, the decision to implement the CS gas insertion plan was based essentially on two facts: (1) a lack of progress in negotiations, and (2) military personnel assuring him that the inhabitants would exit the building upon insertion of CS gas. Hubbell testified that the President wanted to be advised of any change in strategy from one of negotiation to one of tactical maneuvers. Hubbell testified before the subcommittee that he was told that Howell was manipulating the attorneys. Howell's statement that he would come out upon having interpreted the "Seven Seals," according to Hubbell, was a ruse. Hubbell told the members of the subcommittee that Howell was responsible for the deaths of those inside Mt. Carmel.

The Assistant Director of the FBI at the time of the Waco standoff was Larry Potts. Potts testified before the subcommittee regarding the FBI's strategy for resolving the standoff. Potts stated that the strategy was: "(1) to verbally negotiate a peaceful surrender of Koresh and his followers; and (2) to gradually increase the pressure on those inside the compound by tightening the perimeter around the compound and denying the Davidians certain comforts." Potts recounted how this strategy was perceived as a failure, and he outlined the roles that the FBI and the Department of Justice played in the development of the CS Gas insertion plan.

Potts testified that the FBI, in response to questions about its conduct of the standoff at Waco, had improved three aspects of FBI crisis management. "Jurisdictional issues are being clarified, crisis response operations have been reorganized and expanded, including the availability and use of outside experts; and research efforts have been enhanced," he stated. Potts displayed a diagram of the crisis management changes implemented as a result of the standoff at Waco.

The subcommittee followed up on the investigation into the actions of the Department of Justice and the FBI at Waco with the testimony of Jeffrey Jamar, former FBI Special Agent-in-Charge; Dick Rogers, former Head of Hostage Rescue Team; Edward S.G. Dennis, Jr., former Assistant Attorney General, Criminal Division; R.J. Craig, FBI Special Agent; James McGee, FBI Special Agent; John Morrison, FBI Special Agent; and Byron Sage FBI Special Supervisory Resident Agent in Austin.

The most compelling testimony was given on July 31, hearing day nine, by Resident Agent, Byron Sage. Sage testified regarding

his last pre-fire conversation with Attorney General Reno. In Sage's view, Reno was attempting to gauge negotiators' opinions regarding the potential for a negotiated surrender to the standoff. Sage testified that he told Reno the negotiations were at a standstill and that there was no evidence that negotiations were meeting with renewed success. Apparently, in this conversation, Sage stated or implied to Reno that he favored the tactical option.

On the final day of hearings into the events at Waco, the subcommittee heard from the Nation's top law enforcement officer, the Attorney General, Janet Reno. On August 1, 1995, Attorney General Reno gave her reasons for what she termed her decision to implement the plan to insert CS gas into Mt. Carmel. The Attorney General described the 51-day standoff, the efforts to negotiate a surrender, and the reasons that Howell was not trusted by FBI negotiators. Reno stressed changes the FBI had implemented since Waco. According to her testimony, the FBI now has 30 Senior Agents specially trained as "crisis managers" to be called on at any time to assist in a crisis the magnitude of Waco. These managers form an element of the Critical Incident Response Group, a group formed to deal with crisis situations. Reno told the subcommittee that the Hostage Rescue Team will increase its personnel, equipment, and the size and training of the negotiating team. Today, there are 9 FBI SWAT teams around the country to assist the Hostage Rescue Team in an emergency. To assist the FBI in dealing with complex, psychological hostage takers in the future, Reno testified that the FBI will establish a working relationship with the crisis resolution centers at Michigan State University and George Mason University, and will keep a resource list of experts on marginal religious groups.

Much of Reno's testimony involved her decision to implement the CS Gas Insertion Plan. The Attorney General told the subcommittee she thought she had all the information she needed to make her decision. She indicated however, that someone informed her of ongoing abuse in the compound; at no time could she recall who that individual was. She believed that briefings on CS gas were proper and complete. She did confirm that she had not read all pre-fire briefing material and was not in the command center when the tragedy occurred. In her statement to the subcommittee, Reno assured the members that the FBI was continuing its research into non-lethal technologies as alternatives to deadly force.

(iii) THE DEPARTMENT OF DEFENSE.—The subcommittee investigation into the participation of Department of Defense personnel in the events at Waco continued with the subcommittee hearings on the events at Waco. On July 20, 1995, the first day of hearings that delved into the participation of military personnel, the subcommittee heard the testimony of Ambassador H. Allen Holmes, Assistant Secretary of Defense for SOLIC; Major General John M. Pickler, U.S. Army, Commander Joint Task Force 6; Brigadier General Walter B. Huffman, U.S. Army, Assistant Judge Advocate General for Civil Law; Chris Crain, Special Forces Group; Lieutenant Colonel Philip Lindley, U.S. Army, former Deputy Staff Judge Advocate for U.S. Army, Special Forces Command; Major Mark Petree, U.S. Army, formerly of 3/3D Special Forces Group; Staff Sergeant Steve Fitts, U.S. Army, formerly of 3/3D Special Forces

Group; Staff Sergeant Robert W. Moreland, U.S. Army, formerly of 3/3D Special Forces Group; and Sergeant Chris Dunn, U.S. Army, formerly of 3/3D Special Forces Group.

Ambassador Holmes testified before the subcommittee regarding the role of the military in domestic law enforcement actions and about military participation before Waco. Holmes told the committee that, in his opinion, the process developed to monitor military involvement in domestic law enforcement was a sound process. The Ambassador testified that, in his view, there were no violations of the law regarding military assistance at Waco and that the process regarding requests for military assistance had worked effectively.

Staff Sergeant Steve Fitts, U.S. Army, formerly of 3/3D Special Forces Group, testified before the subcommittee regarding the military preparations for involvement in methamphetamine laboratories. Staff Sergeant Fitts told the subcommittee that he conducted extensive research on the dangers and precautions required to "take-down" methamphetamine laboratories. According to Staff Sergeant Fitts, he wrote the paper at the instruction of Major Mark Petree, U.S. Army, formerly of 3/3D Special Forces Group. Sergeant Fitts testified that Major Petree then presented the paper to ATF agents in Houston. According to Staff Sergeant Fitts, it was clear to him from the reaction of the ATF agents that these agents anticipated no actual methamphetamine laboratory at Mt. Carmel. Indeed, based on the lack of interest shown by ATF agents in the procedures necessary to dismantle a methamphetamine laboratory, it was Fitt's belief that ATF agents knew that no methamphetamine laboratory existed at Mt. Carmel.

3. The Bureau of Census and Its Planning for the 2000 Census.

a. Summary.—Article I, Section 2, of the U.S. Constitution calls for an "actual enumeration" of the citizens of the country "within every subsequent term of ten years, in such manner as they shall by Law direct." The Nation's first census was taken in 1790. Title XIII, enacted into law on August 13, 1954, established the parameters for taking the national census and created the Bureau of the Census. This law requires the compilation of statistics and information far in excess of that intended by the Constitution. That element of the Census which evokes the greatest controversy, however, remains the counting of citizens of the United States.

Until recently, the percentage of people not being counted has declined each census since that particular statistic was first measured in 1940. However, in 1990 the undercount rose to 1.8 percent, from 1.2 percent in 1980. Furthermore, official reports suggest that the 1990 Census may have missed substantially more persons, particularly blacks and other minorities, than suggested by the official net undercount estimate. The decline in the accuracy of the census cannot be attributed to spending less than was spent in 1980. The 1980 Census cost $1.1 billion over 10 years, while the 1990 Census cost about $2.6 billion. If the current approach to taking the census is retained in the year 2000, the costs could rise to about $4.8 billion in current dollars. In 1994 an expert panel at the National Academy of Sciences concluded that to contain costs and increase accuracy, the Bureau should use statistical sampling as an integral part of the design for Census 2000.

Pursuant to its oversight jurisdiction of the Bureau of the Census, the committee conducted an investigation into the preparations for the next census which resulted in the hearing, "Oversight of the Census Bureau: Preparations for the 2000 Census." With the focus on the status of preparations, the committee wanted to learn the Bureau's plans for changes to the 2000 Census that will alleviate problems encountered in the 1990 Census. The committee had additional concerns about the Bureau's success in obtaining consensus among major stakeholders for these planned changes.

b. Benefits.—The investigation and subsequent hearing was the first real effort to study the complexities surrounding the taking of the Census. The investigation showed unresolved questions and problems at the Bureau of the Census. In addition, the investigation confronted the controversy surrounding the adjustment issue, and potential solutions to the problem of undercounting. With the analysis of the issues surrounding the development of Census 2000, the committee is now prepared to offer substantive contributions to those who will administer the Census 2000.

c. Hearings.—"Oversight of the Census Bureau: Preparations for the 2000 Census," October 25, 1995. The subcommittee heard from three witnesses regarding Census 2000. The first panel consisted of Inspector General Francis D. DeGeorge of the U.S. Department of Commerce and L. Nye Stevens, Director of Planning and Reporting of the General Government Division of the U.S. General Accounting Office. The first panel concentrated on management problems at the Bureau of the Census and controversy surrounding the preparations for Census 2000. Martha Farnsworth Riche, Director of the Bureau of the Census, responded to those questions in the second panel.

Francis D. DeGeorge told the subcommittee that he believes the recommended statistical sampling does not go far enough to address the problems of the 1990 census. He recommended that the Bureau increase the amount of sampling over the amount currently planned. DeGeorge also expressed concern with the Bureau's selected design. He testified that the value of the design changes is unsubstantiated and vulnerable to cost growth beyond the design's estimated $3.9 billion price tag. He suggested the bureau use a design that is simpler, operationally less risky, and less vulnerable to cost growth.

The Inspector General blamed the Bureau's choice on a fragmented organizational and decisionmaking structure that is not conducive, in his opinion, to completing, substantiating, and implementing a design.

L. Nye Stevens testified that he is encouraged by the bureau's design for the 2000 Census. Stevens said the new design should both save money and improve quality. He said he was particularly encouraged by the decision to adopt sampling among the nonresponse population as a basic foundation of the count. But he said the Bureau's decisions should be carefully reviewed by the subcommittee and by Congress. He also warned that managing a radically different census process presents a formidable challenge to the Bureau. Without very tight management over the next few years, there is a risk not only of failing to achieve the savings that are projected, but also a risk of a "failed Census."

Martha Farnsworth Riche, Director of the Bureau of the Census, told the subcommittee that the Bureau is designing a census that will be simpler to answer, cheaper to conduct, and more accurate. Riche outlined, in her testimony, four strategies to meet her objectives. She testified that one strategy is to build partnerships at every stage of the process. Riche stated that the taking of the Census is so far reaching that it requires the cooperation of a broad range of State and Federal agencies and people of diverse expertise. Riche explained that her second strategy is to keep it simple. The simpler the taking of the Census, according to Riche, the better response rate we can expect. Strategy three is to use technology intelligently. The Bureau of the Census is experimenting with a number of innovations to help take a better count of the people. And strategy four is to increase the use of statistical methods in an attempt to offset the undercount.

4. Counterterrorism Activities in the United States.

a. Summary.—On April 19, 1995, Timothy McVeigh and Terry Lynn Nichols allegedly parked a truck bomb adjacent the Alfred R. Murrah Federal Building in Oklahoma City, OK. The result was the explosion of the Murrah building. Hundreds of people, including several children, were killed and the building was destroyed. The bombing stirred the fears of citizens throughout the country regarding terrorist attacks on American soil. As a result of this act of domestic terrorism, the committee initiated an investigation into the intelligence apparatus of the Nation's law enforcement and national security agencies. The aim was to better understand preparations being taken to confront the possibility of further terrorism and to prepare for recurrence.

Pursuant to its oversight of the Department of State, the Federal Bureau of Investigation, the Central Intelligence Agency, the National Security Agency, and the Defense Intelligence Agency, the committee conducted an investigation of counterterrorism activities in the United States. The investigation resulted in a briefing of Members of Congress and an oversight hearing.

The subcommittee held one briefing and one hearing on the issues of terrorism and counterterrorism. The purpose of the closed briefing was to obtain general information about terrorism, interagency coordination of counterterrorism initiatives, and performance of agencies of the U.S. Government assigned to collect intelligence on terrorist organizations, prevent terrorism and investigate terrorist incidents.

Knowledgeable counterterrorism representatives from FBI, DOD, State, DOE, DEA, FEMA, and ATF attended the briefing. At the briefing, agency officials educated the members of the subcommittee about ongoing anti and counterterrorism efforts, and gave Members an overview of the scope and threat of terrorism both from the preventative and the responsive points of view. The Federal response to the Oklahoma City tragedy was also reviewed from an operational point of view. Since the briefing was closed the dialog may not be summarized.

The purpose of the closed hearing on terrorism and the correlative intelligence gathering was to gain a better understanding of, and to review the quality of, sharing and cooperation among intel-

ligence gatherers related to anti and counterterrorism. At the hearing, members learned how terrorism is defined, and were briefed on types of worldwide terrorist groups, how such groups are organized, and the tools they may employ. Further discussion is foreclosed by the nature of the closed briefing.

b. Benefits.—In general, the investigation shed light on the threat of domestic and international terrorism to the citizens of the United States. It also informed the committee members about the intelligence and law enforcement communities fighting terrorism. The results may be improved by intelligence sharing, improved training, resource sharing, and exploration of preventive measures, that do not violate Constitutional guarantees, which can be taken to stop terrorists before they act. The briefing and the hearing began a constructive dialog between the committee and the respective agencies.

c. Hearings.—"The Effectiveness of Coordination of the Nation's Anti and Counterterrorism Intelligence," held on May 23, 1995. The subcommittee heard testimony from the Federal Bureau of Investigation; the National Security Agency; the Department of State; the Defense Intelligence Agency; and the Central Intelligence Agency.

Each witness presented a 10 minute overview of their agency's approach to gathering, processing, analyzing, and sharing anti and counterterrorism intelligence. In addition, each witness offered examples of intelligence sharing in response to specific terrorist activities, and cited recent instances in which intelligence sharing facilitated apprehension of terrorists or prevention of terrorist acts.

Since the hearing was closed, the actual testimony may not be summarized here.

5. Army Ranger Training Deaths of February 15, 1995.

a. Summary.—In the worst incident in the 44-year history of this elite program, four U.S. Army Rangers died from hypothermia during training at Elgin Air Force Base, near Pensacola, FL, on Wednesday, February 15, 1995. The training provides instruction in advanced combat skills in a punishing 2-month course in wooded, desert, mountainous and swampy conditions. The soldiers spent up to 6 hours in chest-deep water that ranged from 52 degrees to 59 degrees. The Army's standard limit is 3 hours in waist deep, 50 degree water. These casualties were part of a 34 man patrol in the final phase of the Army's 8 week Ranger training. The soldiers had been in the field since Saturday, February 11. At approximately 5:30 p.m., one of the students showed signs of hypothermia (numbness). The students had been training in 52 degree water; the air temperature was 65 degrees. An instructor called in a medical evacuation helicopter which arrived 15 minutes later. When the helicopter arrived, the original casualty and two more students showing signs of cold were flown out. The students were treated and released.

At approximately 9:50 p.m., two more cases of hypothermia were reported. After being flown to the military hospital at Elgin, these two soldiers died. At approximately 11:45 p.m., two more hypothermia cases were reported. Heavy fog prevented helicopter evacuation. Carried to the nearest road in approximately 40 minutes, the

soldiers were taken by ambulance to a civilian hospital, where one died. At midnight, one soldier had not been found. At 7:35 a.m., Thursday morning, a search party discovered his body in waist-deep water. Four instructors were assigned to the 34-man patrol. In 1977, hypothermia caused the death of two Ranger students at Elgin. Since then, one Ranger student died at Elgin from drowning in 1985.

The committee conducted an investigation of this incident, by examined internal DOD investigation results, explored the Army's interpretations of those results, as well as reviewing both post incident disciplinary and corrective actions taken by the Army. The committee was concerned with the overall process of the DOD investigation. The committee also made efforts to review precisely what went wrong in this incident, and how it can be fixed while maintaining the quality of Ranger training.

The AR 15–6 collateral investigation found that "lack of experienced personnel and reduction in the number of officers available to prepare for, oversee, and conduct this training had a detrimental effect on command and control." The AR 15–6 collateral investigation also found that the lack of MEDEVAC fuel may have been a contributing factor in the deaths.

The committee, as part of its investigation, held numerous meetings with the office of Army Legislative Liaison. In addition, the subcommittee participated in three briefings. The first briefing, held on April 6 in conjunction with the Subcommittee on Military Personnel, heard from Major General Hendrix, Commanding General of the Infantry Center at Fort Benning, GA. The second briefing, held on May 11, heard from Togo D. West, Jr., Secretary of the Army. The final briefing, held on May 17, was held with the Secretary of the Army, a representative of the Department of the Army Inspector General's office and a representative from the Department of the Army Safety Command. In this briefing, the subcommittee fully reviewed the military investigation of the incident and the AR 15–6 investigations. The subcommittee, prior to the May 17 briefing, considered holding a hearing in late May. Following the May 17 briefing the chairman, with the agreement of the ranking minority member, decided to postpone the proposed hearing.

b. Benefits.—The committee investigation focused on the actions undertaken in response to this incident. The committee's concern regarding the Army Ranger deaths turned on the Army's investigative process, and in particular on the process that surrounds review of tragic incidents of this nature. After monitoring this investigation and indepth inquiries of the Secretary of the Army, Army Inspector General and Commanding General of the Army Infantry Training Center, and upon careful review of the findings, conclusions, and recommendations of both the AR 15–6 collateral investigation and the safety investigation, the committee was reassured that the Army investigative process had advanced properly, and that necessary changes were in progress.

c. Hearings.—None were held.

6. The Ballistic Missile Defense Program.

a. Summary.—The committee conducted an investigation into the status of the Nation's Ballistic Missile Defense Program. The end of the cold war lessened the threat of a Ballistic Missile attack from the former Soviet Union. However, as a result of proliferating weapons of mass destruction and missile delivery system technology, the need remains to research and explore implementation of theater and strategic missile defenses. On May 18, 1995, Lieutenant General Malcolm R. O'Neill, U.S. Army, Director of the Ballistic Missile Defense Organization briefed the chairman and the staff on the status of the Nation's Ballistic Missile Defense Program.

Lieutenant General O'Neil told subcommittee Chairman William Zeliff that the current program is designed to address the post cold war environment. The program continues within the financial constraints set by Congress. O'Neil detailed the existing strategy for the Ballistic Missile Defense Program. The first priority is theater missile defense. The existing budget devotes approximately $2.3 billion to theater missile defense. General O'Neil said that the program builds on existing systems to provide new defense capabilities as soon as possible to meet existing threats. New systems and enhancements are to be added to ensure robust protection.

The second priority is national strategic missile defense. This program maintains the technological base and continues its maturation. General O'Neil told the committee that the program provides for evolutionary contingency deployment options if a threat suddenly emerges.

General O'Neil said that the program is concentrating on technologies that will increase the capabilities and allow the system to be deployed more rapidly and efficiently.

b. Benefits.—The investigation into the Ballistic Missile Defense Program gave the committee timely insights into an important element of America's national security protection. Ensuring that this program continues to progress is crucial to our preparedness against the growing threat of ballistic missile terrorism. The committee learned a great deal about the budgetary constraints under which the program is operating.

c. Hearings.—None were held.

POSTAL SERVICE SUBCOMMITTEE

1. General Oversight of the U.S. Postal Service: The Postmaster General and the General Accounting Office.

a. Summary.—Congress established the Postal Service as an independent establishment of the executive branch of the Federal Government pursuant to the Postal Reorganization Act of 1970 (Public Law 91–375). The act provides that the Postal Service must establish "reasonable and equitable classes of mail and reasonable and equitable rates of postage and fees for postal services." Further, the act mandates that the Postal Service "break even" as nearly as practicable. Postmaster General Marvin Runyon testified that though the Postal Reorganization Act has worked well for 25 years, the act did not anticipate the highly competitive communications industry that exists today. Mr. Runyon urged Congress to re-

examine the act in order to allow the Postal Service to become more businesslike and more responsive to the American people. Suggested solutions include: freeing postal employees from bureaucracy and burdensome rules; simplifying and speeding up the price-setting process to respond to market needs; and making postal products more customer oriented and modern through pricing and product flexibility. The Postmaster General testified that the collective bargaining process is outmoded and that employee dispute resolution mechanisms are faulty. In addition, he urged Congress to reexamine the ratemaking process and review proposals which would allow the Postal Service to price its products and services to better reflect its competitive environment.

The General Accounting Office (GAO) testified that poor labor-management relations continue at the Postal Service. Delivery service problems remain and customer satisfaction indicators have not improved. GAO further reported that postage meter revenues were declining due to fraud and deficiencies in program controls. Automation has fallen behind schedule and anticipated savings have not been realized.

b. Benefits.—The information received by the subcommittee during this oversight hearing was instrumental in documenting the progress and deficiencies of the Postal Service. This information would be used to craft legislative language to shape appropriate corrective measures.

c. Hearings.—Hearing entitled "Oversight of Postal Service" was held on February 23, 1995.

2. General Oversight of the U.S. Postal Service: The Postal Rate Commission.

a. Summary.—The Postal Reorganization Act of 1970 established the Postal Rate Commission (Commission) as an independent agency of the executive branch with authority to recommend postal rates and classes. Prior to its creation, Congress was responsible for setting postal rates and classes.

Postal Rate Commission Chairman Edward Gleiman testified to the role played by the Commission in postal affairs because of its mandate to ensure that postal rates and fees are reasonable and equitable. In addition, the Commission hears mail classification proceedings to determine the groupings, classes and subclasses of mail, and the more than 100 work-sharing discounts affecting the postage rates paid by various mailers. The Commission is permitted to take up to 10 months for consideration of an omnibus rate case. Chairman Gleiman stressed that the Commission is interested in streamlining and expediting these proceedings. The Commission reissued rules (which went unused for 5 years) giving the Postal Service the authority to accelerate changes in Express Mail rates to meet market pressures.

b. Benefits.—Improvements in the ratemaking process will better enable the Postal Service to implement rate changes and respond to competitive pressures in the communications marketplace. Presently, competitors are able to react quickly to changing markets, whereas the Postal Service must adhere to a complex, mandated process before changing its rate structure or offering new products. For the Postal Service to be competitive, its pricing and product

mechanisms must be flexible to react to changing market forces. By having an improved and more flexible ratemaking structure, the Postal Service should prove competitive with its products and prices thereby reducing losses in market share and keeping postal rates stable. These flexibilities would help the Postal Service fulfill its statutory mandate to break even. Americans benefit from a fiscally sound Postal Service which operates independently of taxpayer financed appropriated funds.

c. Hearings.—Hearings entitled "General Oversight of the U.S. Postal Service" were held on March 2, March 8, June 7, June 14, and June 28; on July 25, 1995, a hearing entitled "Oversight of the U.S. Postal Inspection Service and Postal Operations" was held.

3. General Oversight of the U.S. Postal Service: The Board of Governors.

a. Summary.—Chairman Sam Winters testified on behalf of the Presidentially appointed Postal Service Board of Governors. He said that the Postal Service is one of the most complex enterprises in our country. However, both the Postal Service and its employee could be doing better. The 1970 act empowered the Board of Governors to authorize postal rates and classifications following the Governors' review of the Rate Commission's recommended decision. The board directs the overall policy of the Postal Service and acts as the customer representative in managing the Postal Service in a businesslike manner. The chairman believes that cumbersome restraints levied on the Postal Service by the Postal Reorganization Act place a burden on the Postal Service which impedes its ability to operate in a businesslike manner. He emphasized that the Postal Service's competitive efforts are hampered because of the collective bargaining process. Chairman Winters said almost 80 cents of each dollar goes toward salaries and benefits. Cost restraints and a need to pay for performance are necessary to achieve effective operation of the Postal Service. He echoed Postmaster General Runyon's concern for redesigning the current ratemaking process to make it more sensitive to market rates.

b. Benefits.—Testimony from the Board of Governors stressed the need for further study of the Postal Reorganization Act in order to give the Postal Service the tools to make it more businesslike and more competitive. It is apparent that the present act places undue restrictions on the Postal Service which, ultimately, costs the postal customer in money, service and reliability.

c. Hearings.—The Board of Governors appeared before the Subcommittee of the Postal Service on March 8, 1995.

4. General Oversight of the U.S. Postal Service: Major Mailing Customers.

a. Summary.—Eleven witnesses representing major mailing groups (commercial mailers, publishers, and nonprofit mailers) testified at this hearing. The witnesses included: the Mailers Council; Advertising Mail Marketing Association; Direct Marketing Association; Mail Order Association of America; Parcel Shippers Association; National Newspaper Association; Newspaper Association of America; Magazine Publishers of America; Association of American Publishers; Alliance of Nonprofit Mailers; and the National Federa-

tion of Nonprofits. All had distinct opinions on privatization, the usefulness of the Postal Rate Commission, the reform of the Postal Service and the effect of labor-management relations on the mission of the Postal Service. However, all but one witness testified against privatization of the Postal Service. The witnesses also presented their views on the Postal Service's filing in Docket No. MC95–1 regarding mail reclassification.

b. Benefits.—This hearing provided important information regarding the concerns of the major stakeholders in the U.S. Postal Service. In order to meet competitive pressures, the Postal Service must evolve into a service-oriented organization attuned to its customers' needs. Further, the witness testimony will facilitate the subcommittee's efforts in the conduct of its oversight responsibilities of the Postal Service.

c. Hearings.—Hearing entitled "Oversight of the U.S. Postal Service: Commercial Mailing and Non-Profit Mailing Organizations" was held on May 23, 1995.

5. General Oversight on the U.S. Postal Service: Postal Employee Unions and Organizations.

a. Summary.—The employees represented by the unions and organizations who testified are responsible for moving 5 million pieces of mail each day. These organizations serve as a sounding board for employee suggestions and complaints dealing with labor and management problems. The organizations must address issues pertaining to restructuring, technology, privatization, employee schedules, delivery standards, along with prompt, reliable and efficient customer service. At the time of the hearing, three of the unions engaged in contract talks with postal management were critical of management particularly at postal headquarters. The president of the Rural Letter Carriers Union reported that his members had job satisfaction, motivation, and pride in their jobs. They have an evaluated pay system that measures various criteria which cannot be directly transferred to urban carriers. The unions spoke, with one voice, supporting universal delivery and uniform postal cost. They were of the opinion that the Postal Reorganization Act served them well. They testified that though the Postal Service can be improved, the Postal Reorganization Act should not, and need not, be revised in the area of labor relations. However, the unions expressed support for more flexibility on ratesetting and the introduction of new products. The unions testified that management should be streamlined as there are too many intermediate steps confusing lines of communication. The three management groups focused on labor-management issues, adverse actions and compensation.

b. Benefits.—The subcommittee's continuing examination of labor-management problems and collective bargaining obstacles will serve to inform the Postal Service and the unions that these issues are serious impediments to the good health of the Postal Service and to employee job stability. This information will help the subcommittee to tailor solutions when considering legislative reforms to the Postal Service.

c. Hearings.—The subcommittee held a hearing on June 7, 1995, entitled "Oversight of Postal Employees and Management Group."

6. General Oversight of the U.S. Postal Service: Postal Reliant Businesses and Competitors.

a. Summary.—Twelve witnesses representing postal reliant businesses and competitors participated in this hearing. These diverse entities expressed varied opinions regarding the letter mail monopoly, the international mail market, the inequity created because the Postal Service is exempt from rules and regulations applicable to private sector businesses (for example, taxes, parking fines), and the commercial and research value in the sale of postage meters in lieu of renting them. Some of the witnesses testified regarding their valued partnership with the Postal Service while others viewed the Postal Service as an unfair competitor. The hearing explored the extent to which the Postal Service affects contracting, manufacturing, transportation, both inter- and intrastate commerce, international law and business opportunities for large and small firms.

b. Benefits.—The hearing provided useful information from diverse witnesses regarding their evaluations of the Postal Service. The subcommittee will continue to investigate how better partnerships can be forged between the Postal Service and other entities for the benefit of the customers.

c. Hearings.—On June 14, the subcommittee held a hearing entitled "Oversight of Postal Reliant Businesses and Competitors."

7. General Oversight Hearing on the Postal Service: Return of the Postmaster General.

a. Summary.—The Postmaster General, at his second appearance before the subcommittee, expressed his interest in remaining on the job for several more years. He appealed to the Congress to revise the laws governing collective bargaining. Mr. Runyon testified regarding postal workers' right to strike, he cautioned that in granting such rights Congress would need to allow the Service the ability to hire replacements for striking employees. He suggested allowing postal unions the same bargaining rules as railroad workers under which the President may impose a cooling off period before a strike and can use the power of his office to persuade the parties to reach a settlement. The Postmaster General defended his agency, declaring it had "come a long way" since delivery debacles in 1994. Congress was urged to approve legislative initiatives which would authorize the sale of postal assets in incremental parts. The Postmaster General again asked Congress to reduce red tape and regulations in an effort to streamline the Postal Service making it more efficient and competitive.

b. Benefits.—This forum enabled the Postmaster General to respond to concerns and issues raised subsequent to his previous appearance before the subcommittee.

c. Hearings.—The Postmaster General appeared for the second time before the subcommittee on June 28, 1995, at the hearing entitled, "General Oversight: Postal Service."

8. General Oversight of the U.S. Postal Service: Postal Service Inspector General.

a. Summary.—The Inspector General of the Postal Service serves as the watchdog of Postal Service operations. The hearing focused

on the operational, financial and security challenges facing the agency. The Inspector General echoed many of the statutory restrictions on pricing, new products, and managing the workforce that the Postmaster General had shared with the subcommittee. The Inspector General noted that the immediate abolition of the postal monopoly would be devastating to the Postal Service and the concept of universal service. However, he stated that if everything the Postmaster General wants in the area of postal reform is granted, the monopoly will be eliminated.

b. Benefits.—Testimony from the Inspector General underscored many of the same problems with which the subcommittee had been concerned. The Office of the Inspector General and the Inspection Service are responsible for keeping the U.S. mail safe and preventing waste, fraud and abuse in the Postal Service.

c. Hearings.—The Inspector General appeared before the subcommittee on July 25, 1995, at a hearing entitled "Oversight of the Postal Service Inspector General."

9. Review of International Mail Market.

a. Summary.—The U.S. Postal Service seeks to expand its role in the international mail markets. However, because it has less control over pricing than its competitors, and its delivery systems appear unable to provide sufficiently reliable service, the Postal Service may have neither the authority nor the ability to compete effectively in the growing international market competition.

With the assistance of the General Accounting Office (GAO), the subcommittee is examining the Service's statutory, current, and planned role in the delivery of international mail. Areas under examination include the existing relationships between the Postal Service, foreign postal administrations and the Universal Postal Union; and whether current postal laws and international agreements may limit the Service's ability to participate internationally. The subcommittee expects to receive a final report on this issue early in 1996 and will explore the findings in legislative and oversight hearings.

b. Benefits.—This review will provide essential information required by Congress in order to make sound determinations regarding the role of the Postal Service in the international mail markets.

c. Hearings.—None.

10. Review of Postal Service Bulk Business Mail Acceptance Practices; Assessment of the Adequacy of the Postal Service's Systems for Assessing, Collecting, and Otherwise Protecting Revenue and/or Accountable Paper.

a. Summary.—Postage discounts are allowed for presorted and prebarcoded bulk business mailings because processing costs for the Postal Service are reduced. Discounts allowed in fiscal year 1994 totaled $8 billion. The subcommittee is concerned that the Postal Service may allow discounts on mail that is not properly prepared and does not reduce processing costs. With the assistance of the GAO, the subcommittee is evaluating whether the Postal Service's acceptance procedures provide reasonable assurance that all revenues due from bulk business mailings are being received, and what actions the Postal Service is taking to minimize its vul-

nerability to bulk business mail losses. The subcommittee expects to receive a final report on this issue in the Spring of 1996 and will explore the findings in oversight hearings.

b. Benefits.—This review will provide essential information on the extent of revenue losses to the Postal Service and review improvements to the Service's revenue protection efforts. While the Postal Service continues its emphasis on automation, with resulting increase in bulk business mail, the potential revenue loss in that area already exceeds $100 million annually.

c. Hearings.—None.

11. Review of Selected Major Postal Service Procurements.

a. Summary.—One of the major areas of subcommittee concern is the Postal Service procurement program. In the past, the program which is exempt from most Federal procurement laws, has exhibited major deficiencies which have created procurement problems. The GAO, at subcommittee Chairman McHugh's request, is reviewing the Postal Service procurement program to determine what the underlying problems are and what might be done to alleviate them. The GAO is expected to report on these issues in January 1996 and the subcommittee will explore the findings in subsequent oversight hearings.

b. Benefits.—This report will provide program information and indicate possible solutions to ensure that the Postal Service maintains appropriate internal controls and ethics rules in its procurement program.

c. Hearings.—None.

12. Evaluation of USPS Oversight of National Change of Address Program Licensees.

a. Summary.—The Postal Service National Change of Address (NCOA) program provides postal customer address change information to licensees who, in turn, use the data to update proprietary address lists which are sold nationwide. In order to protect the privacy of its customers, the USPS imposes restrictions on licensees' use of NCOA information and monitors compliance with those restrictions. The subcommittee, with the assistance of GAO, is examining what restrictions the NCOA license agreement imposes regarding the use and release of address information; whether those restrictions are consistent with "privacy" requirements of Federal law; how USPS monitors the licensees' compliance with NCOA license agreements and oversees corrective actions for identified violations. The subcommittee expects a report on these issues by April 1996 and the findings will be examined in subsequent legislative and oversight hearings.

b. Benefits.—The critical information regarding privacy issues of postal patrons provided by this report should furnish the subcommittee with resources necessary to recommend legislative improvements in the Postal Service.

c. Hearings.—None.

13. Final-Offer Arbitration as an Alternative Means of Resolving Contract Disputes Between Postal Management and Labor Unions.

a. Summary.—In September 1994, GAO reported that adversarial postal labor-management relations have resulted in reliance on arbitration to settle contract disputes. Both management and unions have expressed dissatisfaction with such a procedure. The subcommittee asked that GAO obtain more information on final-offer arbitration as an alternative to the current procedure. Specifically: What is final-offer arbitration? How and where has final-offer arbitration been used? What do management and labor officials believe has been the impact of final-offer arbitration on their relations? The results should be available in February 1996 and the subcommittee expects that they will provide information basic to the reform of the Postal Service's collective bargaining laws.

b. Benefits.—The report will indicate ways that Congress can encourage and assist postal management and unions to resolve long-standing labor relations problems.

c. Hearings.—None.

14. Review of the Quality and Quantity of Data Produced by the Postal Service for the Rate Setting Process.

a. Summary.—One of the areas of the subcommittee's continuing concern is the quality and quantity of data collected and provided by the Postal Service in the ratesetting process.

Given the general public concern, the subcommittee, GAO, the Postal Rate Commission, and the Postal Service are working together to assess the setting of postal rates. The GAO study will determine the extent to which existing systems produce complete, current, and accurate data necessary for ratemaking. The report should demonstrate whether the systems produce data that are reliable enough to set and adjust rates in accordance with relevant provisions of the Postal Reorganization Act of 1970. It should also assess the cost and quality of reports and other results generated from existing Postal Service rate data systems compared to alternative approaches, systems, and techniques for gathering and reporting such data. The subcommittee expects the final results by the end of 1996 and they will be the basis of information used in evaluating reform of the Postal Service's ratemaking process.

b. Benefits.—For an entity like the Postal Service that accounts for $54 billion in annual revenue and touches the lives of all Americans, the data provided to the Commission is essential to establishing fair and equitable rates. In many instances, it is the same data that the Postal Service needs to effectively manage an organization of 855,000 people in a businesslike manner. The results of this study will be critically important to the Congress' deliberations on whether to modify the ratesetting process.

c. Hearings.—None.

15. Evaluation of the Management Practices, Working Conditions, and Security at Postal Facilities in Southern California.

a. Summary.—On July 9, 1995, at the City of Industry Processing Center in California, a postal worker shot and killed one of his supervisors. About the same time, workers at the La Puente Cali-

fornia Post Office staged street protests over what they perceived to be a "hostile" work environment. Because of these and similar incidents and complaints, the Postal Service Inspector General was requested to evaluate the working conditions, management practices, and security at postal facilities in the Santa Ana District of California. The evaluation should clarify the state of labor-management relations in the Santa Ana District, and help indicate how Congress and the executive branch can encourage and assist postal management and unions to address the longstanding and severe labor-management problems in the Postal Service.

b. Benefits.—This study will provide critical information to Congress in examining ways in which it can encourage and assist postal management and unions to resolve longstanding labor relations problems.

c. Hearings.—None.

16. Miscellaneous Investigative Issues.

a. Summary.—The subcommittee has conducted a variety of investigations into other specific issues that are the subject of continued monitoring through oversight hearing questions and informal inquiries. In addition to an extensive number of matters examined as part of the oversight hearing record, the subcommittee reviewed the following four specific issues: (1) the quality of the Postal Service's performance management systems which were found to be inadequate by the GAO in previous reviews; (2) the decision by the Postmaster General to restructure the Service in 1992 and the extent to which, if at all, he was aware that this decision would be viewed as a reduction in force; (3) the feasibility of implementing the requirements of the Postmark Prompt Payment Act (H.R. 1963); and (4) the extent to which the whistle blower protection laws apply to Postal Service employees.

b. Benefits.—These investigations help to facilitate the effective conduct of oversight responsibilities by the subcommittee of the operations of the U.S. Postal Service.

c. Hearings.—None.

III. Legislation

A. NEW MEASURES

DISTRICT OF COLUMBIA SUBCOMMITTEE

1. H.R. 1345, District of Columbia Financial Responsibility and Management Assistance Act of 1995.

a. Report Number and Date.—House Report No. 104–96, March 30, 1995.

b. Summary of Measure.—The purpose of H.R. 1345 is to assist the District of Columbia in addressing its financial problems and would (1) establish a new entity, the District of Columbia Financial Responsibility and Management Assistance Authority (Authority), to advise the District and oversee its financial activities, and (2) provide the District with additional access to short- and long-term debt financing.

The Authority would consist of five members appointed by the President in consultation with Congress. The Authority would review and approve annual financial plans and budgets submitted by the District. These financial plans would require the District to move its budget into balance by 1999. In order to ensure that the actions of the District are consistent with the approved plan, the bill would require the Authority to (1) review District-passed legislation before it is submitted to Congress; (2) approve or disapprove leases or contracts that the Mayor proposes to execute; (3) comment on budget reprogramming requests; (4) review the District's performance quarterly and report any variances between budgeted and actual transactions; and (5) approve all borrowing by the District, whether from the U.S. Treasury or in the private market. Also, the Authority would control access to the annual Federal payment to the District as well as any funds advanced to the District by the U.S. Treasury.

The legislation also calls for creating the position of a Chief Financial Officer (CFO) of the District of Columbia. The CFO is appointed by the Mayor with the advice of the City Council. The Authority must confirm the Mayor's candidate. Only the Authority may fire the Chief Financial Officer during a control period.

In addition, H.R. 1345, would create an extensive and detailed 4 year financial plan for the District.

c. Legislative History/Status.—H.R. 1345 was introduced on March 29, 1995. On March 29, 1995, the Subcommittee on the District of Columbia reported H.R. 1345, to the full committee. The bill was approved and ordered reported to the House by the Committee on Government Reform and Oversight on March 30, 1995. On April 3, 1995, H.R. 1345 passed the House amended by voice vote and was received in the Senate on April 4, 1995. H.R. 1345 passed the Senate with amendments on April 6, 1995, and the House agreed

to the Senate amendments on April 7, 1995, and was signed by the President on April 17, 1995, Public Law 104–8.

d. Hearings and Subcommittee Actions.—The Subcommittee on the District of Columbia held hearings on February 22, March 2, and March 8, 1995, on the financial status of the District of Columbia and on the experience of other cities which have operated under financial control boards. The following witnesses testified: Johnny C. Finch, Assistant Comptroller General, General Government Division, General Accounting Office, on February 22; Rudolph W. Giuliani, mayor of the city of New York; George V. Voinovich, Governor of Ohio; Hugh L. Carey, former Governor of New York; Edward V. Regan, former comptroller of New York State; David Cohen, chief of staff to the mayor of Philadelphia, on March 2nd; Dr. Bernard E. Anderson, Assistant Secretary for Employment Standards, U.S. Department of Labor and former chairman of the Pennsylvania Intergovernmental Cooperation Authority (PICA); and Ronald G. Henry, former executive director of PICA, on March 8th.

On March 29, 1995, the subcommittee held a Mark-up session, and forwarded the measure to the full committee. On March 30, 1995, the full committee held a mark-up session and ordered H.R. 1345 to be reported by voice vote.

e. Legislative Time Line.—

Mar 29, 1995 Referred to House Committee on Government Reform and Oversight.

Mar 29, 1995 Referred to Subcommittee on the District of Columbia.

Mar 29, 1995 Subcommittee Consideration and Mark-up Session held.

Mar 29, 1995 Forwarded by subcommittee to full committee.

Mar 30, 1995 Committee Consideration and Mark-up Session held.

Mar 30, 1995 Ordered to be Reported by Voice Vote.

Mar 30, 1995 Reported to House by House Committee on Government Reform and Oversight Report No. 104–96.

Mar 30, 1995 Placed on Union Calendar No. 47.

Apr 3, 1995 Called up by House Under Suspension of Rules.

Apr 3, 1995 Passed House (Amended) by Voice Vote.

Apr 4, 1995 Received in the Senate.

Apr 4, 1995 Read twice. Placed on Senate Legislative Calendar under General Orders. Calendar No. 49.

Apr 6, 1995 Measure laid before Senate by Unanimous Consent.

Apr 6, 1995 Passed Senate (amended) by Voice Vote.

Apr 7, 1995 House Agreed to the Senate Amendments by Unanimous Consent.

Apr 7, 1995 Cleared for White House.

Apr 12, 1995 Presented to President.

Apr 17, 1995 Signed by President.

Apr 17, 1995 Became Public Law No. 104–8.

2. H.R. 2108, District of Columbia Convention Center and Sports Arena Authorization Act of 1995.

a. Report Number and Date.—House Report No. 104–227, August 2, 1995.

b. Summary of Measure.—The purpose of H.R. 2108 is to amend the District of Columbia Home Rule Act to allow a governmental entity selected by the Mayor to develop a new sports arena to: (1) pledge tax revenues dedicated by local law as security for revenue bonds to finance the cost of a sports arena preconstruction activities; and (2) spend these dedicated revenues without appropriations from the District Government for both preconstruction activities and debt service. The legislation further provides that bonds issued for arena development are not backed by full faith and credit of the District of Columbia and that revenues dedicated to sports arena development are not to be included in the calculation of the accumulative debt limit of the District.

In addition, H.R. 2108 would eliminate the current requirement that the Washington Convention Center Authority receive appropriations from the District Government to use tax revenues currently dedicated to the authority. These revenues may be used to pay for operating expenses of the existing convention center and preconstruction activities of the new convention center.

c. Legislative History/Status.—H.R. 2108 was introduced on July 25, 1995. On July 26, 1995, the Subcommittee on the District of Columbia reported H.R. 2108 to full committee. The bill was approved and ordered Reported to the House by the Committee on Government Reform and Oversight on August 2, 1995, and placed on Union Calendar No. 119. H.R. 2108 passed House by Voice Vote on August 4, 1995, and was received in the Senate on August 7, 1995, and referred to the Senate Committee on Governmental Affairs.

On August 9, 1995, the Subcommittee on Oversight of Government Management held a hearing. On August 10, 1995, it was ordered to be Reported to the Senate by the Senate Committee on Governmental Affairs and placed on Senate Legislative Calendar under General Orders, Calendar No. 180. The Senate on August 11, 1995, passed the legislation by Voice Vote. On September 6, 1995, it was signed by the President, Public Law 104–28.

d. Hearings and Subcommittee Actions.—On July 12, 1995, the Subcommittee on the District of Columbia held a hearing on H.R. 1862, District of Columbia Convention Center Preconstruction Act of 1995, and H.R. 1843, District of Columbia Sports Arena Financing Act of 1995. At the hearing the following witnesses testified: Barry Campbell, DC chief of staff, Office of the Mayor; David A. Clarke, chairman, DC City Council; Charlene Drew Jarvis, council member, DC City Council; Michelle Bernard, chairwoman, Redevelopment Land Agency; Abe Pollin, chairman, Centre Group USAIR Arena; Eugene Godbold, senior vice president, Nationsbank; and Jeffrey C. Steinhoff, Director of Planning and Reporting, General Accounting Office.

e. Legislative Time Line.—

Jul 25, 1995 Referred to House Committee on Government Reform and Oversight.

Jul 26, 1995 Referred to Subcommittee on District of Columbia.

Jul 26, 1995 Subcommittee Consideration and Mark-up Session held.

Jul 26, 1995 Forwarded by subcommittee to full committee by the Yeas and Nays: 5–0.

Jul 27, 1995 Committee Consideration and Mark-up Session held.
Jul 27, 1995 Ordered to be Reported by Voice Vote.
Aug 2, 1995 Reported to House by House Committee on Government Reform and Oversight Report No. 104–227.
Aug 2, 1995 Placed on Union Calendar No. 119.
Aug 4, 1995 Considered by unanimous consent.
Aug 4, 1995 Passed House by Voice Vote.
Aug 7, 1995 Received in the Senate.
Aug 7, 1995 Referred to Senate Committee on Governmental Affairs.
Aug 9, 1995 Subcommittee on Oversight of Government Management and the District held hearing.
Aug 10, 1995 Ordered to be Reported.
Aug 10, 1995 Reported to Senate by Senate Committee on Governmental Affairs.
Aug 10, 1995 Placed on Senate Legislative Calendar under General Orders. Calendar No. 180.
Aug 11, 1995 Passed Senate by Voice Vote.
Aug 11, 1995 Cleared for White House.
Aug 28, 1995 Presented to President.
Sep 6, 1995 Signed by President.
Sep 6, 1995 Public Law No. 104–28.

3. H.R. 2661, District of Columbia Fiscal Protection Act of 1995.

a. Report Number and Date.—House Report No. 104–408, December 14, 1995.

b. Summary of Measure.—H.R. 2661 would allow the Mayor of the District, with prior written notification to the District Council, the District Control Board, the Congress, and the President, to obligate and spend District funds in the event that a new fiscal year begins and the District's regular appropriations bill has not been enacted. As amended, H.R. 2661, would provide that the District of Columbia could continue its normal municipal operations using only its own locally raised revenues in a fiscal year while awaiting final action on its appropriation even if there is no Continuing Resolution in effect. This measure specifically mandates that the city must spend at the lowest spending level approved by Congress.

c. Legislative History/Status.—H.R. 2661 was introduced on November 17, 1995, and was referred to the Committee on Government Reform and Oversight. On November 21, 1995, the bill was referred to the Subcommittee on the District of Columbia. The bill was approved and ordered reported, as amended, to the House by the Committee on Government Reform and Oversight on December 14, 1995, and placed on Union Calender 205.

d. Hearings and Subcommittee Actions.—The Subcommittee on the District of Columbia held a hearing on December 6, 1995, and the following witnesses testified: Rep. George W. Gekas, (R–PA); Edward DeSeve, Controller, Office of Management and Budget; Dr. Andrew Brimmer, chairman, District of Columbia Financial Responsibility and Management Assistance Authority; Marion Barry, Mayor, District of Columbia; Anthony Williams, chief financial officer, District of Columbia; Michael Rogers, city administrator, District of Columbia; Charles Hicks, president, American Federation of

State, County, and Municipal Workers; David Schlein, American Federation of Government Employees; Diane Duff, director of Federal affairs, Greater Washington Board of Trade; and Dr. Marlene Kelley, deputy commissioner for public health, District of Columbia.

e. Legislative Time Line.—

Nov 17, 1995 Referred to House Committee on Government Reform and Oversight.

Nov 21, 1995 Referred to Subcommittee on the District of Columbia.

Dec 6, 1995 Subcommittee hearing held.

Dec 13, 1995 Subcommittee Consideration and Mark-up Session held.

Dec 13, 1995 Forwarded by subcommittee to full committee (Amended).

Dec 14, 1995 Committee Consideration and Mark-up Session held.

Dec 14, 1995 Ordered to be Reported (Amended).

Dec 14, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–408.

Dec 14, 1995 Placed on Union Calendar No. 205.

4. H.R. 461, Closing of Lorton Correctional Complex.

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 461, to close the Lorton Correctional Complex, and to prohibit the incarceration of individuals convicted of felonies under the laws of the District of Columbia in facilities of the District of Columbia Department of Corrections. For several years, Virginia local and State elected officials, Members of Congress, and criminologists have recommended closing this complex, which is obsolete and potentially dangerous facility.

c. Legislative History/Status.—H.R. 461, was introduced on January 9, 1995, and referred to the Committee on Government Reform and Oversight. On January 24, 1995, it was referred to the Subcommittee on the District of Columbia.

d. Hearings and Subcommittee Actions.—The subcommittee held two hearings on this matter and the following witnesses testified: Sen. John Warner (R–VA); Rep. Frank Wolf (R–VA); Rep. James Moran (D–VA); James Gilmore, attorney general, Commonwealth of Virginia; Michael Rogers, city administrator, District of Columbia; David E. Clarke, chairman, District of Columbia City Council; William Lightfoot, District of Columbia council member; Kate Hanley, chairman, Fairfax County board of supervisors, VA; Gerald Highland, Fairfax County board of supervisors, VA; Maureen Caddigan, vice chairwoman, Prince William County board of supervisors, VA; and Michelle McQuigg, Prince William County board of supervisors, VA, on March 17, 1995. The June 7, 1995, hearing allowed testimony from a diverse group of citizens and organizations.

e. Legislative Time Line.—

Jan 9, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Jan 24, 1995 Referred to Subcommittee on District of Columbia.
Mar 17, 1995 Subcommittee hearing held.
Jun 7, 1995 Subcommittee hearing held.
Jan 9, 1995 Referred to House Committee on the Judiciary.
Jan 25, 1995 Referred to Subcommittee on Crime.

5. *H.R. 1855, To Amend Title 11, District of Columbia Code, To Restrict the Authority of the Superior Court of the District of Columbia Over Certain Pending Cases Involving Child Custody and Visitation Rights.*

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 1855, is intended to enable a child to return to her native land free of fear of continued court battles and judicial rulings.

c. Legislative History/Status.—H.R. 1855, was introduced on June 15, 1995, and referred to the Committee on Government Reform and Oversight. On June 19, 1995, H.R. 1855 was referred to the Subcommittee on the District of Columbia.

d. Hearings and Subcommittee Actions.—The subcommittee held a hearing on August 4, 1995, and the following witnesses testified on the bill: Dr. Eric Foretich; Jonathan Turley, professor of law, George Washington University; Hollida Wakefield, Institute of Psychological Therapies; Antonia Morgan; Robert Morgan; Charles D. Gill, Superior Court Judge, State of Connecticut; David Harmer, Esquire; Susan Hall, vice president, Alliance for the Rights of Children; and Nieltje Gedney, Committee for Mother and Child Rights.

e. Legislative Time Line.—

Jun 15, 1995 Referred to House Committee on Government Reform and Oversight.
Jun 19, 1995 Referred to Subcommittee on District of Columbia.
Aug 4, 1995 Subcommittee hearing held.

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE

1. *H.R. 1271, Family Privacy Protection Act of 1995.*

a. Report Number and Date.—House Report No. 104–94, March 29, 1995.

b. Summary of Measure.—Legislation protecting the privacy of minors from federally sponsored questioning traces its origins to the General Education Provisions Act (GEPA) (Public Law 90–247, January 2, 1968, as amended).

The GEPA, originally enacted as Title IV of the Elementary and Secondary Education Amendments of 1967 (Public Law 90–247), brought together in one document statutory provisions enacted during the previous 100 years that applied to Federal education programs. Since 1970, most major acts extending Federal education programs' authorization for appropriations, have amended GEPA in some significant way. Three of those changes have greatly affected the section of GEPA on "Protection of Pupils": (1) the "Kemp amendment" of 1974; (2) the "Hatch amendment" of 1978; and (3) the "Grassley amendment" of 1994.

1. The Kemp amendment (Public Law 93–380, August 21, 1974) required that parents of pupils participating in federally assisted

educational "research or experimentation program[s] or project[s]" be provided access to the instructional materials used therein. A "research or experimentation program or project" was defined as an instructional activity using "new or unproven teaching methods or techniques."

2. The Hatch amendment (Public Law 95–561, November 1, 1978) enhanced pupil protection by inserting several provisions of the Privacy Act of 1974 to apply specifically in cases covered by the Kemp amendment. The provision prohibited requiring pupils to participate in certain forms of testing as part of a federally assisted education program, without the prior consent of the pupil (if an adult or emancipated minor) or the pupil's parent/guardian. The requirement was specific in referring to "psychiatric" or "psychological" tests or treatments that gather information on: political affiliations; "potentially embarrassing" mental or psychological problems; sexual behavior or attitudes; illegal, antisocial, or "demeaning" behavior; "critical appraisals" of family members; privileged relationships, such as those with lawyers, physicians, or ministers; or income (except where necessary to determine eligibility for financial aid).

3. The Grassley amendment (Public Law 103–227, General Education Provisions Act, March 31, 1994) sought to restore parents/guardians' rights and powers in obtaining the redress of family privacy violations resulting from intrusive questions or improper procedures. The provision was no longer limited to only research or experimentation programs or projects and psychiatric or psychological tests. It expanded consent requirements to "any survey, analysis, or evaluation" that was federally assisted. The Grassley amendment also contained a lower threshold for triggering the consent requirement. Questions that happen to reveal private information trigger the prior-consent requirement, not just questions with a primary purpose of revealing private information. According to a Congressional Research Service memorandum, the Department of Education had yet to modify its regulations in order to reflect any of the Grassley amendment provisions as of March 1995.

Because the Grassley amendment impacts only the Department of Education, not all intrusions on family privacy by federally sponsored questionnaires or surveys are being addressed. New legislation is necessary to expand the scope of parental consent requirements to cover surveys or questionnaires funded by agencies other than the Department of Education. Some of the Federal nationwide surveys, not now covered by the Grassley amendment, that might be affected by the Family Privacy Protection Act include: Head Start and other child development programs, as well as potentially health or welfare related surveys of the Department of Health and Human Services; child nutrition programs of the Department of Agriculture; education and related programs of the National Science Foundation and National Endowments for the Arts and the Humanities; and national surveys done by the Department of Commerce's Bureau of the Census, either as part of its own decennial population updates or as contract work for other Federal Departments and agencies.

The Department of Health and Human Services and the Bureau of the Census regularly conduct and update a number of large-scale

nationwide surveys that include minors among the respondents. None of these surveys, as currently conducted (except where noted otherwise), require all parents/guardians of participating minors to provide verbal or written consent. To the extent that any of H.R. 1271's seven categories of private information might be revealed in the course of surveying, the proposed legislation would significantly affect the conduct of these surveys: National Crime Victimization Survey; National Health Interview Survey; and Youth Risk Behavior Survey.

H.R. 1271, the Family Privacy Protection Act, establishes a consent requirement for those conducting a survey or questionnaire funded in whole or part by the Federal Government. Those seeking responses of minors on surveys or questionnaires must obtain parental/guardian consent before asking seven types of sensitive questions. The bill also provides five types of common sense exceptions from this requirement.

Areas of concern for which parental consent is required for minors are questions related to: parental political affiliation or beliefs; mental or psychological problems; sexual behavior or attitudes; illegal, antisocial, or self-incriminating behavior; appraisals of other individuals with whom the minor has a familial relationship; relationships that are legally recognized as privileged, including those with lawyers, physicians, and members of the clergy; and religious affiliations and beliefs.

The areas of exception are: the seeking of information for the purpose of a criminal investigation or adjudication; any inquiry made pursuant to a good faith concern for the health, safety, or welfare of an individual minor; administration of the immigration, internal revenue or customs laws of the United States; the seeking of any information required by law to determine eligibility for participation in a program or for receiving financial assistance; and the seeking of information to conduct tests intended to measure academic performance.

The legislation requires that Federal agencies provide implementation procedures and ensure full compliance with the legislation. The procedures shall provide for advance availability of each survey or questionnaire for which a response from a minor is sought. The Family Privacy Protection Act does not apply to the Department of Education, because a similar provision is already contained in the General Education Provisions Act pertaining to that subcommittee. The act would become effective 90 days after enactment.

The *Contract With America* includes a commitment to protect and strengthen the rights of families. As part of this commitment, H.R. 1271, the "Family Privacy Protection Act of 1995," provides for parents/guardians' rights to supervise and choose their children's participation in any federally funded survey or questionnaire that involves intrusive questioning on sensitive issues. H.R. 1271 is an outgrowth of the original legislation provided for in Title IV of H.R. 11, the Family Reinforcement Act, which is included as part of the *Contract With America.*

The requirements of H.R. 1271 take effect 90 days after enactment and would apply to current grantees of departments and agencies, not just future recipients of funds. Therefore, time will be

of the essence in providing those conducting surveys and questionnaires with necessary guidance through implementing rules and regulations. By incorporating the requirements of the Family Privacy Protection Act into these existing administrative processes, OMB can assure expeditious implementation.

The reported bill provides the parents or guardians the opportunity to decide whether to consent to the participation of their minor children in federally funded surveys or questionnaires.

c. Legislative History/Status.—H.R. 11, Title IV was referred to the Committee on Government Reform and Oversight, and a hearing was convened by the Subcommittee on Government Management, Information, and Technology on March 16, 1995. The bill was marked-up in the subcommittee on March 22, 1995, where subcommittee Chairman Horn presented an amendment in the nature of a substitute to H.R. 11, Title IV. This amendment was introduced as H.R. 1271 on March 21, 1995. Two amendments were considered and adopted without objection. The first, offered by Rep. Maloney, ranking minority member of the Subcommittee on Government Management, Information, and Technology, required that agency rules and regulations promulgated pursuant to the legislation provide for protection of the confidentiality of survey data. The other amendment, offered by Rep. Tate, provided for advance public availability of proposed surveys and questionnaires. The legislation passed the subcommittee unanimously by voice vote.

d. Hearings and Subcommittee Actions.—On March 16, 1995, the Subcommittee on Government Management, Information, and Technology, held a hearing to solicit comments from interested parties on Title IV of H.R. 11, the Family Reinforcement Act. Witnesses included Senator Charles E. Grassley (R–IA), Dr. Lloyd Johnston, program director, Survey Research Center, University of Michigan, Dr. Matthew Hilton, member of the Utah Bar and an authority on family privacy issues, Ms. Sally Katzen, Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, and Dr. William T. Butz, Associate Director, Demographic Programs, Bureau of the Census. Written statements were provided from the American Association of School Administrators, the American Civil Liberties Union, the American School Counselor Association, the American School Health Association, the National Association of School Nurses, Inc., the National Association of School Psychologists, and the National School Boards Association.

The Government Reform and Oversight Committee met on March 23, 1995, to consider H.R. 1271. Chairman Clinger presented an amendment in the nature of a substitute to H.R. 1271 reflecting the two subcommittee amendments. The bill, as amended, was favorably reported to the House unanimously by voice vote and without further amendment by the full committee.

e. Legislative Time Line.—

Jan 4, 1995 Title I–II, referred to the Committee on Ways and Means; Title III, referred to the Committee on the Judiciary; Title IV, referred to the Committee on Government Reform and Oversight; Title V, referred to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consider-

ation of such provisions as fall within the jurisdiction of the committee concerned.

Feb 2, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Mar 16, 1995 Subcommittee hearings held.

Mar 22, 1995 Subcommittee Consideration and Mark-up Session held.

Mar 22, 1995 Forwarded by subcommittee to full committee (Amended) by Voice Vote.

Mar 23, 1995 Full committee Mark-up Session held and reported (Amended) by Voice Vote.

Apr 3, 1995 House Committee on Rules Reported an Original Measure. Report No. 104–97.

Apr 3, 1995 Placed on House Calendar No. 37.

Apr 4, 1995 Called up by House as Privileged Matter.

Apr 4, 1995 Resolution Agreed to in House by Yea-Nay Vote: 423–1 (Record Vote No. 284).

Jan 4, 1995 Referred to House Committee on the Judiciary.

Jan 4, 1995 Referred to House Committee on Ways and Means.

Jan 6, 1995 Referred to Subcommittee on Human Resources.

Jan 18, 1995 Committee hearings held.

Mar 13, 1995 See H.R. 1215.

2. H.R. 1756, The Department of Commerce Dismantling Act.

a. Report Number and Date.—None.

b. Summary of Measure.—The Commerce Department contains a diverse group of programs, including the Bureau of Economic Analysis, the Census Bureau, Economic Development Administration, Export Administration, Patent and Trademarks Office, National Institute of Standards and Technology, Technology Administration, U.S. Travel and Tourism Administration and the National Weather Service. About 60 percent of its budget is used for the National Oceanic and Atmospheric Administration (NOAA), which includes the National Weather Service. The Department has an annual budget of $4 billion and has 35,000 employees.

Title I of H.R. 1756 would redesignate the Commerce Department as the "Commerce Programs Resolution Agency" (CPRA) effective 6 months after enactment, an independent executive branch agency headed by an administrator appointed by the President and confirmed by the Senate. CPRA would be charged with "winding down" or the elimination of those activities not intended for continuation. While most of the continuing functions of the Commerce Department would be transferred out of Commerce to their receiving agency 6 months after the date of enactment of the Chrysler bill, the specific disposition of Commerce programs are contained in Title II of the Chrysler bill.

c. Legislative History/Status.—The bill was introduced by Rep. Chrysler on June 7, 1995, and was referred to the Committee on Government Reform and Oversight in addition to Committees on Commerce, Transportation and Infrastructure, Banking and Financial Services, International Relations, National Security, Agriculture, Ways and Means, the Judiciary, Science, and Resources. On June 16, 1995, it was referred to the Subcommittee on Government Management, Information, and Technology. It was reported

amended from Ways and Means on September 21, 1995, Report No. 104–206, Pt. I.

d. Hearings and Subcommittee Actions.—The subcommittee held a legislative hearing on September 6th to enable the members, among other things, to examine the CPRA model as a possible prototype for future program resolution agency models. Subcommittee Chairman Horn, in his opening statement, noted that the hearing would attempt to determine if the Commerce Program Resolution Agency, as proposed, could effectively dispose of the Department's functions. He also noted that several other bills for eliminating agencies contained the "Program Resolution Model," consequently CPRA could provide the model for the process for eliminating a number of agencies.

Committee Chairman Clinger observed that "Our goal is to improve government activity where it is necessary, refocus government efforts where it is misdirected, and get government out of activities in which it does not belong."

Congressman Chrysler provided testimony on his bill, citing a Congressional Budget Office (CBO) savings estimate of $8 billion over 5 years. He emphasized what he regarded as the inappropriateness of many of the activities in which the Department is engaged.

In her opening statement, Mrs. Collins stressed the effectiveness of the current Commerce Secretary in advancing American trade interests abroad and in supporting the development of the Nation's technological capacity.

The subcommittee received testimony from Secretary of Commerce Brown who questioned the CBO savings estimate, contending the new law would cost $1.542 billion more in the next 5 years. He proposed elimination of duplicated functions around the Federal Government by consolidating them in the present Department.

In his questioning of the Secretary, Mr. Mica challenged the use of Department resources to engage in a grass roots lobbying effort to oppose legislation which would change the organization of the Federal Government's trade functions.

Dr. Rodgers, the CEO of Cypress Semiconductor provided testimony describing several examples of what he termed "corporate welfare," which are some of the programs that could be terminated by dismantling the Department of Commerce.

Mr. Black, president, Computer and Communications Industry Association, provided testimony advising deliberation in examining alternatives to the status quo, including possibly keeping a trimmed Department of Commerce.

Mr. Cobb, Heritage Foundation, offered testimony in support of dismantling the Department and recommending staffing the Commerce Programs Resolution Agency with members of the Office of the Inspector General to ensure a successful phaseout. He noted that CPRA would not be a new agency, only the mechanism through which an existing agency would be phased-out.

Nye Stevens, Director of Federal Management and Workforce Issues, General Accounting Office, testified on the purpose, structuring, and projected continuing need for a capacity like that of the Commerce Programs Resolution Agency.

Dr. Dwight Ink, president emeritus, Institute of Public Administration, and senior fellow, National Academy of Public Administration cited his personal experience presiding over the elimination of a Government agency in warning of possible legal and personnel problems with creating the temporary resolution agency, questioning across-the-board funding cuts, suggesting the dismantling could be done in less than 3 years, and reaffirming longstanding support for phasing out the Department of Commerce.

Mr. Raymond J. Keating, the chief economist of the Small Business Survival Committee, expressed full support for dismantling the Department of Commerce, advocating that it be pursued rapidly and boldly, in the spirit of small-business entrepreneurship, in order to serve as a model for more difficult and even bolder Federal agency reductions in the future.

Mr. Robert McNeill, executive vice chairman, Emergency Committee on American Trade, supported the general dismantling thrust but expressed the need for a continued strong Government presence in the area of international commerce.

Mr. Jeffrey Smith, executive director, Commercial Weather Services Association, urged the committee to provide greater opportunities to entrepreneurs through privatization to furnish weather forecasting services on a competitive basis.

Professor Charles Bingman, another veteran of Government agency abolition, reorganization, and creation, suggested in written testimony that abolishing an agency is not only a political responsibility but a management process, and is best done as quickly as possible, with concern and sensitivity to human consequences.

e. Legislative Time Line.—

Jun 7, 1995 Referred to the Committee on Commerce, and in addition to the Committees on Transportation and Infrastructure, Banking and Financial Services, International Relations, National Security, Agriculture, Ways and Means, Government Reform and Oversight, the Judiciary, Science, and Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Jun 19, 1995 Referred to Subcommittee on Telecommunications and Finance.

Jun 19, 1995 Referred to Subcommittee on Commerce, Trade, and Hazardous Materials.

Jul 24, 1995 Joint hearings held by the Subcommittee on Telecommunications and Finance and by the Subcommittee on Commerce, Trade and Hazardous Materials.

Jun 7, 1995 Referred to House Committee on Transportation and Infrastructure.

Jun 19, 1995 Referred to Subcommittee on Public Buildings and Economic Development.

Sep 14, 1995 Subcommittee on Public Buildings and Economic Development Discharged.

Sep 14, 1995 Committee Consideration and Mark-up Session held.

Sep 14, 1995 Ordered to be Reported (Amended) by Voice Vote.

Jun 7, 1995 Referred to House Committee on Banking and Financial Services.

Jun 7, 1995 Referred to House Committee on International Relations.

Jun 26, 1995 Referred to Subcommittee on International Economic Policy and Trade.

Jun 26, 1995 Referred to Subcommittee on International Operations and Human Rights.

Aug 4, 1995 Committee hearings held.

Jun 7, 1995 Referred to House Committee on National Security.

Jun 28, 1995 Executive Comment Requested from DOD.

Jun 7, 1995 Referred to House Committee on Agriculture.

Jun 7, 1995 Referred to House Committee on Ways and Means.

Jun 14, 1995 Referred to Subcommittee on Trade.

Sep 11, 1995 Subcommittee on Trade Discharged.

Sep 13, 1995 Committee Consideration and Mark-up Session held.

Sep 13, 1995 Ordered to be Reported (Amended) by the Yeas and Nays: 22–14.

Sep 21, 1995 Reported to House (Amended) by House Committee on Ways and Means Report No. 104–260 (Pt. I).

Jun 7, 1995 Referred to House Committee on Government Reform and Oversight.

Jun 16, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Sep 6, 1995 Subcommittee hearings held.

Sep 19, 1995 Subcommittee Consideration and Mark-up Session held.

Sep 19, 1995 Forwarded by subcommittee to full committee (Amended) by Voice Vote.

Sep 21, 1995 Committee Consideration and Mark-up Session held.

Sep 21, 1995 Ordered to be Reported (Amended).

Jun 7, 1995 Referred to House Committee on the Judiciary.

Jul 18, 1995 Referred to Subcommittee on Courts and Intellectual Property.

Sep 14, 1995 Subcommittee hearings held.

Aug 9, 1995 Executive Comment Requested from Commerce, Justice, LOC Contractor.

Jun 7, 1995 Referred to House Committee on Science.

Sep 12, 1995 Committee hearings held.

Sep 14, 1995 Committee Consideration and Mark-up Session held.

Sep 14, 1995 Ordered to be Reported (Amended) by Voice Vote.

Jun 7, 1995 Referred to House Committee on Resources.

Jun 15, 1995 Executive Comment Requested from Commerce.

Jun 15, 1995 Referred to Subcommittee on Fisheries, Wildlife and Oceans.

Sep 13, 1995 Subcommittee on Fisheries, Wildlife and Oceans Discharged.

Sep 13, 1995 Committee Consideration and Mark-up Session held.

Sep 13, 1995 Ordered to be Reported (Amended) by Voice Vote.

3. H.R. 2234, Debt Collection Improvement Act of 1995.

a. Report Number and Date.—None.

b. Summary of Measure.—Federal agencies are currently authorized to use a number of debt collection tools under Title 31 of the U.S. Code. H.R. 2234 strengthens the debt collection tools available to agencies. In addition to strengthening these tools, H.R. 2234 envisions several other changes to improve agency performance in collecting debts. The Department of the Treasury will be given lead responsibility for collecting debts owed to the government and establishing consistent treatment of similarly situated debtors. Agencies will be eligible to retain some portion of increased debt collections, establishing an incentive for agencies to collect debts.

Since the 1930's, Federal agencies have been occupying an ever larger role in the Nation's credit markets. According to the "Analytical Perspectives" of the fiscal year 96 Budget of the U.S. Government, the Federal Government is responsible for a portfolio of $155 billion in direct loans; $699 billion in guaranteed loans; $4,986 billion in insurance; and $1,502 billion in obligations of government-sponsored enterprises. This increased credit role has led to increased delinquencies. The Federal Government currently has $49.9 billion in delinquent nontax debts and $70 billion in tax debts. These amounts have increased each of the last 5 years, despite writeoffs averaging $10 billion each and every year. It is the upward trend in delinquencies that H.R. 2234 is designed to remedy.

The first modern statutory authority to collect Government claims dates from the Federal Claims Collection Act in 1966 (the "1966 Act"). Prior to 1966, the Federal Government collected debts under common law authority. The Debt Collection Act of 1982 (the "1982 Act") built upon the 1966 Act and created a number of tools available to agencies to assist in collecting debts. The 1982 Act allowed agencies the ability to use private debt collectors, credit reporting bureaus, and other debt collection tools.

c. Legislative History/Status.—H.R. 2234 was introduced on August 4th with 10 original coauthors, including Mr. Horn, Mrs. Maloney, Mrs. Morella and Ms. Norton of the Government Reform and Oversight Committee. The major provisions include: offsetting payments; agency coordination; disbursements/facilitating offset; additional collection tools; and improving financial management. The Debt Collection Improvement Act passed the House of Representatives as part of Title V of H.R. 2491 by a vote of 227–203 on October 26, 1995.

d. Hearings and Subcommittee Actions.—The Subcommittee on Government Management, Information, and Technology held a legislative hearing on H.R. 2234 on September 8, 1995. In addition, the subcommittee has examined the issue of debt collection in related hearings on financial management issues.

Representative Jim Lightfoot testified that by moving toward electronic disbursements, the Federal Government could streamline its operations, send payments and benefits to recipients faster, reduce crime and fraud, and save $66 million over 5 years. Rep. Lightfoot testified that if we moved to electronic disbursements, the problem of lost checks would diminish.

In the second panel, John Koskinen, Deputy Director, Office of Management and Budget testified that the administration supports H.R. 2234 because it will lower the deficit and improve financial

management. Mr. Koskinen mentioned the deteriorating Federal credit picture, and that delinquencies for nontax debts increased by nearly 25 percent from 1993 to 1994. He also referred to a report on debt collection prepared by the President's Council on Integrity and Efficiency, which endorsed many of the tools included in H.R. 2234.

George Muñoz, Chief Financial Officer/Assistant Secretary for Management of the Department of the Treasury also testified, highlighting the anticipated benefits of adopting H.R. 2234. Mr. Muñoz cited the increased collections from improved litigation tracking and systems integration. Mr. Muñoz also testified on the benefits of electronic disbursements.

Anthony Williams, then-Chief Financial Officer, U.S. Department of Agriculture, detailed the collections achieved by USDA using various collection tools, including administrative offset, tax refund offset, and litigation. Upon questioning, Mr. Williams discussed the agency's policies regarding compromising debts.

Michael Smokovich, Deputy Commissioner, Financial Management Service, Department of the Treasury, testified on the advantages of moving toward electronic funds transfer. He cited statistics demonstrating savings of $66 million per year, a reduction in the 800,000 lost checks per year, and other reductions in fraud, theft, crime, and forgery. Upon questioning, Mr. Smokovich cited the security record of electronic disbursements, noting that nobody has ever broken through the security procedures established by Treasury and the Federal Reserve.

Jeff Steinhoff, Director of Policy and Planning, U.S. General Accounting Office, endorsed the additional tools included in H.R. 2234. Mr. Steinhoff noted that agencies assumed greater credit risk than lenders in the private sector, and that the Government should expect higher default rates as a result. In addition, he supported the idea to use private tax collectors to supplement other tax collection personnel.

Bob Tobias, president of the National Treasury Employees Union, mentioned his concern that the use of private collection agencies would undermine voluntary taxpayer compliance and damage operations at the Internal Revenue Service. Mr. Tobias advocated increasing appropriations for civil servant tax collectors and raised concerns over taxpayer privacy.

On the final panel, Thomas Gillespie testified on behalf of the American Collectors Association, a group of private debt collection firms. Also on the panel were Stephen Sale of Sale, Quinn, Deese and Weiss, James Tracey of Diversified Collection Services, and Robert Bernstein of the Commercial Law League. Mr. Bernstein endorsed centralization of debts within the Treasury Department. Mr. Tracey recounted his firm's successful experience with wage garnishment in collecting student loans.

e. Legislative Time Line.—

Aug 4, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committees on the Judiciary, Ways and Means, and House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Aug 10, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Aug 10, 1995 Subcommittee hearings held.

Sep 8, 1995 Subcommittee hearings held.

Sep 19, 1995 Subcommittee Consideration and Mark-up Session held.

Sep 19, 1995 Forwarded by subcommittee to full committee (Amended) by Voice Vote.

Aug 4, 1995 Referred to House Committee on the Judiciary.

Oct 2, 1995 Referred to Subcommittee on Commercial and Administrative Law.

Aug 4, 1995 Referred to House Committee on Ways and Means.

Aug 4, 1995 Referred to House Committee on House Oversight.

4. H.R. 1162, Lockbox Deficit Reduction Proposals.

a. Report Number and Date.—None.

b. Summary of Measure.—This hearing examined a number of proposals designed to create a deficit reduction Lockbox, or guarantee, that a spending cut passed during debate on an appropriations bill is not reallocated during the House/Senate Conference Committee to another project or program. The multiplicity of these proposals, the varied approaches they take, and their complicated effects on the budget process, were important topics that Members examined in detail.

c. Legislative History/Status.—H.R. 1162 would establish a Deficit Reduction Trust Fund and provide for downward adjustment of discretionary spending limits in appropriations bills. This legislation stems from perceived problems experienced when the House of Representatives voted for a spending cut and the funds were redirected to another project or account either in the conference committee or when another appropriations bill was considered. Members were interested in making permanent any reduction in spending which was passed on the floor of the House.

d. Hearings and Subcommittee Actions.—Subcommittee Chairman Horn and subcommittee Chairman Goss of the Subcommittee on Legislation Budget Process of the Committee on Rules, held a joint hearing to examine proposals related to Lockbox deficit reduction efforts. Interested Members of Congress were invited to testify before the subcommittees.

The Hon. Michael Crapo noted his frustration at passing cuts to appropriations bills, only to see the funding shifted to another program rather than being reduced. Rep. Crapo described his past efforts at passing Lockbox type bills.

The Hon. Mark Foley described the frustrations experienced by the freshman class in reducing Government spending. Rep. Foley presented a letter signed by virtually every freshman advocating adoption of a Lockbox-type approach.

Mr. James Blum, Deputy Director, Congressional Budget Office, noted the success that Congress has had in controlling the type of discretionary spending targeted by the Lockbox proposal, and the heavy contribution of mandatory programs (uncontrolled by the Lockbox bill) to the problem of the deficit.

Dr. Alice Rivlin, Director, OMB explained the Clinton administration's views on the Lockbox proposal, and possible unintended

consequences of a Lockbox law. Dr. Rivlin also testified that the Lockbox issue was a technical accounting device, and that far more important was making real choices to balance the Federal budget.

e. Legislative Time Line.—

Mar 8, 1995 Referred to the Committee on the Budget, and in addition to the Committees on Government Reform and Oversight, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Mar 8, 1995 Referred to House Committee on Government Reform and Oversight.

Mar 10, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Mar 8, 1995 Referred to House Committee on Rules.

Apr 27, 1995 Referred to Subcommittee on the Legislative and Budget Process.

Jul 20, 1995 Committee Consideration and Mark-up Session held.

Jul 20, 1995 Ordered to be Reported (Amended) by Voice Vote.

Jul 25, 1995 Reported to House (Amended) by House Committee on Rules Report No. 104–205 (Pt. I).

Sep 12, 1995 Committee on Rules Granted, by Voice Vote, an Open Rule Providing One Hour of General Debate; Making in Order as an Original Bill for the Purpose of Amendment the Amendment in the Nature of a Substitute Recommended by the Committee on Rules and Providing that the Amendment be Considered as Read and Open to Amendment at any Point; Waiving Clause 7 of Rule XVI against Consideration of the Committee Amendment in the Nature of a Substitute; Allowing the chairman of the Committee of the Whole to Accord Priority Recognition to Members Offering an Amendment that has Caused it to be Printed in the Congressional Record Providing One Motion to Recommit, With or Without Instructions.

Sep 12, 1995 Rules Committee Resolution H. Res. 218 Reported to House.

Sep 13, 1995 Rule Passed House.

Sep 13, 1995 Called up by House by Rule.

Sep 13, 1995 Committee Amendment in the Nature of a Substitute Considered as an Original Bill or the Purpose of Amendment.

Sep 13, 1995 House Agreed to Amendments Adopted by the Committee of the Whole.

Sep 13, 1995 Passed House (Amended) by Recorded Vote: 364–59 (Record Vote No. 658).

Sep 14, 1995 Received in the Senate.

Sep 14, 1995 Referred to Senate Committee on the Budget.

Sep 14, 1995 Referred to Senate Committee on Governmental Affairs.

Sep 12, 1995 House Committee on Rules Reported an Original Measure. Report No. 104–243.

Sep 12, 1995 Placed on House Calendar No. 87.

Sep 13, 1995 Called up by House as Privileged Matter.

Sep 13, 1995 Resolution Agreed to in House by Voice Vote.

5. H.R. 1698, Mandatory Electronic Funds Transfer Expansion Act of 1995.

a. Report Number and Date.—None.

b. Summary of Measure.—The purpose of H.R. 1698 is to amend title 31, U.S. Code, to require electronic funds transfer for all Federal payments by 2001 to promote efficiency and economy in the disbursement of Federal funds and to eliminate crime incident to the issuance of Treasury checks.

c. Legislative History/Status.—See Section III.A.3.

d. Hearings and Subcommittee Actions.—See Section III.A.3.

e. Legislative Time Line.—

May 24, 1995 Referred to House Committee on Government Reform and Oversight.

May 26, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

6. H.R. 1907, the Federal-aid Facility Privatization Act of 1995.

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 1907 would relax the requirement that State or local governments wishing to privatize infrastructure facilities, but constructed partially or wholly with a Federal grant, repay the grant prior to privatizing or selling the asset. This change is contingent upon several conditions, such as the asset continuing in use for the purpose it was originally constructed, and adherence to all applicable grant assurances.

c. Legislative History/Status.—The bill H.R. 1907 was introduced by Reps. McIntosh and Horn on June 21, 1995. It was referred to the Committee on Government Reform and Oversight, and in addition the Committee on Transportation and Infrastructure.

d. Hearings and Subcommittee Actions.—Subcommittee Chairman Horn called the hearing on November 15, 1995. The purpose of the hearing was to focus on the use of corporate forms of organization to examine H.R. 1907, the Federal-aid Facility Privatization Act of 1995. H.R. 1907 would ease the requirement that Federal grants associated with State or locally owned infrastructure projects are repaid prior to privatization.

Representative David McIntosh (R–IN), the author of the bill, testified on the origins of the bill in Executive Order 12803. Rep. McIntosh stressed the importance of reducing the burden on local governments.

Mr. Robert Poole, president, Reason Foundation, testified in support of H.R. 1907. Mr. Poole argued that H.R. 1907 could increase the flow of funds to improve infrastructure assets and that if Federal grants were to be repaid, they should be considered loans.

Mr. Allen Roth, executive director, New York State Research Council on Privatization, testified in support of H.R. 1907, and suggested that it could be improved. Mr. Roth offered his experience reviewing New York State infrastructure assets, especially the New York airports.

Mr. Michael B. Cook, Director, Office of Wastewater Enforcement and Compliance, Environmental Protection Agency testified on the U.S. Environmental Protection Agency's water programs, and the crucial need for increased investment in infrastructure assets required to comply with the Clean Water Act and the Safe Drinking

Water Act. Mr. Cook noted that the official administration position would be available soon after the hearing.

Mr. John Dowd, senior vice president, Wheelabrator Clean Water Systems, Inc., testified about Wheelabrator's experience privatizing a wastewater treatment plant in Ohio based on Executive Order 12803, and provided extensive comments on H.R. 1907, offering suggestions for improvements.

Mr. James Barr, chairman of the board, National Association of Water Co.s testified in support of H.R. 1907 on behalf of private water companies. Barr noted the large capital investment requirements necessitated by current law.

Mr. Raymond Holdsworth, president, Daniel, Mann, Johnson and Mendenhall testified in support of H.R. 1907, and noted the importance of bringing private sector expertise to bear on solving America's infrastructure needs. Mr. Holdsworth also surveyed some of the larger projects on which his company was working, including the Alameda Corridor project.

Mr. Ralph L. Stanley, senior vice president, United Infrastructure Corp. testified in support of H.R. 1907. While supportive of the bill, Mr. Stanley believed that other barriers to privatization should be reduced. Mr. Stanley also advocated the increased use of toll roads.

Mr. John Collins, senior vice president, American Trucking Association testified in support of H.R. 1907, so long as several amendments were made protecting highway users from fee increases unless road improvements were made.

Mr. Viggo Butler, vice president, Airport Group International testified in support of H.R. 1907, and described his company's experience with operating privatized airports throughout the world, and his interest in providing capital and expertise to solve airport management problems in the United States.

Mr. John Yodice, general counsel, Aircraft Owners and Pilots Association testified that the inclusion of airports in H.R. 1907 was premature, since the Federal Aviation Administration would be considering airport rates and the bill should await that study before action.

Mr. Rod Grimm, president, Thicksten, Grimm, Burgum, Inc., testified that some of the practical difficulties of privatizing an asset, and offered suggestions tightening the bill's language to increase clarity.

Ms. Peggy Kelly, policy analyst, Service Employee's International Union testified in opposition to H.R. 1907. Ms. Kelly disagreed that privatization was the answer for providing new capital for public infrastructure projects and that privatization would endanger safety and threatens public employment.

e. Legislative Time Line.—

Jun 21, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Jun 26, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Nov 15, 1995 Subcommittee hearings held.

Jun 21, 1995 Referred to House Committee on Transportation and Infrastructure.

Jul 3, 1995 Referred to Subcommittee on Water Resources and Environment.

Jul 3, 1995 Referred to Subcommittee on Surface Transportation.

Jul 3, 1995 Referred to Subcommittee on Aviation.

Jul 3, 1995 Referred to Subcommittee on Railroads.

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

1. H.R. 2086, the Local Empowerment and Flexibility Act of 1995.

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 2086 is designed to help solve the longstanding problem of fragmentation of Federal Government programs to assist distressed communities and their residents. The bill would create a statutory framework to allow local governments greater flexibility in administering Federal funds. Applicants would submit a Flexibility Plan, including requested waivers of grant requirements to permit more effective and efficient use of Federal funds to meet plan goals. The plan would be reviewed and approved by a Flexibility Council comprised of Federal department heads or their designees.

c. Legislative History/Status.—H.R. 2086 was introduced in the House on July 20, 1995, by Congressman Christopher Shays (R–CT), chairman of the Human Resources and Intergovernmental Relations Subcommittee and by Congressman William F. Clinger, Jr. (R–PA), chairman of the Committee on Government Reform and Oversight.

d. Hearings and Committee Actions.—On August 3, 1995, the Human Resources and Intergovernmental Relations Subcommittee held a hearing on H.R. 2086. Testimony was received from: the Hon. Mark O. Hatfield (R–OR), U.S. Senator and former Governor of Oregon; the Director of Housing and Community Development Issues of the U.S. General Accounting Office; the Director of Intergovernmental Liaison of the Advisory Commission on Intergovernmental Relations; and the Director for the Center for Public Service of the University of Virginia representing the National Academy of Public Administration. Senator Hatfield is the sponsor of a similar Senate bill, S. 88. He spoke in favor of greater flexibility in order to better tailor Federal aid to local needs. Other witnesses also supported the concept of flexibility and offered comments and suggestions on workable procedures to accomplish it.

On September 20, 1995, the subcommittee held a second hearing on H.R. 2086. Testimony was received from: the Deputy Assistant for Operations of the Office of Community Planning and Development from the U.S. Department of Housing and Urban Development; the Deputy Director for Management for the Office of Management and Budget; the superintendent of public instruction for the State of Oregon; the chairman of the Governor's Task Force on Human Services Reform for the State of Illinois; a senior attorney for the Natural Resources Defense Council (NRDC) and the director of public division for the Services Employees International Union. The OMB witness spoke in general support of the concept

of flexibility for States, local governments, and Native American tribes, citing similar regulatory waiver authority in the administration's Empowerment Zone/Enterprise Community program. The NRDC and union witnesses questioned the need for local flexibility and expressed reservations about application of any flexibility mechanism to labor or environmental laws and regulations.

e. Legislative Time Line.—

Jul 20, 1995 Referred to House Committee on Government Reform and Oversight.

Jul 27, 1995 Referred to Subcommittee on Human Resources and Intergovernmental Relations.

Aug 3, 1995 Subcommittee hearings held.

Sep 20, 1995 Subcommittee hearings held.

2. *H.R. 2326: The Health Care Fraud and Abuse Prevention Act of 1995 and H.R. 1850: The Health Care Fraud and Abuse Act of 1995.*

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 2326 and H.R. 1850 are designed to combat waste, fraud and abuse in the Medicare and Medicaid programs through increased cooperation and coordination between regulators and law enforcement agencies.

c. Legislative History/Status.—H.R. 2326 was introduced in the House on September 13, 1995, by Chairman Christopher Shays (R–CT), of the Human Resources and Intergovernmental Relations Subcommittee and Congressman Steven Schiff (R–NM). Joining Representatives Schiff and Shays as original cosponsors were chairman of the Committee on Government Reform and Oversight, William F. Clinger, Jr. (R–PA) and Congressmen Edolphus Towns (D–NY), Jon Fox (R–PA) and Charles Schumer (D–NY). Currently, the bill has 33 cosponsors.

d. Hearings and Subcommittee Actions.—On September 28, 1995, the Human Resources and Intergovernmental Relations Subcommittee held a hearing on H.R. 2326. Testimony was received from: the Special Counsel for Health Care Fraud from the U.S. Department of Justice; the Deputy Administrator from the Health Care Financing Administration; a past president from the American Association of Retired Persons; the executive director of the National Health Care Anti-fraud Association; and the president of Citizens Against Government Waste.

Testimony focused on the need for stronger and more specific criminal sanctions against health care fraud. Witnesses supported "all payer" provisions defining various Federal health care crimes against any health care plan. Currently, Federal enforcement agencies must proceed against interstate scams using only the mail fraud or wire fraud statutes. Strengthened provisions to exclude convicted and sanctioned providers were also supported.

Witnesses who submitted statements for the record included: the Inspector General of the Department of Health and Human Services; president of the National Association of Medicaid Fraud Control Units; and president of Citizens Against Government Waste.

e. Legislative Time Line.—

Sep 13, 1995 Referred to the Committee on the Judiciary, and in addition to the Committees on Government Reform and Oversight,

Ways and Means, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Oct 2, 1995 Referred to Subcommittee on Crime.

Sep 13, 1995 Referred to House Committee on Government Reform and Oversight.

Sep 15, 1995 Referred to Subcommittee on Human Resources and Intergovernmental Relations.

Sep 28, 1995 Subcommittee hearings held.

Sep 15, 1995 Referred to Subcommittee on Government Management, Information, and Technology.

Sep 13, 1995 Referred to House Committee on Ways and Means.

Sep 15, 1995 Referred to Subcommittee on Health.

Sep 13, 1995 Referred to House Committee on Commerce.

Sep 18, 1995 Referred to Subcommittee on Health and Environment, for a period to be subsequently determined by the Speaker.

NATIONAL ECONOMIC GROWTH, NATURAL RESOURCES, AND REGULATORY AFFAIRS SUBCOMMITTEE

1. H.R. 450, the Regulatory Transition Act of 1995.

a. Report Number and Date.—Report No. 104–39, Pt. I, February 16, 1995, together with minority views.

b. Summary of Measure.—Prior to the start of the 104th Congress, Republican leaders of the House of Representatives and the Senate wrote the President of the United States to ask that he voluntarily impose a moratorium on all Federal rulemaking for the first 100 days of the 104th Congress. (See letter from House and Senate Leaders to President William Clinton dated December 12, 1994, reprinted in House Rept. 104–39, Pt. 1, pp. 37–38.) This request was based on the fact that Federal regulations are estimated to drain the American economy of approximately $600 billion every year, and that current law does not adequately ensure that such regulations are justified in terms of their overall impact. Congressional leaders proposed to the President that, during the moratorium, all Federal agencies be directed to: (1) identify regulations in which the costs exceed the benefits; (2) recommend actions to eliminate unnecessary regulatory burdens; (3) recommend ways to give State, local and tribal governments more flexibility to meet Federal mandates; and (4) share their information and analysis with Congress.

The President refused to issue such a moratorium in a December 14, 1994 letter signed by Sally Katzen, of OMB's Office of Information and Regulatory Affairs. (See House Rept. 104–39, Pt. 1, pp. 38–39).

As a result, Congressmen Tom Delay (R–TX) and David McIntosh (R–IN), along with 32 other House co-sponsors, introduced the Regulatory Transition Act of 1995 on January 9, 1995. That bill sought to ensure economy and efficiency of Federal Government operations by establishing, through statute, a moratorium on regulatory rulemaking actions.

That bill, as amended, was eventually passed by the House of Representatives. The Senate has failed to act on H.R. 450, but is actively pursuing other bills that enact regulatory reform.

c. Legislative History/Status.—Following its introduction on January 9, 1995, H.R. 450 was referred to the Committee on Government Reform and Oversight. Within that committee, the bill was referred to the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs for consideration.

The subcommittee held two hearings into the merits of the bill—on January 19, 1995, in Washington, DC, and on February 2, 1995, in Fairfax, VA. At these hearings, 28 witnesses testified about the state of regulatory affairs, the need for a moratorium, and the merits of the particulars contained in H.R. 450. Following those hearings, the subcommittee held a mark-up on the bill on February 8, 1995, at the conclusion of which, the subcommittee voted 10 to 4 to report the bill, as amended, favorably to the full committee.

On February 10 and 13, 1995, the committee marked up the bill. On February 13, 1995, the committee voted 28 to 13 to report the bill, as amended, favorably to the House (Report No. 104–39, Pt. I).

The bill was debated in the House of Representatives on February 23 and 24, 1995. Following debate, it was passed, as amended, by electronic vote, 276 to 146.

On February 27, 1995, the bill was received in the Senate, and referred to the Senate Committee on Governmental Affairs. No action was taken on H.R. 450 by the Senate in the first session of the 104th Congress. However, the Senate did take action on S. 219, a companion piece of legislation to H.R. 450. That bill was passed by the Senate on March 29, 1995, by a unanimous vote of 100 to 0. On May 17, 1995, the House of Representatives amended S. 219 by replacing its text with the text of H.R. 450 (as passed by the House). The Senate, in turn, disagreed to the House's amendment and requested a conference on June 16, 1995. The House did not respond to the Senate's request for a conference in the first session of the 104th Congress.

d. Hearings and Subcommittee Actions.—January 19, 1995, the Regulatory Transition Act of 1995. February 2, 1995, in Fairfax, VA, the Regulatory Transition Act of 1995 and Clean Air Regulations.

e. Legislative Time Line.—

Jan 9, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Jan 15, 1995 Referred to Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs.

Jan 19, 1995 Subcommittee hearings held.

Feb 2, 1995 Field hearing held in Fairfax, VA.

Feb 8, 1995 Subcommittee Consideration and Mark-up Session held.

Feb 8, 1995 Forwarded by subcommittee to full committee (Amended) by the Yeas and Nays: 10–4.

Feb 10, 1995 Committee Consideration and Mark-up Session held.

Feb 13, 1995 Committee Consideration and Mark-up Session held.

Feb 13, 1995 Ordered to be Reported (Amended) by the Yeas and Nays: 28–13.

Feb 16, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–39 (Pt. I).

Feb 22, 1995 Committee on Rules, by a Recorded Vote of 8 to 4, Granted a Modified Open Rule Providing One Hour of Debate; Making in Order the Government Reform and Oversight Committee Amendment in the Nature of a Substitute as an Original Bill; Providing a Ten Hour Time Limit on the Amendment Process; Giving Priority Recognition to Members who have Pre-Printed their Amendments in the Congressional Record Prior to their Consideration; Providing One Motion to Recommit, With or Without Instructions.

Feb 22, 1995 Rules Committee Resolution H. Res. 93 Reported to House.

Feb 23, 1995 Rule Passed House.

Feb 23, 1995 Called up by House by Rule.

Feb 23, 1995 Committee of the Whole House on the state of the Union rises leaving H.R. 450 as unfinished business.

Feb 23, 1995 Considered by House Unfinished Business.

Feb 24, 1995 Considered by House Unfinished Business.

Feb 24, 1995 Committee Amendment in the Nature of a Substitute Considered as an Original Bill for the Purpose of Amendment.

Feb 24, 1995 House Agreed to Amendments Adopted by the Committee of the Whole. Agreed to by Division vote: 132–91.

Feb 24, 1995 Motion to Recommit with Instructions Failed in House by Yea-Nay Vote: 172–250 (Record Vote No. 173).

Feb 24, 1995 Passed House (Amended) by Recorded Vote: 276–146 (Record Vote No. 174).

Feb 27, 1995 Received in the Senate.

Feb 27, 1995 Referred to Senate Committee on Governmental Affairs.

Feb 22, 1995 House Committee on Rules Reported an Original Measure. Report No. 104–45.

Feb 22, 1995 Placed on House Calendar No. 20.

Feb 23, 1995 Called up by House as Privileged Matter.

Feb 23, 1995 Resolution Agreed to in House by Yea-Nay Vote: 252–175 (Record Vote No. 159).

Jan 9, 1995 Referred to House Committee on the Judiciary.

Jan 25, 1995 Referred to Subcommittee on Commercial and Administrative Law.

Senate Version S. 219

Jan 12, 1995 Referred to Senate Committee on Governmental Affairs.

Feb 22, 1995 Committee on Governmental Affairs. Hearings held.

Mar 7, 1995 Committee Consideration and Mark-up Session held.

Mar 9, 1995 Committee Consideration and Mark-up Session held.

Mar 9, 1995 Ordered to be Reported (amended).

Mar 16, 1995 Reported to Senate (Amended) by Senate Committee on Governmental Affairs Report No. 104–15.

Mar 16, 1995 Placed on Senate Legislative Calendar under General Orders. Calendar No. 33.

Mar 28, 1995 Measure laid before Senate by Unanimous Consent.

Mar 28, 1995 The amendment SP 413 as previously agreed to was modified by Unanimous Consent.

Mar 28, 1995 The amendment SP 412 as previously agreed to was modified by Unanimous Consent.

Mar 28, 1995 The amendment SP 414 as previously agreed to was modified by Unanimous Consent.

Mar 28, 1995 The amendment SP 415 as previously agreed to was modified by Unanimous Consent.

Mar 29, 1995 Passed Senate (amended) by Yea-Nay Vote: 100–0 (Record Vote No. 117).

May 16, 1995 Rules Committee Resolution H. Res. 148 Reported to House.

May 17, 1995 Considered in House by Motion.

May 17, 1995 House Struck All After the Enacting Clause and Substituted the Language of H.R. 450.

May 17, 1995 Passed House (Amended) by Voice Vote.

Jun 16, 1995 Senate disagreed to the House amendment.

Jun 16, 1995 Senate requested a conference.

Jun 16, 1995 The Senate appointed conferees: Stevens, Nickles, Thompson, Grassley, Glenn, Levin, and Reid.

2. H.R. 994, the Regulatory Sunset and Review Act of 1995.

a. Report Number and Date.—Report No. 104–284, Pt. 1, October 19, 1995, together with additional views; Report No. 104–248, Pt. 2, November 7, 1995, together with additional views (Committee on the Judiciary).

b. Summary of Measure.—H.R. 994, the Regulatory Sunset and Review Act of 1995, provides a framework for the systematic review of current and future Federal rules. The bill requires Federal agencies to periodically review their significant rules to determine whether the rules should be continued without change, modified, consolidated with other rules, or allowed to terminate. The legislation also creates a petition process that would permit the public and appropriate committees of Congress to request that agencies review less significant rules in the same manner.

A rule designated for review will not expire if the issuing agency reviews and reissues it in accordance with the procedures established by the bill and the rule meets all the legal requirements that apply to the issuance of new rules. This legislation will help ensure that obsolete, unnecessary, duplicative, or conflicting rules are reviewed and either modified or terminated.

c. Legislative History/Status.—H.R. 994 was introduced by Reps. Jim Chapman, John Mica, Tom DeLay, Nathan Deal, and Gene Green on February 21, 1995, and referred to the Committee on Government Reform and Oversight and the Committee on the Judiciary. On May 18, 1995, the subcommittee reported H.R. 994 to the full committee, with a bipartisan amendment in the nature of a substitute cosponsored by over two-thirds of the subcommittee

members. On July 18, 1995, the committee approved H.R. 994 on a recorded vote of 39–7 and ordered it to be reported, with an amendment in the nature of a substitute offered by Chairman Clinger. On October 19, 1995, the committee reported the bill to the House. On November 7, 1995, the Committee on Judiciary reported H.R. 994 favorably with an amendment in the nature of a substitute.

d. Hearings and Subcommittee Actions.—On March 28, 1995, subcommittee Chairman McIntosh convened the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs for the first day of hearings on H.R. 994. The witnesses at the hearing included Reps. Jim Chapman and John Mica, OIRA Administrator Sally Katzen, former Associate Counsel to the President and regulatory expert, Gene Schaerr, and private citizens and business people concerned about Federal regulations, including Mr. Charles Bechtel, Ms. Kaye Whitehead, Mr. Steven Dean, Mr. Joe Bob Burgin, Mr. Paul Mashburn, and Mr. David Vladeck.

At the request of four minority members of the subcommittee, subcommittee Chairman McIntosh scheduled a second day of hearings with additional testimony heard from administration witnesses. On May 2, 1995, the subcommittee reconvened and heard testimony from Richard Roberts, Commissioner of the Securities Exchange Commission, Ms. Judith Feder, Principal Deputy Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services, Mr. James Gililand, General Counsel for the Department of Agriculture, Mr. Edward Knight, General Counsel for the Department of the Treasury, Mr. Stephen Kaplan, General Counsel for the Department of Transportation, and Mr. William Kennard, General Counsel for the Federal Communications Commission. In addition to the testimony of the hearing witnesses, the subcommittee received written testimony from a variety of sources, including the President of the American National Standards Institute (ANSI), Sergio Mazza.

e. Legislative Time Line.—

Feb 21, 1995 Referred to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Feb 24, 1995 Referred to Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs.

Mar 28, 1995 Subcommittee hearings held.

May 2, 1995 Subcommittee hearings held.

May 18, 1995 Subcommittee Consideration and Mark-up Session held.

May 18, 1995 Forwarded by subcommittee to full committee in the Nature of a Substitute by Voice Vote.

Jul 18, 1995 Committee Consideration and Mark-up Session held.

Jul 18, 1995 Ordered to be Reported (Amended) by the Yeas and Nays: 39–7.

Oct 19, 1995 Reported to House (Amended) by House Committee on Government Reform and Oversight Report No. 104–284 (Pt. I).

Feb 21, 1995 Referred to House Committee on the Judiciary.

Oct 19, 1995 House Committee on the Judiciary Granted an Extension for Further Consideration Ending not Later Than November 3, 1995.

Nov 3, 1995 House Committee on the Judiciary Granted an Extension for Further Consideration Ending not Later Than November 7, 1995.

Mar 15, 1995 Referred to Subcommittee on Commercial and Administrative Law.

Oct 31, 1995 Subcommittee on Commercial and Administrative Law Discharged.

Oct 31, 1995 Committee Consideration and Mark-up Session held.

Oct 31, 1995 Ordered to be Reported (Amended) by Voice Vote.

Nov 7, 1995 Reported to House (Amended) by House Committee on the Judiciary Report No. 104–284 (Pt. II).

Oct 26, 1995 Referred to House Committee on Commerce Sequentially, for a Period Ending not Later Than November 3, 1995.

Nov 3, 1995 House Committee on Commerce Discharged by Unanimous Consent.

Nov 7, 1995 Placed on Union Calendar No. 165.

3. Grantee Lobbying Legislation.

For a description of legislative proposals to stop Welfare for Lobbyists, see II. Investigations, section B, "Grantee Lobbying."

4. Corrections Day.

a. Summary.—The purpose of Corrections Day is to correct rules, regulations, statutory laws, and court decisions which impose a severe financial burden, or are ambiguous, arbitrary, or ludicrous, through an expedited process in the U.S. House of Representatives. Five months after passage of H. Res. 168 designating the Corrections Calendar, the House has held six Corrections Days and passed 11 bills. Three of these bills have become law. Seven bills remain to be considered by the Senate.

b. Benefits.—Through the Corrections Day process, the U.S. House of Representatives has routinely corrected dumb laws and regulations in an expeditious manner, answering the call of American citizens for responsive public officials.

c. Hearings.—On May 2, 1995, the subcommittee and the Subcommittee on Rules and Organization of the House held a joint hearing on Speaker Newt Gingrich's proposal to create a "Corrections Day" in the House of Representatives specifically for correcting legislative and regulatory mistakes.

POSTAL SERVICE SUBCOMMITTEE

1. H.R. 1026, To Designate the United States Post Office Building Located at 201 East Pikes Peak Avenue in Colorado Springs, Colorado, as the "Winfield Scott Stratton Post Office".

a. Report Number and Date.—None.

b. Summary of Measure.—The bill designates the U.S. Post Office building located at 201 East Pikes Peak Avenue in Colorado Springs, CO as the "Winfield Scott Stratton Post Office". The late Mr. Stratton was a Colorado Springs philanthropist and benefactor.

Following a successful mining career Mr. Stratton dedicated his life to helping others less fortunate and to advancing the development of Colorado Springs and the State of Colorado.

c. Legislative History/Status.—The legislation was introduced on February 23, 1995, by Representative Hefley of Colorado and cosponsored by the entire Colorado House delegation, as required by the Committee on Government Reform and Oversight. The Subcommittee on Postal Service considered and marked-up the bill on June 20, 1995, and was forwarded to the full committee. On June 21, H.R. 1026 was ordered to be reported by voice vote by the Committee on Government Reform and Oversight. H.R. 1026 was called up by the House under suspension of rules on October 17 where it passed by voice vote. It passed the Senate by voice vote on October 24 and was signed by the President on November 3, 1995, and became Public Law 104–44.

d. Hearings and Subcommittee Actions.—No hearings were held on the measure.

e. Legislative Time Line.—

Feb 23, 1995 Referred to House Committee on Government Reform and Oversight.

Feb 27, 1995 Referred to Subcommittee on Postal Service.

Jun 20, 1995 Subcommittee Consideration and Mark-up Session held.

Jun 20, 1995 Forwarded by subcommittee to full committee.

Jun 21, 1995 Committee Consideration and Mark-up Session held.

Jun 21, 1995 Ordered to be Reported by Voice Vote.

Oct 17, 1995 Called up by House Under Suspension of Rules.

Oct 17, 1995 Passed House by Voice Vote.

Oct 18, 1995 Received in the Senate, read twice.

Oct 24, 1995 Passed Senate by Voice Vote.

Oct 24, 1995 Cleared for White House.

Oct 26, 1995 Presented to President.

Nov 3, 1995 Signed by President.

Nov 3, 1995 Became Public Law No. 104–44.

2. H.R. 2077, To Designate the United States Post Office Building Located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building".

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 2077 designates that the U.S. Post Office located at 33 College Avenue in Waterville, ME, as the "George J. Mitchell Post Office Building". The legislation honors Senator Mitchell who served in the U.S. Senate from 1980 to 1995. He served as Senate Majority Leader for 5 years and has a long career in public service.

c. Legislative History/Status.—H.R. 2077 was introduced by Representative Longley on July 18, 1995, and cosponsored by the House delegation of the State of Maine. It was referred to the House Committee on Government Reform and Oversight on August 4, 1995, and the committee discharged the bill. The House called up H.R. 2077 by unanimous consent and the measure was passed by voice vote on August 4. The Senate approved the bill by voice

vote on August 9, 1995. The President signed H.R. 2077 on September 6, 1995, and it became Public Law 104–27.

d. Hearings and Subcommittee Actions.—No hearings were held on this legislation.

e. Legislative Time Line.—

Jul 20, 1995 Referred to House Committee on Transportation and Infrastructure.

Aug 3, 1995 Referred to Subcommittee on Public Buildings and Economic Development.

Aug 4, 1995 House Committee on Transportation and Infrastructure discharged.

Aug 4, 1995 Referred to House Committee on Government Reform and Oversight.

Aug 4, 1995 House Committee on Government Reform and Oversight discharged.I21Aug 4, 1995 Called up by House by Unanimous Consent.

Aug 4, 1995 Passed by House by Voice Vote.

Aug 7, 1995 Received in the Senate, read twice.

Aug 9, 1995 Passed Senate by Voice Vote.

Aug 9, 1995 Cleared for White House.

Aug 28, 1995 Presented to President.

Sep 6, 1995 Signed by President.

Sep 6, 1995 Became Public Law No. 104–27.

3. H.R. 1826, To Repeal the Authorization of Transitional Appropriations for the United States Postal Service, and for Other Purposes.

a. Report Number and Date.—House Report No. 104–174, July 10, 1995.

b. Summary of Measure.—H.R. 1826 repeals the authorization for transitional appropriations to the Postal Service. The transitional appropriations provided funds to the Postal Service to cover workers compensation liabilities incurred by the former Post Office Department. The bill provides that liabilities of the former Post Office Department to the Employees' Compensation Fund shall be liabilities of the Postal Service payable out of the Postal Service Fund.

c. Legislative History/Status.—The bill was introduced by Chairman McHugh on June 13, 1995, and referred to the Subcommittee on Postal Service. The subcommittee considered and marked up the legislation on June 20, 1995. It was forwarded to full committee which marked up the bill on June 21, 1995, and ordered it to be reported. H.R. 1826 was reported to the House by the Committee on Government Reform and Oversight, Report No. 104–174. H.R. 1826 was subsequently included in the Balanced Budget Act of 1995, H.R. 2491, Report No. 104–350.

d. Hearings and Subcommittee Actions.—No hearings were held on this measure.

e. Legislative Time Line.—

Jun 13, 1995 Referred to House Committee on Government Reform and Oversight.

Jun 16, 1995 Referred to Subcommittee on Postal Service.

Jun 20, 1995 Subcommittee Consideration and Mark-up Session held.

Jun 20, 1995 Forwarded by subcommittee to full committee.
Jun 21, 1995 Committee Consideration and Mark-up Session held.
Jun 21, 1995 Ordered to be Reported by Voice Vote.
Jul 10, 1995 Reported to House by House Committee on Government Reform and Oversight Report No. 104–174.
Jul 10, 1995 Placed on Union Calendar No. 85.

4. H.R. 210, a Bill To Provide for the Privatization of the United States Postal Service.

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 210 establishes the current Postal Service as a private corporation with ownership divested among its employees. The measure provides for incorporation by up to nine individuals who are qualified to establish and operate an effective mail service. Ownership of securities would be limited to postal employees during the first year and then sold to the general public. The new structure would operate under some of the same restrictions under which the current Postal Service operates. Small or rural post offices could not be closed solely for operating at a deficit. Rates would have to meet the "fair and equitable" criterion. During the first 5 years of the corporation's existence, rates would be established in consultation with the Postal Rate Commission. Retirement benefits would be comparable to the benefits of current postal employees.

c. Legislative History/Status.—H.R. 210 was introduced on January 4, 1995, by Representative Philip M. Crane. It has two cosponsors.

d. Hearings and Subcommittee Actions.—On November 15, 1995, the Subcommittee on the Postal Service held a hearing on H.R. 210. Representatives Philip Crane and Dana Rohrabacher testified in support of the measure.

e. Legislative Time Line.—

Jan 4, 1995 Referred to House Committee on Government Reform and Oversight.
Jan 15, 1995 Referred to Subcommittee on Postal Service.
Nov. 15, 1995 Subcommittee hearing held.

5. H.R. 1963, "The Postmark Prompt Payment Act of 1995."

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 1963 provides that the postmark on the envelope paying a bill, invoice, or statement of account due stands as prima facie evidence of timely payment if postmarked on or before the due date. The legislation is intended to remedy the problem of bill payers who pay their bills on time but are assessed late fees and interest charges because delays, over which they have no control, result in the actual delivery of their payment in an untimely fashion. The use of the postmark has precedence in contract law. Additionally, the Internal Revenue Service uses the postmark on envelopes as proof that taxpayers mailed income tax returns on or before the April 15 deadline, regardless of when the IRS received payment. H.R. 1963 specifies that the envelope would have to be correctly addressed with adequate postage affixed to it. The provisions of the bill would not apply to any other type of payment

other than a bill, invoice or statement of account due. H.R. 1963 excludes metered mail.

c. Legislative History/Status.—H.R. 1963 was introduced on June 29, 1995, by subcommittee Chairman McHugh. The measure has 34 cosponsors.

d. Hearings and Subcommittee Actions.—On October 19, 1995, the Subcommittee on the Postal Service held a hearing on H.R. 1963, "The Postmark Prompt Payment Act of 1995." At that hearing, the following witnesses testified in support of the measure: Representatives Peter Blute; Carlos Romero-Barcelo; Sherwood Boehlert; Andy Jacobs; Thomas Barrett; Steve Stockman; Mark Silbergeld, director of the Washington Office of Consumers Union; and Bruce Williams, radio talk show host. The following Members of Congress submitted written statements in support of the measure: Representatives Peter King; James Walsh; Peter Blute; Carlos Romero-Barcelo; Rick Lazio; and Thomas M. Davis. Written statements were also received from the American Bankers Association, Countrywide Funding, Chase Manhattan Bank, Consumers Bankers Association, GE Capital Mortgage Services, Inc., Visa U.S.A. Inc., MasterCard International Inc., USAA, and National Retail Federation.

e. Legislative Time Line.—

Jun 29, 1995 Referred to House Committee on Government Reform and Oversight.

Jul 6, 1995 Referred to Subcommittee on Postal Service.

Oct 19, 1995 Subcommittee hearing held.

6. H.R. 1398, To Designate the United States Post Office Located at 1203 Lemay Ferry Road, St. Louis, Missouri as the "Charles J. Coyle Post Office Building".

a. Report Number and Date.—None.

b. Summary of Measure.—The bill was introduced by Representative Clay of Missouri on April 5, 1995, and was cosponsored by the entire House delegation of the State of Missouri as required by the Committee on Government Reform and Oversight. The bill designates the U.S. Post Office building located at 1203 Lemay Ferry Road, St. Louis, MO as the "Charles J. Coyle Post Office Building". Mr. Coyle was a U.S. Army veteran and career postal worker. Mr. Coyle died on February 18, 1995.

c. Legislative History/Status.—The bill was referred to the Subcommittee on Postal Service on April 7, 1995. The Committee on Government Reform and Oversight considered and marked-up the bill on December 14, 1995, and ordered it to be reported. On December 19, H.R. 1398 was called up by the House under suspension of rules and the measure passed by voice vote. The Senate received it the same day and referred it to the Senate Committee on Governmental Affairs.

d. Hearings and Committee Actions.—No hearings were held on the measure.

e. Legislative Time Line.—

Apr 5, 1995 Referred to House Committee on Government Reform and Oversight.

Apr 7, 1995 Referred to Subcommittee on Postal Service.

Dec 14, 1995 Committee Consideration and Mark-up Session held.

Dec 14, 1995 Ordered to be Reported.

Dec 19, 1995 Called up by House Under Suspension of Rules.

Dec 19, 1995 Passed House by Voice Vote.

Dec 19, 1995 Received in the Senate.

Dec 19, 1995 Referred to Senate Committee on Governmental Affairs.

7. H.R. 1606, To Designate the United States Post Office Building Located at 24 Corliss Street, Providence, Rhode Island, as the "Harry Kizirian Post Office Building".

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 1606 designates the U.S. Post Office Building located at 24 Corliss Street, Providence, RI as the "Harry Kizirian Post Office Building". It honors Mr. Kizirian, a World War II Marine veteran and former Providence Postmaster.

c. Legislative History/Status.—The bill was introduced by Representative Reed on May 10, 1995, and referred to the Subcommittee on Postal Service. H.R. 1606 was cosponsored by the House members of the Rhode Island delegation. The subcommittee marked up the legislation on June 20, 1995, and forwarded it to full committee which marked up the bill and ordered it to be reported by voice vote. H.R. 1606 was called up by the House under suspension of the rules where it passed by voice vote on October 17, 1995. The measure was amended and approved by the Senate on October 24, 1995. The House disagreed to Senate amendments, Jan. 5, 1996, and the Senate receded from its amendments the same day. (Legislative day of Jan. 3, 1996)

d. Hearings and Subcommittee Actions.—No hearings were held on the legislation.

e. Legislative Time Line.—

May 10, 1995 Referred to House Committee on Government Reform and Oversight.

May 12, 1995 Referred to Subcommittee on Postal Service.

Jun 20, 1995 Subcommittee Consideration and Mark-up Session held.

Jun 20, 1995 Forwarded by subcommittee to full committee.

Jun 21, 1995 Committee Consideration and Mark-up Session held.

Jun 21, 1995 Ordered to be Reported by Voice Vote.

Oct 17, 1995 Called up by House Under Suspension of Rules.

Oct 17, 1995 Passed House by Voice Vote.

Oct 18, 1995 Received in the Senate, read twice.

Oct 24, 1995 Measure laid before Senate.

Oct 24, 1995 Passed Senate (amended) by Voice Vote.

Jan 5, 1996 House disagreed to Senate amendments Jan. 5, 1996.

Jan 5, 1996 Senate receded from its amendments Jan. 5, 1996. (Jan 5, 1996 is legislative day Jan 3, 1996)

8. H.R. 1880, To Designate the United States Post Office Located at 102 South McLean, Lincoln, Illinois as the "Edward Madigan Post Office Building".

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 1880 honors the late Edward Madigan by naming the U.S. Post Office located at 102 South McLean, Lincoln, IL after him. Mr. Madigan, a native of Lincoln, IL, served 10 terms in the House of Representatives and was the 24th Secretary of Agriculture.

c. Legislative History/Status.—Representative LaHood introduced the measure on June 16, 1995, and the measure was referred to the Subcommittee on Postal Service on June 19. The bill was cosponsored by the entire House delegation of the State of Illinois. The committee considered and marked up the legislation on December 14, 1995, and it was ordered to be reported. H.R. 1880 was called up by the House under suspension of rules on December 19, 1995, and passed by voice vote. The measure was received in the Senate that day and referred to the Senate Committee on Governmental Affairs.

d. Hearings and Subcommittee Actions.—No hearings were held on this bill.

e. Legislative Time Line.—

Jun 16, 1995 Referred to House Committee on Government Reform and Oversight.

Jun 19, 1995 Referred to Subcommittee on Postal Service.

Dec 14, 1995 Committee Consideration and Mark-up Session held.

Dec 14, 1995 Ordered to be Reported.

Dec 19, 1995 Called up by House Under Suspension of Rules.

Dec 19, 1995 Passed House by Voice Vote.

Dec 19, 1995 Received in the Senate.

Dec 19, 1995 Referred to Senate Committee on Governmental Affairs.

9. H.R. 2262, To Designate the United States Post Office Located at 218 North Alston Street in Foley, Alabama as the "Holk Post Office Building".

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 2262 designates that the U.S. Post Office Building located at 218 North Alston Street in Foley, AL as the "Holk Post Office Building". It honors Arthur A. Holk and his father, George Holk, both of whom served as mayor of the city of Foley. Both father and son participated actively in various city organizations and on the city and county school boards.

c. Legislative History/Status.—H.R. 2262 was introduced on September 6, 1995, by Representative Callahan. The bill was cosponsored by all the House members of the Alabama delegation. The committee considered and marked up the bill on December 14, 1995, when it was ordered to be reported. On December 19, 1995, H.R. 2262 was called up by the House under suspension of the rules and passed the House by voice vote. It was received in the Senate the same day and referred to the Senate Committee on Governmental Affairs.

d. Hearings and Subcommittee Actions.—No hearings were held on this legislation.

e. Legislative Time Line.—

Sep 6, 1995 Referred to House Committee on Government Reform and Oversight.

Sep 8, 1995 Referred to Subcommittee on Postal Service.

Dec 14, 1995 Committee Consideration and Mark-up Session held.

Dec 14, 1995 Ordered to be Reported.

Dec 19, 1995 Called up by House Under Suspension of Rules.

Dec 19, 1995 Passed House by Voice Vote.

Dec 19, 1995 Received in the Senate.

Dec 19, 1995 Referred to Senate Committee on Governmental Affairs.

10. H.R. 2704, a Bill To Provide That the United States Post Office building Located on the 2600 block of East 75th Street in Chicago, Illinois Shall Be Known as the "Charles A. Hayes Post Office Building".

a. Report Number and Date.—None.

b. Summary of Measure.—H.R. 2704 provides that the U.S. Post Office building that is to be located on the 2600 block of East 75th Street in Chicago, IL, shall be known and designated as the "Charles A. Hayes Post Office Building". The legislation honors former Representative Charles Hayes who was elected to Congress in 1983. Prior to his departure from Congress, Mr. Hayes served as chairman of the Subcommittee on Postal Personnel and Modernization of the former Committee on Post Office and Civil Service.

c. Legislative History/Status.—H.R. 2704 was introduced by Representative Collins of Illinois on December 5, 1995. The committee considered and marked up the measure on December 14, 1995, and ordered it to be reported as amended. The amendment reflected the correct address of the facility. H.R. 2704 was called up by the House under suspension of the rules on December 19, 1995, and the measure passed by voice vote in the same form as passed in committee. The amended bill was received in the Senate the same day and referred to the Senate Committee on Governmental Affairs.

d. Hearings and Subcommittee Actions.—No hearings were conducted on this legislation.

e. Legislative Time Line.—

Dec 5, 1995 Referred to House Committee on Government Reform and Oversight.

Dec 7, 1995 Referred to Subcommittee on Postal Service.

Dec 14, 1995 Committee Consideration and Mark-up Session held.

Dec 14, 1995 Ordered to be Reported (Amended).

Dec 19, 1995 Called up by House Under Suspension of Rules.

Dec 19, 1995 Passed House (Amended) by Voice Vote.

Dec 19, 1995 Received in the Senate.

Dec 19, 1995 Referred to Senate Committee on Governmental Affairs.

B. REVIEW OF LAWS WITHIN COMMITTEE'S JURISDICTION

1. Federal Property and Administrative Services Act of 1949, as Amended June 30, 1949, 63 Stat. 377 (the Act) (40 U.S.C. Section 471 et seq.; Public Law 152, 81st Congress)

This law provides the Federal Government with a system for procurement of personal property and nonpersonal services, for storage and issues of such property, for transportation and traffic management; for further utilization and disposal of surplus property, and for management authority was modified in 1985. GSA's original responsibilities were enacted as part of title 44, U.S. Code. The committee has amended certain sections of the 1949 Act.

With respect to Title III (Procurement Procedure), H.R. 1670, reported by the Committee on August 1, 1995, as House Report 104–222, Pt. I, would amend contract solicitation provisions, provide for preaward debriefings, amend preaward qualification requirements and replace these provisions with a contractor performance system; amend all commercial items from the Truth in Negotiations Act; and apply simplified acquisition procedures to all commercial items regardless of their dollar value.

Division D of Public Law 104–106, the Federal Acquisition Reform Act of 1996, retains the provisions regarding commercial item purchasing in modified form. The law also maintains the original language authorizing preaward debriefings for excluded offerors where appropriate.

Division E of Public Law 104–106, the Information Technology and Reform Act of 1996, includes a Senate provision that would require agencies to inventory all agency computer equipment and to identify excess or surplus property in accordance with title II of the Act. The statement of the committee of conference on S. 1124, which became Public Law 104–106, contains a direction of the conferees that GSA, exercising current authority under title II of the Act, should issue regulations that would provide for donation of such equipment under title II on the basis of this priority: (1) elementary and secondary schools and schools funded by the Bureau of Indian Affairs; (2) public libraries; (3) public colleges and universities; and (4) other entities eligible for donation under the Act.

2. Brooks Automatic Data Processing Act (40 U.S.C. 759)

This provision of law is found at section 111 of the Federal Property and Administrative Services Act (the Act). It provides the authority to coordinate and provide for the purchase, lease, and maintenance of automatic data processing equipment for all Federal agencies through the Administrator of General Services. It also provides authority for the General Services Board of Contract Appeals to review any decision by a contracting officer that is alleged to violate a statute, a regulation, or the conditions of a delegation of procurement authority.

Division E of Public Law 104–106 repeals section 111 of the Act. It provides authority for the acquisition of information technology within each of the Federal agencies and gives the Office of Management and Budget the responsibility for coordinating government-wide information technology management and purchasing. It also

establishes the General Accounting Office as the sole independent administrative forum for bid protests.

3. Office of Federal Procurement Policy Act (41 U.S.C. Section 401 et seq., 88 Stat. 796, Public Law 93–400)

The Office of Federal Procurement Policy (OFPP) Act established OFPP within the Office of Management and Budget to promote economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch of the Federal Government and to provide governmentwide procurement policies, regulations, procedures, and forms.

H.R. 1760, reported by the Committee on August 1, 1995, as House Report 104–222, Pt. I, would revise the current OFPP Act to provide for improved definitions of competition requirements; to establish an alternative quality-based pre-qualification system for meeting the government's recurring needs; to exempt commercial items from the Truth in Negotiations Act and the Cost Accounting Standards; to add a new section to encourage the government's reliance on the private sector sources for goods and services; to revise and simplify Procurement Integrity provisions; to remove certain certification requirements currently in statute and other regulatory certifications (unless justified); to add a new section providing that each executive agency establish and maintain effective value engineering processes and procedures; and to establish a series of policies and procedures for the management of the acquisition workforce in civilian agencies.

Division D of Public Law 104–106 contains many of the provisions of House Report 104–222 in addition to other changes to the OFPP Act. The provisions of Public Law 104–106 include: exempting commercial item purchases from the Truth in Negotiations Act and Cost Accounting Standards; removing certain unnecessary certification requirements; providing for the inapplicability of certain procurement laws to commercially available off-the-shelf items; extending authority for executive agencies to establish and maintain cost-effective, value engineering procedures and processes; establishing a series of policies and procedures for the management of the acquisition workforce in the civilian agencies. It also repeals the current procurement integrity provisions and their certification requirements. New language provides for the protection of confidential procurement information by prohibiting both the disclosure and receipt of such information and imposing criminal and civil penalties for violations. There also is a limited ban on contacts between government officials and industry contractors, as well as governmentwide "revolving door" restrictions.

4. The Competition in Contracting Act of 1984 (41 U.S.C. 253, 98 Stat. 1175, Public Law 98–369, July 18, 1984)

The Competition in Contracting Act of 1984 amended title III of the Federal Property and Administrative Services Act of 1949 to establish a statutory preference for the use of competitive procedures in awarding Federal contracts for property or services; to require the use of competitive procedures by Federal agencies when purchasing goods or services—sealed or competitive bids; and to direct the head of each agency to appoint an advocate for competition who

will challenge barriers to competition in the procurement of property and services by the agency and who will review the procurement activities of the agency.

Division D of Public Law 104–106 contains language which retains the current statutory competition standard, but adds a requirement that the standard is to be implemented in a manner which is consistent with the government's need to "efficiently" fulfill its requirements. Further provisions are added to allow contracting officials more discretion in determining the number of proposals in the "competitive range," to provide for preaward debriefings of unsuccessful offerors, and to authorize the use of special two-phase procedures for design and construction of public buildings.

5. The Federal Acquisition Streamlining Act of 1994 (Public Law 103–355, October 13, 1994)

The Federal Acquisition Streamlining Act (FASA) of 1994 was developed to provide the foundation for establishing "commercial-like" procedures within the Federal procurement system. FASA established a preference for commercial items and simplified procedures for contracts under $100,000 as well as addressing a wide spectrum of issues regarding the administrative burden—on all sides—associated with the government's specialized requirements.

H.R. 1670, reported by the Committee on August 1, 1995, as House Report 104–222, Pt. I, would amend section 5061 of FASA (41 U.S.C. 413 note) to permit the OFPP Administrator to exercise the authority granted in FASA to test "innovative" procurement procedures without having to wait for the implementation of other FASA provisions.

Public Law 104–106 authorizes OFPP to test alternative procurement procedures and removes a requirement that the testing of these procedures be contingent upon the full implementation of the Federal Acquisition Computer Network Electronic Commerce (FACNET) procedures. It also would limit the linkage between the use of the simplified acquisition procedures and the full implementation of FACNET.

CIVIL SERVICE SUBCOMMITTEE

1. Transfer of Functions—5 U.S.C. 3503

This law provides the basic authority for a competing Federal employee to be eligible for employment in a position for which he is qualified before the receiving agency may make an appointment from another source to that position when a function is transferred from one agency to another.

The subcommittee reviewed this law for the purposes of H.R. 1561, a bill to consolidate State, AID, and USIA. The subcommittee was concerned that the language in H.R. 1561 would terminate competing employees who perform transferred work because the receiving agency has employees already performing such work. The subcommittee maintained that the acquiring agency should give the transferred employees who are currently performing identical work, the opportunity to compete with employees for positions remaining after the consolidation associated with that work.

2. Laws Relating to Volunteering, Details, and Part-time Employees in 5 U.S.C.

The subcommittee reviewed provisions in the Senate Defense Authorization bill relating to civilian employees, with the following comments.

Details are designed to allow agencies to adjust to temporary fluctuations in work flow by making temporary adjustments to the workforce. Where more permanent needs exist, agencies, already have the flexibility to reassign workers to meet those needs. An exemption from 5 U.S.C. 3341 for the Department of Defense was not supported by subcommittee staff.

5 U.S.C. section 3407 requires each agency to prepare and transmit a report to the Office of Personnel Management on its part-time and detail employees. Relieving an agency from reporting on part-time employment policies undercuts the Office of Personnel Management's ability to function effectively as the central personnel authority for the executive branch. To the extent that responsibility for developing sound personnel systems becomes more diffuse, it becomes that much more difficult for Congress to effectively oversee executive branch personnel matters.

A section within the authorization bill would allow employees to volunteer to substitute for other employees who are scheduled for reductions in force. Although this authority is limited in scope to DOD employees and limited in time, the subcommittee staff raised concerns about without sufficient safeguards, this program could become counterproductive. The unintended consequence of such a program could result in more highly skilled—and therefore more marketable—employees to be the likely volunteers. The government does not want to unnecessarily encourage its best employees to leave. Unless tightly controlled, a volunteer program could seriously hinder an agency's ability to achieve its mission.

3. Reductions in Force—5 U.S.C. Chapter 35

Federal agencies must follow specific procedures found in Chapter 35 of 5 U.S.C. when an agency is faced with separations or downgrades due to circumstances such as reorganization, lack of work, shortage of funds, or insufficient personnel ceilings.

The law requires that four retention factors must be implemented through the Office of Personnel Management's reduction in force regulations before employees are released. Although the law does not assign a specific weight to any individual factor, the relative importance of the four factors in determining employee's retention standing is in the following order: (1) tenure; (2) veteran's preference; (3) length of service; and (4) performance ratings.

The subcommittee learned of irregular reduction in force procedures in effect at the U.S. Geological Survey, resulting in ongoing analysis of the situation.

DISTRICT OF COLUMBIA SUBCOMMITTEE

One hundred and forty acts have been transmitted to the Subcommittee on the District of Columbia for review during the first session of the 104th Congress. Of that total, 130 acts became law

during the first session of the 104th Congress. Eight acts which amended the DC Criminal Code, required a 60-day layover.

H.J. Res. 80—Disapproving the action of the District of Columbia Council in approving the "Closing of a Public Alley and Establishment of an Easement in Square 253, S.O. 88–107, Act of 1994" (DC Act 10–395).

COUNCIL ACTS ADOPTED IN 1994 AND TRANSMITTED IN 1995

Jan. 27, 1995—Act 10–302, "Technical Amendments Act of 1994." To amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to correct a cross reference and to clarify the process for approval of compensation settlements. Act 10–302 was published in the August 5, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 60-day review. Congress not having disapproved, this act became D.C. Law 10–255, effective May 16, 1995.

Jan. 27, 1995—Act 10–331, "Child Support Enforcement Temporary Amendment Act of 1994." To amend, on a temporary basis, the District of Columbia Child Support Enforcement Amendment Act of 1985. Act 10–331 was published in the November 4, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–210, effective March 14, 1995.

Jan. 27, 1995—Act 10–332, "Youth Initiatives Act of 1994." To authorize the Youth Initiatives Office to make grants to community based organizations for youth oriented programs, and for other purposes. Act 10–332 was published in the November 4, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–195, effective March 14, 1995.

Jan. 27, 1995—Act 10–333, "District of Columbia Board of Education Sale, Renovation, Lease-back, and Repurchase of Franklin School Temporary Amendment Act of 1994." Act 10–333 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–196, effective March 14, 1995.

Jan. 27, 1995—Act 10–334, "Dedication and Designation of Woodcrest Drive, SE, SO 92–124, Act of 1994." To accept the dedication of land and to establish building restriction lines for a minor street located in Square 5969 near Mississippi Avenue, SE, and 4th Street, SE, in Ward 8, and to name the street Woodcrest Drive. Act 10–334 was published in the November 4, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–197, effective March 14, 1995.

Jan. 27, 1995—Act 10–335, "Day Care Policy Temporary Amendment Act of 1994." To amend, on a temporary basis, the Day Care Policy Act of 1979 to authorize the Mayor to establish differential payment rates for child care services based on the age of the child. Act 10–335 was published in the November 4, 1994, edition of the

D.C. Register and transmitted to Congress on January 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–198, effective March 14, 1995.

Jan. 27, 1995—Act 10–336, "Early Intervention Services Sliding Fee Scale Establishment Temporary Act of 1994." To authorize, on a temporary basis, the establishment of a program to provide early intervention services designed to meet the developmental needs of infants and toddlers from birth through 2 years of age and their families and a sliding fee scale to provide system of payment for early intervention services based on the income of the family. Act 10–336 was published in the November 4, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–199, effective March 14, 1995.

Jan. 27, 1995—Act 10–337, "Closing of A Public Alley in Square 2837, SO 92–195, Act of 1994." To order the closing of a public alley in Square 2837, bounded by Monroe Street, NW, Holmead Place, NW, Park Road, NW and 14th Street, NW, in Ward 1. Act 10–337 was published in the November 4, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–200, effective March 14, 1995.

Jan. 27, 1995—Act 10–338, "Clean Fuel Fleet Vehicle Program and Alternative Fuels Incentives Amendment Act of 1994." To amend the Alternative Fuels Technology Act of 1990 and title 20 of the District of Columbia Municipal Regulations to conform District law and regulations to the requirements of title II of the Clean Air Act. Act 10–338 was published in the November 4, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–201, effective March 14, 1995.

Jan. 27, 1995—Act 10–340, "Medicaid Benefits Protection Act of 1994." To bring the District of Columbia Medicaid program into compliance with new Federal requirements imposed by the Omnibus Budget Reconciliation Act of 1993. Act 10–340 was published in the December 2, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–202, effective March 14, 1995.

Jan. 27, 1995—Act 10–341, "Respiratory Care Practice Amendment Act of 1994." To amend the District of Columbia Health Occupation Revision Act of 1985 to establish requirements to regulate the practice of respiratory care. Act 10–341 was published in the December 2, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–203, effective March 14, 1995.

Jan. 27, 1995—Act 10–342, "Moratorium on the Issuance of New Retailer's Licenses Class B Amendment Act of 1994." To amend the Alcoholic Beverage Control Regulations to impose a 3-year moratorium on the issuance of new retailer's licenses class B. Act 10–342 was published in the December 2, 1994, edition of the *D.C. Register*

and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–204, effective March 14, 1995.

Jan. 27, 1995—Act 10–343, "Qualified Massage Therapists Amendment Act of 1994." To amend the District of Columbia Health Occupations Revision Act of 1985 to provide for the licensing of qualified massage therapists. Act 10–343 was published in the December 2, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–205, effective March 14, 1995.

Jan. 27, 1995—Act 10–344, "Armory Board Interim Authority Temporary Amendment Act of 1994." To amend, on a temporary basis, the Omnibus Sports Consolidation Act of 1994 to authorize the Armory Board to exercise its nonmilitary functions and authority on an interim basis. Act 10–334 was published in the December 2, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–206, effective March 14, 1995.

Jan. 27, 1995—Act 10–345, "Prevention of the Spread of the Human immunodeficiency Virus and Acquired Immunodeficiency Syndrome Temporary Amendment Act of 1994." To amend, on a temporary basis, the Drug Paraphernalia Act of 1982 to ensure that the needle exchange program in the District of Columbia to help prevent the spread of the Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome in the District of Columbia. Act 10–335 was published in the December 2, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–207, effective March 14, 1995.

Jan. 27, 1995—Act 10–346, "Public Assistance and Day Care Policy Temporary Amendment Act of 1994." To amend, on a temporary basis, the District of Columbia Public Assistance Act of 1982 and the Day Care Policy Act of 1987 to eliminate automatic cost of living adjustments for general public assistance, aid to families with dependant children, and day care providers. Act 10–346 was published in the December 2, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–208, effective March 14, 1995.

Jan. 27, 1995—Act 10–347, "Closing of a Public Alley in Square 120, SO 91–8, Act of 1994." To order the closing of a public alley in Square 120, bounded by H Street, NW, 19th Street, NW, G Street, NW, and 20th Street, NW, in Ward 2. Act 10–347 was published in the December 2, 1994, edition of the *D.C. Register* and transmitted to Congress on January 27, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–209, effective March 14, 1995.

Jan. 31, 1995—Act 10–348, "Charitable Gift of Life Insurance Proceeds Amendment Act of 1994." To amend the Life Insurance

Act to allow charitable and other benevolent institutions to acquire an insurable interest in the life of a person who chooses to provide for charitable needs by designating a charity as the beneficiary in a life insurance policy. Act 10–348 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–211, effective March 16, 1995.

Jan. 31, 1995—Act 10–349, "Business Regulatory Reform Commission Act of 1994." To establish the Business Regulatory Reform Commission for the purposes of identifying and recommending legislation to eliminate or modify business regulations in the District of Columbia that are obsolete, inconsistent, or duplicative. Act 10–349 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–212, effective March 16, 1995.

Jan. 31, 1995—Act 10–350, "District Employee Benefits Free Clinic Extension Amendment Act of 1994." To extend, for an additional 3 years, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 Employees Benefits Free Clinic Amendment Act of 1990. Act 10–350 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–213, effective March 16, 1995.

Jan. 31, 1995—Act 10–351, "District of Columbia Retirement Board Judicial Appointment Amendment Act 1994." To amend the District of Columbia Retirement Reform Act to provide for alternate representation for judges on the District of Columbia Retirement Board. Act 10–351 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–214, effective March 16, 1995.

Jan. 31, 1995—Act 10–352, "Lie Detector Tests for Pre-Employment Investigations Amendment Act of 1994." To amend the Prevention of the Administration of Lie Detection Procedures Act of 1978 to extend the use of polygraph tests to pre-employment investigations conducted by the Metropolitan Police Department the Fire Department, and the Department of Corrections. Act 10–352 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–215, effective March 16, 1995.

Jan. 31, 1995—Act 10–353, "District of Columbia Board of Education Sale, Renovation, Lease-back, and Repurchase of Franklin School Amendment Act of 1994." To amend an act authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes to authorize the District of Columbia Board of Education to sell the Franklin School, to renovate it, to lease it back, and to repurchase it. Act 10–353 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress

not having disapproved, this act became D.C. Law 10–216, effective March 16, 1995.

Jan. 31, 1995—Act 10–354, "Child Support Enforcement Amendment Act of 1994." To amend the District of Columbia Child Support Enforcement Amendment Act of 1985. Act 10–354 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–217, effective March 16, 1995.

Jan. 31, 1995—Act 10–355, "National Museum of Women in the Arts Equitable Real Property Tax Relief Act of 1994." To provide equitable real property tax relief to the National Museum of Women in the Arts, a tax-exempt art gallery building. Act 10–355 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–218, effective March 16, 1995.

Jan. 31, 1995—Act 10–356, "Shiloh Baptist Church Equitable Real Property Tax Relief Act of 1994." To provide equitable real property tax relief to the Shiloh Baptist Church, a tax-exempt religious organization. Act 10–356 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–219, effective March 16, 1995.

Jan. 31, 1995—Act 10–357, "Southwest Community House Association, Inc., Equitable Real Property Tax Relief Act of 1994." To provide equitable real property tax relief to the Southwest Community House Association, Inc., a tax-exempt social service organization. Act 10–357 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–220, effective March 16, 1995.

Jan. 31, 1995—Act 10–358, "District of Columbia Board of Education Fees for Select Adult, Community, and Continuing Education Courses Act of 1994." To authorize the District of Columbia Board of Education to charge fees for select adult, community, and continuing education courses. Act 10–358 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–221, effective March 16, 1995.

Jan. 31, 1995—Act 10–359, "Greater Mount Zion Baptist Church Equitable Real Property Tax Relief Act of 1994." To provide equitable real property tax relief to the Greater Mount Zion Baptist Church, a tax exempt religious organization. Act 10–359 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–222, effective March 16, 1995.

Jan. 31, 1995—Act 10–360, "Paternity Establishment Act of 1994." To amend Title 16 of the District of Columbia Code to provide for a conclusive presumption of paternity upon voluntary acknowledgment of the child. Act 10–360 was published in the De-

cember 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–223, effective March 16, 1995.

Jan. 31, 1995—Act 10–361, "Budget Spending Reduction Temporary Amendment Act of 1994." To amend, on an temporary basis, an act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1993. Act 10–361 was published in the December 23, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–224, effective March 16, 1995.

Jan. 31, 1995—Act 10–365, "Council members' Salary Freeze Amendment Act of 1994." To amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to freeze the salaries of members of the Council. Act 10–365 was published in the December 30, 1994, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–225, effective March 16, 1995.

Jan. 31, 1995—Act 10–367, "Parks Amendment Act of 1994." To amend an act to vest in the Commissioners of the District of Columbia control of street parking in said District to authorize the Director of the Department of Recreation and Parks to regulate use of the parks under the control of the District and the Metropolitan Police Department to enforce the regulations. Act 10–367 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–226, effective March 16, 1995.

Jan. 31, 1995—Act 10–368, "Parental Responsibility Amendment Act of 1994." To amend the Prevention of Child Abuse and Neglect Act of 1977 and Title 16 of the District of Columbia Code. Act 10–368 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–227, effective March 16, 1995.

Jan. 31, 1995—Act 10–369, "Court-Appointed Special Advocated Program Act of 1994." To amend title 16 of the District of Columbia Code to establish a Court-Appointed Special Advocate Program to provide trained volunteers for children in court proceedings to insure appropriate service and case planning are provided, to provide that the program be administered by the Family Division of the Superior Court of the District of Columbia, to require certain annual reports, to authorize the Superior Court Board of Judges to adopt rules governing the implementation and operation of the program, to provide immunity from liability for certain persons for certain acts or omissions, to authorize the court to appoint a special advocate under certain circumstances, and to provide a limited exception to the confidentiality of court records. Act 10–369 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on January 31, 1995, for a 30-day review.

Congress not having disapproved, this act became D.C. Law 10–228, effective March 16, 1995.

Feb. 3, 1995—Act 10–370, "Youth Facilities Drug Free Zone Amendment Act of 1994." To amend the District of Columbia Uniform Controlled Substances Act of 1981 to enhance the penalties applicable to certain violations of the act committed within 1,000 feet of a youth facility. Act 10–370 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–229, effective March 21, 1995.

Feb. 3, 1995—Act 10–371, "Small Claims Service of Process Act of 1994." To amend section 16–3902 of the District of Columbia Code to allow the Clerk of the Small Claims and Conciliation Branch of the Superior Court of the District of Columbia to authorize the use of a special process server in a small claims action. Act 10–371 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–230, effective March 21, 1995.

Feb. 3, 1995—Act 10–373, "Chiropractic Licensing Amendment Act of 1994." To amend the District of Columbia Health Occupations Revision Act of 1985 to provide for the licensing of doctors of chiropractic and the regulation of the practice of chiropractic. Act 10–373 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–231, effective March 21, 1995.

Feb. 3, 1995—Act 10–374, "Jury Trial Act of 1994." To amend section 16–705(c) of the District of Columbia Code to permit a judge of the Superior Court of the District of Columbia to take a verdict from 11 jurors in a criminal case where the court finds it necessary to excuse a juror for just cause after the jury has retired to consider its verdict. Act 10–374 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–232, effective March 21, 1995.

Feb. 3, 1995—Act 10–375, "Public Safety and Law Enforcement Support Amendment Act of 1994." To amend an act to establish a code of law for the District of Columbia to increase the range of permissible sentences for manslaughter, to require the court to impose a sentence of life without parole for a defendant convicted of murdering a police officer or other law enforcement officer in the line of duty, and to add two new aggravating circumstances which would permit the court to impose a sentence of life without parole for a defendant convicted of first degree murder; to amend the District of Columbia Theft and White Collar Crimes Act of 1982 to change the maximum penalty for obstruction of justice from 10 years imprisonment to the maximum penalty for the underlying offense; and to amend title 14 of the District of Columbia Code to allow a party to impeach his or her own witness and to provide for the admission of prior inconsistent statements as substantive evidence. Act 10–375 was published in the January 6, 1995, edition

of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 60-day review. Congress not having disapproved, this act became D.C. Law 10–256, effective May 23, 1995.

Feb. 3, 1995—Act 10–376, "Insurers Service of Process Act of 1994." To require that legal process be served upon registered agents of insurers engaged in business in the District of Columbia or, in the absence of such registered agents, upon the Superintendent of Insurance. Act 10–376 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–233, effective March 21, 1995.

Feb. 3, 1995—Act 10–377, "Budget Spending Reduction Amendment Act of 1994." To amend an act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903 and for other purposes to authorize the imposition of a fee for special events; and to repeal the Law School Clinical Programs funding Authorization Act of 1978. Act 10–377 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–234, effective March 21, 1995.

Feb. 3, 1995—Act 10–378, "District of Columbia Comprehensive Plan Act of 1984 Land Use Element Amendment Act of 1994." To amend section 7 of the District of Columbia Comprehensive Plan Act of 1984 Land Use Element Amendment Act of 1984. Act 10–378 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–235, effective March 21, 1995.

Feb. 3, 1995—Act 10–379, "Contractors Guarantee Association Act of 1994." To establish a Financial Assurance Fund and Technical assistance Program, and remove the Council Chairman and Chairperson of the Council's Committee on Economic Development from the Board of Directors of the Economic Development Finance Corporation and for other purposes. Act 10–379 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–236, effective March 21, 1995.

Feb. 3, 1995—Act 10–380, "Domestic Violence in Romantic Relationships Act of 1994." To amend title 16 of the District of Columbia Code to extend the remedies for intra family offenses to those in romantic relationships and to establish a misdemeanor penalty for violating a protection order. Act 10–380 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–237, effective March 21, 1995.

Feb 3, 1995—Act 10–381, "Bilingual and Multi cultural Government Personnel Act of 1994." To require an assessment of the need for and availability of bilingual and Multi cultural personnel within the District of Columbia government Center. Act 10–381 was published in the January 6, 1995, edition of the *D.C. Register* and

transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–238, effective March 21, 1995.

Feb. 3, 1995—Act 10–382, "Maurice T. Turner, Jr., Education and Training Center Designation Act of 1994." To designate the Metropolitan Police Training Academy at 4665 Blue Plains Drive, SW, as the Maurice T. Turner, Jr., Education and Training Center. Act 10–382 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–239, effective March 21, 1995.

Feb. 3, 1995—Act 10–383, "Privatization of Government Services Task Force Establishment Act of 1994." To establish a task force that will examine the potential benefits of privatizing certain government services and programs. Act 10–383 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–240, effective March 21, 1995.

Feb. 3, 1995—Act 10–385, "Anti-Sexual Abuse Act of 1994." To strengthen and consolidate the laws against rape and sexual abuse in the District of Columbia. Act 10–385 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 60-day review. Congress not having disapproved, this act became D.C. Law 10–257, effective May 23, 1995.

Feb. 3, 1995—Act 10–386, "Probate Reform Act of 1994." To amend titles 19 and 20 of the District of Columbia Code. Act 10–386 was published in the February 3, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–241, effective March 21, 1995.

Feb. 3, 1995—Act 10–387, "Clean Air Compliance Fee Act of 1994." To comply with the emissions requirements of the Clean Air Act by discouraging single-occupant vehicle home-to-work travel and by encouraging car pools and transit use through the establishment of a fee at a rate of $20 per month per space on employment parking spaces that are not subject to the collection of parking sales and use taxes for the service of parking and to amend the District of Columbia Sales Tax Act and the District of Columbia Use Tax Act. Act 10–387 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–242, effective March 21, 1995.

Feb 3, 1995—Act 10–388, "District of Columbia Housing Authority Act of 1994." To create the District of Columbia Housing Authority to operate as the District's public housing authority. Act 10–388 was published in the January 6, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–243, effective March 21, 1995.

Feb. 3, 1995—Act 10–390, "Washington Metropolitan Area Transit Authority Compact Amendment Act of 1994." To amend the

Washington Metropolitan Area Transit Regulation Compact to expand the Jurisdiction of the Metro Transit Police to include the entire Transit Zone and to allow Metro Transit Police to carry weapons at all times. Act 10–390 was published in the January 13, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–244, effective March 21, 1995.

Feb. 3, 1995—Act 10–391, "Closing of a Public Alley in Square 750, S.O. 94–123, Act of 1994." To order the closing of a public alley in Square 750, bounded by K Street, NE, 2nd Street, NE, Parker Street, NE, and 3rd Street, NE, in Ward 6. Act 10–391 was published in the January 13, 1995, edition of the *D.C. Register* and transmitted to Congress on February 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–245, effective March 21, 1995.

Feb. 7, 1995—Act 10–392, "District of Columbia Nonviolent Offenses Mandatory-Minimum Sentences Amendment Act of 1994." To amend the Medical and Geriatric Parole Act of 1992 and the District of Columbia Uniform Controlled Substances Act of 1981 to reduce mandatory minimum sentences as penalties imposed for nonviolent narcotic and abusive drug offenses and to eliminate disparities in penalties for offenses which involve forms of the single drug cocaine. Act 10–392 was published in the January 13, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 60-day review. Congress not having disapproved, this act became D.C. Law 10–258, effective May 25, 1995.

Feb. 7, 1995—Act 10–393, "Recreation Act of 1994." To establish a Recreation Enterprise Fund, a sponsorship and park adoption program, and a Recreation Assistance Board, and to amend the Omnibus Sports Consolidation Act of 1994 to establish mega recreation centers. Act 10–393 was published in the January 27, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–246, effective March 23, 1995.

Feb. 7, 1995—Act 10–394, "Health Occupations revision Act of 1985 Amendment Act of 1994." To amend the Health Occupations Revision Act of 1985 to make amendments to the regulation of medicine, optometry, natureopathy, nursing, and psychology. Act 10–394 was published in the January 27, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–247, effective March 23, 1995.

Feb. 7, 1995—Act 10–395, "Closing of a Public alley in Square 253, S.O. 88–107, Act of 1994." To order the closing of a public alley in Square 253, bounded by F street, NW, 13th Street, NW, G Street, NW, and 14th Street NW, in Ward 2. Act 10–395 was published in the January 27, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–248, effective March 23, 1995.

Feb. 7, 1995—Act 10–396, "Uniform Commercial Code-Negotiable Instruments Act of 1994." To revise Articles 3 and 4 of the Uniform Commercial Code and to make conforming amendment to Articles 1 and 2 thereof and to the Uniform Fiduciaries Act. Act 10–396 was published in the January 27, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–249, effective March 23, 1995.

Feb. 7, 1995—Act 10–397, "D.C. Resident Tax Credit Temporary Amendment Act of 1994." To amend, on a temporary basis, the District of Columbia Income and Franchise Tax Act of 1947 to clarify the intent of the Statutory language allowing credit for taxes paid to other jurisdictions. Act 10–397 was published in the January 27, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–250, effective March 23, 1995.

Feb. 7, 1995—Act 10–398, "Solid Waste Facility Permit Temporary Act of 1994." To prohibit, on a temporary basis, the operation of an open solid waste facility in the District of Columbia jurisdictions. Act 10–398 was published in the January 27, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–251, effective March 23, 1995.

Feb. 7, 1995—Act 10–399, "Commercial Piracy Protection Temporary Amendment Act of 1994." To amend, on a temporary basis, the District of Columbia Theft and White Collar Crimes Act of 1982 to include the illegal sale and distribution of audiovisual works as an act of commercial piracy. Act 10–401 was published in the January 27, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–251, effective March 23, 1995.

Feb. 7, 1995—Act 10–401, "Multi year Budget Spending Reduction and Support Temporary Act of 1995." Act 10–401 was published in the February 10, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 10–253, effective March 23, 1995.

Feb.7, 1995—Act 10–402, "Term Limits Initiative of 1995." To limit the number of consecutive terms an official could serve in certain elected positions. Act 10–402 was published in the February 10, 1995, edition of the *D.C. Register* and transmitted to Congress on February 7, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 10–254, effective March 23, 1995.

ACTS TRANSMITTED IN 1995 AND BECAME LAW

Feb. 24, 1995—Act 11–8, "Walter C. Pierce Community Park Designation Act of 1995." To designate the Community Park West,

located at 2700 Adams Mill Road, NW at the intersection of Ontario Place, NW (Ward 1), as the "Walter C. Pierce Community Park". Act 11–8 was published in the March 3, 1995, edition of the *D.C. Register* and transmitted to Congress on February 24, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–1, effective April 7, 1995.

Feb. 24, 1995—Act 11–9, "Day Care Policy Amendment Act of 1995" To amend the Day Care Policy Act of 1979 to authorize the Mayor to establish differential payment rates for child care services based on the age of the child. Act 11–9 was published in the March 3, 1995, edition of the *D.C. Register* and transmitted to Congress on February 24, 1995, for a 30-day review. Congress having not disapproved, this act became D.C. Law 11–2, effective April 7, 1995.

Feb. 24, 1995—Act 11–10, "Prevention of HIV & AIDS Amendment Act of 1994" To amend the Drug Paraphernalia Act of 1982, to ensure that the needle exchange program in the District of Columbia is accessible in injecting drug users in the District of Columbia to help prevent the spread of the Human Immunodeficiency Virus and acquired Immunodeficiency Syndrome in the District of Columbia. Act 11–10 was published in the March 3, 1995, edition of the *D.C. Register* and transmitted to Congress for a 30-day review. Congress having not disapproved, this act became D.C. Law 11–3, effective April 7, 1995, according to the *D.C. Register*.

Feb. 24, 1995—Act 11–11, "United Church Equitable Real Property Tax Relief Act of 1995" To provide equitable real property tax relief to the United Church, a tax-exempt religious organization. Act 11–11 was published in the March 3, 1995, edition of the *D.C. Register* and transmitted to Congress for a 30-day review. Congress having not disapproved, this act became D.C. Law 11–4, effective April 7, 1995.

Feb. 24, 1995—Act 11–12, "Dumbarton United Methodist Church Equitable Real Tax Relief Act of 1995." To provide equitable real property tax relief to the Dumbarton United Methodist Church, a tax-exempt religious organization. Act 11–12 was published in the March 3, 1995, edition of the *D.C. Register* and transmitted to Congress on February 24, 1995, for the 30-day review. Congress not having disapproved, this act became D.C. Law 11–5, effective April 7, 1995.

March 3, 1995—Act 11–16, "Salvation Army Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Salvation Army, a tax-exempt religious organization. Act 11–16 was published in the March 10, 1995, edition of the *D.C. Register* and transmitted to Congress on March 3, 1995, for the 30-day review. Congress not having disapproved, this act became D.C. Law 11–6, effective May 5, 1995.

March 3, 1995—Act 11–17, "Methodist Cemetery Association Equitable Real Property Tax Relief Act of 1995." To provide equitable property tax relief to the Methodist Cemetery Association. Act 11–17 was published in the March 10, 1995, edition of the *D.C. Register* and transmitted to Congress for a 30-day review on March 3, 1995. Congress not having disapproved, this act became D.C. Law 11–7, effective May 5, 1995.

March 3, 1995—Act 11–18, "Christ United Methodist Church Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Christ Untied Methodist Church, a tax-exempt religious organization. Act 11–18 was published in the March 10, 1995, edition of the *D.C. Register* and transmitted to Congress for a 30-day review on March 3, 1995. Congress not having disapproved, this act became D.C. Law 11–8, effective May 5, 1995.

March 3, 1995—Act 11–19, "Real Property Deed Recordation Amendment Act of 1995" To amend the District of Columbia Real Estate Deed Recordation Tax Act to require the payment of all delinquent real property taxes before accepting a deed for recordation. Act 11–19 was published in the March 10, 1995, edition of the *D.C. Register* and transmitted to Congress on March 3, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–9, effective May 5, 1995.

March 3, 1995—Act 11–21, "Metropolitan Baptist Church Equitable Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Metropolitan Baptist Church, a tax-exempt religious organization. Act 11–21 was published in the March 10, 1995, edition of the *D.C. Register* and transmitted to Congress for a 30-day review on March 3, 1995. Congress not having disapproved, this act became D.C. Law 11–10, effective May 5, 1995.

March 3, 1995—Act 11–22, "Riverside Baptist Church Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Riverside Baptist Church, a tax-exempt religious organization. Act 11–22 was published in the March 10, 1995, edition of the *D.C. Register* and transmitted to Congress for a 30-day review on March 3, 1995. Congress not having disapproved, this act became D.C. Law 11–11, effective May 5, 1995.

March 7, 1995—Act 11–23, "Recycling Fee and Illegal Dumping Amendment Act of 1995." To amend the District of Columbia Solid Waste Management and Multi-Material Recycling Act of 1988 to authorize the Mayor to impose a fee equivalent to the recycling surcharge on all persons licensed to collect solid waste within the District of Columbia and to re-authorize the Mayor to collect a recycling fee of $42 for each new motor vehicle tire sold in the District of Columbia; and to make technical amendments to the Illegal Dumping Enforcement Act of 1994 to clarify its applicability to unauthorized indoor and outdoor facilities. Act 11–23 was published in the March 17, 1995, edition of the *D.C. Register* and transmitted to Congress on March 7, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–12, effective May 9, 1995.

March 7, 1995—Act 11–24, "Litter Control Fine Increase Amendment Act of 1995" To amend title 24 of the District of Columbia Municipal Regulations to increase the penalty or fine for certain violations. Act 11–24 was published in March 17, 1995, edition of the *D.C. Register* and transmitted to Congress on March 7, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–13, effective May 9, 1995.

March 14, 1995—Act 11–26, "Foreign Physicians of Conceded Eminence University, Hospital, and Medical Centers Practices Amendment Act of 1995." To amend the District of Columbia

Health Occupations Revisions Act of 1985, to permit the licensure of foreign licensed and educated doctors of world renown and conceded eminence to practice with local universities, hospitals, and designated medical centers in the District of Columbia. Act 11–26 was published in the March 24, 1995, edition of the *D.C. Register* and transmitted to Congress on March 14, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–14, effective May 16, 1995.

March 14, 1995—Act 11–27, "Air Pollution Control Program Regulations Federal Conformity Amendment Act of 1995." To amend the District of Columbia Air Pollution Control Act of 1984 to authorize the Mayor to issue or amend the air pollution control rules to comply with the requirements of Federal law and regulations in implementing the District's Air Pollution Control Program. Act 11–27 was published in the March 24, 1995, edition of the *D.C. Register* and transmitted to Congress on March 14, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–15, effective May 16, 1995.

March 27, 1995—Act 11–31, "Advisory Neighborhood Commission Special Election Repeal Temporary Amendment Act of 1995." To amend, on a temporary basis, the Advisory Neighborhood Commission Act of 1975 to eliminate the requirement that the board of Elections and Ethics conduct special election for advisory neighborhood commissions. Act 11–31 was published in the March 31, 1995, edition of the *D.C. Register* and transmitted to Congress on March 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–17, effective May 27, 1995.

March 27, 1995—Act 11–32, "Technical Amendments Act of 1995." To amend the District of Columbia Election Code of 1955. Act 11–32 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on March 27, 1995, for a 60-day review. Congress not having disapproved, this act became D.C. Law 11–30, effective July 25, 1995.

March 27, 1995—Act 11–34, "Budget Implementation Temporary Act of 1995." To require, on a temporary basis, that the Mayor renegotiate collective bargaining agreement to achieve the $30 million in savings mandated by the fiscal year 1995 Supplemental Budget and Rescissions of Authority Request Act of 1994 by March 7, 1995. Act 11–34 was published in the April 7, 1995, edition of the *D.C. Register* and transmitted to Congress on March 27, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–18, effective May 27, 1995.

May 1, 1995—Act 11–38, "Pennsylvania Avenue Development Area Parks and Plaza Public Safety Amendment Act of 1995." To amend 18 of the District of Columbia Municipal Regulations to protect public users of parks and plazas in the Pennsylvania Avenue Development Area by prohibiting skateboarding, roller skating, and roller-blading. Act 11–38 was published in the April 21, 1995, edition of the *D.C. Register* and transmitted for on May 1, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–19, effective June 17, 1995.

May 1, 1995—Act 11–39, "Extension of the Equal Opportunity for Local, Small, and Disadvantaged Business Enterprises Act of 1992 Temporary Amendment Act of 1995." To amend, on a temporary basis, the Equal Opportunity for Local, Small, and Disadvantaged Business Enterprises Act of 1992 to repeal the sunset provision. Act 11–39 was published in the April 21, 1995, edition of the *D.C. Register* and transmitted to Congress on May 1, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–20, effective June 17, 1995.

May 1, 1995—Act 11–40, "Administration of Medication by Public School Employees Amendment Act of 1995." To amend the Administration of Medication by Public School Employees Act of 1993 to repeal the 2-year sunset clause provision. Act 11–40 was published in the April 28, 1995, edition of the *D.C. Register* and transmitted to Congress on May 1, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–21, effective June 17, 1995.

May 1, 1995—Act 11–41, "District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974 Temporary Amendment Act of 1995." To amend, on a temporary basis, the District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974 to revise the term of the Director of the Office of Campaign Finance to no more than one 6-year term, to provide that the director be appointed by the Board of Elections and Ethics after June 1995, and to increase the maximum fine for each campaign finance violation with a provision for mandatory public disclosure of the imposition of each fine. Act 11–41 was published in April 28, 1995, edition of the *D.C. Register* and transmitted to Congress on May 1, 1995, for a 30-day review. This act shall expire on 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–22, effective June 17, 1995.

May 19, 1995—Act 11–51, "Toll Telecommunication Temporary Amendment Act of 1995." To amend, on a temporary basis, an act making appropriation to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes and the District of Columbia Sales Tax Act to exempt property, except office equipment and office furniture, located in the District and owned by long-distance telecommunication companies from personal property, sales, and use tax, irrespective of whether the property involved is used to generate sales subject to the gross receipts tax, beginning on October 1, 1994. Act 11–51 was published in the May 26, 1995, edition of the *D.C. Register* and transmitted to Congress on May 19, 1995, for a 30-day review period. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–23, effective July 14, 1995.

May 19, 1995—Act 11–52, "Emergency Assistance Clarification Temporary Amendment Act of 1995". To amend, on a temporary basis, the District of Columbia Right to Overnight shelter Act of 1984 and the District of Columbia Public Assistance Act of 1982 to clarify the circumstances under which the District of Columbia government claims Federal financial participation. Act 11–52 was published in the May 26, 1995, edition of the *D.C. Register* and trans-

mitted to Congress on May 19, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–24, effective July 14, 1995.

May 19, 1995—Act 11–53, "Merit Personnel Early Out Retirement Revisions Temporary Amendment Act of 1995." To amend, on a temporary basis, the District of Columbia Comprehensive Merit Personnel Act of 1978 to prohibit an individual who is under indictment for or who has been convicted of a felony related to his or her employment duties from receiving benefits under an Easy Out or Early Out Retirement Incentive Program. Act 11–53 was published in the May 26, 1995, edition of the *D.C. Register* and transmitted to Congress on May 19, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–25, effective July 14, 1995.

May 19, 1995—Act 11–54, "Evolving Credit Account Late Fee Act of 1995." To amend section 28–3702 of the District of Columbia Code to permit a seller or financial institution to charge a late fee on a revolving credit account when the minimum payment is not made within 10 days of the due date. Act 11–54 was published in the May 26, 1995, edition of the *D.C. Register* and transmitted to Congress on May 19, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–26, effective July 14, 1995.

May 19, 1995—Act 11–55, "Budget Implementation Exemption Temporary Amendment Act of 1995." To exempt, on a temporary basis, the union and on union Firefighters from reduction of base compensation imposed by the Budget Implementation Emergency Act of 1995, and to approve the modified overtime provision of the collective bargaining agreement governing Compensation Unit 4. Act 11–55 was published in the May 26, 1995, edition of the *D.C. Register* and transmitted to Congress on May 19, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–27, effective July 14, 1995.

May 19, 1995—Act 11–56, "Foreign Trade Zones Act of 1995." To encourage and expedite foreign commerce, local trade, and economic development in the District of Columbia by authorizing the establishment, operation, and maintenance of foreign trade zones in the District. Act 11–56 was published in the May 26, 1995, edition of the *D.C. Register* and transmitted to Congress on May 19, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–28, effective July 14, 1995.

June 6, 1995—Act 11–59, "Human Services Spending Reduction Temporary Amendment Act of 1995." To amend, on a temporary basis, the District of Columbia Public Assistance Act of 1982 to reduce the amount that the District pays for burials and cremations, to authorize the Mayor to charge Aid to Families with Dependent Children ("AFDC") recipients for the reasonable costs of shelter provided by the District to the family unit. Act 11–59 was published in the June 16, 1995, edition of the *D.C. Register* and transmitted to Congress on June 6, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress

not having disapproved, this act became D.C. Law 11–29, effective July 25, 1995.

June 20, 1995—Act 11–63, "Rental Housing Conversion and Sale Act of 1980 Reenactment and Amendment Act of 1995." To reenact, and amend, the Rental Housing Conversion and Sale Act of 1980 as law. Act 11–63 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 20, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–31, effective September 6, 1995.

June 20, 1995—Act 11–64, "Arena Tax Payment Temporary Amendment Act of 1995." To amend, on a temporary basis, section 302 of the Omnibus Budget support Act of 1994, to consolidate the twice yearly payment so the fee imposed for the downtown sports and entertainment arena into 1 yearly payment due by June 15, of each fiscal year beginning fiscal year 1995. Act 11–64 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 20, 1995, for a 30-day review. This act shall expire on the 225th day of this having taken effect. Congress not having disapproved, this act became D.C. Law 11–32, effective September 6, 1995.

June 22, 1995—Act 11–67, "Pennsylvania Avenue Development Area Parks and Plaza Public Safety Temporary Amendment Act of 1995." To amend, on a temporary basis, title 18 of the district of Columbia Municipal Regulations to protect public users of parks and plazas in the Pennsylvania Avenue Development Area by prohibiting skateboarding, roller skating, an roller-blading. Act 11–67 was published in the June 30, 1995, edition of the *D.C. Register*. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became Law 11–34, effective September 8, 1995.

June 22, 1995—Act 11–68, "Prohibition on the Transfer of Firearms Temporary Act of 1995." To prohibit, on a temporary basis, the transfer by the Metropolitan Police Department of any ammunition feeding devise. Act 11–69 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–35, effective September 8, 1995.

June 22, 1995—Act 11–69, "Insurance Omnibus Temporary Amendment Act of 1995." To amend, on a temporary basis, the Insurers Rehabilitation and Liquidation Act of 1993, the Risk Retention Act of 1993, the Reinsurance Intermediary Act of 1993, the Annual Audited Financial Reports Act of 1993, the Law on Credit for Reinsurance Act of 1993, the Law on Examinations Act of 1993, the Holding Company System Act of 1993, the Fire and Casualty Act of 1940, and the Life Insurance Act of 1934 to correct technical errors and omissions. Act 11–69 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–36, effective September 8, 1995.

June 22, 1995—Act 11–70, "Industrial Revenue Bond Forward Commitment Program Authorization Temporary Act of 1995." To

authorize, on a temporary basis, and provide for the issuance, sale, and delivery of up to $850,000,000 aggregate principal amount of District of Columbia industrial revenue bonds in one or several separate series and to authorize and provide for establishment of a program for the making of loans to assist authorized projects pursuant to section 490 of the District of Columbia Self-Government and Governmental Reorganization Act. Act 11–70 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–37, effective September 8, 1995.

June 22, 1995—Act 11–71, "Limited Liability Company Amendment Act of 1995." To amend the Limited Liability Company Act of 1994 to establish an exemption to the requirement for payment of the recordation and transfer taxes for a new deed which acknowledges the vesting by operation of law of title to real property in a limited liability company formed from a general or limited partnership pursuant to the Limited Liability Company Act of 1994. Act 11–71 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–38, effective September 8, 1995.

June 22, 1995—Act 11–72, "Business Corporation Five-Year Report Amendment Act of 1995." To amend the District of Columbia Business Corporation Act of 1954 to allow corporation to file 5-year reports instead of annual reports and to increase the fees associated with filing reports. Act 11–72 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–39, effective September 8, 1995.

June 22, 1995—Act 11–73, "Public Accountancy Amendment Act of 1995." To amend the District of Columbia Public Accountancy Act of 1977 to change the education requirement necessary for certification as a public accountant for applicants receiving a baccalaureate degree after January 1, 2000. Act 11–73 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–40, effective September 8, 1995.

June 22, 1995—Act 11–74, "Commercial Piracy Protection and Deceptive Labeling Amendment Act of 1995." To amend the District of Columbia Theft and White Collar Crimes Act of 1982 to clarify that the provisions are not intended to preempt Federal copyright law, to require that sound recordings and audiovisual works contain the true name and address of the manufacturer, and to prohibit the unauthorized operation of a recording device in a movie theater. Act 11–74 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 60-day review. Congress not having disapproved, this act became D.C. Law 11–73, effective October 31, 1995.

June 22, 1995—Act 11–76, "Isle of Patmos Plaza Designation Act of 1995." To designate the 1200 block of Douglas Street, NE, as the

Isle of Patmos Plaza (Ward 5). Act 11–76 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–41, effective September 8, 1995.

June 22, 1995—Act 11–77, "Nonprofit Corporation Five-Year Report Amendment Act of 1995." To amend the District of Columbia Nonprofit Corporation Act to provide for the filing of a 5-year report instead of an annual report, and to increase the fees associated with filings by nonprofit corporations. Act 11–77 was published in the June 30, 1995, edition of the *D.C. Register* and transmitted to Congress on June 22, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–42, effective September 8, 1995.

June 30, 1995—Act 11–81, "Closing of a Public Alley in Square 2567 S.O. 93–47, Act of 1995." To order the closing of a portion of a public alley in Square 2567 located south of Kalorama Road, NW, and west of 17th Street, NW, in Ward 1. Act 11–81 was published in the July 7, 1995, edition of the *D.C. Register* and transmitted to Congress on June 30, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–43, effective September 16, 1995.

June 30, 1995—Act 11–82, "Prevention of Transmission of the Human Immunodeficiency Virus Temporary Amendment Act of 1995." To amend, on a temporary basis, the Drug Paraphernalia Act of 1982 to allow qualified community based organizations or other qualified individuals specifically designated by the Commissioner of Public Health, to operate the Needle Exchange Program in the District of Columbia. Act 11–82 was published in the July 7, 1995, edition of the *D.C. Register* and transmitted to Congress on June 30, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–44, effective September 16, 1995.

June 30, 1995—Act 11–83, "Closing of a Public Alley in Square 368, S.O. 94–52, Act of 1995." To order the closing of a public alley in Square 368, bounded by N Street, NW, 9th Street, NW, M Street, NW, and 10th Street, NW, in Ward 2. Act 11–83 was published in the July 7, 1995, edition of the *D.C. Register* and transmitted to Congress on June 30, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–45, effective September 16, 1995.

July 11, 1995—Act 11–85, "Industrial Revenue Bond Forward Commitment Program Authorization Act of 1995." To authorize and provide for the issuance, sale, and delivery of up to $850,000,000 aggregate principal amount of District of Columbia industrial revenue bonds in one or several separate series and to authorize and provide for establishment of program for the making of loans to assist authorized projects pursuant to section 490 of the District of Columbia Self-Government and Governmental Reorganization Act. Act 11–85 was published in the July 14, 1995, edition of the *D.C. Register* and transmitted to Congress on July 11, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–46, effective September 20, 1995.

July 11, 1995—Act 11–88, "Child Support Enforcement Temporary Amendment Act of 1995." To amend, on a temporary basis, the District of Columbia Child Support Enforcement Amendment Act of 1985 to require the court to base findings of good cause not to impose immediate withholding of earnings or income for child support on a written determination that immediate withholding is not in the best interest of the child. Act 11–88 was published in July 14, 1995, edition of the *D.C. Register* and transmitted to Congress on July 11, 1995, for a 30-day review period. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–47, effective September 20, 1995.

July 11, 1995—Act 11–89, "HIV Testing of Certain Criminal Offenders Act of 1995." To require individuals convicted of a sexual offenses, upon the request of the victim, to furnish a blood sample to be tested for the presence of the human immunodeficiency virus ("HIV"), to require the disclosure of the test results to the victim and the convicted individual, and to require the District to provide, at no cost to the victim or the convicted individual, counseling regarding the HIV disease, HIV testing, and referral for appropriate health care and supportive services. Act 11–89 was published in July 14, 1995, edition of the *D.C. Register* and transmitted to Congress on July 11, 1995, for a 60-day review period. Congress not having disapproved, this act became D.C. Law 11–74, effective November 11, 1995.

July 11, 1995—Act 11–90, "Juvenile Curfew Act of 1995." To establish a curfew for juveniles under the age of 17 years in the District of Columbia, to provide for parental responsibility for implementation of the act, to provide for exceptions to the act and to amend the District of Columbia Traffic Act of 1925 to impose driving restrictions on minors. Act 11–90 was published in July 14, 1995, edition of the *D.C. Register* and transmitted to Congress on July 11, 1995, for a 30-day review period. Congress not having disapproved, this act became D.C. Law 11–48, effective September 20, 1995.

July 11, 1995—Act 11–91, "District of Columbia Board of Education Fees for Adult, Community, and Continuing Education Courses Temporary Amendment Act of 1995." To authorize, on a temporary basis, the District of Columbia Board of Education to charge fees for all adult, community, and continuing education courses. Act 11–91 was published in the July 14, 1995, edition of the *D.C. Register* and transmitted to Congress on July 11, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, the act became D.C. Law 11–49, effective September 20, 1995.

July 13, 1995—Act 11–92, "Prohibition on the Transfer of Firearms Act of 1995." To prohibit the transfer by the Metropolitan Police Department of any ammunition feeding device. Act 11–92 was published in the July 21, 1995, edition of the *D.C. Register* and transmitted to Congress on July 13, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–50, effective September 22, 1995.

July 17, 1995—Act 11–94, "Omnibus Budget Support Act of 1995." Act 11–94 was published in the July 21, 1995, edition of the

D.C. Register and transmitted to Congress on July 17, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–52, effective September 26, 1995.

July 20, 1995—Act 11–95, "Vending Site Lottery and Assignment Amendment Temporary Act of 1995." To amend, on a temporary basis, the District of Columbia Municipal Regulations to authorize the Metropolitan Police Department to designate vending sites in the 500 block of 10th street, NW, to prohibit vending in that block unless assigned a site through lottery, to authorize the Mayor to designate additional vending areas for site assignment by lottery, and to require the Mayor to attempt to designate additional vending spaces to fireplace vending spaces that have been eliminated as result forewent Federal measures to increase the security of the White House complex and the Federal Bureau of Investigation headquarters. Act 11–95 was published in the July 28, 1995, edition of the *D.C. Register* and transmitted to Congress on July 20, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, the act became D.C. Law 11–53, effective September 29, 1995.

July 26, 1995—Act 11–107, "Probate Reform Act of 1994 Amendment Act of 1995." To amend the Probate Reform Act of 1994 to make its provisions applicable to the estates of persons who die on or after July 1, 1995. Act 11–107 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 26, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–54, effective October 13, 1995.

July 26, 1995—Act 11–108, "Augustanta Lutheran Church Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Augustanta Lutheran Church, a tax-exempt organization. Act 11–108 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 26, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–55, effective October 13, 1995.

July 26, 1995—Act 11–109, "Community Untied Methodist Church Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Community United Methodist Church, a tax-exempt religious organization. Act 11–109 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 26, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–56, effective October 13, 1995.

July 26, 1995—Act 11–110, "Washington Ethical Society Equitable Real Property Tax Relief Act 1995." To provide equitable real property tax relief to the Washington Ethical Society a tax-exempt organization. Act 11–110 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 26, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–57, effective October 13, 1995.

July 26, 1995—Act 11–111, "Chevrah Tifereth Israel Congregation Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Chevrah Tifereth Israel Congregation, a tax-exempt organization. Act 11–111 was pub-

lished in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 26, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–58, effective October 13, 1995.

July 26, 1995—Act 11–112, "Northwest Settlement House Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Northwest Settlement House, a tax-exempt organization. Act 11–112 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress July 26, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–59, effective October 13, 1995.

July 26, 1995—Act 11–113, "Church of the Ascension and Saint Agnes Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Church of the Ascension and Saint Agnes, a tax-exempt organization. Act 11–113 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 26, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–60, effective October 13, 1995.

July 26, 1995—Act 11–114, "Prospect Hill Cemetery Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Prospect Hill Cemetery, a tax-exempt organization. Act 11–114 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 26, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–61, effective October 13, 1995.

July 25, 1995—Act 11–115, "Arena Tax Payment and Use Amendment Act of 1995." Act 11–115 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 25, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–33, September 6, 1995.

July 28, 1995—Act 11–119, "Rock Creek Parish Cemetery Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Rock Creek Parish Cemetery, a tax-exempt organization. Act 11–119 was published in the August 4, 1995, edition of the *D.C. Register* and transmitted to Congress on July 28, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–62, effective October 18, 1995.

July 28, 1995—Act 11–120, "College and University Campus Security Amendment Act of 1995." To amend title 6A of the District of Columbia Municipal Regulations by adding a new chapter 12 to allow special police officers to be designated as campus and university special police officers and to amend the District of Columbia Law Enforcement Act of 1953 to make laws against assaulting members of the police force applicable to campus and university special police officers. Act 11–120 was published in the August 11, 1995, edition of the *D.C. Register* and transmitted to Congress on July 28, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–63, effective October 18, 1995.

Aug. 2, 1995—Act 11–126, "Motor Vehicle Rental Company Amendment Act of 1995." To amend the District of Columbia Human Rights Act to assure that motor vehicle rental companies

are subject to the same prohibitions on discriminatory conduct as motor vehicle insurance companies. Act 11–126 was published in the August 18, 1995, edition of the *D.C. Register* and transmitted to Congress on August 2, 1995, for a 30-day review. Congress not having disapproved, the act became D.C. Law 11–64, effective October 21, 1995.

Aug. 10, 1995—Act 11–128, "Closing of a Public Alley in Square 4337, S.O. 94–163 Act of 1995." To order the closing of a portion of a public alley in Square 4337, bounded by 30th Street, NE, Bladensburg Road, NE, Central Avenue, NE, and Yost Street, NE, in Ward 5. Act 11–128 was published in the September 15, 1995, edition of the *D.C. Register* and transmitted to Congress on August 10, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–65, effective October 26, 1995.

Aug. 15, 1995—Act 11–129, "Advisory Neighborhood Commission Vacancy Amendment Act of 1995." To amend the Advisory Neighborhood Commissions Act of 1975 to eliminate the requirement for the Board of Elections and Ethics to conduct special elections to fill Commissioner vacancies, to allow Commissioner slots to remain vacant where vacancies occur within 6 months prior to a general election, to allow vacancies in single-member districts, and to allow area Advisory Neighborhood Commissions to appoint persons to fill vacancies under certain circumstances. Act 11–129 was published in the August 18, 1995, edition of the *D.C. Register* and transmitted to Congress on August 15, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–66, effective October 26, 1995.

Aug. 15, 1995—Act 11–130, "Omnibus Sports Consolidation Act of 1994 Temporary Amendment Act of 1995." To amend, on a temporary basis, the Robert F. Kennedy Memorial Stadium and the District of Columbia National Guard Armory Public Safety Act to prohibit unlawful entry onto the RFK Stadium playing field and to prohibit possession of glass and metal beverage containers which could be used as missiles, and to amend the Omnibus Sports Consolidation Act of 1994 to clarify the quorum and board member term provisions. Act 11–130 was published in the August 18, 1995, edition of the *D.C. Register* and was transmitted to Congress on August 15, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–67, effective October 26, 1995.

Aug. 15, 1995—Act 11–131, "Extension of the Moratorium on Retail Service Station Conversions Temporary Amendment Act of 1995." To amend, on a temporary basis, the Retail Service Station Act of 1976 to extend the moratorium on the conversion of full service retail service stations to limited service retail service stations until October 1, 1999, and extend the life of the Gas Station Advisory Board. Act 11–131 was published in the August 18, 1995, edition of the *D.C. Register* and transmitted to Congress on August 15, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–68, effective October 26, 1995.

Aug. 15, 1995—Act 11–132, "Reorganization Plan No. 1 of 1995 for the Department of Human Services and Department of Correc-

tions Temporary Act of 1995." To adopt, on an temporary basis, Reorganization Plan No. 1 of 1995, to transfer the Bureau of Correctional Services from the Department of Human Services to the Department of Corrections. Act 11–132 was published in the August 18, 1995, edition of the *D.C. Register* and transmitted to Congress on August 15, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–69, effective October 26, 1995.

Sept. 6, 1995—Act 11–134, "Real Property Tax Reclassification Temporary Amendment Act of 1995." To amend, on a temporary basis, the District of Columbia Real Property Tax Revision Act of 1974 to provide for the classification of unoccupied buildings and vacant land. Act 11–134 was published in the August 25, 1995, edition of the *D.C. Register* and transmitted to Congress on September 6, 1995, for a 30-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–70, effective October 27, 1995.

Sept. 6, 1995—Act 11–135, "Canaan Baptist Church Equitable Real Property Tax Relief Act of 1995." To provide equitable real property tax relief to the Canaan Baptist Church, a tax-exempt organization. Act 11–135 was published in the August 25, 1995, edition of the *D.C. Register* and was transmitted to Congress on September 6, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–71, effective October 27, 1995.

Sept. 6, 1995—Act 11–136, "Interference with Medical Facilities and Health Professional and Re-establishment of Health Services Planning and Certificate of Need Program Temporary Act of 1995." To prohibit, on a temporary basis, a person from interfering with the free access to or egress from a medical facility or the home of a health professional and to re-establish a health services planning and certificate of need regulatory program in the District of Columbia. Act 11–136 was published in the August 25, 1995, edition of the *D.C. Register* and transmitted to Congress on September 6, 1995, for a 60-day review. This act shall expire on the 225th day of its having taken effect. Congress not having disapproved, this act became D.C. Law 11–75, effective December 15, 1995.

Sept. 6, 1996—Act 11–139, "Public Assistance Self-Sufficiency Program Amendment Act of 1995." To amend the District of Columbia Public Assistance Act of 1982 to establish a demonstration project to assist persons who apply for and receive AFDC benefits to move toward independence. Act 11–139 was published in the August 25, 1995, edition of the *D.C. Register* and was transmitted to Congress on September 6, 1995, for a 30-day review. Congress not having disapproved, this act became D.C. Law 11–72, effective October 27, 1995.

ACTS TRANSMITTED IN 1995 FOR THE 2ND SESSION

Nov. 22, 1995—Act 11–150, "Budget Support Temporary Act of 1995." To amend, on a temporary basis, the District of Columbia Government Comprehensive Merit Personnel Act of 1978. Act 11–150 was published in November 10, 1995, edition of the *D.C. Reg-*

ister and transmitted to Congress on November 22, 1995, for a 30-day review.

Dec. 5, 1995—Act 11–155, "Closing of a Portion of G Street, NW, and a Portion of a Public Alley in Square 454, S.O. 95–1, Act of 1995." To order the closing of a portion of G Street, NW, and a portion of a public alley in Square 454, bounded by G Street, NW, and H Street, NW, Between 6th Street, NW, and 7th Street, NW, in Ward 2.

Dec. 6, 1995—Act 11–156, "Solid Waste Facility Permit Temporary Act of 1995." To prohibit, on a temporary basis, the operation of an open solid waste facility in the District of Columbia.

Dec. 8, 1995—Act 11–157, "Uniform Interstate Family Support Act of 1995." To enact the Uniform Interstate Family Support Act in the District of Columbia.

Dec. 13, 1995—Act 11–158, "Child Support Enforcement and Compliance Amendment Act of 1995." To amend section 19–916 of the District of Columbia Code to notify the Mayor of a support payment delinquency and to amend the District of Columbia Child Support Enforcement Amendment Act of 1985 to implement additional sanctions against an obligor who fails to pay Child Support Enforcement Amendment Act of 1985 to implement additional sanctions against an obligor who fails to pay child support.

Dec. 8, 1995—Act 11–159, "Uniform Premarital Agreement Act of 1995." To enact the Uniform Premarital Agreement Act in the District of Columbia.

Dec. 8, 1995—Act 11–160, "Uniform Fraudulent Transfer Act of 1995." To enact the Uniform Fraudulent Transfer Act in the District of Columbia.

Dec. 12, 1995—Act 11–163, "Uniform Foreign Money Judgments Recognition Act of 1995." To enact the Uniform Foreign Money Judgments Recognition Act in the District of Columbia.

Dec. 12, 1995—Act 11–164, "Uniform Foreign Money Claims Act of 1995." To enact the Uniform Foreign Money Claims Act in the District of Columbia.

Dec. 12, 1995—Act 11–165, "Real Property Tax Rates for Tax Year 1996 Temporary Amendment Act of 1995." To amend, on a temporary basis, the District of Columbia Real Property Tax Revision Act of 1974 to establish the real property tax rates and the real property special tax rates for real property tax year 1996, and to approve related reports, and to place a limit on the amount of borrowing to be financed by the Arena Tax for the purpose of construction and financing of the Arena.

Dec. 13, 1995—Act 11–166, "Council Contract Approval Modification Temporary Amendment Act of 1995." To amend, on a temporary basis, the District of Columbia Procurement Practices Act of 1985 to establish criteria for Council review and approval of contracts for expenditures in excess of $1 million during a 12-month period and to exempt Federal-aid contracts from the review process.

ACTS TRANSMITTED IN 1996 FOR THE 2ND SESSION

Jan. 3, 1996—Act 11–172, "Uniform Health Insurance Claim Forms Act of 1995." To require the use of a uniform health insur-

ance claim form for physicians, hospitals, and other health care providers which shall be accepted by all health insurance carriers.

Jan. 3, 1996—Act 11–173, "Insurance Omnibus Amendment Act of 1995." To amend the Insurers Rehabilitation and Liquidation Act of 1993; the Risk Retention Act of 1993; the Reinsurance Intermediary Act of 1993; the Annual Audited Financial Reports Act of 1993; the Law on Credit for Reinsurance Act of 1993; the Law on Examination Act of 1993; the Holding Company System Act of 1993; the Fire and Casualty Act of 1940; and the Life Insurance Act of 1934 to correct technical errors and omissions.

Jan. 3, 1996—Act 11–174, "Department of Corrections Employee Mandatory Drug and Alcohol Testing Temporary Act of 1995." To establish, on a temporary basis, a mandatory drug and alcohol testing policy for District of Columbia Department of Corrections employees to ensure security and a safe working environment at the District's correctional facilities.

Jan. 3, 1996—Act 11–175, "Acquisition of Space Needs For District Government Officers and Employees Temporary Amendment Act of 1995." To amend, on an temporary basis, the District of Columbia Revenue Act of 1970 to clarify the phrase "predominant use" by the District government.

Jan. 3, 1996—Act 11–176, "Establishment of the John A. Wilson Building Foundation Temporary Act of 1995." To establish, on a temporary basis, the John A. Wilson Building Foundation, a nonprofit foundation, for the purpose of developing long-term plans for the use of the John A. Wilson Building and to develop long-range fund-raising plans to pay for the renovation of the John A. Wilson Building.

Jan. 3, 1996—Act 11–177, "Solid Waste Facility Permit Act of 1995." To prohibit the operation of an open solid waste facility in the District of Columbia; to prohibit the construction, operation, or substantial alteration of a solid waste facility in the District of Columbia without a solid waste facility permit issued or modified; to establish application fees for solid waste facility permits; to establish reporting requirements and a solid waste facility charge; to authorize inspections of solid waste facilities by the Mayor; to make conforming amendments to the Illegal Dumping Enforcement Act of 1994 and Chapter 3 of Title 8 of the District of Columbia Health Regulations; and to repeal Sections 502.11, 502.12, and 903.2 of Title 20 DCMR.

Jan. 4, 1996—Act 11–178, "Prohibition of Abandoned Vehicles Amendment Act of 1995." To amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, an act to prohibit parking of vehicles upon public or private property in the District of Columbia without the consent of the owner of such property, and the District of Columbia Abandoned and Junk Vehicles Removal Amendment Act of 1989, to prohibit the abandonment of any motor vehicle, trailer, or semitrailer on public or private property.

Jan. 4, 1996—Act 11–179, "Woodrow Wilson Bridge and Tunnel Compact Authorization Act of 1995." To authorize the Mayor, on behalf of the District of Columbia, to execute, with the State of Maryland and the Commonwealth of Virginia, the Woodrow Wilson Bridge and Tunnel Compact ("Compact"), which would create the national Capital Region Woodrow Wilson Bridge and Tunnel Au-

thority ("Authority") for the purposes of carrying out all duties associated with the transfer of ownership to the Authority of the existing Woodrow Wilson Memorial Bridge as well as of owning, constructing, maintaining, and operating a new bridge or a tunnel across the Potomac River, and would authorize the Authority to exercise various powers, including authority to issue revenue bonds and collect tolls; and to establish certain parts of the Compact as part of the law of the District of Columbia.

Jan. 22, 1996—Act 11–180, "Community Development Corporations Money Lender Licensing Fee and Bonding Exemption Temporary Amendment Act of 1995." To amend, on a temporary basis, an act to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed banker, trust companies, savings banks, building and loan associations, and real estate brokers in the District of Columbia, to exempt certain community development corporations acting as money lenders from all of the money lender licensing fee and bonding requirements.

Jan. 22, 1996—Act 11–181, "Budget Support Act of 1995." To amend, on a temporary basis, an act to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building and loan associations, and real estate brokers in the District of Columbia, to exempt certain community development corporations acting as money lenders from all of the money lender licensing fee and bonding requirements.

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE

1. *Government Corporation Control Act, Public Law 248, 79th Congress, December 6, 1945, 59 Stat. 597.*

This law provides basic accountability requirements for many government corporations. This subcommittee has a continuing interest in the scope and implementation of this act and consequently monitors it closely. The subcommittee reviewed the standards to which government corporations are held accountable, during a June 6 hearing entitled *Corporate Structures for Government Functions,* see Section II.B.5. In a subsequent report entitled *Making Government Work: Fulfilling the Mandate for Change* (House Report 104–435, December 21, 1995), the committee recommended that the Government Corporation Control Act be updated to reflect the increasing variety of government corporations and changes over the past 50 years since the enactment of the act (see Section II.A.2).

2. *The Administrative Expenses Act of 1946, Public Law 600, 79th Congress, August 2, 1946, 60 Stat. 806.*

The subcommittee continues its oversight of this act.

3. *The Prompt Payment Act, Public Law 97–177, 96 Stat. 85 (31 U.S.C. Sec. 3901, et seq.).*

The Prompt Payment Act requires every Federal agency to pay an interest penalty on amounts owed to business concerns for the

acquisition of property or services when the agency does not pay on time. The subcommittee continues its oversight over problems with the implementation of this act.

4. Federal Managers' Financial Integrity Act, Public Law 97–255, September 8, 1992, 96 Stat. 814 (31 U.S.C. Sec. 3512).

The Federal Managers' Financial Integrity Act requires agency heads to conduct ongoing evaluations and to report on the adequacy of their respective agency's systems of internal accounting and administrative controls. Further, it requires the Comptroller General to prescribe the standards for such controls, as well as standards to ensure the prompt resolution of all audit findings; it requires the Director of the Office of Management and Budget (OMB) to establish guidelines for agency use in evaluating whether the systems comply with the standards. Agency heads are required to prepare for the President and the Congress an annual statement on the status of the agency's compliance.

The subcommittee has been monitoring implementation of this act, which became effective September 8, 1982, including administration proposals for pilot studies to streamline the reporting under this and other acts.

5. Federal Property and Administrative Services Act of 1949, as Amended—June 30, 1949, 63 Stat. 377 (40 U.S.C. §§471, et seq; Public Law 152, 81st Cong.).

This law provides the Federal Government with a system for the procurement of personal property and nonpersonal services, for storage and issues of such property, for transportation and traffic management; for further utilization and disposal of surplus property, and for management of public buildings. GSA's original records management authority was modified in 1985. Its retained responsibilities were enacted as part of title 44, U.S. Code. The committee has amended certain sections of the 1949 act. The subcommittee continued closely monitoring implementation of this act.

a. House Report 104–222, included contract solicitation amendments; inserted pre-award debriefings; amended pre-award qualification requirements and replaced it with a contractor performance system; exempted all commercial requirements and replaced it with a contractor performance system; exempted all commercial items from the Truth in Negotiations Act; and applied simplified acquisition procedures to all commercial items regardless of their dollar value.

b. House Report 104–222, retained the provisions regarding commercial item purchasing in modified form. The law also maintained the original language authorizing pre-award debriefings for offerors where appropriate. Finally, it included a Senate provision which would require agencies to inventory all agency computer equipment and to identify excess or surplus property. It also directs the Administrator of the GSA, under Title II of the act to donate Federal surplus property to public organizations and follow the prescribed regulations which will prioritize the donations in the following sequence: (1) elementary and secondary schools; (2) public libraries; (3) public colleges and universities; and (4) other entities eligible for donation under the act.

6. Inspector General Act of 1978 (5 U.S.C. App.).

The subcommittee continued its oversight of the Inspector General Act of 1978 and the amendments of 1988. These acts created the Inspectors General [IG's] in 61 Federal entities, including Cabinet departments and major agencies, as well as at smaller commissions, corporations, boards, and foundations. The IG's are charged with: (1) conducting audits and investigations related to the programs and operations, and to prevent and detect waste, fraud, and abuse; and (2) keeping the department, agency or entity head, and the Congress fully informed about problems and deficiencies.

The subcommittee has worked closely with the IG's on audits and investigations during this session. The subcommittee paid particular attention to NPR recommendations to reorient the IG's to lessen what it considers "adversarial" relations that often develop between managers and IG's. The subcommittee oversight of this proposal concentrates on whether such changes might impede the aggressive oversight that is necessary for an effective agency inspector general.

7. The Competition in Contracting Act of 1984, Public Law 98–369, July 18, 1984, 98 Stat. 1175 (41 U.S.C. § 253).

The Competition in Contracting Act of 1984 amended Title III of the Federal Property and Administrative Services Act of 1949 to establish a statutory preference for the use of competitive procedures in awarding Federal contracts for property or services; to require the use of competitive procedures by Federal agencies when purchasing goods or services—sealed or competitive bids; and to direct the head of each agency to appoint an advocate for competition who will challenge barriers to competition in the procurement of property and services by the agency and who will review the procurement activities of the agency. The subcommittee continued closely monitoring implementation of this act.

8. The Single Audit of 1984, Public law 98–502, October 19, 1984, 98 Stat. 2327 (31 U.S.C. 7501 et seq.).

The Single Audit Act of 1984 requires each State and local government receiving $100,000 or more per year in Federal financial assistance to obtain an independent, organization-wide audit of its operations—usually on an annual basis. The audit must include a thorough review of the recipient's internal controls over its Federal funds, and an examination of its compliance with Federal program requirements. The subcommittee continues to closely monitor implementation of this act, and is reviewing current proposals to amend the act by incorporating the provisions of OMB Circular No. A–133, Audits of Institutions of Higher Education and Other Non-Profit Institutions, into the act, raising the thresholds for requiring organization-wide audits, and allowing a risk-based approach to selection of major programs. These changes have been proposed as a result of recent studies by the General Accounting Office, the President's Council on Integrity and Efficiency, and the National State Auditors Association.

9. Budget and Accounting Act of 1921, Public Law 13, 67th Congress, June 10, 1921, 42 Stat. 20–27; Congressional Budget and Impoundment Control Act of 1974, Public law 344, 93d Congress, July 12, 1974, 88 Stat. 297–339; Balanced Budget and Emergency Deficit Control Act of 1985, Title II of Public Law 177, 99th Congress, December 12, 1985, 99 Stat. 1038–1101; Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, Title I of Public Law 119, 100th Congress, September 29, 1987, 101 Stat. 754–784; Budget Enforcement Act of 1990, 104 Stat. 1388–573 Through 630; Omnibus Budget Reconciliation Act of 1993, Title XIV of Public Law 66, 103d Congress, 107 Stat. 683–685, August 10, 1993.

These laws establish the current framework for the presentation of the President's budget request to Congress, the consideration of the congressional budget resolution and the imposition of fiscal discipline through the possible application of end-of-year sequesters and other deficit reduction mechanisms. The subcommittee is examining whether there is a need for comprehensive budget process reform.

10. Office of Federal Procurement Policy Act (41 U.S.C. §§401, et seq., 88 Stat. 796, Public Law 93–400).

The Office of Federal Procurement Policy Act established an Office of Federal Procurement Policy (OFPP) within the OMB to promote economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch of the Federal Government.

a. H.R. 1670, as reported by the committee in House Report 104–222 made revisions to the current OFPP Act to provide for improved definitions of competition requirements, establish an alternative quality-based pre-qualification system for meeting the Government's recurring needs; exempt commercial items from the Truth in Negotiations Act and the Cost Accounting Standards; added a new section to encourage the Government's reliance on the private sector sources for goods and services; and removed specified certification requirements currently in statute and required other current regulatory certifications unless its need was justified in writing; require the establishment of a governmentwide goal of reducing by 50 percent the time necessary for executive agencies to acquire an item for the user; add a new section to provide that each executive agency establish and maintain effective value engineering processes and procedure and establish a series of policies and procedures for the management of the acquisition workforce in civilian agencies.

b. Public Law 104–106 modified certain provisions included in the committee report. Some of those provisions include: exempting commercial items from the Truth in Negotiations Act and Cost Accounting Standards; removing certain unnecessary certification requirements; providing for the inapplicability of certain procurement laws to commercially available off-the-shelf items extending authority for executive agencies to establish and maintain cost-effective, value engineering, procedures and processes; establishing a series of policies and procedures for the management of the acquisition workforce in the civilian agencies. It also repealed the current pro-

curement integrity provisions and their certification requirements. New language provides for the protection of confidential procurement information by prohibiting both the disclosure and receipt of such information and imposing criminal and civil penalties for violations. There is also a limited ban on contacts between Government officials and industry contractors, as well as governmentwide "revolving door" restrictions. The new provisions contain a time limitation for filing a GAO protest based upon alleged violation of these provisions.

11. Debt Collection Act of 1982, 96 Stat. 1749, Public Law 97–365.

The Debt Collection Act of 1982 is intended to facilitate improved debt collection procedures in the Federal Government. It includes: (1) referring delinquent debtors to credit bureaus while providing those debtors the same protection now afforded the private sector under the Fair Credit Reporting Act; (2) requiring individuals to supply their Social Security number when applying for credit or financial assistance that would result in indebtedness to the Government; (3) offsetting a Federal employee's salary and certain benefits to satisfy general debts owed the Government; (4) making it a Federal penalty to assault Federal employees collecting debts owed the Government; (5) determining delinquent tax liability and seeking its resolution before extending Federal credit; (6) disclosing mailing addresses obtained from the IRS on delinquent debtors to private contractors for debt collection purposes; (7) clarifying that administrative set off of delinquent debts owed the Government exists beyond the 6 year statute of limitations; (8) assessing interest on debts owed the Government and penalties on those debts that are delinquent; (9) easing the requirements for serving summonses in order to litigate delinquent debt cases; (10) reporting to Congress on debt collection activities; and (11) allowing Federal departments and agencies to contract with private collection agencies for collection services. The subcommittee continued closely monitoring implementation of this act.

The subcommittee is concerned over rising levels of delinquent debts. Despite write-offs averaging $10 billion per year, delinquent non-tax debts equal $49.9 billion, while delinquent tax debts total $70 billion. The subcommittee held a hearing (see Section II.B.6) on September 8, 1995, to study the problem of delinquent debts, which built upon earlier hearings related to financial management and debt collection. In response to the difficulties agencies have had collecting debts, the subcommittee considered legislation to improve debt collection by allowing agencies the following authorities:

- Require that agencies refer debts to Treasury for administrative offset;
- Allow payments currently exempt from offset to be administratively offset (includes Social Security, Railroad Retirement, Pt. B of Black Lung, and Veterans' benefits);
- Allow administrative offset to be conducted for child support;
- Allow States and the Federal Government to offset each other's payments to collect each other's debts;
- Require Electronic Funds Transfers (Direct Deposit) by 1999 to facilitate offset, improve audit information and reduce fraud;

• Bar delinquent debtors from obtaining Federal benefits, loans, insurance, and routine services;
• Allow agencies to garnish the wages of delinquent debtors;
• Allow agencies to give public notice of indebtedness in the case of individuals or corporations who refuse to repay Federal loans, and who have assets or income to repay the debt;
• Require agencies to report current and delinquent debt to credit reporting agencies (including corporate and other commercial debts);
• Allow agencies to retain some portion of increased collections to fund improved debt collection efforts (agency gain sharing); and
• Authorize agencies to sell debt prior to terminating collection action.

This proposal is pending before Congress.

12. Buy American Act, 41 U.S.C. § 10.

This act requires Federal agencies to purchase materials or articles mined, produced, or manufactured in the United States and to let contracts for public works on the same basis unless such purchases are inconsistent with the public interests or are unreasonably costly. The subcommittee continues its oversight of the act.

13. Chief Financial Officers Act of 1990 (Public Law 101–576, November 15, 1990; 31 U.S.C. 502(b–f)–504).

The CFO Act had two primary purposes: (1) to strengthen the general management activities of the OMB by creating a Deputy Director for Management position and clarifying OMB's general management statutory authority; and (2) to establish accountability and a business-like discipline in Federal financial management. The CFO Act created a new Office of Federal Financial Management at OMB, headed by a Controller with extensive experience in financial management and accounting. The act further requires CFO's to be installed at 23 departments and major agencies. The act requires that financial statements be prepared for business-like activities of the Federal Government in order to provide accurate information about the financial condition of key programs and to identify fraud, waste, and abuse. The act also places requirements on Federal agencies for improving financial information and internal controls, and for upgrading specific financial management activities such as debt collection and budget execution.

The CFO Act requirements have been strengthened, made permanent, and expanded by the Government Management Reform Act. In October 1994, the Government Management Reform Act became law. It requires agencies to prepare agency-wide financial statements and have them audited beginning in fiscal year 1996, with the report due to Congress by March 1997. By fiscal year 1997, the General Accounting Office is required to audit the financial statements of the executive branch, with the report due to Congress by March 1998.

The subcommittee held a hearing on the status of agency implementation of the CFO Act and the preparedness for implementation of the GMRA on July 25, 1995, (see Section II.B.9.) A subsequent hearing, on Financial Management Problems in the Department of Defense was held on November 14, 1995, to examine the

likelihood that Defense will not be able to comply with the GMRA by the statutory deadline, see Section II.B.10.

The subcommittee continues its monitoring of the act, conducts ongoing investigations into OMB's leadership of the agencies in financial management through the Office of Federal Financial Management, set up in OMB as a result of the act, and will continue to evaluate agencies' ability to comply with the requirements of both acts, and their progress in obtaining clean opinions on their audited financial statements.

14. Government Performance and Results Act of 1993, Public Law 103–62.

On August 3, 1993, the Government Performance and Results Act of 1993 was signed into law by the President. The act provides for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes. It will improve the efficiency and effectiveness of Federal programs by establishing a system to set goals for program performance and to measure results. After a series of pilot projects implementing a strategic planning and performance system in volunteer agencies, the requirements are to be applied government-wide eventually leading to a performance-based budgeting system.

Beginning in 1994, this act requires the OMB to select 10 agencies to perform pilot projects for 3 years on developing strategic plans. OMB has designated some 71 individual pilot programs which include all Cabinet departments and most of the major agencies. They also represent nearly every significant type of government function or activity, from the very large, to the very small. The 5-year strategic plans must outline an agency's mission, general goals, and objectives, and include a description of how the goals and objectives are to be achieved.

OMB will also select five agencies to perform pilot projects for 2 years on managerial flexibility. The pilots will assess the benefits, costs, and usefulness of increasing managerial flexibility and organizational flexibility, discretion, and authority. The OMB was required to designate pilots for 1995 and 1996, and has not yet done so.

Strategic plans and annual performance plans are to be submitted to Congress and OMB not later than September 30, 1997. At the same time, five agencies will be selected to begin pilot projects on performance-based budgeting. By the year 2000, all agencies will submit annual performance reports with the budget.

OMB is seeking to increase the use and value of performance information in the preparation and submission of the President's budget. OMB expects to increase substantially the use of performance information in fiscal years 1997 and 1998 budgets, and to work with all the agencies on defining performance goals that agencies will include in their annual performance plans for fiscal year 1999.

15. Government Management Reform Act of 1994; Public Law 103–356.

On June 9, 1994, the Senate Governmental Affairs Committee incorporated provisions of related measures of H.R. 3400, the Gov-

ernment Reform and Savings Act, into S. 2170, as introduced. S. 2170 was signed by the President on October 13, 1994. The legislation incorporated portions of H.R. 3400, specifically the sections on streamlining management controls and improving financial management. It contained the first round of the administration's recommendations from the Vice President's initiative to reform Government operations, the National Performance Review (NPR). The subcommittee held a hearing on the NPR, see Section II.B.1.

This legislation strengthens the ability of Federal agencies to expand conversion to electronic delivery of payments to Federal employees and retirees. Each recipient of a Federal wage, salary, or retirement payment, who begins to receive payments on or after January 1, 1995, will be required to receive payments by direct deposit. This provision does allow agency heads to waive the requirements through a written request by recipients.

Second, an authorization of six pilot franchise funds to help lower costs and share common administrative services is provided by this legislation. An offshoot of the Vice President's National Performance Review, it would increase funds available to executive branch agencies for shared administrative services for different departments within an agency or among different agencies of the Federal Government.

OMB would create six franchise funds within the executive branch, in consultation with the Appropriations and Government Reform and Oversight Committees. The funds can be used to support "common administrative support services." The fund may receive an initial appropriation, but must charge fees for the services it provides. Fees can be used only to carry out the purposes of the fund. The fund "sunsets" after fiscal year 1999. OMB must report by March 1998 to the Government Reform and Oversight and Appropriations Committees on the operation of the fund.

The fund seeks to improve efficiency in the agencies in delivering administrative support services by centralizing activities and creating competition to deliver the services. An agency in which the franchise fund was created would be free to solicit business for these services from other Federal departments and agencies, streamlining Federal management by increasing efficiency through the elimination of duplicative, inefficient service providers. As different agencies develop strengths in different areas, they can contract out for those areas where an agency is weak and sell services to other agencies where an agency is strong. The U.S. Department of Agriculture does this with its National Finance Center which provides financial services to other agencies.

Third, this legislation directs the OMB to work with the House Government Reform and Oversight and the Senate Governmental Affairs Committees to streamline and consolidate financial management reports from the agencies to OMB and from OMB to Congress.

Last, beginning in 1997, all 24 agencies covered under the Chief Financial Officers Act are required to produce audited financial statements for all activities. Starting in 1998, the Government will produce audited consolidated financial statements of all 24 CFO Act agencies. See Section II.B.9–10 for descriptions of hearings on the status of agency preparations to comply with the GMRA.

16. Laws Relating to Official Travel, Transportation, and Subsistence of Federal Employees.

The subcommittee has oversight responsibility with respect to chapter 57 of title 5, U.S. Code, which relates to travel, transportation, and subsistence allowances and payments to Federal employees performing official travel or relocating pursuant to transfer. The President has delegated most administrative function under chapter 57 to the Administrator of General Services. (See Executive Order 11609.) The Office of Management and Budget has developed new protocols for senior Federal travel and new reporting requirements in OMB Circular No. A–126, Improving the Management and Use of Government Aircraft, and OMB Bulletin 93–11, Fiscal Responsibility and Reducing Perquisites. The subcommittee held a hearing on December 29, 1995, to examine the Senior Executive Federal Travel Reports. These requirements have been supplemented by a White House Memorandum, dated February 10, 1993.

17. Freedom of Information Act (Public Law 89–487, as Amended by Public Laws 90–23, 93–502, 94–409, and 99–570; 5 U.S.C. 552).

The passage of the Freedom of Information Act of 1966 remains as the most important recent development in public access to government documents. The subcommittee continued its oversight of the implementation of amendments to the act. The subcommittee also continued its longstanding practice of reviewing legislation from other committees that affects the availability of Government information. The subcommittee also continued to provide assistance to Members of Congress and to other committees on matters concerning the availability of information. The Government Reform and Oversight Committee has reissued *A Citizen's Guide on Using the Freedom of Information Act and the Privacy Act of 1974 to request Government Records* (First Report by the Committee on Government Reform and Oversight, 104th Congress, 1st Session, originally issued June 22, 1995). The subcommittee is currently reviewing proposed amendments to the act.

18. Privacy Act of 1974 (Public Law 93–579, as Amended by Public Laws 100–503 and 101–56; 5 U.S.C. 552a).

The passage of the Computer Matching and Privacy Protection Act of 1988 (Public Law 100–56) marked the biggest change to the Privacy Act since its passage in 1974. Review of the effectiveness of the matching law was undertaken by the GAO and is discussed elsewhere in this report.

The subcommittee is also continuing its routine oversight of the Privacy Act by reviewing agency proposals to create new systems of records and proposals to modify existing systems of records. The Privacy Act requires each agency to file a report with the Congress whenever a system is changed or established. About 100 such reports are filed annually.

The subcommittee raised questions about system notices filed by Department of Commerce, Department of State, GSA, and OPM. In addition, general Privacy Act matters have been discussed with the OMB.

19. Federal Advisory Committee Act (Public Law 93–463, as amended by Public Law 94–409; 5 U.S.C. App. 1).

The Federal Advisory Committee Act (a) requires each standing congressional committee to make continuing reviews of advisory committees under its jurisdiction; (b) gives the Director of the OMB responsibility for reviewing advisory committees and prescribing administrative guidelines and management controls; (c) sets forth reporting requirements by the President; (d) provides for phasing out advisory committees every 2 years unless positive actions are taken to retain them; (e) prescribes open meetings, balanced representation, and other procedural requirements for advisory committees; and requires GSA to provide guidance and assistance to advisory committees as well as to review annually their activities and responsibilities. The subcommittee continues to monitor implementation of the act.

20. Government in the Sunshine Act (Public Law 94–409, 5 U.S.C. 552b).

The Government in the Sunshine Act provides that meetings of Federal agencies must be open to the public if a majority of the members were appointed by the President with the consent of the Senate. The act includes 10 permissive exemptions to the open meeting requirement. The subcommittee is monitoring the implementation of the act.

21. The Cash Management Improvement Act of 1990, as amended (Public Law 101–453, 31 U.S.C. 3335, 6501, 6503).

This act focuses on promoting equity in the exchange of funds between the Federal Government and the States. It requires the Secretary of the Treasury, along with the States, to establish equitable funds transfer procedures, and provided that States would pay interest to the Federal Government if they draw funds in advance of need and that the Federal Government would pay interest to the States if the Federal program agency does not reimburse the States in a timely manner when States use their own funds. The first year of implementation of the act was 1994. During fiscal year 1994 (which for the majority of the States included 9 months of the first fiscal year under the act), the Federal Government obligated over a reported $150 billion in Federal funds to the States for programs covered under the act. The first year of implementation resulted in a cumulative net State interest liability due to the Federal Government of approximately $34 million—over $41 million owed by the States offset by $4.7 million and $2.5 million owed the States by the Federal Government for interest and reimbursable costs, respectively.

Prior to the CMIA, the timing of Federal funds transfers to the States was governed by the Intergovernmental Cooperation Act, Public Law 90–577. That law allowed a State to retain for its own purposes any interest earned on Federal funds transferred to it "pending its disbursement for program purposes. The subcommittee, when considering the CMIA legislation in 1990, noted that the Intergovernmental Cooperation Act had been a source of continuing friction between the States and the Federal Government." CMIA requires the Federal Government to schedule transfers of funds to

States "so as to minimize the time elapsing between transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payments by other means by a State," and expects States to "minimize the time elapsing between transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payments by other means for program purposes." The subcommittee continues to monitor the implementation of the CMIA.

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

1. Unfunded Mandates Reform Act of 1995, Public Law 104–4, 104th Congress, March 22, 1995, 109 Stat. 67.

This law requires the legislative and executive branches to identify and quantify implementation costs of statutory and regulatory mandates on State and local governments. The Human Resources and Intergovernmental Relations Subcommittee has been monitoring Federal department compliance with the requirements of Title II of the act regarding analysis of mandates in proposed and final regulations. The subcommittee has also been monitoring the design and implementation of the study of existing mandates required under Title III of the act.

NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE SUBCOMMITTEE

1. National Aeronautics and Space Act of 1958, as Amended (42 U.S.C. 2451 et seq).

This law governs NASA and its operation. The subcommittee has a keen interest in the operation and efficiency of the Nation's space program and monitors the legislation closely.

2. Executive Order 12127 of March 31, 1979.

This Executive order consolidated the Nation's emergency related programs into the Federal Emergency Management Agency. The fast response to national disasters is a crucial function of the Federal Government. As a result, this legislation garners the keen interest of the subcommittee.

3. National Narcotics Leadership Act of 1988 (21 U.S.C. 1501 et seq.).

This law established the Office of National Drug Control Policy in 1988. Because drug policy is a primary focus of this subcommittee, the subcommittee gives a great deal of attention to this legislation. To fulfill its oversight responsibility of the Office of National Drug Control Policy, the subcommittee held an extensive investigation into the effectiveness of the Nation's drug control strategy. Those investigations brought about three major hearings: (1) The Effectiveness of the National Drug Control Strategy and the Status of the Drug War, on March 9 and April 6, 1995. (2) Illicit Drug Availability: Are Interdiction Efforts Hampered by a Lack of Agency Resources?, on June 27 & 28, 1995. (3) The Drug Problem in

New Hampshire: A Microcosm of America—on September 25, 1995, the subcommittee held an oversight hearing.

4. The Sentencing Reform Act of 1984 (28 U.S.C. et seq. And 18 U.S.C. 3551 et seq.).

This law established the U.S. Sentencing Commission as an independent commission in the judicial branch of the Federal Government. As the commission determines the effectiveness of Federal sentencing policy, the subcommittee takes an active role in studying and guiding this legislation.

5. Treasury Department Order No. 221.

This Treasury order established the Bureau of Alcohol, Tobacco and Firearms. In connection with the subcommittee's oversight of the executive branch activities at Waco, TX, the subcommittee has monitored the bureau and its organization to develop ways to maximize the Bureau's efficiency in enforcing the laws over which it has jurisdiction.

6. Title 13 of the U.S. Code.

This law governs the Bureau of the Census and taking of the Census 2000. As Census 2000 draws near, and preparations are underway, the subcommittee makes a routine study of this legislation and how it governs the taking of the Census.

7. Defense Base Closure and Realignment Act of 1990, Public Law 101–510.

This law created the Defense Base Closure and Realignment Commission, the commission which recommends, on a bipartisan basis, the most efficient and least intrusive way to eliminate Department of Defense facilities throughout the country. The subcommittee has followed this legislation with interest.

POSTAL SERVICE SUBCOMMITTEE

The Subcommittee on the Postal Service has exclusive legislative jurisdiction and oversight over the U.S. Postal Service which is granted its authority from the Postal Reorganization Act of 1970 (Public Law 91–375). The act authorized the U.S. Postal Service (USPS) as an independent entity of the executive branch. Under the act, the USPS is authorized to provide postal services in the United States on a businesslike basis as specified under a broad organizational structure, with limitations placed on its operational discretion.

Among its mandates, the USPS is directed to: (1) operate "as a basic and fundamental service provided to the people by the Government . . . to bind the Nation together through the personal, educational, literary, and business correspondence of the people," (2) "provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self sustaining," (3) "achieve and maintain compensation for its officers and employees comparable to the rates and types of compensation . . . in the private sector," (4) establish postal rates "to apportion the costs of all postal operations to all users of the mail on a fair and equitable basis," and (5) set postal rates

and fees so that they "provide sufficient revenues so that the total estimated income and appropriations . . . will equal as nearly as practicable total estimated costs of the Postal Service."

IV. Other Current Activities

A. GENERAL ACCOUNTING OFFICE REPORTS

CIVIL SERVICE SUBCOMMITTEE

1. "Public-Private Mix: Extent of Contracting Out for Real Property Management Services in GSA," May 16, 1994, GAO/GGD-94-126BR.

a. Summary.—At the request of Rep. Jim Inhofe, then-ranking minority member of the Committee on Public Works and Transportation's Subcommittee on Investigations and Oversight, GAO reviewed the General Service Administration's (GSA) experience with contracting for real property management services (for example, cleaning and general maintenance of Federal facilities) between 1982 and 1992.

During these years, GSA's Public Buildings Service (PBS) reviewed 731 functions for contracting. GSA contracted for services at 73 percent of the facilities, retained 24 percent in-house, and closed the remaining 3 percent of the functions. PBS estimated the savings from these reviews at $45.7 million (about 60 percent of GSA's $75.8 million savings from contracting). These reviews resulted in the reduction of 3,227 full-time equivalent employees (FTE), with about 10 percent of these savings achieved by reorganizing functions retained in-house. Low contractor bids averaged 39 percent less than the government's bid where functions were contracted out. Where functions were retained, the government's bid averaged 33 percent less than competing contractors' bids. On custodial services, contractors' bids averaged over 50 percent less than government bids. Government proved more competitive in maintenance services, where contractors averaged only 2 percent lower than government bids. Contractors were most competitive when functions involved more than 10 FTE.

At the end of the period, 3,525 of the 8,086 commercial positions included in the PBS inventory of commercial activities remained unstudied. The "Edgar Amendment" to GSA's appropriations laws had, since 1982, restricted GSA from contracting for guard, elevator operator, messenger, and custodial activities unless such contracts are awarded to "sheltered workshops employing the severely handicapped." The amendment obstructed GSA's ability to compete 1,181 positions. Despite the savings reported from analysis of current contracts, and GSA's efforts to repeal this arbitrary restriction, GAO made no recommendation.

GAO reported that 78 percent of these contracts had occurred before 1987. Data in figure I.17 of the report indicate that, in the first 2 years of the study period, savings for all contracted activities averaged well above 50 percent. Government agencies became more effective competitors in studies conducted during 1985 and 1986.

Most contracting done, even during this period, was through direct conversions rather than the competitive procedures described in Circular A–76. Indeed, 71 percent of contracted activities and 74 percent of contracted FTE's were attributable to direct conversions, and 586 of the activities reviewed by PBS were functions involving fewer than 10 FTE, where direct conversion does not require competitive bids.

b. Benefits.—This report is cited by both GAO and the Office of Management and Budget as the most comprehensive effort to assess contracting by Federal agencies. It takes a longer-term perspective than most GAO reports, and reviews similar functions involving a range of facilities. This report assesses the extent of such contracting, and a subsequent report was slated to address the effectiveness of GAO's contracting. The report reveals deficiencies in procurement data collection systems. It also implies that the benefits of contracting can be identified by managers who have the discretion to move directly to contract. At the same time, the report prompts the inference that managers are reluctant to utilize competitive procedures required by Circular A–76, raising the possibility that those procedures constitute an obstacle to contracting when comparisons might be close.

2. *"Workforce Reductions: Downsizing Strategies Used in Selected Organizations," March 13, 1995, GAO/GGD–95–54.*

a. Summary.—In response to the Workforce Restructuring Act of 1994, GAO provided the chairs and ranking minority members of committees and subcommittees having jurisdiction over Federal employment issues information about downsizing strategies used by 17 private companies, 5 States, and 3 foreign governments. The act mandated a reduction of 272,900 positions (roughly 12 percent of the Federal workforce) between 1994 and 1999. Other organizations have reduced workforces by as much as 40 to 50 percent over comparable periods, but this long-term commitment to reduction was unique in Federal experience. Congress authorized payment of separation incentives of up to $25,000 to Federal employees who agreed to resign or retire, and the administration adopted other downsizing strategies.

Private organizations reported that their downsizing decisions resulted from corporate restructurings or decisions to eliminate unprofitable product lines. That is, downsizing was the consequence of business objectives rather than independent objectives. Corporate officials stressed the importance of identifying desirable structural changes and revising methods of operation. Two-thirds of the private sector organizations emphasized planning to retain a viable workforce, and those that did not plan effectively conceded that downsizing resulted in skills imbalances that resulted in rehiring separated employees or costly retraining programs for new employees. Attrition and hiring freezes were not consistently effective measures for achieving short-term reductions. Most organizations used incentives to encourage "at risk" employees to resign or retire, including buyouts much larger than authorized by Congress, credit of additional years of service for retirement purposes, allowance for retirement with no reduction in pensions, and lump-sum severance payments of as much as 1 year's salary. Involuntary terminations

were a last resort, and were coordinated with decisions to terminate product lines. Where firms needed more than one round of incentive payments to achieve staff reductions, subsequent incentives tended to be smaller than payments to the first round of terminated personnel.

Management of effective downsizing required attention to morale issues, including strong communication programs addressed to remaining employees. These programs were supplemented by career counseling, outplacement assistance, and retraining for all employees. These programs would convey the revised mission of the organization and help employees to understand why they were retained and their expected contributions to the new organization.

Rather than a result of strategic planning processes, government reductions tend to be a response to budget constraints. Where organizations reduced staff without reducing workload or revising work procedures, incremental staff increases tended to follow the downsizing, within the limits of available funds.

Foreign nations included in the study reduced government operations because of declining economic conditions and changed public attitudes toward government services. Corporate decisions tended to be responses to market forces, either competition in current product lines or decisions to change product offerings. Objectives ranged from decisions to enter new markets, redesign work systems, or "flatten the organization." Tactics used included the identification and elimination of unnecessary work, automation or comparable technology innovations, and plant closings where product lines were terminated. The Wyatt Co. reported, however, that only 17 percent of private sector organizations were able to reduce staff without replacing at least 10 percent of the workforce.

Private organizations identified statutory constraints as they designed workforce reduction programs. One company considered it excessively costly to provide both separation incentives and retirement benefits to the same employees, but terminated a program that limited buyouts to people younger than retirement age because of the Older Workers Benefit Protection Act of 1990. Another company wanted to offer single mothers more generous separation packages than other employees, but concluded that the Employee Retirement Income Security Act of 1974 required that all "at-risk" employees be offered the same incentives. States reported that their options for structuring separations were constrained by "bumping" rights of public employees. These "bumping" rights prolonged staff uncertainty related to the separation process approximately 2-months longer than planned. The State, however, admitted the "bumping" ensured that remaining workers had experience beyond those who wound up separated. States also were constrained by collective bargaining agreements that required separation of covered employees on seniority, rather than performance, skills, or knowledge, criteria.

b. Benefits.—This report highlights the importance of linking workforce reduction plans to larger strategic objectives, and demonstrates that separation incentives can be of limited effectiveness, depending upon the objectives of workforce restructuring. Buyouts can rarely be targeted to specific positions, are frequently preceded by a reduction of normal attrition rates, and thus seldom result in

the elimination of one position for each buyout. It provides a useful information resource for agencies and for Congress assessing options for the elimination of functions to facilitate further workforce reductions.

3. *"Managing for Results: Experiences Abroad Suggest Insights for Federal Management Reforms," May 2, 1995, GAO/GGD–95–120.*

a. Summary.—At the request of the chairmen and ranking minority members of House and Senate oversight committees, GAO reviewed government management reforms in Canada, Australia, New Zealand, and the United Kingdom to anticipate methods of implementing the conversion to an "inputs" focus of policy analysis to the results orientation mandated by the Government Performance and Results Act of 1993 (GPRA). GPRA directs Federal agencies to establish strategic planning processes and objectives, to measure annually progress toward those objectives, and to report publicly on the effectiveness of programs.

In each of the countries, managers learned that greater flexibility of administrative rules and budgeting restrictions were necessary to shift agencies' focus toward strategic goals. Much of the flexibility was achieved by adopting performance contracts and oversight based upon process factors, generally providing executives more room to operate within budget ceilings. Despite the intention to focus on results, GAO reported that most measures used in each country focused on outputs rather than results, although Canada and Australia realized more progress toward "outcomes" measures. Officials also recognized that external factors, such as economic conditions, could influence the results in spite of government's program activities.

Experiences with performance measures indicate that they should flow from a program's objectives and reflect managers' ability to influence the intended results. Program staff should have a role in developing performance measures, which should focus on a few key elements and assess different dimensions of performance, including quantity, quality, efficiency, and cost. Effective performance measures should enable qualitative assessment of program results, and provide aggregated information to upper management while giving detailed data to program managers. Although these nations reported providing program objective measurement data to Members of Parliament, it is used in a limited, but increasing, manner in evaluating programs.

The four governments reported that investments in information systems and training were critical to program success. Managers need advanced systems to collect, analyze, and report program information, manage resources, and implement commercial reforms. Staff typically requires additional training to develop, collect, and analyze results-oriented information, exercise spending flexibility, and improve human resources management.

b. Benefits.—GAO's presentation of the reports asserts that caution should be used in attempts to apply the results to the United States, but the reasons cited for caution in application seem irrelevant to the conclusion. GAO has previously argued that "maintaining a clear and continuing commitment to performance improve-

ment can be extremely difficult in the U.S. Government due to turnover in political appointees." This formulation of the issue evades the question: "Who has authority to establish program goals and objectives?" An implicit answer serves as GAO's premise for the conclusion: objectives should be established by Congress and should remain constant through political transitions. The establishment of performance objectives, however, is a political function. In a parliamentary system, that function is purely legislative and one should expect consistency unless there is a change of parliament. In a Presidential system, appointed leadership should and must be involved in evaluating and changing program objectives. The related accountability, after all, rests with the appointed leadership, not the career civil service. Among other factors, Presidents appoint agency heads to achieve program changes. Congress, of course, has responsibility to oversee those measures, and to impose accountability when changes in priorities are inconsistent with duly enacted laws. GAO's working premise that there should be continuity in measures and evaluation criteria is itself a political decision. That decision, however, is unsupported by the electorate when made by career civil servants. The call for "flexibility" for line managers might serve the interests of career civil servants, but would impede accountability in the executive if elected leadership favored substantial reform or abolition. The report indicates, albeit inadvertently, that Federal managers are adept at linking their agencies' inability to achieve performance objectives to factors beyond their programs' control.

The report provides some examples of output measures, but demonstrates that few nations have achieved genuine "outcomes" measures for program evaluations. The report provides little evidence to demonstrate that measures developed to reflect "customer" satisfaction that is, the desires of citizen beneficiaries of programs will coincide with the evaluation criteria that authorizing committees might apply which is usually interpreted to be the public interest. It indicates that market mechanisms (e.g., user fees, asset sales, and contracting for support services) improve the efficiency of agencies, but reaches no assessment of effectiveness.

Similarly, performance-focussed evaluations provide incentives for human resources managers to focus on the recruitment, training, and development requirements of line management. Again, the result appears to be improved efficiency, because GAO cites no measures of the organization's effectiveness.

4. "Federal Hiring: Reconciling Flexibility With Veterans' Preference," June 16, 1995, GAO/GGD-95-102.

a. Summary.—At the request of the former chairman of the Subcommittee on Civil Service of the Committee on Post Office and Civil Service, GAO initiated a review of Federal hiring procedures to identify those that are working, those that are not, and to assess whether proposals to reform hiring procedures address the needs of agencies and applicants. Previous GAO studies alleged that the Federal hiring process has impeded managers from hiring quality people when they were needed at the same time that it has frustrated applicants.

Federal hiring procedures include recruitment, application, referral, and selection phases, and provide managers twelve different authorities under which they can hire personnel. In making selections, managers are required to comply with legal principles including merit principles, veterans' preference, and equal opportunity laws. Managers must select from among the three highest ranking candidates, but are prohibited from selecting a nonveteran over a higher ranking veteran. In response to National Performance Review recommendations, the Office of Personnel Management (OPM) granted agencies additional flexibility in recruitment and selection by abandoning centralized hiring registers. OPM has also automated application, rating, ranking, referral, and employment information processes.

Nonetheless, Federal managers informed GAO that although managers have greater flexibility, they believe that the legal requirement to give veterans preference in hiring can conflict with their desire to hire the people whom they feel are best qualified for open positions. Veterans' preference appears to be an obstacle to hiring the highest qualified candidates in a demonstration project currently being run by the Department of Agriculture. GAO's subsequent interviews with veterans' groups revealed that the hiring procedures were not serving veterans well, either. Veterans' organizations report that agencies appear to favor using noncompetitive hiring procedures when available because these are not restricted by veterans' preference and the rule of three. GAO confirmed that agencies are less likely to hire from a selection certificate when a veteran is rated highest.

Applicants for Federal employment who also applied for private sector positions tended to find private sector procedures faster. Median times between submitting an application and receiving a job offer varied between 8 and 14 weeks. One-third of the new hires responding to GAO interviews claimed that waiting time became excessive after 6 weeks. GAO, it should be noted, interviewed only those who accepted Federal positions, and did not sample applicants who accepted private employment during the interval between application and selection. Personnel officials agreed that OPM's automation and procedural flexibility might alleviate some of their timeliness concerns, but would not resolve the difficulties in Federal hiring that they identified with veterans' preference and the rule of three.

GAO recommended that OPM use its authority for demonstration projects to recruit agencies that would attempt alternative methods of implementing veterans' preference. These demonstrations would be conducted in conjunction with labor unions, veterans' organizations, and other interested parties.

b. Benefits.—This report continues GAO's monitoring of the personnel system, and raises important questions about potential conflicts between merit principles and veterans' preference. The report has serious conceptual flaws. It's concept of "quality" seems to center on whom managers would like to hire, rather than relative ranking scores. The potential conflict between veterans' preference and "merit" identified in this report, in the absence of objective measures, could be nothing more than a preference for hiring within the current system. Similarly, the absence of analysis of the ap-

plicant pool undoubtedly skews the sample used to evaluate the acceptance of employment offers. Thus, although the report opens questions, the limits of survey data restrict its usefulness in providing guidance for answering them.

5. *"Federal Personnel Management: Views on Selected NPR Human Resource Recommendations," September 18, 1995, GAO/GGD-95-221BR.*

a. Summary.—At the request of the ranking minority member of the Civil Service Subcommittee, GAO reviewed recommendations made by the National Performance Review (NPR) in the area of human resource management. The Workforce Restructuring Act of 1994 requires the reduction of 272,900 positions from the Federal workforce by 1999, and the administration has targeted administrative positions, such as human resource management functions, for many of the necessary reductions. NPR has also recommended a decentralized hiring system, where agencies would have more authority to hire persons based upon the needs of program managers. This report surveyed human resource managers to ascertain their level of agreement with the NPR recommendations, to gain their impression about the adequacy of their resources to meet their new responsibilities, and to report on OPM's plans for oversight to ensure accountability for merit system principles.

Human resource managers generally favored increased delegation of authority in their areas of responsibility, but they were reluctant to embrace the abolition of the standard Federal job application, the SF-171. They believed that the NPR recommendations leading to a decentralized system would increase their workload, although some of the associated automation and simplification of procedures might save some time. They expressed reservations about their ability to accomplish the increased workload with the planned workforce reductions.

Although NPR recommended adoption of new oversight systems to ensure that greater delegation did not result in violations of merit principles, OPM had not completed its plans for greater oversight when this report was written. Most human resource managers agreed that they did not have performance measures to evaluate their systems. Implementation of such systems will be necessary to comply with requirements of the Government Performance and Results Act.

GAO used a sample of personnel officers selected to provide geographic diversity among agencies with substantial personnel workloads, so the results might not be generalizable to all agencies. The surveys were conducted during a period of change, both in terms of implementing NPR recommendations for new procedures and reducing the workforces at several of the agencies involved in the survey.

NPR recommendations in the human resources management area include 14 recommendations and 46 action items, and the GAO focussed upon the areas of recruitment and examinations, the classification system, performance management, alternative dispute resolution, the standard application form, and the Federal Personnel Manual (FPM). Managers favored recommendations related to the abolition of centralized registers and increased hiring

authority within agencies. Most recruitment and examination is already handled by agencies, rather than OPM, although there is a statutory requirement that OPM conduct examinations for common positions.

Agency officials favor simplification of the classification system, especially implementation of "paybanding." Officials in 33 of 37 offices in the survey favored opportunities to develop their own performance management programs, including such concepts as "pass/fail" and "group/team" performance evaluations. Alternative dispute resolution and informal grievance procedures also enjoy wide support among human resource managers.

Agency officials believe that abolition of the SF–171 will add to their workloads because obtaining all of the information needed to evaluate applications will require more time. They also were reluctant to accept information in nonstandard resumes, and feared that different agencies might adopt distinct application forms. Those supporting abolition of the SF–171 recognized that it was cumbersome for applicants and required irrelevant job experience information. Although officials conceded that the FPM was too detailed and inflexible, only 17 of 37 offices supported abolishing it. Many reported that, although the FPM lacked official status, nothing had changed and it remained in use, and personnel officials would continue to rely upon it until adequate substitutes are published.

Agencies generally supported OPM's efforts to automate human resource management procedures, and agreed that many of these technological changes and procedural simplifications would reduce workloads. Over time, many human resource management responsibilities would be shouldered by line managers, if the NPR recommendations are implemented.

Under the Civil Service Reform Act of 1978, OPM had responsibility to oversee human resource management in Federal agencies to ensure compliance with merit principles and other statutory requirements. If NPR recommendations are implemented, agencies will have more flexibility in the design of human resource programs. Although most agency officials believed that they could manage their own human resource programs, only 16 of the 37 offices surveyed had performance measurement systems in place. OPM is assisting agencies to develop performance management measures for their system in order to facilitate compliance with GPRA. Agencies will remain responsible for ensuring that their human resource management programs are linked effectively to overall agency objectives.

b. Benefits.—This update sustains GAO's role in monitoring and reporting on the administration's efforts to implement the NPR recommendations. It highlights areas where agencies are uncomfortable with recommendations, and points out the need for strengthened oversight where operational responsibility is decentralized.

6. "Worker Protection: Federal Contractors and Violations of Labor Law," October 24, 1995, GAO/HEHS–96–8.

a. Summary.—Senator Paul Simon has proposed legislation that would debar firms exhibiting a clear "pattern and practice" of violating the National Labor Relations Act (NLRA) from Federal contracts. Senator Simon asked GAO to review Federal contractors'

violations of the NLRA and to identify ways to improve Federal contractors' compliance with NLRA. GAO found that 80 firms with Federal contracts worth $23 billion had violated the act. Six of the violators had received almost 90 percent of the contracts, which comprise approximately 13 percent of total Federal contracts for the years reviewed (1993–94). None of these 6 firms were included among the 15 worst violators, as classified by GAO. Remedies imposed by the National Labor Relations Board in the 88 cases reviewed affected nearly 1000 employees in twelve bargaining units. The Department of Labor's Office of Federal Contract Compliance Programs estimates that 22 percent of the Nation's workforce, or about 26 million employees, are hired by Federal contractors or subcontractors.

Federal laws and an Executive order place greater responsibilities on Federal contractors than other employers. Executive Order 11246 requires Federal contractors to develop and maintain an affirmative action program. The Davis-Bacon Act and the Service Contract Act require contractors to pay prevailing area wages and benefits. GAO found that most of the violations involved interference with workers' rights to organize, to bargain collectively, and discriminating against union members in hiring or conditions of employment. These offenses are violations of Section 8(a) of the act.

GAO noted that enforcement could be enhanced by collecting violators' penalties from Federal contract awards, but did not make a recommendation to do so. This measure would require coordinating contract awards reported to GSA with NLRB actions. The report did not discuss methods of implementing Federal contract debarment.

b. Benefits.—This report documents, with summary reports of violations in all 88 cases reviewed, that labor law violations are not widespread among Federal contractors, and that serious violators have only a minuscule portion of Federal contracts. The NLRB already has extensive enforcement authority in these areas. The lack of recommendation indicates that the remedy proposed by Senator Simon would have limited utility in enforcing Federal labor laws against Federal contractors.

7. "Government Contractors: Selected Agencies' Efforts To Identify Organizational Conflicts of Interest," October 25, 1995, GAO/GGD–96–15.

a. Summary.—In response to a legislative requirement, GAO reviewed agency implementation of OMB Policy Letter 89–1, (Public Law 89–1), "Conflict of Interest Policies Dealing with Consultants," GAO attempted to determine whether agencies have complied with requirements to identify and evaluate potential organizational conflicts of interest (OCI) and to identify ways that agencies might improve their screening for OCI's. GAO reviewed contractors at the Environmental Protection Agency, the Department of Energy, and the Department of the Navy, three agencies that use especially large amounts of consultant and advisory service contracts.

Under the Policy Letter, agencies are required to obtain certifications that no conflict exists. If a conflict is found, agencies are required to evaluate the conflict before awarding contracts. EPA and DOE were found to have obtained certifications from contrac-

tors in nearly all cases, but a DOD Inspector General reported that the Navy was obtaining certifications in so few cases that the IG concluded that the Navy was not requesting the submissions. The Navy is implementing new procedures.

An April 1993 study by the President's Council on Integrity and Efficiency (PCIE) reported that certifications were being requested in only 9 of 19 civilian agencies. The PCIE contended that self-certifications would do little to deter dishonest contractors. GAO agreed, and cited the evaluations conducted by EPA and DOE as important elements of the Public Law 89–1 implementation process. Fully one-third of the 66 contracting officials contacted by GAO, however, had received no training on identifying conflicts of interest covered by the letter.

GAO observed that proper training might enhance supervision of potential conflicts of interest in contractor organizations. GAO also determined that, if agencies are receiving certifications from contractors, duplicative information should not be required in other formats.

b. Benefits.—This report responds to continuing congressional concerns about integrity in government contracting. It demonstrates the need for agencies to implement regulations that are in place, and confirms that additional safeguards might not be necessary if existing ones are adequately implemented.

8. "Federal Quality Management: Strategies for Involving Employees," April 19, 1995, GAO/GGD–95–79.

a. Summary.—The General Accounting Office initiated a study in June 1992 to examine Quality Management (QM)—a management approach that emphasizes improving product quality while decreasing production costs by increasing the efficiency of work processes.

This report describes the human resource management approaches used to implement QM by 10 Federal organizations that have won governmental awards for the advanced level of their quality initiatives. Although no two of the QM programs GAO looked at were the same, all 10 of the award-winning organizations embraced the same four Human Resource Management strategies: (1) a comprehensive training program; (2) an increase in organizational communication; (3) promoting and rewarding teamwork; and (4) involving employees in the management of work processes.

GAO concluded that the process of changing to a quality culture was driven by the synergism that resulted from the four HRM strategies concurrently. In doing so, these organizations increased the levels of employee involvement in quality improvement activities.

b. Benefits.—This study may be of use to the Office of Personnel Management in its role assisting Federal agencies with QM through the Federal Quality Institute.

9. "Personnel Practices: Career Appointments of Legislative, White House, and Political Appointees," October 10, 1995, GAO/GGD–96–2.

a. Summary.—At the request of Representative Schroeder, GAO reviewed the pattern of political appointees at Federal departments and agencies and employees of the White House and Congress re-

ceiving career appointments in the competitive Civil Service or the Senior Executive Service. GAO examined such appointments made between October 1, 1984, and June 30, 1994.

During this period, GAO found a total of 1,090 former political and congressional/judicial branch employees received career appointments. Of these, 552 individuals received noncompetitive appointments under the Ramspeck authority, and 502 individuals converted from Schedule C and noncareer SES positions to competitive appointments. Another 36 received White House service appointments. The median grade received for Ramspeck and White House appointments was at the GS–12 level. The median grade received for conversions was at the GS–13 level.

GAO found that Ramspeck appointments have followed a cyclical trend over the 10-year period, increasing significantly during those years immediately following Federal elections, GAO analysis indicates that this cycle can generally be associated with turnover in congressional membership and the consequent involuntary separation of congressional employees. The pattern of Schedule C and noncareer SES conversions and White House service appointments is less distinctive.

b. Benefits.—This report provided useful information to the subcommittee in its oversight of Federal career appointments and the merit system selection process. Additionally, the clarification of the White House employee conversion process was very useful.

10. "Employment Discrimination: Most Private Sector Employers Use Alternative Dispute Resolution," July 1995, GAO/HEHS–95–150.

a. Summary.—At the request of Congressman William L. Clay (D–MO) and Major Owens (D–NY), GAO reviewed the extent to which private-sector employers use alternative dispute resolution (ADR) approaches, especially arbitration, to resolve discrimination complaints of employees not covered by collective bargaining agreements and the fairness of employers' arbitration policies. The study examined whether employers use one or more of the following alternative dispute resolution techniques: negotiation, fact finding, peer review, internal mediation, external mediation, and arbitration.

GAO found that almost all employers with 100 or more employees use one or more ADR approaches. Arbitration is one of the least common approaches reported, but some employers using arbitration make it mandatory for all workers. According to GAO, some of the arbitration techniques used by employers would not meet fairness standards proposed by the Commission of the Future of Worker-Management Relations, established by Labor Secretary Robert Reich.

b. Benefits.—This study will be useful in examining whether to encourage the use of alternative dispute resolution mechanisms to resolve Federal employment disputes.

11. "Congressional Retirement Costs," October 12, 1995, GAO/GGD–96–24R.

a. Summary.—At the request of Congressman Dan Miller (R–FL) the GAO gathered information relating to the retirement system

available to Members of Congress and congressional staff. Specifically, the GAO reviewed the following: (1) the cost of retirement benefits afforded to Members; (2) the cost of retirement benefits afforded to congressional staff; (3) the potential savings available from H.R. 804, introduced by Rep. Miller; (4) how retirement systems in the private sector compare with the congressional retirement program; and (5) the extent to which nonFederal employers may be replacing their defined benefit pension plans with defined contribution pension plans.

The GAO found that the total cost to the government of providing the future retirement benefits earned by House Members during calendar year 1994 was about $14.3 million. At this annual amount, the 5-year total for House Members would be about $71.5 million. The GAO also found that the total cost to the government of providing future retirement benefits earned by House staff during 1994 was about $116.5 million. The Senate Disbursing Office refused to provide the GAO with information on staff payroll and retirement program coverage that is essential for accurate estimates. The GAO did not attempt to estimate the potential savings of H.R. 804 but stated that the bill, if enacted, would significantly reduce the cost of Member retirement programs. The GAO is currently working on a report that examines nonFederal retirement programs. The GAO expects the comparison to show that general Federal employees under CSRS receive greater benefit amounts at the same salary levels and years of service than nonFederal employees when they retire before age 62 but smaller amounts at age 62 and older when Social Security benefits are available to nonFederal employees. The disparity between nonFederal retirement programs and retirement for Members of Congress will be much greater. The GAO also found in the private sector there does not appear to be a discernable trend toward replacing defined-benefit plans with defined contribution plans.

b. Benefits.—This information will assist the subcommittee as it continues its oversight and legislative activities regarding the Federal retirement programs. It has been the goal of the subcommittee to examine the full magnitude and cost of the taxpayer financed retirement systems for all Federal employees, including Members of Congress and congressional staff. The Balanced Budget Act of 1995, also known as "Reconciliation," dramatically cut the accrual rates for Members and congressional staff and equalized the contribution rates with those of executive branch employees.

12. "Federal Retirement Benefits for Members of Congress, Congressional Staff, and Other Employees," May 1995, GAO/GGD–95–78.

a. Summary.—At the request of the chairman of the House Subcommittee on Civil Service, Rep. John Mica (R–FL), and the chairman of the Senate Subcommittee on Post Office and Civil Service, Senator Ted Stevens (R–AL), the GAO reviewed the retirement benefits available to Members of Congress and congressional staff with those available to other groups of employees under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The GAO found that the CSRS provisions for Members of Congress are generally more beneficial than the

provisions for other employee groups, particularly general employees. The major differences are found in the eligibility requirements for retirement and the formulas used to calculate benefit amounts. The Member benefit formula applies to congressional staff; however, congressional staffs are covered by the general employees' retirement eligibility requirements. Law enforcement officers and firefighters may retire earlier and are covered by a more generous benefit formula than general employees. Under CSRS, the provisions for air traffic controllers fall between those for law enforcement officers and firefighters and general employees.

The GAO also found that many of the relative advantages afforded to Members of Congress and congressional staff over general employees in CSRS were continued under the FERS pension plan. However, provisions for law enforcement officers, firefighters, and air traffic controllers are very similar to the Member provisions under FERS.

b. Benefits.—This information will assist the subcommittee as it continues its oversight and legislative activities regarding the Federal retirement programs. It has been the goal of the subcommittee to examine the full magnitude and cost of the taxpayer financed retirement systems for all Federal employees, including Members of Congress and congressional staff. The report was a useful resource in drafting the section of the Balanced Budget Act of 1995, also known as "Reconciliation," which dramatically cut the accrual rates for Members and congressional staff and equalized the contribution rates with those of executive branch employees.

13. "Private Pension Plans, Efforts To Encourage Infrastructure Investment," September 1995, GAO/HEHS–95–173.

a. Summary.—At the request of Representatives Bud Shuster (R–PA), chairman, and Norman Mineta (D–CA), ranking minority member, of the Committee on Transportation and Infrastructure, GAO gathered information on the role that pension plans might play in expanding public investment in infrastructure projects, in particular, by implementing the proposals addressed in the 1993 report of the Commission to Promote Investment in America's Infrastructure.

In its 1993 report, the Infrastructure Commission proposed creating two new entities to provide credit assistance to States and localities that would make infrastructure projects more attractive to private investors. One entity—the National Infrastructure Corp. (NIC)—would support projects by purchasing debt securities of selected projects. NIC could expand investment by creating securities backed by projects it had supported. Another entity—the Infrastructure Insurance Corp. (IIC)—would ensure projects that could not obtain bond insurance from the private sector. The Infrastructure Commission also proposed expanding tax incentives, including the creation of a public benefit bond that would distribute earnings tax free to participants in certain pension plans.

Establishing NIC and IIC would demand additional Federal subsidies (the Commission proposed that the NIC and IIC be capitalized through a Federal grant of $1 billion over 5 years). Under current budget rules, these new costs would have to be offset with spending cuts or additional revenues.

The Infrastructure Commission identified three ways that pension plans could participate in infrastructure projects generally through NIC and IIC: (1) Pension plans could invest in the equity of the proposed bond insurer, IIC; (2) Pension plans could buy taxable project debt insured by IIC or purchase securities directly issued by NIC; and (3) Pension plans could act as lenders directly funding project debt through purchasing public benefit bonds.

GAO reviewed the economic analysis and held discussions with market participants in evaluating the Infrastructure Commission's proposals. While discussions with some market participants indicated some of the Infrastructure Commission's proposals might attract pension plan investment, many economists and participants were skeptical. They raised questions about the goal of reallocating pension capital as well as the need for Federal entities and incentives that the Infrastructure Commission proposed.

Experts and market participants noted that alternative mechanisms, not specifically targeted to pension plans, may increase infrastructure investment. One proposed approach is to amend the ISTEA to allow States to create transportation revolving funds similar to those established under the Clean Water Act. While this approach has limitations that require study, it may be an alternative way of attracting new sources of capital to infrastructure projects.

b. Benefits.—This information will assist the subcommittee as it continues its oversight and legislative activities regarding Federal retirement programs. While the Infrastructure Commission's proposals concerned private pensions, this study highlights concerns which are relevant to any future consideration of investing Federal pension funds in instruments other than those currently used. Unfortunately, this report limited its criticism of the Infrastructure Commission's proposals to those concerns of market experts who noted that the rates paid by bonds issued by infrastructure projects usually were not competitive with other instruments which pension managers have available to them. The report failed to note the primary objection to the Commission's proposals, or any other proposals which would argue for so-called economically targeted investments: they threaten to undermine the integrity of pension programs and conflict with ERISA. Under ERISA a pension fund manager is required to "discharge his duties with respect to a plan solely in the interest of the participants and the beneficiaries for the exclusive purpose of (i) providing benefits to participants and their beneficiaries; and (ii) defraying reasonable expenses of administering the plan."

14. "Federal Employees Compensation Act, Redefining Continuation of Pay Could Result in Additional Refunds to the Government," June 1995, GAO/GGD–95–135.

a. Summary.—At the request of Senators Joseph Leiberman (D–CT) and Thad Cochran (R–MS), GAO gathered information relating to Continuation of Pay under Federal Employees Compensation Act (FECA) and how it is administered by the Department of Labor (DOL) Office of Worker's Compensation Programs (OWCP). FECA authorizes Federal agencies to continue paying employees their regular salaries for up to 45 days (called the Continuation of Pay

or COP period) when they are absent from work due to work-related traumatic injuries.

Because of current interpretations of FECA by the Employees' Compensation Appeals Board (ECAB) and a Federal appeals court, the Federal Government has no legal basis to obtain refunds of COP paid to injured employees when those employees recover damages from third parties who are liable for their on-the-job injuries. A basis could be provided, however, by amending FECA. As a result of current interpretations, employees can receive regular salary payment from their agencies and reimbursement from third parties—in effect, a double recovery of income for their first 45 days of absence from work due to injury. In contrast, employees may not receive double recoveries for compensation benefits, such as medical expenses whenever they are incurred or compensation in lieu of pay after 45 days, because FECA provides that the government can recoup funds for these expenditures from employees receiving third-party recoveries.

GAO determined that the government could recover up to an estimated $2 million per year if it were to obtain funds of continuation of pay (COP) in third-party cases. The Postal Service would realize about 70 percent of these recoveries. This could be accomplished if Congress were to amend FECA to require that COP payments in third-party cases be treated like compensation benefits for the purpose of refunds to the government from third-party recoveries. Thus, injured employees could not receive double recoveries for COP periods because the government could also recoup funds for COP expenditures from employees receiving third-party recoveries. According to Labor and Postal Service officials, the amount of COP that could be refunded to the government would greatly exceed the administrative costs to recover it.

b. Benefits.—This information will assist the subcommittee as it continues its oversight and legislative activities regarding Federal employee compensation and benefit programs despite the fact that the study limited itself to a discussion of recovering damages from third-parties held liable in injury cases. Not considered by the report was the elimination of COP. FECA is far more generous than any of the State workers' compensation programs. Only FECA offers a 45-day COP which, some observers claim, may act as an incentive to file disability claims. One proposed solution to this problem is to eliminate COP and immediately place claimants on disability pay, as do most States.

15. "Veteran's Benefits, Effective Interaction Needed Within VA To Address Appeals Backlog," September 1995, GAO/HEHS–95–190.

a. Summary.—At the request of Senators John D. Rockefeller (D–WV) and Ben Nighthorse Campbell (R–CO), GAO gathered information on the untimely processing of veteran's compensation and pension claims by the Veterans Administration (VA).

Veterans often wait many months for the VA to process claims and for the 40,000 vets who annually appeal the VA's decisions, the wait may be extended to as much as 2 years. Since 1990 different groups have studied the problems of the untimely processing, including the GAO, VA's Inspector General, and VA special task

forces. A frequently cited recommendation is the need for the autonomous organizations within the VA to work together to resolve problems.

GAO found that the VA's appeals process is increasingly bogged-down. The 1988 Veteran's Judicial Review Act and Court of Veteran's Appeals rulings expanded veteran's rights, but also expanded the VA's adjudication responsibilities. VA is having difficulty integrating these responsibilities into its already complex and unwieldy adjudication process. Since 1991 the number of appeals awaiting action by the Board of Veteran's Appeals has increased by 175 percent and average processing time has increased by 50 percent.

The current legal and organizational framework—which involves several autonomous VA organizations in claims adjudication—makes effective interaction among those organizations essential to fair and efficient claims processing. Many study recommendations underscore the need for VA organizations to work together. VA officials have not implemented many study recommendations believing that other formal and informal mechanisms are effective.

GAO found that many problems are going undetected and unresolved despite the VA preferred mechanisms. Unless VA clearly defines its adjudication responsibilities it will not be able to determine whether it has the resources to meet those responsibilities and whether some new solutions may be needed, including amending laws defining VA's responsibilities, or reconfiguring the agency.

b. Benefits.—This information will assist the subcommittee as it continues its oversight and legislative activities regarding Federal compensation and benefit programs as it highlights problems shared by other agencies which may be analyzed in the future.

16. "Sunday Premium Pay, Millions of Dollars in Sunday Premium Pay Are Paid to Employees on Leave," May 1995, GAO/GGD-95-144.

a. Summary.—This report responds to the direction in the Conference Report accompanying the Treasury, Postal Service, and General Government Appropriations Act of 1995. The report was directed to the conferees: Senators Richard Shelby (R-AL), chairman, and J. Robert Kerry (D-NE), ranking minority member, Senate Appropriations Committee, Treasury and Postal Subcommittee, and Rep. Jim Lightfoot (R-IA), chairman, and Steny Hoyer (D-MD), ranking minority member of the corresponding House subcommittee. The objectives of the report were to determine: (1) the agencies that pay the most Sunday premium pay and the amounts paid; (2) to the extent possible, the amounts of Sunday premium pay paid to employees on leave at selected agencies; and (3) whether employees' Sunday leave usage at these agencies increased after issuance of the OPM letter stating that agencies must pay Sunday premium pay to full-time employees who are regularly scheduled to work on a Sunday, but who take paid leave during the tour of duty.

This report provides the Sunday pay information for fiscal 1994 and, where possible, compares Sunday leave usage for comparable pay periods both before and after issuance of the OPM letter.

A 1993 court decision interpreting the leave provisions in Title 5 U.S.C. held that Federal employees who took leave on a Sunday for which they were scheduled to work were entitled to Sunday pre-

mium pay even though they did not work. Accordingly, Federal agencies began paying Sunday premium pay to employees who were on leave. Subsequently, Congress, in the 1995 DOT appropriation, nullified the court's decision with respect to FAA employees. Extending a similar prohibition on paying Sunday pay to employees on leave would reduce Federal payroll costs by millions of dollars.

b. Benefits.—This information will assist the subcommittee as it continues its oversight and legislative activities regarding Federal compensation and benefit programs. Premium pay is pay for work performed on a weekend, hours in excess of a defined period per day, or hours in excess of a defined standard work week. These definitions of a standard work day or week (the 8-hour day or the 40-hour week for example) grew from "definitions" of the work week negotiated between labor organizations and industry, child labor and protective laws developed around the turn of the century, and, in the case of work performed on Sunday, special recognition of labor performed on a day which prevailing cultural norms regarded as "a day of rest."

In all cases, the idea of premium pay is predicated upon the notion that the individual works a longer than normal work-day or work-week. In the particular case of Sunday premium pay, the individual is being remunerated above standard rates because he or she is sacrificing a day normally reserved by societal practice as a day for personal use rather than work.

The policy of paying Sunday premium pay to an employee on leave posits the notion that premium pay is an "entitlement" rather than something received for services rendered. Compensation policy must reflect the underlying notion that Pay is tied to work performed or services rendered. The practice of Sunday premium pay for individuals on leave should be eliminated.

17. "Review of Compensation Comparability Report," October 30, 1995, GAO/GGD-96-34R.

a. Summary.—At the request of Congressman James P. Moran (D–VA) the GAO reviewed a report published by the American Legislative Exchange Council (ALEC) entitled *America's Protected Class: The Excess Value of Public Employment* (June 1994). The authors of this report, Messrs. Wendell Cox and Samuel A. Brunelli, conclude that Federal civilian employees receive about 51 percent more in total compensation (salaries, wages, and benefits) over their careers than employees in the private sector. The methodology used by the authors of the ALEC report estimate the "excess value" by measuring the extent to which average Federal compensation exceeds average private sector compensation. ("Excess value" is defined as the extent to which Federal employees' compensation exceeds the market rate for comparable employees.) The methodology quantifies five factors, which represent areas of possible advantages for Federal compensation. The GAO states that "the methodological assumptions which drive the conclusions are not well supported." The GAO also suggests that the authors' approach seemed questionable on conceptual and factual grounds.

Prior to the publication of the GAO report Wendell Cox was given the opportunity to respond in writing to the GAO findings.

Following publication Mr. Cox stated that "GAO dismissed our response out of hand, despite the fact that we directly refuted the most important points in their analysis. The GAO analysis includes constructive criticisms. But, in sum, incorporation of the recommendations would produce little difference from our original estimate that Federal non-military employment has an inherent excess value of 50.8 percent. As indicated in our GAO published response, a downward adjustment of 2.6 percent would be required. GAO's analysis is not balanced. . . ."

b. Benefits.—The conclusions of the GAO do not suggest a fair and objective analysis of the ALEC report. Although the GAO admits that their "review is not exhaustive," the language used to characterize the methodology used by ALEC suggest an institutional bias. The report has serious conceptual flaws. The subcommittee staff communicated these concerns to the GAO when the letter to the ranking member was published, and GAO has not resolved the concerns.

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE

1. *"Status of Open Recommendations: Improving Operations of Federal Departments and Agencies," January 1995, GAO/OP-95-1.*

a. Summary.—In fiscal year 1994, the General Accounting Office (GAO) made 1,450 recommendations. More importantly, about 4,400 GAO recommendations made during the past 5 years have been implemented. This report summarizes the status of all GAO recommendations that have not been fully implemented and highlights some of the key ones.

b. Benefits.—The report is used for oversight, both of GAO and other agencies and programs. It provides information about previous GAO recommendations and a basis for future requests.

2. *"Federal Office Space: More Businesslike Leasing Approach Could Reduce Costs and Improve Performance," GAO/GGD-95-48.*

a. Summary.—The GSA has a virtual monopoly over the provision of Federal office space. GSA now spends $2 billion annually for leased space and projects. These costs will rise to $3 billion by 2002 unless the ratio of federally owned to leased space is increased. Also, Federal agencies have been dissatisfied with GSA's monopoly and the amount of time GSA takes to deliver requested space. GAO concludes that a more businesslike approach to leasing could reduce costs and improve performance. GAO makes several recommendations to streamline GSA's leasing process, making it less costly and time consuming, more responsive to the needs of Federal agencies, and a better value for taxpayers.

b. Benefits.—The subcommittee has jurisdiction over the GSA and has a responsibility to monitor its activities. Implementation of the recommendation could result in savings to the Government.

3. *"The Chief Financial Officers Act: A Mandate for Federal Financial Management Reform," GAO/AFMD–12.19.4.*

a. Summary.—Overall, executive branch agencies are making progress in implementing the Chief Financial Officers Act (CFO). This landmark legislation seeks to (1) provide Congress and agency managers much more reliable financial, cost, and performance information; (2) dramatically improve financial management systems and controls to eliminate waste, fraud, abuse, and mismanagement and to better protect the Government's assets; and (3) establish effective financial organizational structures to provide strong leadership into the 21st century. The remaining problems are difficult, however, and much remains to successfully implement the act—especially in regard to improving the quality of financial information and the underlying financial systems and controls, which are in serious disrepair today. The Comptroller General's statement outlines key areas in which progress is being made and discusses critical implementation issues that need to be fully confronted.

b. Benefits.—The subcommittee has oversight over the CFO Act and the GAO report highlights areas that need to be monitored more closely.

4. *"Information Technology: A Statistical Study of Acquisition Time," GAO/AIMD–95–65.*

a. Summary.—The Federal Government spends upwards of $25 billion each year on information technology. Too often, however, this investment falls short in improving service, increasing efficiency, or lowering costs. This lack of success can be traced to several factors, including: (1) ineffective management practices for proposing, selecting, and controlling technology investments; (2) not defining outcomes in terms of quality, delivery and cost; and (3) poorly managing the acquisition process. This report focuses on the third problem area. GAO discusses how various factors, such as procurement amount, size, contract type, bid protests, and the acquisition method, affect the length of time to award a contract.

b. Benefits.—The report will assist the subcommittee in its oversight responsibilities. The subcommittee is planning a series of hearings on information technology and the report is helpful in giving background information for the hearings.

5. *"Comptroller General's 1994 Annual Report," Received April 7, 1995.*

a. Summary.—In fiscal year 1994, GAO prepared 1,252 audit and evaluation products, including 901 reports to Congress and agency officials, 129 congressional briefings, and 222 congressional testimonies delivered by 77 GAO executives. GAO also issued over 3,000 legal decisions.

The selected reports and testimonies summarized reflect the broad range of issues GAO addressed during the year. A list of GAO witnesses is also included in the report.

b. Benefits.—This is very helpful to the subcommittee in preparing for investigations, selection of witnesses, and the planning of hearings.

6. *"Comptroller General's 1992 Annual Report".*

a. Summary.—The report provides information similar to the 1994 report described above.

b. Benefits.—This is very helpful to the subcommittee in preparing for investigations, selection of witnesses, and the planning of hearings.

7. *"Tax-Exempt Organizations: Information on Selected Types of Organizations," February 1995, GAO/GGD–95–84BR.*

a. Summary.—Since the mid-1970's, the number and the size of organizations that are tax exempt have increased substantially; more than 1 million of these organizations existed as of 1992. Press reports and congressional hearings have recently focused on the activities of charitable groups, but other kinds of tax-exempt organizations have not received this level of scrutiny. This briefing report: (1) discusses the growth in the number, the assets, the revenues, and the expenses of social welfare organizations, labor and agricultural groups, and business leagues; (2) documents the compensation that some of the largest of these tax-exempt organizations paid their executives in 1992; (3) identifies the extent to which these organizations are involved in lobbying and political activities; and (4) identifies IRS efforts to monitor their activities. Information on charitable organizations is presented for comparison purposes.

b. Benefits.—The findings of the report were brought to the subcommittee's attention.

8. *"Federal Management Issue Plan—Fiscal Years 1995–1996," March 1995, GAO/IAP–95–9.*

a. Summary.—This report is prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office. It describes the key issues that GAO plans to cover in the area of Federal management.

b. Benefits.—The report is helpful in preparing for hearings and conducting investigations in the areas of the subcommittee's jurisdiction.

9. *IRM/General Government Division Issue Area Plan—Fiscal Years 1994–1996, March 1995, GAO/IAP–95–8, Date Received: April 20, 1995.*

a. Summary.—This report is prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office. It describes the key issues that GAO has planned to cover in the area of Federal management.

b. Benefits.—The report is helpful in preparing for hearings and conducting investigations in the areas of the subcommittee's jurisdiction.

10. *"Budget Function Classification: Relating Agency Spending and Personnel Levels to Budget Functions," January 1995, GAO/AIMD/GGD–95–69FS.*

a. Summary.—This fact sheet examines the functions performed by agencies in the Federal Government, identifying those that are uniquely associated with each agency and those done by two or more agencies. It also provides financial information and civilian

personnel levels associated with each function. GAO provides tabular and graphical presentations showing (1) a matrix of Federal departments and agencies according to budget function and subfunction classifications developed by the Office of Management and Budget; (2) separate presentations for departments and agencies depicting obligation and employment levels by budget function; (3) separate presentations for each budget function showing obligation and employment levels for departments and agencies, and (4) end-of-year employment "head counts" for each department and agency.

b. Benefits.—This fact sheet is helpful to the subcommittee in developing proposals to reform the budget and accounting structure of the Federal Government.

11. "Following the Federal Dollar—The Strategic Plan of the General Accounting Office," March 1995, GAO/OCG-95-3, March 1995, Date Received: May 31, 1995.

a. Summary.—This document describes the long-term strategic plan for GAO, including how the GAO plans to meet its responsibilities to Congress given its reduced staff and budget.

b. Benefits.—This report assists the subcommittee in fulfilling its oversight responsibilities over the U.S. General Accounting Office.

12. "Government Corporations: Profiles on Recent Proposals," March 1995, GAO/GGD-95-57FS.

a. Summary.—This report profiled seven proposed Government corporations: (1) Bonneville Power Corp.; (2) National Petroleum Reserves Corp.; (3) U.S. Air Traffic Services Corp.; (4) Federal Housing Administration; (5) Presidio Trust; (6) National Infrastructure Development Corp.; and (7) National Infrastructure Insurance Corp. It noted that some of the proposed Government corporations currently exist in noncorporate form within Federal departments: (1) Bonneville Power Administration; (2) Naval Petroleum and Oil Shale Reserves; (3) Federal Housing Administration; and (4) Federal Aviation Administration. The proposed Presidio Trust, National Infrastructure Development Corp., and National Infrastructure Insurance Corp. do not currently exist. To date, no legislation has been enacted to establish any of the seven proposed corporations. Any legislation would need to be evaluated to determine whether offsetting spending or tax increases would be required to comply with the Budget Enforcement Act.

b. Benefits.—This report is helpful to the subcommittee in its ongoing investigation into how Government corporations should be structured.

13. "Budget Function Classification: Agency Spending and Personnel Levels for Fiscal Years 1994 and 1995," April 1995, GAO/AIMD-95-115FS.

a. Summary.—This fact sheet examines the functions performed by Federal agencies. GAO identifies those functions that are uniquely associated with each agency and those performed by two or more agencies. This fact sheet also provides financial information and civilian personnel levels associated with each function. GAO presents actual fiscal year 1994 and estimated fiscal year 1995 information from the President's 1996 budget. This fact sheet

contains (1) a matrix of Federal agencies according to budget function classifications developed by the Office of Management and Budget; (2) a separate presentation for each agency depicting obligation and employment levels by budget function; and (3) a separate presentation for each budget function showing obligation and employment levels by agency.

b. Benefits.—The subcommittee is conducting an investigation into whether the budget function classification and account structure should be reformed. This report is helpful to the subcommittee in that effort.

14. "Budget Function Classification: Agency Spending by Subfunction and Object Category, Fiscal Year 1994," May 1995, GAO/AIMD–95–116FS.

a. Summary.—This fact sheet is the third in a series of GAO reports examining the functions performed by Federal agencies. GAO identifies those functions that are uniquely associated with each agency and those performed by two or more agencies. In particular, this fact sheet provides an "accounting of expenditures" so that both administrative and mission-oriented operations are identified. GAO describes fiscal year 1994 obligations by subdepartment and subfunction and by focusing on objects of expenditure within each subfunction. This enables GAO to more precisely describe Federal activities by characterizing obligations according to the nature of the service or the article procured.

b. Benefits.—This fact sheet is helpful to the subcommittee in developing proposals to reform the budget account structure.

15. "Welfare Benefits: Potential To Recover Hundreds of Millions More in Overpayments," June 1995, GAO/HEHS–95–111.

a. Summary.—Under welfare reform legislation being considered by Congress, resources for helping poor families may become increasingly limited, making it critical that only those who are eligible for benefits receive them. In 1992, benefit overpayments in three welfare programs, Aid to Families With Dependent Children, Food Stamps, and Medicaid, totaled $4.7 billion, or about 4 percent of the total benefits paid. Nationwide recovery of these benefits was relatively low. This report discusses: (1) what States are doing to recover benefit overpayments; (2) what the more effective practices are; (3) what States could do better; and (4) what the Federal Government could do to help States recover more overpayments.

b. Benefits.—This report is helpful to the subcommittee in its oversight over management practices and the prevention of fraud, waste, and abuse in Federal programs.

16. "Federal Reorganization: Congressional Proposal To Merge Education, Labor and EEOC," June 1995, GAO/HEHS–95–140.

a. Summary.—A congressional proposal to consolidate the Departments of Labor and Education along with the Equal Employment Opportunity Commission envisions saving billions of dollars and creating more efficient services, but savings might be elusive if downsizing proceeds too quickly or proceeds without careful planning. The proposal to create a new Department of Education (DOED) and Employment could yield savings of about $1.65 billion

in administrative costs through the year 2000. The proposal's cost-saving goal, in addition to its organizational requirements, would significantly change DOED's existing structure, program offerings, and processes. The proposal would also raise program consolidation, workforce, accountability, implementation, and oversight issues that Congress, DOED, and other agencies would need to address to ensure that Federal education and training programs meet the Nation's needs.

b. Benefits.—This report is helpful to the subcommittee in its investigation into how to make government work better by reorganizing departments and agencies.

17. "Inspector General Act: Activities of the Federal Entities," June 1995, GAO/AIMD-95-152FS.

a. Summary.—The Inspectors General (IG) Act of 1978 requires OMB, in consultation with GAO, to identify Federal entities, including Government corporations and independent regulatory agencies, without Offices of Inspectors General and to publish a list of such entities annually in the Federal Register. The act also requires these entities to report annually to Congress and to OMB on the audit and investigative activities of their organizations. This fact sheet provides information on: (1) whether Federal entities identified by OMB in fiscal year 1994 reported their audit and investigative activity as required by law; (2) what audit and investigative activities these entities reported during the past 3 years; (3) the status of audit recommendations for seven entities under the jurisdiction of the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education; (4) how these seven entities process allegations of fraud and mismanagement; and (5) how these entities obtain administrative services.

b. Benefits.—This report is helpful to the subcommittee in its continuing oversight over the Inspector General Act.

18. "Managing for Results: The Department of Justice's Initial Efforts To Implement GPRA," June 1995, GAO/GGD-95-167FS.

a. Summary.—The Government Performance and Results Act of 1993 was intended to improve the effectiveness and efficiency of Federal programs by establishing a system to set performance goals and measure results. This fact sheet reviews the Justice Department's implementation of the act. As GAO was systematically collecting information from each Justice component about its implementation of the act, the Department asked GAO to describe what it had found because this information had not been consolidated. This fact sheet provides information that addresses questions from the Department's components to help them develop performance measures and discusses the processes used to develop the fiscal year 1996 exhibits, implementation questions and concerns, and performance measures used in the exhibits.

b. Benefits.—This report is helpful to the subcommittee in its continuing oversight over the Government Performance and Results Act.

19. "National Fine Center: Progress Made But Challenges Remain for Criminal Debt System," May 1995, GAO/AIMD-95-76.

a. Summary.—This report reviews the efforts of the Administrative Office of U.S. Courts (AOUSC) to centralize criminal debt accounting and reporting within the National Fine Center. AOUSC was required to replace the existing fragmented approach to receiving criminal fine payments with a centralized, automated criminal-debt processing system for all 94 judicial districts. The new system was intended to alleviate long-standing weaknesses in accounting for, collecting, and reporting on monetary penalties imposed on criminals. GAO (1) provides information on AOUSC's latest efforts to establish the National Fine Center and centralize criminal debt accounting and reporting and (2) discusses additional steps AOUSC needs to take to complete implementation of the National Fine Center.

b. Benefits.—The report's findings were brought to the subcommittee's attention.

20. "Performance Measurement: Efforts To Evaluate the Advanced Technology Program," May 1995, GAO/RCED-95-68.

a. Summary.—The Advanced Technology Program seeks to provide support on a cost-sharing basis to research and development projects in industry. These projects are intended to stimulate economic growth and improve the competitiveness of U.S. industry. Funding for the program has risen from $68 million in fiscal year 1993 to $431 million in fiscal year 1995, more than doubling each year. The President has set a goal of $750 million in funding for the program by 1997. The agency has reported short-term results that it claims show the program is making an impact. This report (1) analyzes these short-term results and plans for evaluating the program in the future.

b. Benefits.—This report is helpful to the subcommittee in its continuing oversight over the Government Performance and Results Act.

21. "General Government Information Systems Issue Area," Active Assignments, July 1995, GAO/AA-95-33 (3)

a. Summary.—This report was prepared to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's General Government Information Systems issue area. This report contains assignments that were ongoing as of July 6, 1995, and presents a brief background statement and a list of key questions to be answered on each assignment.

b. Benefits.—This report is helpful to the subcommittee in preparing for hearings and oversight investigations.

22. "Federal Management Issues Area," Active Assignments, July 1995, GAO/AA-95-11(3)

a. Summary.—This report was prepared to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office, Federal Management issue area. This report contains assignments that were ongoing as of July 6, 1995, and presents a brief background statement and a list of key questions to be answered on each assignment.

b. Benefits.—This report is helpful to the subcommittee in its oversight of Federal management issues.

23. "Information Technology Investment: A Government-wide Overview," July 1995, GAO/AIMD-95-208.

a. Summary.—Increasingly, Federal agencies' ability to improve performance and cut costs depends on automated data processing systems that give managers critical financial and programmatic information needed to make good decisions, hold down costs, and improve service to the public. Major Federal investments in information technology, however, have often yielded poor results—costing more than expected, falling behind schedule, and failing to meet mission needs. To shed light on where information technology dollars are being spent, what costs and benefits are anticipated, and what risks must be managed, this report provides information on overall Federal information technology obligations, as well as on programs by GAO, OMB, and GSA to identify information technology investments that are at risk and in need of corrective action.

b. Benefits.—This report is helpful to the subcommittee in its continuing oversight of information technology issues.

24. "Inspectors General: Mandated Studies To Review Costly Bank and Thrift Failures," July 1995, GAO/GGD-95-126.

a. Summary.—GAO reviewed the compliance of the Inspectors General (IG's) at the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and the Department of the Treasury with the requirement that they issue reports on banks or thrifts whose failures result in "material losses"—those that exceed $25 million—to the deposit insurance funds. IG's are required to determine why the problems of a bank or a thrift result in a material loss to a deposit insurance fund and to make recommendations for preventing such losses in the future. This report (1) assesses the adequacy of the preparation, the procedures, and the audit guidelines that IG's have established for performing material loss reviews to ensure compliance with their responsibilities under the FDIC; (2) verifies the information in the material loss review reports upon which the IG's based their conclusions; (3) recommends improvements in bank supervision on the basis of a review of material loss review reports issued between July 1993 and June 1994; and (4) assesses the economy and the efficiency of the current material loss review process.

b. Benefits.—This report is helpful to the subcommittee in its continued oversight over the Inspector General Act.

25. "Human Resources Information Systems Issue Area," Active Assignments, July 1995, GAO/AA-95-34(3)

a. Summary.—This report was prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Human Resources Information Systems issue area. This report contains short summaries of assignments that were ongoing as of July 1995.

b. Benefits.—These summaries are helpful in giving the subcommittee information to use in preparation for hearings or in conducting investigations in the systems area.

26. *"Program Evaluation and Methodology Issue Area Plan, Fiscal Years 1995–1997," June 1995, GAO/IAP–95–12.*

a. Summary.—This report contains a strategic plan that describes the significance of the issues it addresses, its objectives, and the focus of its work. The Program Evaluation and Methodology issue area is a technical area of work implemented within GAO to use innovative research methodologies for evaluating Federal and related programs and activities. The evaluations are conducted across a number of substantive areas. They include defense, education, agriculture, aging, environment, health, public management, transportation, and welfare.

b. Benefits.—The description of the key issues addressed in the plan aid the subcommittee in its oversight of management issues and of acts such as the Government Performance and Results Act.

27. *"Program Evaluation and Methodology Issue Area," Active Assignments, July 1995, GAO/AA–95–25(3)*

a. Summary.—This report was prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Program Evaluation and Methodology Information Systems issue area. This report contains short summaries of assignments that were ongoing as of July 1995.

b. Benefits.—These summaries are helpful in giving the subcommittee information to use in preparation for hearings or in conducting investigations.

28. *"Information Resources Management Policy and Issues Issue Area," Active Assignments, July 1995, GAO/AA–95–31(3)*

a. Summary.—This report was prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Information Resources Management Policy and Issues issue area. This report contains short summaries of assignments that were ongoing as of July 1995.

b. Benefits.—These summaries are helpful in giving the subcommittee information to use in preparation for hearings or in conducting investigations.

29. *"Government Business Operations Issue Area," Active Assignments, July 1995, GAO/AA–95–13(3)*

a. Summary.—This report was prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Government Business Operations issue area. This report contains assignments that were ongoing as of July 1995, and presents a brief background statement and a list of key questions to be answered on each assignment.

b. Benefits.—This report is helpful to the subcommittee in its continuing oversight activities.

30. *"Federal Reorganization: Proposed Merger's Impact on Existing Department of Education Activities," June 29, 1995, GAO/T–HEHS–95–188.*

a. Summary.—This report provides testimony which addresses a congressional proposal to consolidate the Departments of Labor and Education along with the Equal Employment Opportunity Commis-

sion. The proposal envisions saving billions of dollars and creating more efficient services; however, GAO testified that savings might be elusive if downsizing proceeds too quickly or proceeds without careful planning.

b. Benefits.—This testimony is helpful to the subcommittee in its investigation into how to make government work better by reorganizing departments and agencies.

31. "Government Reorganization: Issues Relating to International Trade Responsibilities," July 25, 1995, GAO/T–GGD–95–218.

a. Summary.—This report provides testimony which discusses the potential impact that abolishment of the Commerce Department would have on managing Federal trade responsibilities. GAO examines (1) the basis of the Federal role in international trade; (2) the roles played by Commerce and other Federal agencies involved in international trade; and (3) the means by which interagency mechanisms help integrate Federal trade activities. GAO also examines (1) the implications of legislation to dismantle the Commerce Department for Federal implementation of the trade function; (2) opportunities for cost savings in the international trade area; and (3) a conceptual framework to help decisionmakers identify the ramifications and ensure the success of any restructuring effort.

b. Benefits.—This testimony is helpful to the subcommittee in its investigation into how to make government work better by reorganizing departments and agencies.

32. "National Service Programs: AmeriCorps' USA—Early Program Resource and Benefit Information," August 1995, GAO/HEHS–95–222.

a. Summary.—In 1993, Congress created AmeriCorps, the largest national and community service program since the Civilian Conservation Corps of the 1930's. The program is administered by the new Federal Corporation for National and Community Service. In testimony before Congress, Corporation officials estimated that program costs per participant are $18,800. That estimate did not include contributions that AmeriCorps grantees receive from other Federal agencies, State and local governments, and private sources. For program year 1994–95, GAO estimates that Corporation resources available per participant averaged $17,600, slightly less than the Corporation's estimate. More than one-third of the money available for grantees came from sources outside the Corporation, mostly from other Federal agencies and State and local governments. Total resources per program participant averaged $26,654, of which about $17,600 came from the Corporation, $3,200 from other Federal sources, and $4,000 from State and local governments. The remaining amount, roughly $1,800, came from the private sector. At the seven program sites it visited, GAO found that projects had been designed to strengthen communities, develop civic responsibility, and expand educational opportunities for program participants and others.

b. Benefits.—The report's findings were brought to the attention of the subcommittee.

33. "Public-Private Mix: Effectiveness and Performance of GSA's In-House and Contracted Services," September 1995, GAO/GGD-95-204.

a. Summary.—GAO reviewed the cost-effectiveness and performance of the GSA's real property management services, such as building maintenance and custodial services. The cost comparison, performance evaluation, and historical tracking data GAO reviewed for 54 activities indicated that GSA's decisions to retain activities in-house or contract them out were sound. Post-decision analyses and evaluations by GSA showed that the agency generally obtained services at a reasonable cost and at an acceptable level of performance and that it made relatively few reversals from its original decisions. GAO found no evidence of performance problems in the case files for a majority of the 54 sample activities. For 11 activities, however, GAO found serious problems, such as defaults or terminations for unsatisfactory performance. All but one of these activities involved maintenance services. In general, the files provided evidence of GSA's efforts to oversee the activities and take appropriate corrective action, including deductions from payments to contractors, when necessary. Information on private sector practices that GAO reviewed and that GSA gathered to support its reinvention efforts indicated that real estate organizations commonly used such approaches as performance measurement and benchmarking to manage and evaluate their operations and activities and to decide whether to contract them out. The approaches offer an opportunity for GSA to improve the oversight and evaluation of its services. Although GSA has begun to implement some performance measures, such as customer satisfaction surveys, the specific performance measures that it will use after its reorganization is completed are still being developed.

b. Benefits.—This report is helpful to the subcommittee in its oversight responsibilities of the General Services Administration.

34. "Health, Education, Employment, Social Security, Welfare, Veterans," September 1995, GAO/HEHS-95-261W.

a. Summary.—This booklet lists GAO documents on Government programs related to health, education, employment, Social Security, welfare, and veterans issues, which are administered by the Departments of Health and Human Services, Labor, Education, and Veterans Affairs. The report identifies other reports and testimony issued during the past months and summarizes key products. It also lists all documents published during the past year, organized chronologically by subject.

b. Benefits.—This survey document makes available GAO resources.

35. "Financial Institutions and Market Issue Area," Active Assignments, October 1995, GAO/AA-95-7(4)

a. Summary.—This report was prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Financial Institutions and Market issue area. This report contains short summaries of assignments that were ongoing as of July 1995.

b. Benefits.—These summaries are helpful in giving the subcommittee information to use in preparation for hearings or in conducting investigations.

36. "Program Evaluation and Methodology Issue Area," Active Assignments, October 1995, GAO/AA-95-25(4)

a. Summary.—This report was prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Program Evaluation and Methodology Information Systems issue area. This report contains short summaries of assignments that were ongoing as of October 1995.

b. Benefits.—These summaries are helpful in giving the subcommittee information to use in preparation for hearings or in conducting investigations.

37. "Federal Management Issue Area: Active Assignments," October 1995, GAO/AA-95-11(4).

a. Summary.—This report was prepared to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Federal Management issue area. This report contains assignments that were ongoing as of October 2, 1995, and presents a brief background statement and a list of key questions to be answered on each assignment.

This report was compiled from information available in GAO's internal management information system. The information was downloaded from computerized data bases intended for internal use.

b. Benefits.—This report is helpful to the subcommittee in preparing for hearings and oversight investigations.

38. "Corporate Financial Audits Issue Area: Active Assignments," October 1995, GAO/AA-95-27(4).

a. Summary.—This report was prepared to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Corporate Financial Audits issue area. This report contains assignments that were ongoing as of October 2, 1995, and presents a brief background statement and a list of key questions to be answered on each assignment.

This report was compiled from information available in GAO's internal management information system. It was downloaded from computerized data bases intended for internal use.

b. Benefits.—This report is helpful to the subcommittee in preparing for hearings and oversight investigations.

39. "Information Resources Management Policy and Issues Area," Active Assignments, October 1995, GAO/AA-95 31(4)

a. Summary.—This report was prepared primarily to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Information Resources Management Policy and Issues issue area. This report contains short summaries of assignments that were ongoing as of October 1995.

b. Benefits.—These summaries are helpful in giving the subcommittee information to use in preparation for hearings or in conducting investigations.

40. "Los Angeles Earthquake: Opinions of Officials on Federal Impediments to Rebuilding," June 1994, GAO/RCED–94–193.

a. Summary.—This report summarizes the views of State and local officials regarding the Federal role in the recovery from the Northridge earthquake in 1994. Many State and local officials were pleased with the emergency response immediately following the earthquake, but were concerned about the long-term recovery phase, given the problems associated with Federal laws and regulations that occurred after the 1989 Loma Prieta earthquake in northern California. They felt encouraged by recent policy and regulatory changes made by the Federal Emergency Management Agency (FEMA) and believed that changes could improve the agency's assistance efforts. At the same time, some of these officials cited other barriers to recovery.

b. Benefits.—The subcommittee held a field hearing on the Northridge Earthquake on January 19, 1996. This report was useful in the preparation for the hearing.

41. "Government Business Operations Issue Area—Active Assignments," October 1995, GAO/AA–95–13 (4)

a. Summary.—This report was prepared to inform Members of Congress and key staff of ongoing assignments in the General Accounting Office's Government Business Operations issue area. This report contains assignments that were ongoing as of October 2, 1995, and presents a brief background statement and a list of key questions to be answered on each assignment.

b. Benefits.—This report is helpful to the subcommittee in its ongoing oversight activities.

42. "Electronic Benefits Transfer: Use of Biometrics To Deter Fraud in the Nationwide EBT Program," September 1995, GAO/OSI–95–20.

a. Summary.—The National Performance Review recommended in 1993 that the Federal Government consider paying individuals by using electronic rather than paper means. In 1994, a task force composed of representatives from various Federal agencies estimated that more than $110 billion in annual cash benefits and food assistance could be delivered with EBT, including food stamps, Social Security payments, and Federal pensions. EBT systems are already providing the U.S. Department of Agriculture investigators and program managers with data that has been used to target retailers illegally trafficking in food stamps benefits. However, EBT alone has not effectively deterred fraud in this program. An EBT program without the enhanced security of biometric verification—an automated method to measure a physical characteristic or personal trait—raises a genuine concern about the potential for higher program costs and losses. GAO believes that fingerprint verification is the biometric option that offers potential for reducing fraud in EBT systems. Although development of an EBT system with biometric safeguards would be more expensive, largely because of the need to purchase hardware and software, and would take longer to implement nationwide, such system enhancement is needed to ensure that the future system is practical and not beset by fraud.

b. Benefits.—The report is useful to the subcommittee in its ongoing investigations into the merits of mandatory electronic benefits transfers.

43. "Financial Audit: Expenditures by Six Independent Counsels for the Six Months Ended March 31, 1995," September 1995, GAO/AIMD-95-233.

a. Summary.—This report presents the results of GAO's audit of expenditures reported by six independent counsels for the 6 months ended March 31, 1995. GAO found that the statements of expenditures for independent counsels Arlin M. Adams, Joseph E. DiGenova, Robert B. Fiske, Jr., Donald C. Smaltz, Kenneth W. Starr, and Lawrence E. Walsh were reliable in all material respects. GAO also did limited tests of internal controls and discovered a material weakness in internal controls over reporting of expenditures. GAO found no reportable noncompliance with laws and regulations that it tested.

b. Benefits.—This report is helpful to the subcommittee in its oversight of financial management issues.

44. "Schools and Workplaces: An Overview of Successful and Unsuccessful Practices," August 1995, GAO/PEMD-95-28.

a. Summary.—The Nation's well-being depends on its ability to create and sustain well-paying jobs and to improve the performance of U.S. business in an increasingly complex world economy. For more than a decade, Americans have been concerned that the Nation is not doing all that is needed to meet these challenges. In particular, they have raised concerns about the quality of education provided by elementary and secondary schools, especially those attended by disadvantaged students, and about the productivity and performance of workers and their employers. This report summarizes research findings on what has and has not been successful in schools and workplaces.

b. Benefits.—The report aids the subcommittee in its evaluation of training and capacity in the Federal Government.

45. "Land Management Systems: Progress and Risks in Developing BLM's Land and Mineral Record System," August 1995, GAO/AIMD-95-180.

a. Summary.—The Bureau of Land Management's (BLM) Automated Land and Mineral Record System/Modernization, which is estimated to cost $428 million, is intended to improve BLM's ability to record, maintain, and retrieve land description, ownership, and use information. To date, the Bureau has compiled most of the project's tasks according to the schedule milestones set in 1993. In coming months, the work will become more difficult as BLM and the primary contractor try to complete, integrate, and test the new software system and meet the current schedule. Slippages may yet occur because little time was allocated to deal with unanticipated problems. BLM recently sought to obtain independent verification and validation to ensure that the new system software meets the Bureau's requirements. A key risk remains, however. BLM's plans include stress testing only a portion of the Automated Land and Mineral Record System/Modernization, rather than the entire

project, to ensure that all systems and technology can successfully process workloads expected during peak operating periods. By limiting the stress test, BLM cannot be certain that the system's information technology will perform as intended during peak workloads.

b. Benefits.—This report is helpful to the subcommittee in its oversight of the Government's use of information technology.

46. "Highway Funding: Alternatives for Distributing Federal Funds," November 1995, GAO/RCED-96-6.

a. Summary.—Under the Federal-aid highway program, billions of dollars are distributed to the States each year for the construction and repair of highways and related activities. The Intermodal Surface Transportation Efficiency Act of 1991 authorized about $120 billion for this program for fiscal years 1992 through 1997. This report discusses (1) the way the formula works and the relevancy of the data used for the formula and (2) the major funding objectives implicit in the formula and the implications of alternative formula factors for achieving them.

b. Benefits.—The report's findings were brought to the subcommittee's attention.

47. "Government Contractors: Selected Agencies' Efforts To Identify Organizational Conflicts of Interest," October 1995, GAO/GGD-96-15.

a. Summary.—This report reviews Federal agencies' implementation of the Office of Management and Budget's 1989 policy letter entitled "Conflict of Interest Policies Applicable to Consultants." It also reviews organizational conflict of interest requirements applicable to advisory and assistance service contractors, including consultants. GAO (1) determines whether selected agencies have complied with requirements to identify and evaluate potential organizational conflicts of interest and (2) identifies ways that agencies might improve their screening for such conflicts. GAO focuses on the Energy Department, the EPA, and the Navy because they are among the largest users of contracted advisory and assistance services.

b. Benefits.—This report is helpful to the subcommittee's oversight and investigations into contracting issues.

48. "Office of Management and Budget—Changes Resulting From the OMB 2000 Reorganization," December 1995, GAO/GGD/AIMD-96-50.

a. Summary.—This report describes the changes that have occurred as a result of OMB 2000—a major reorganization and process change at the Office of Management that took place in 1994. The report was requested by the Government Reform and Oversight Committee and the Senate Governmental Affairs Committee.

b. Benefits.—The report was helpful to the subcommittee in preparing for its hearing on OMB reforms.

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

1. *"Multiple Employment Training Programs: Information Crosswalks on 163 Employment Training Programs," February 14, 1995, GAO/HEHS–95–85FS.*

a. Summary.—The General Accounting Office compiled a list of 163 programs and funding streams that provide about $20 billion in employment training assistance. During recent testimony before Congress, GAO indicated that the number of employment training programs had risen to 193 since 1991 and that this fragmented "system" wasted resources, and confused and frustrated clients, employers, and administrators. To help Congress make choices about overhauling and consolidating employment training programs, this fact sheet provides information for each program, including (1) fiscal year 1995 appropriation; (2) summary of the program's purpose as it relates to employment training activities; (3) authorizing legislation and the U.S. citation; (4) *Catalog of Federal Domestic Assistance* program number; (5) budget account number; (6) target group; and (7) type of employment training assistance provided.

b. Benefits.—By continuing to document the growing number of employment training programs, GAO provides important information to help Congress and the executive branch evaluate and consolidate these programs.

2. *"Community Development: Comprehensive Approaches Address Multiple Needs but Are Challenging To Implement," February 8, 1995, GAO/RCED/HEHS–95–69.I21a. Summary.—The aspirations of people in distressed neighborhoods are familiar—to have a home and a job, to live in a safe area, and to have hope for their children's future. Isolated by poverty, residents of distressed neighborhoods may never realize their dreams. Some community-based nonprofit groups are using a multifaceted, or comprehensive, approach to community development that relies on residents' participation to address housing, economic, and social service needs in distressed neighborhoods. This report examines (1) why community development experts and practitioners advocate this approach; (2) what challenges they see to its implementation; and (3) how the Federal Government might support comprehensive approaches. GAO reviewed four groups, located in Boston, Detroit, Pasadena, and Washington, DC, that have used comprehensive approaches in their communities.*

b. Benefits.—By approaching the subject of multiple needs in community development, GAO has demonstrated that different communities have both different needs and different approaches to these needs. Furthermore, the report also suggest that comprehensive approaches are more effective but are difficult to implement.

3. *"School Facilities: Condition of America's Schools," February 1, 1995, GAO/HEHS–95–61.*

a. Summary.—The General Accounting Office surveyed school officials across the country on the physical condition of their facilities. The survey projects that the Nation's elementary and second-

ary schools need about $112 billion in repairs and upgrades to restore them to good condition. About 14 million students attend schools needing extensive repair or replacement. Also, problems with major building features, such as plumbing, are widespread even among schools said to be in adequate shape. Nearly 60 percent of America's schools reported at least one major building element in disrepair; most of these schools had multiple problems. In addition, about half the school officials reported at least one environmental problem in their schools, such as inadequate ventilation or poor heating and lighting; most of these schools had multiple environmental problems. Some school officials attributed the physical decline of the Nation's schools to decisions by school districts to defer vital maintenance and repair expenditures from year to year due to lack of money.

b. Benefits.—This survey describes some of the problems facing the basic infrastructure of our Nation's schools. The information in the report documents these concerns to both the American people and the Congress.

4. "Welfare Reform: Implications of Proposals on Legal Immigrants' Benefits," February 2, 1995, GAO/HEHS–95–58.

a. Summary.—The General Accounting Office found that the percentage of immigrants receiving public assistance—specifically Supplemental Security Income (SSI) or Aid to Families With Dependent Children (AFDC)—is higher than the percentage of citizens receiving these benefits. Six percent of all immigrants receive benefits compared with 3.4 percent of all citizens. Most immigrant recipients live four States: California, New York, Florida, and Texas; more than one-half of all immigrant recipients live in California. Between 1983 and 1993, the number of immigrants receiving SSI more than quadrupled, increasing from 151,000 to 683,000. During this period, immigrants grew from about 4 percent of all SSI recipients to more than 11 percent. As a percentage of all adult AFDC recipients, immigrants grew from about 5 percent to 8 percent. In all, immigrants received an estimated $3.3 billion in SSI benefits and $1.2 billion in AFDC benefits in 1993. Most immigrant recipients are lawful permanent residents or refugees, but other characteristics of immigrants receiving SSI and AFDC vary. For example, the number of immigrants receiving SSI aged benefits—available to those 65 years and older—has increased dramatically. According to the Congressional Budget Office, a welfare reform proposal now before Congress (H.R. 4) would save $9.2 billion from the SSI program and $1 billion from the AFDC program over 4 years. GAO estimates that 522,000 SSI recipients and 492,000 AFDC recipients would become ineligible for benefits under H.R. 4.

b. Benefits.—This report gives the Congress valuable information as it debates H.R. 4 and other welfare reform proposals, as well as many immigration reform proposals.

5. "Block Grants: Characteristics, Experience, and Lessons Learned," February 9, 1995, GAO/HEHS–95–74.

a. Summary.—The 15 block grant programs in effect today, with funding of $32 billion, constitute a small portion of the overall Federal aid to States, which totaled $206 billion for 593 programs in

fiscal year 1993. In 1981, as part of the Omnibus Reconciliation Act, nine block grants were created from about 50 of the 534 categorical programs in effect at the time. In general, the transition from categorical programs to block grants was smooth. Experience with the 1981 block grants teaches three lessons. First, accountability for results is clearly needed, and the Government Performance and Results Act may provide the appropriate framework. Second, funding allocation based on distributions under prior categorical programs may be inequitable because they do not reflect need, ability to pay, and variations in the cost of providing services. Finally, the transition to block grants may be more challenging today than in 1981 because the programs being considered for inclusion in block grants are much larger and, in some cases, fundamentally different from programs included in the 1981 block grants.

b. Benefits.—As the Congress considers placing more programs into block grants, this report provides an important historical perspective on past efforts to transform categorical grants into block grants.

6. "Social Security Administration: Leadership Challenges Accompany Transition to an Independent Agency," February 15, 1995, GAO/HEHS-95-59.

a. Summary.—In 1994 Congress passed legislation making the Social Security Administration (SSA) an independent agency. As part of the transition, GAO was required to evaluate the interagency agreement for transferring personnel and resources from the Department of Health and Human Service (HHS) to SSA. GAO concludes that the two agencies have developed an acceptable methodology for identifying the functions, personnel, and other resources, such as furniture and computer equipment, to be transferred to an independent SSA. They have also made good progress toward completing the initiatives necessary for SSA to be a fully functional independent agency by March 31, 1995. However, SSA will continue to face serious policy and management challenges, including long-range shortfall in funds to pay future Social Security benefits. Also, questions have been raised by GAO and others about the future growth of the Disability Insurance program and recent increases in Supplemental Security Income benefits.

b. Benefits.—GAO's report has helped give the Congress some direction in the oversight of the SSA. In addition, the questions raised about the growth of entitlement programs are important for both the American people and the Congress.

7. "Public Housing: Funding and Other Constraints Limit Housing Authorities' Ability To Comply With One-for-One Rule," March 3, 1995, GAO/RCED-95-78.

a. Summary.—The overall vacancy rate in public housing is about 8 percent. This average, however, masks the conditions at many large housing authorities where uninhabitable buildings cause the rate to be close to 22 percent. At some authorities, whole projects are vacant and hundreds of run-down buildings stand idle. If housing authorities tear down or sell any of these buildings, they are required to replace the housing units on a one-for-one basis with new or other inhabitable housing or provide equivalent rental

assistance to the tenants. Because some authorities believe that they lack enough money or appropriate sites to replace demolished housing, they leave the deteriorated buildings in place. This report provides information on (1) housing authorities with the highest number of vacant units; (2) the impact of the one-for-one requirements on housing authorities' ability to deal with their uninhabitable housing units; and (3) housing officials' views on the proposed waiver of the one-for-one replacement law.

b. Benefits.—The GAO report provides the Congress with evidence to support repeal of the one-for-one rule.

8. "Social Security: New Functional Assessments for Children Raise Eligibility Questions," March 1, 1995, GAO/HEHS–95–66.

a. Summary.—More than 200,000 children have been awarded Federal disability benefits for mental or behavioral problems using new subjective criteria that allow benefits in cases that previously would have been rejected. GAO found fundamental flaws in the new process for assessing children's impairments. Specifically, each step of the process relies heavily on adjudicators' judgments, rather than on objective criteria from the Social Security Administration (SSA), to assess children's behavior. This calls into question SSA's ability to guarantee consistency in administering the program. At the same time, GAO discovered little evidence that parents are coaching their children to fake mental problems by misbehaving or faring poorly in school so that they can qualify for cash benefits.

b. Benefits.—This study has called into question SSA's ability to successfully monitor behavioral problems in children when assessing disability benefits. In the current environment, acknowledging the need for entitlement reform, this information demonstrates some of the limitations of a large Federal entitlement program.

9. "Poverty Measurement: Adjusting for Geographic Cost-of-Living Difference," March 9, 1995, GAO/GGD–95–64.

a. Summary.—This report provides information on the statistical data requirements that would be needed to construct a cost of living index that could be used, at the Federal level, to adjust for geographic differences in living costs. Concerns had been raised in Congress that current measures do not recognize that residents of high-cost areas may need higher incomes to meet their basic needs. The report (1) describes the function of market baskets in determining a cost-of-living index, including both a uniform national market basket and market baskets that reflect regional differences in consumption; (2) identifies methodologies that might be used to calculate a cost-of-living adjustment, including, methodologies that researchers and private industry use for comparing costs by geographic areas; and (3) presents expert opinions on the ability of these methodologies to adjust the poverty measurements for geographic differences in cost of living.

b. Benefits.—As the Congress works through welfare reform proposals, especially through discussions of how to equitably distribute funds to the States, this report will help establish benefit formulas that account for regional differences.

10. "Higher Education: Restructuring Student Aid Could Reduce Low-Income Student Dropout Rate," March 23, 1995, GAO/HEHS-95-48.

a. Summary.—Loans and grants do not have equivalent effects on low-income students' staying in college. Grant aid lowers the probability of low-income students' dropping out, while loans have no statistically significant impact on their dropping out. Furthermore, the timing of grant aid influences a student's probability of dropping out. For example, grant aid is more effective for low-income students during the first school year than in subsequent years. Given that the dropout rate is higher in students' first 2 years, front loading grants would appear to provide low-income students with the most effective means of financial support when they are most likely to benefit from it. Restructuring Federal grant programs to feature front loading could improve low-income students' dropout rates with little or no changes to students' overall 4-year allocation of grants and loans. GAO supports the creation of a pilot program to evaluate the effects and costs of front loading.

b. Benefits.—This report suggests the student aid system can be changed to lower the probability of low-income students dropping out of school.

11. "Veterans' Benefits: Basing Survivors' Compensation on Veterans' Disability Is a Viable Option," March 6, 1995, GAO/HEHS-95-30.

a. Summary.—In 1993, the Department of Veterans Affairs' Dependency and Indemnity Compensation (DIC) program paid benefits totaling $2.7 billion to about 276,000 surviving spouses of service members who had died on active duty and surviving spouses of some disabled veterans. These benefits were paid under the Veterans' Benefits Act of 1992, which changed the basis for DIC benefits from the military rank of the deceased service member or veteran to a flat rate for all surviving spouses. This report (1) estimates DIC recipients' total income and determines the kind and the amount of benefits received from other programs; (2) determines the financial impact on surviving spouses of the deaths of totally disabled veterans and of veterans who were receiving supplemental payments because they had multiple severe disabilities and could not care for themselves; and (3) assesses alternative ways to set DIC benefits.

b. Benefits.—With the acknowledgment that entitlements must be reformed, this report lays out a plan for a more equitable formula to fund compensation rates for spouses of deceased veterans.

12. "Early Childhood Centers: Services To Prepare Children for School Often Limited," March 21, 1995, GAO/HEHS-95-21.

a. Summary.—More than a third—2.8 million—of the Nation's children aged 3 and 4 were from poor families in 1990, a growth of 17 percent since 1980. This trend continues. These disadvantaged youngsters often live in homes that provide little intellectual stimulation, as well as inadequate health care and nutrition. Lagging behind their middle- and upper-income peers when they enter school, many disadvantaged children never catch up. Early childhood centers funded by Federal and State governments prepare

children for school and help them to overcome their disadvantages. This report answers the following questions: What services do disadvantaged children need to be prepared for school? To what extent do these children receive these services from early childhood centers? If disadvantaged children do not receive these services from early childhood centers, why not?

b. Benefits.—This report gives real information on the problems and needs of disadvantaged children. The report provides Congress with critical information for education and welfare reforms.

13. "Medicare: Tighter Rules Needed To Curtail Overcharges for Therapy in Nursing Homes," March 30, 1995, GAO/HEHS-95-23.

a. Summary.—Nursing homes and rehabilitation centers are taking advantage of ambiguous payment rules and lack of guidelines to bill Medicare at inflated rates for therapy services. State averages for physical, occupational, and speech therapists' salaries range from about $12 to $25 per hour, but Medicare has been charged upwards of $600 per hour. The extent of overcharging and its precise impact on Medicare outlays are unclear; however, billing schemes uncovered in recent years suggest that the problem is nationwide and is growing in magnitude. Extraordinary markups on therapy can result from providers exploiting regulatory ambiguity and weaknesses in Medicare payment rules. Payment rules and procedures developed when the therapy industry was much smaller and less sophisticated have proved no match for increasingly complex business practices designed to generate increased Medicare revenue and skirt program controls. Although the over billing problem has been known since 1990, no action has been taken to close loopholes that allow payment for these overcharges.

b. Benefits.—The need to achieve savings in Medicare is paramount to any efforts to balance the budget. This report informs Congress about another type of waste, fraud, and abuse within the system, and thus, arms Congress with the knowledge to prevent it.

14. "Multifamily Housing: Better Direction and Oversight by HUD Needed for Properties Sold With Rent Restrictions," March 22, 1995, GAO/RCED-95-72.

a. Summary.—Between 1990 and 1993, the Department of Housing and Urban Development (HUD) began foreclosure on many insured mortgages on multifamily properties with financial, physical, or operating problems. However, HUD was unable to sell many of the properties promptly because of long-term rent subsidies the agency had attached to some properties. Purchasers of 62 properties agreed to restrict rents charged to low-income households to the same rent that they would have paid under the HUD rent subsidy program—usually 30 percent of the household income. GAO found that HUD had not (1) provided its field offices or purchasers of HUD multifamily properties with clear instructions on the procedures owners must follow in managing properties subject to rent restrictions or (2) established long-term requirements specifying how field offices should oversee owners' compliance with agreed upon use restrictions. As a result, HUD has placed inconsistent re-

quirements on property owners and, until recently, did not require field offices to oversee owner compliance.

b. Benefits.—The report documents HUD's failure to properly oversee multifamily properties sold with rent restrictions.

15. "School Facilities: America's Schools Not Designed or Equipped for 21st Century," April 4, 1995, GAO/HEHS–95–95.

a. Summary.—To educate America's children for an increasingly technological world, schools must have the equipment and the infrastructure, such as computers, in place before technology can be fully integrated into the curriculum. GAO surveyed about 10,000 schools across the country and visited 10 school districts. GAO found that overall the Nation's schools were not even close to meeting their basic technology needs. Most schools do not use modern technology, and not all students—even those attending schools in the same district—have equal access to facilities that can support education into the 21st century. Schools with 50 percent or more minority students were found to be more likely to have unsatisfactory environmental conditions such as poor lighting and little physical security, and were found less likely to have technology elements.

b. Benefits.—The report documents the failure of schools to integrate technology into the curriculum and prepare students for the future.

16. "Medicaid: Spending Pressures Drive States Toward Program Reinvention," April 4, 1995, GAO/HEHS–95–122.

a. Summary.—The $131 billion Medicaid program is at a crossroads. Between 1985 and 1993, Medicaid costs tripled and the number of beneficiaries rose by more than 50 percent. Medicaid costs are projected to rise to $260 billion, according to the Congressional Budget Office. Despite Federal and State budgetary constraints, several States are seeking to expand the program and enroll hundreds of thousands of new beneficiaries. The cost of expanded coverage, they believe, will be offset by the reallocation of Medicaid funds and the wholesale movement of beneficiaries into some type of managed care arrangement. This report examines (1) Federal and State Medicaid spending; (2) some States' efforts to contain Medicaid costs and expand coverage through waiver of Federal requirements; and (3) the potential impact of these waivers on Federal spending and on Medicaid's program structure overall.

b. Benefits.—With rapidly increasing costs, the report shows the need for reform of the Medicaid program.

17. "Medicaid: Restructuring Approaches Leave Many Questions," April 4, 1995, GAO/HEHS–95–103.

a. Summary.—Over the years, various proposals have been made to restructure the Medicaid program. One approach calls for providing Federal block grants to the States and giving them increased responsibility for running the program. Under another proposal, Medicaid would be entirely funded and administered by the Federal Government. Yet another would split Medicaid into two programs, one encompassing acute and primary care and the other long-term care. This report compares the different restructuring

approaches and discusses their implications for Federal-State financing and program administration. GAO also provides information on the need to establish a Federal "rainy day" fund if restrictions, such as block grants, were placed on Federal revenues paid to States. GAO also provides the most recent data on the amount of Federal Medicaid funds provided to each State.

b. Benefits.—Both major political parties agree on the need for Medicaid reform. This report examines the advantages and disadvantages of each of the proposals. It is an invaluable tool in analyzing the best way to save Medicaid.

18. "Veterans Compensation: Offset of DOD Separation Pay and VA Disability Compensation," April 3, 1995.

a. Summary.—The Defense Department (DOD) uses separation pay to induce people to serve in the military despite the risk of involuntary separation. Congress authorized special separation pay to minimize the use of involuntary separations in the ongoing force drawdown. Pay offsets prevent service members from receiving dual compensation for a single period of service. Repealing offsets for separation and disability pay would cost the Federal Government an estimated $435 million for those service members who separated during fiscal years 1995–1999. A repeal would cost about $799 million if it was made retroactive to fiscal year 1992, when the special separation pay program began. Separation and disability pay offsets have not significantly undermined the voluntary separation incentive. According to DOD, the bulk of the drawdown since fiscal year 1992 has been accomplished through voluntary separations. DOD requires the services to inform separating service members about the offset.

b. Benefits.—As Congress considers repealing offsets for separation, it must consider the cost to the U.S. taxpayer and the impact on prospect of balancing the budget. This report gives the Congress the data it needs to discuss whether or not to repeal the offsets and to form payment formulas if offsets are repealed.

19. "VA Health Care: Retargeting Needed To Better Meet Veterans' Changing Needs," April 21, 1995, GAO/HEHS–95–39.

a. Summary.—Many veterans have health care needs that are not adequately met through current health care programs, including the health care system run by the Department of Veterans Affairs (VA). About one-third of the Nation's homeless are veterans, nearly one-half of whom have serious mental problems, suffer from substance abuse, or both. The homeless have limited access to health care services and may not seek medical treatment. About 38 percent of male and 25 percent of female Vietnam veterans with Post Traumatic Stress Disorder have not sought treatment. About 91,000 low-income, uninsured veterans with no apparent health care options indicated in a 1987 VA survey that they had never used VA health facilities because they were unaware that they were eligible or they had concerns about the quality or the accessibility of VA health care. VA cannot adequately address many of these health care needs because (1) it relies primarily on direct delivery of health services in VA facilities; (2) its complex eligibility and entitlement provisions limit the services that veterans may ob-

tain from VA facilities; and (3) space and resource limitations prevent eligible veterans from obtaining covered services. This report presents several options for restructuring VA's health care system to enable it to better meet the health care needs of veterans.

b. Benefits.—The number of veterans in the country has decreased and VA hospitals are underutilized, and yet, the VA wants to spend its resources on building more hospitals and medical centers. This report makes it clear that the VA could better spend its resources on outreach to the homeless, mentally ill, and substance abusing populations and on making access to non-VA medical centers easier.

20. "Veterans' Benefits: VA Can Prevent Millions in Compensation and Pension Overpayments," April 28, 1995, GAO/HEHS-95-88.

a. Summary.—Despite its responsibility to ensure accurate benefit payments, the Department of Veterans Affairs (VA) continues to overpay veterans and their survivors hundreds of millions of dollars in compensation and pension benefits each year. VA has the ability to prevent millions of dollars in overpayments but has not done so because it has not focused on prevention. For example, VA does not use available data, such as information on when beneficiaries will become eligible for social security benefits, to prevent the overpayments. Furthermore, VA does not systematically collect, analyze, and use information on the specific causes of overpayments that will help it target preventive efforts.

b. Benefits.—At a time when the VA is seeking more resources, this report highlights an example of gross mismanagement at the Department. The report points out simple and easy methods for preventing waste and mismanagement of millions of dollars, which could be redirected elsewhere.

21. "School Safety: Promising Initiatives for Addressing School Violence," April 25, 1995, GAO/HEHS-95-106.

a. Summary.—Many schools throughout the United States are struggling with rising levels of youth violence. Schools have adopted a broad range of solutions to curb violence. The four programs GAO visited—in California, Ohio, and New York—are examples of some of the promising approaches schools have initiated to address violence. Research suggests that the most promising school-based violence prevention programs involve at least some of seven key characteristics, including a comprehensive approach, starting early, and involving parents. Although few prevention programs have been evaluated, some Federal agencies are now funding evaluations to examine various violence prevention program approaches. The results, which should be available in 3 to 5 years, will help determine which programs work best at cubing violence.

b. Benefits.—This report helps Congress craft more effective legislation to address the growing problem of violence in our schools.

22. "Long-Term Care: Current Issues and Future Directions," April 13, 1995, GAO/HEHS-95-109.

a. Summary.—Today, an increasing number of Americans need long-term care. Unprecedented growth in the elderly population is

projected for the 21st century, and the population age 85 and older—those most in need of long-term care—is expected to outpace the rate of growth for the entire elderly population. In addition to the dramatic rise in the elderly population, a large portion of the long-term care population consists of younger people with disabilities. The importance of long-term care was underscored by the 1994 congressional debate over health care reform and, more recently, by the "Contract with America," which proposed assistance such as tax deductions for long-term care insurance and tax credits for family care giving. This report (1) defines what is meant by "long-term care" and discusses the conditions that give rise to long-term care need, how such need is measured, and which groups require long-term care; (2) examines the long-term care costs that are born by Federal and State governments as well as by families; (3) addresses strategies that States and foreign countries are pursuing to contain public long-term-care costs; and (4) discusses predictions by experts on the future demand for long-term care.

b. Benefits.—Long-term care is proving to be one of the fastest growing areas of health care. A thorough understanding of who receives the care and who pays for the care are invaluable as strategies are initiated to slow the increase of medical costs, especially in entitlement programs like Medicaid and Medicare.

23. "Prescription Drug Prices: Official Index Overstates Producer Price Inflation," April 28, 1995, GAO/HEHS-95-90.

a. Summary.—During the 1980's and 1990's, the prices of prescription drugs rose on average at triple the rate of inflation, according to U.S. Government statistics. As Congress debated whether to curb drug price increases, research questioning the accuracy of the price statistics—especially the producer price index for prescription drugs published by the Bureau of Labor Statistics—was in its early stages. Today, a body of research urges the reexamination of the accuracy of the producer price index for prescription drugs. This report (1) reviews the accuracy of the producer price index as a measure of drug price inflation; (2) describes whether the index could be changed to more accurately measure changes in the cost of buying drugs; and (3) provides guidance on appropriate uses and common misuses of price indexes.

b. Benefits.—One of the fastest growing costs in health care is the price of drugs. It is important to have a clear understanding of the price movements in the drug industry to have a credible plan to control the costs of drugs.

24. "Medicaid Managed Care: More Competition and Oversight Would Improve California's Expansion Plan," April 28, 1995, GAO/HEHS-95-87.

a. Summary.—The Medicaid program was established to make health care more accessible to the poor. In many communities, however, beneficiaries' access to quality care is far from guaranteed. Too few doctors and other health care providers choose to participate in Medicaid because of low payment rates and administrative burdens. To address the access problem, as well as rising costs and enrollment in its $15 billion Medi-Cal program (which serves about 5.4 million beneficiaries), California intends to increase its

reliance on managed-care delivery systems. This report (1) describes California's current Medicaid managed-care program; (2) reviews the State's oversight of managed-care contractors with a focus on financial incentive arrangements and the provision of preventive care for children; (3) describes the State's plans for expansion; and (4) identifies key issues the State will face as it implements the expanded program.

b. Benefits.—Both Republican and Democrat health care reform plans rely heavily on managed care to better control costs. As the largest State in the country, California offers the most similar example of how managed care issues can be addressed in any reform proposals.

25. "Community Health Centers: Challenges in Transitioning to Prepaid Managed Care," May 4, 1995, GAO/HEHS-95-138.

a. Summary.—As States move to prepaid managed care to control costs and improve access for their Medicaid clients, the number of participating community health centers continues to grow. Medicaid prepaid managed care is not incompatible with health centers' mission of delivering health care to the medically underserved population. However, health centers face substantial risks and challenges as they move into these arrangements. Such challenges require new knowledge, skills, and information systems. Centers lacking expertise and systems face an uncertain future, and those in a vulnerable financial position are at even greater risk. Today's debate over possible changes in Federal and State health programs heightens the concern over the financial vulnerability of centers participating in prepaid managed care. If this funding source continues to grow as a percentage of total health center revenues, centers must face building larger cash reserves while not compromising services to vulnerable populations.

b. Benefits.—Both Republican and Democrat health care reform plans rely heavily on managed care to better control costs. This report gives the Congress the information to help it avert many of the difficulties the health care industry faces as it transitions to managed care.

26. "Medicare Claims: Commercial Technology Could Save Billions Lost to Billing Abuse," May 5, 1995, GAO/AIMD-95-135.

a. Summary.—With an investment of only $20 million in off-the-shelf commercial software, Medicare could save nearly $4 billion over 5 years by detecting fraudulent claims by physicians—primarily manipulation of billing codes. On the basis of a test in which four commercial firms reprocessed a sample of more than 20,000 paid Medicare claims, GAO estimates that the software could have saved $603 million in 1993 and $640 million in 1994. In addition, GAO estimates that because beneficiaries are responsible for about 22 percent of the payment amounts—mainly in the form of deductibles and copayments—Medicare could have saved an additional $134 million in 1993 and $142 million in 1994. The test results indicate that only a small proportion of providers are responsible for most of the abuses: less than 10 percent of providers in the sample had miscoded claims.

b. Benefits.—This report begins to quantify the savings available from the application of computer technology to Medicare claims processing. The Health Care Financing Administration has been developing a computer system, the Medicare Transaction System (MTS), to unify and standardize claims review. It is estimated that hundreds of millions of dollars in improper or ineligible Medicare claims are paid each year. This report indicates that significant savings could be accomplished if Medicare contractors used off-the-shelf commercial software while the MTS system is being deployed.

27. "Welfare Dependency: Coordinated Community Efforts Can Better Serve At-Risk Teen Girls," May 10, 1995, GAO/HEHS/RCED–95–108.

a. Summary.—Although poverty and the erosion of families and neighborhoods have put many teenage girls at risk of pregnancy, school failure, and substance abuse, programs aimed at helping them are often too little, too late. However, GAO found that some communities are organizing coalitions with private and public agencies to integrate services and reach more young women at risk. This report (1) describes the health and the well-being of young at-risk teen girls and their families and the condition of the urban neighborhoods where they live; (2) presents local service providers' views on what the needs of these girls are, how they are addressing those needs, and what obstacles service providers may face in working with the girls, their families, and their communities; and (3) describes how the communities where these girls live are responding to the service needs of this group.

b. Benefits.—The problems of at-risk teen girls are increasingly becoming an issue of national importance. Unfortunately, credible solutions are often "too little, too late." This report provides information on some successful alternatives to assist at-risk teen girls.

28. "Welfare to Work: Participants' Characteristics and Services Provided in JOBS," May 2, 1995, GAO/HEHS–95–93.

a. Summary.—The General Accounting Office found that most adult welfare recipients do not participate in the Job Opportunities and Basic Skills (JOBS) training program because of allowable exemptions and minimum participation standards. JOBS still reached only about 13 percent of single-female-headed households receiving welfare each month in 1992; about 60 percent were exempt from participation. Most of the 1.95 million exempt adult welfare recipients were excused from participation because they were caring for children under 3 years old. The low level of participation raises questions as to whether a program serving relatively few participants can bring about a widespread transformation of the welfare culture. In addition to discussing who is and is not being served under the JOBS training program, this report discusses (1) the range of services that JOBS participants are receiving and the extent to which participant needs are being met and (2) the implication of servicing participants in a system of time-limited benefits.

b. Benefits.—According to this report the JOBS program does not help most welfare recipients and a different approach is needed if the Congress wants to reform the welfare system.

29. "Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement," May 19, 1995, GAO/HEHS-95-113.

a. Summary.—In 1988, Congress strengthened the work requirements for welfare recipients by creating the Job Opportunities and Basic Skills Training (JOBS) program. Although, the JOBS program is designed to move welfare recipients from dependence to work, GAO found that a majority of JOBS programs lacked a strong employment focus. However, five welfare-to-work programs visited by GAO show promise because they focus on the importance of employment and forge links with employers. This report (1) provides examples of county or local JOBS or JOBS-like programs that emphasize job placement, subsidized employment, or work-experience positions for welfare recipients; (2) discusses the extent to which county JOBS programs nationwide use these employment-focused activities; and (3) examines factors that hinder program administrators' efforts to move welfare recipients into jobs.

b. Benefits.—A previous GAO report indicated that the JOBS program is not reaching a significant portion of its target audience. This report will help the Congress change the current system to make it more effective.

30. "Welfare Programs: Opportunities To Consolidate and Increase Program Efficiencies," May 31, 1995, GAO/HEHS-95-139.

a. Summary.—The Federal Government provides billions of dollars in public assistance each year through an inefficient welfare system that is increasingly cumbersome for program administrators to manage and difficult for eligible clients to access. Program consolidation may be one strategy to reduce inefficiency of the current system of overlapping and fragmented programs. This report (1) describes low-income families' participation in multiple welfare program; (2) examines program inefficiencies such as program overlap and fragmentation, and (3) identifies issues to consider in deciding whether, and to what extent, to consolidate welfare issues. Regardless of how the welfare system is restructured, ensuring that Federal funds are used efficiently and that programs focus on outcomes remains important. Without a focus on outcome, concerns and the effectiveness of welfare programs will not be adequately addressed.

b. Benefits.—Both the administration and the Congress have suggested major reforms to the current welfare system involving consolidations. This report provides Congress with an indepth examination of how services are delivered and where likely inefficiencies and duplications can be found. This in turn, points to many areas where consolidation may be effective.

31. "Federal Reorganization: Congressional Proposal To Merge Education, Labor, and EEOC," June 7, 1995, GAO/HEHS-95-140.

a. Summary.—A congressional proposal to consolidate the Departments of Labor and Education along with the Equal Employment Opportunity Commission (EEOC) envisions saving billions of dollars and creating more efficient services, but savings might be elusive if downsizing proceeds too quickly or proceeds without careful planning. The proposal to create a new Department of Education and Employment could yield savings of about $1.65 billion

in administrative costs through the year 2000. The proposal significantly changes Education's existing structure, program offerings, and processes. The proposal would also raise program consolidation, workforce, accountability, implementation, and oversight issues that Congress, Education, and other agencies would need to address to ensure that Federal education and training programs meet the Nation's needs.

b. Benefits.—Currently, the Departments of Labor and Education offer many programs which duplicate or overlap. Furthermore, education and labor issues are becoming increasingly intertwined. This report concludes that the proposal to combine these two departments and the Equal Employment Opportunity Commission could result in significant savings.

32. "Nutrition Monitoring: Data Serve Many Purposes; Users Recommend Improvements," June 20, 1995, GAO/PEMD-95-15.

a. Summary.—The National Nutrition Monitoring and Related Research Program consists of a network of surveys, surveillance systems, and research activities that serve various purposes. It provides researchers and decisionmakers with data for assessing the safety of the Nation's food supply, targeting food assistance to low-income families, and studying the relationship between diet and disease. The program has been criticized, however, for the lack of coordination among the various activities and its poor coverage of populations at risk of nutritional problems. GAO surveyed users of nutrition-monitoring data. This report (1) describes the users and the major uses of nutrition-monitoring data and (2) summarizes user satisfaction with nutrition-monitoring activities and the changes that users believe are likely to increase their use of, or confidence in, the data.

b. Benefits.—Increasingly, scientists are discovering more connections between diet and the incidence of disease or illness. In order to reduce both the human and dollar costs of illness, nutritional standards must be considered by decisionmakers. This report will help improve the collection and coordination of this data.

33. "HUD Management: FHA's Multifamily Loan Loss Reserves and Default Prevention Efforts," June 5, 1995, GAO/RCED/AIMD-95-100.

a. Summary.—In recent years, the number of defaults on Federal Housing Administration (FHA) insured loans for multifamily housing has soared. In 1994, FHA established loan loss reserves of $103 billion for its multifamily portfolio. This represents the amount that HUD expects to lose from future defaults on FHA-insured loans. This report evaluates (1) the methodology that FHA used to set loan loss reserves for its fiscal year 1993 multifamily portfolio; (2) the relative benefit of creating a new, actuarially sound insurance fund for all new multifamily housing insurance commitments; and (3) HUD's current initiatives for preventing future defaults on FHA's multifamily housing loans.

b. Benefits.—The report documents the FHA's handling of defaults within its multifamily portfolio and the FHA's establishment of loan loss reserves. The report will assist the Congress in any ef-

forts to restructure either FHA or the agency's multifamily portfolio.

34. "Housing Finance: Improving the Federal Home Loan Bank System's Affordable Housing Program," June 9, 1995, GAO/RCED–95–82.

a. Summary.—Decent and affordable housing for every American family has been a goal of national housing policy since 1949. A shortage of affordable housing has prompted Congress to expand the capital available to finance such housing. The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 required that the Federal Home Loan Bank System establish an Affordable Housing Program to help finance housing for households with very low, low, and moderate incomes and directed GAO to evaluate this program. This report examines (1) how program funds have been used to support affordable housing initiatives; (2) how the program has been run; and (3) whether opportunities exist to improve the program as a source of housing finance.

b. Benefits.—The report provides a generally positive evaluation of the Federal Home Loan Bank System's Affordable Housing Program and highlights the program's role in promoting affordable housing. GAO's report indicates that the program is continuing to institute improvements. The report also suggests that the Congress should continue funding upon adoption of some small changes.

35. "Public Housing: Converting to Housing Certificates Raises Major Questions About Cost," June 20, 1995, GAO/RCED–95–195.

a. Summary.—Proposed legislation submitted to Congress by the Department of Housing and Urban Development (HUD) would change how the United States has traditionally funded public housing. Federal aid would no longer flow to public housing authorities but instead would go to households in the form of housing certificates, giving these families the choice of remaining in public housing or moving to rental apartments. HUD believes that this shift in policy would save money and solve several basic problems with public housing, including residents' lack of choice in housing, the concentration of very poor people in very poor neighborhoods, and a lack of discipline in management of public housing because of its insulation from the marketplace. This report analyzes the proposed legislation and (1) describes the cost implications and issues raised by switching from the current public housing program to one using housing certificates and (2) identifies key factors that may affect HUD's plan to provide greater housing choice for public housing residents.

b. Benefits.—Both the administration and the Congress have called for major changes in national housing policy. This report provides an indepth analysis of the voucher conversion proposal offered by the administration.

36. *"Federal Family Education Loan Information System: Weak Computer Controls Increase Risk of Unauthorized Access to Sensitive Data," June 12, 1995, GAO/AIMD–95–117.*

a. Summary.—Controls over the Federal Education Loan Program information system, which is operated by a contractor for the Education Department, are critical to safeguarding assets, maintaining sensitive loan data, and ensuring the reliability of financial management information. GAO found that Education's general controls over the system failed to adequately protect sensitive files, applications programs, and systems software from unauthorized access, changes, or disclosure.

b. Benefits.—This report makes it clear that the Department of Education could significantly improve their information systems thereby, improving the efficiency of data collection and preventing loan defaults.

37. *"Foreign Housing Guaranty Program: Financial Condition Is Poor and Goals Are Not Achieved," June 2, 1995, GAO/NSIAD–95–108.*

a. Summary.—Since 1961, the Agency for International Development's (USAID) housing Guaranty Program has guarantied more than $2.7 billion in loans in 44 countries for home construction, mortgages, home improvements, urban infrastructure, and other shelter projects. A fundamental program goal is to increase housing for low-income families in developing countries by motivating local institutions to provide investment capital and other resources. However, Congress should consider terminating the program because it has failed to spur private-sector investment in low-income housing in developing countries, its benefits often go to higher-income persons, and its loan defaults may ultimately cost the U.S. Government as much as $1 billion. Moreover, program assistance has gone increasingly to creditworthy developing nations that have ready access to international financing.

b. Benefits.—This report suggests the failure of a program which does not fulfill its mission and is proving financially unsound. The report presents information that questions the continued need for the Foreign Housing Guaranty Program.

38. *"Food Aid: Competing Goals and Requirements Hinder Title I Program Results," June 26, 1995, GAO/GGD–95–68.*

a. Summary.—During the past 40 years, the United States has allocated more than $88 billion in food assistance to developing countries under Title I of the 1954 Agriculture Trade Development and Assistance Act. Under the Title I program, run by the Agriculture Department, U.S. agricultural commodities are sold on long-term credit terms at below-market-rate interest. Although the United States remains a world leader in providing food aid, Title I's share of both U.S. food aid and overall U.S. agricultural exports has declined dramatically since the program's inception. This report evaluates the impact of Title I assistance on (1) broad-based, sustainable economic development in recipient countries and (2) long-term market development for U.S. agricultural goods in those countries. GAO also reviews the effect of 1990 legislation on re-

structuring title I program management and the program's ability to sustain economic and market development.

b. Benefits.—Congress must continually evaluate the effectiveness of programs. This report gives Congress the tools needed to candidly evaluate the effectiveness of the Title I food assistance program and the effects of the 1990 restructuring.

39. "Child Welfare: Opportunities to Further Enhance Family Preservation and Support Activities," June 15, 1995, GAO/HEHS-95-112.

a. Summary.—During the past 20 years, social, cultural, and economic changes—such as increases in drug abuse, community violence, and poverty—have increased the severity of problems plaguing American families and the number of families that have come to the attention of child welfare agencies. From 1976 to 1992, the rates of child abuse and neglect increased fourfold. And from 1988 to 1993, the number of foster children increased nearly one-third, to 450,000. States have struggled to keep up with the increased demand for child welfare services, but worsening State fiscal difficulties have further strained the child welfare system's ability to serve vulnerable children and their families. As part of the Omnibus Budget Reconciliation Act of 1993, Congress authorized new funding for family preservation and family support services. More recently, Congress has considered proposals to incorporate these funds, along with other child welfare programs, into a block grant program for States. This report (1) describes the condition of child welfare in America that precipitated the 1993 act; (2) assesses Federal and State efforts to implement its provisions; and (3) highlights areas in which these efforts could be enhanced.

b. Benefits.—This report highlights the deteriorating state of many American families and the effects on children and provides information useful in the evaluation of Federal assistance efforts.

40. "Community Development: Reuse of Urban Industrial Sites," June 30, 1995, GAO/RCED-95-172.

a. Summary.—Thousands of former industrial sites, known as "brownfields," are abandoned and possibly contaminated. Many offer potential for redevelopment, but developers have been reluctant to get involved because of far-reaching and uncertain liability imposed by Federal and State liability laws. This report (1) determines what is known about the extent and the nature of abandoned industrial sites in distressed urban areas and the barriers that brownfields present to redevelopment and (2) provides information on Federal initiatives aimed at helping communities overcome obstacles to reusing brownfield sites.

b. Benefits.—Former industrial sites often have great potential for redevelopment possibilities, but as the report shows, these possibilities are frustrated by potential liabilities from Federal and State liability laws. The report indicates a need for further investigation into how the redevelopment of "brownfields" can be encouraged.

41. "Welfare Benefits: Potential To Recover Hundreds of Millions More in Overpayments," June 20, 1995, GAO/HEHS-95-111.

a. Summary.—Under welfare reform legislation being considered by Congress, resources for helping poor families may become increasingly limited—making it critical that only those who are eligible for benefits receive them. In 1992, benefit overpayments in three welfare programs—Aid to Families With Dependent Children, Food Stamps, and Medicaid—totaled $4.7 billion, or about 4 percent of the total benefits paid. Nationwide recovery of these benefits was relatively low. This report discusses (1) what States are doing to recover benefit overpayments; (2) what the more effective practices are; (3) what States could do better; and (4) what the Federal Government could do to help States recover more overpayments.

b. Benefits.—Overpayments in welfare programs are a large drain on resources that could be better used to help other people, expand benefits, or be put to different uses. The report reinforces the need for welfare reform and stronger oversight of welfare programs to reduce overpayments and other wasteful practices.

42. "Employment Discrimination: Most Private-Sector Employers Use Alternative Dispute Resolution," July 5, 1995, GAO/HEHS-95-150.

a. Summary.—The number of discrimination lawsuits filed in Federal courts has increased dramatically in recent years. Employers have become more and more concerned about the costs involved in resolving these complaints—in time, money, and good employee relationships. Some employers have turned to internal alternative dispute resolution approaches, including arbitration, which requires submitting disputes to a neutral third person for resolution. Some require their employees to agree to binding arbitration of discrimination complaints as a condition of their employment, forcing employees to waive the right to sue. GAO estimates, on the basis of a survey of 2,000 businesses, that almost all employers with 100 or more employees use one or more alternative dispute resolution approaches. Arbitration is one of the least common approaches reported. Employer policies on arbitrating discrimination complaints vary considerably. Some of these policies, such as those for employees obtaining information and empowering the arbitrator to use remedies equal to those under law, would not meet standards of fairness proposed recently by a commission established by the Secretary of Labor and the Secretary of Commerce.

b. Benefits.—The use of alternative dispute resolution reduces costs for businesses resolving discrimination complaints. Some of the methods might be used by the Federal Government.

43. "Supplemental Security Income: Growth and Changes in Recipient Population Call for Reexamining Program," July 7, 1995, GAO/HEHS-95-137.

a. Summary.—The Supplemental Security Income (SSI) program is the largest cash assistance program for the poor and one of the fastest-growing entitlement programs. Program costs have risen 20 percent annually during the last 4 years. SSI provides means-tested income support payment to aged, blind, or disabled persons.

Last year, more than 6 million persons received about $25 billion in Federal and State benefits. In response to SSI's rapid growth, Congress passed legislation limiting drug addicts' benefits, and this year it is considering further restrictions for these recipients, as well as for children and noncitizens. This report provides an overview of the SSI program and its recent history. Specifically, it examines factors contributing to caseload growth and changes in the characteristics of SSI recipients.

b. Benefits.—This report gives Congress and the American people background and reasons for the rapid growth in SSI. This report provides important information in the debate over welfare and entitlement reform.

44. "Health Insurance for Children: Many Remain Uninsured Despite Medicaid Expansion," July 19, 1995, GAO/HEHS-95-175.

a. Summary.—Expanding children's Medicaid eligibility has significantly increased the number of children who rely on Medicaid for health coverage. It has also cushioned the effect of declining employment-based health insurance coverage for children. Because of expanded eligibility, the proportion of children on Medicaid in working and in two-parent families has grown. Congress is considering welfare reform proposals that would encourage low-income mothers to work. Yet many low-income jobs do not offer health insurance as a benefit. Even children who have full-time working parents and are part of two-parent households may lack health insurance. Although Medicaid has begun to help close that gap for some families, many more uninsured children are eligible for Medicaid than have been enrolled. Changes to Medicaid that remove guaranteed eligibility and change the financing and responsibilities of Federal and State government may strongly affect health insurance coverage for children in the future. Children account for only a small portion of Medicaid costs. Because they represent almost half the participants, however, any changes to Medicaid disproportionately affect children. Changes to Medicaid that reduce the number of children covered, without any corresponding changes to encourage employers to provide dependent health insurance coverage or to provide other coverage options for children, could significantly increase the number of uninsured children in the future.

b. Benefits.—This report demonstrates the need to be careful in deciding how reforms are implemented so that children are not unfairly affected.

45. "Property Disposition: Information on HUD's Acquisition and Disposition of Single-Family Properties," July 24, 1995, GAO/RCED-95-144FS.

a. Summary.—Each year, lenders foreclose on thousands of defaulted mortgages on single-family properties insured by the Department of Housing and Urban Development's (HUD) Federal Housing Administration (FHA). With few exceptions, HUD then takes ownership of, and later resells, these properties. FHA almost always loses money on the sale of foreclosed properties. In response to congressional concerns about the costs that HUD incurs in acquiring, managing, and selling the foreclosed properties, this fact

sheet provides information on (1) the losses on such properties sold during the 3 fiscal years ending September 20, 1994, and the breakdown of the costs associated with these losses; (2) the number of properties that HUD acquired and sold during the 3-year period; and (3) the length of time that the properties remained in HUD's inventory before being sold.

b. Benefits.—At the request of the Congress, GAO has compiled comprehensive data on HUD's acquisition and disposition of single-family properties. This report provides the Congress with necessary information for reform efforts aimed at improving single-family acquisition and disposition policy.

46. "College Savings: Information on State Tuition Prepayment Programs," August 3, 1995, GAO/HEHS-95-131.

a. Summary.—A handful of States have adopted tuition prepayment programs, which allow parents to pay in advance for tuition at participating colleges on behalf of a designated child, thereby ensuring full coverage of the child's future tuition bill at one of these colleges regardless of how much costs rise. By allowing purchasers to "lock in" today's prices, these programs are intended to ease families' concerns about whether they will have enough money in the future to pay for their children's' college expenses. This report (1) describes how these programs operate and the participation rates they have achieved; (2) assesses participants' income levels and options for increasing the participation of lower-income families; and (3) discusses the key issues surrounding these programs.

b. Benefits.—States are using innovative means to address the cost of college. This report will help the Federal Government decide if it can learn from those experiences and improve Federal loan programs.

47. "Medicare: Increased HMO Oversight Could Improve Quality and Access to Care," August 3, 1995, GAO/HEHS-95-155.

a. Summary.—This report discusses problems that the Health Care Financing Administration (HCFA) has had in (1) monitoring health maintenance organizations (HMO) it contracts with to provide services to Medicare beneficiaries and (2) ensuring that they comply with Medicare's performance standards. GAO found weaknesses in HCFA's quality assurance monitoring, enforcement measures, and appeal processes. Although HCFA routinely reviews HMO operations for quality, these reviews are generally perfunctory and do not consider the financial risks that HMO's transfer to providers. Moreover, HCFA collects virtually no data on services received through HMO's that would enable HCFA to identify providers who may be under serving beneficiaries. In addition, HCFA's HMO oversight has two other major limitations: enforcement actions are weak, and the beneficiary appeal process is slow. HCFA's current regulatory approach to ensuring good HMO performance appears to GAO to lag behind the private sector.

b. Benefits.—As both the administration and Congress promote HMO's, it is critical that HCFA have the systems in place to deal with the increased use of HMO's. This report makes it clear that HCFA must place more emphasis on handling this emerging form of health care.

48. "Medigap Insurance: Insurers' Compliance With Federal Minimum Loss Ratio Standards, 1988–1993," August 23, 1995, GAO/HEHS–95–151.

a. Summary.—The Medigap market grew steadily from 1988 to 1993, from $7.3 billion to $12.1 billion. Medigap insurers' aggregate loss ratios were relatively stable during the first 4 years of that period. During the next 2 years, however, these ratios fell about 10 percentage points, to an aggregate 75 percent for individual policies and 85 percent for group policies. In 1991, 19 percent of Medigap policies failed to meet loss ration standards; this rose to 38 percent by 1993. The premium dollars spent on such policies increased from $320 million in 1991 to $1.2 billion in 1993. If insurers had been required to give refunds or credits on substandard policies, as they will in the future, policyholders would have been due about $124 million during 1992 and 1993.

b. Benefits.—This report shows that despite some minor concerns the Medigap program is one reform that is working to standardize coverages, improve underwriting standards and prevent abuses.

49. "Nonprescription Drugs: Value of a Pharmacist-Controlled Class Has Yet To Be Demonstrated," August 24, 1995, GAO/PEMD–95–12.

a. Summary.—The drug classification system in the United States, under which drugs are classified as either prescription or nonprescription, is unique. Other countries have a class of drugs that is available without a prescription but can be obtained only at a pharmacy and sometimes can be dispensed only by a pharmacist. This report reviews the drug distribution systems in 10 countries and the European Union. GAO also reviews the practice of pharmacists' counseling patients on the use of nonprescription drugs. GAO found that little evidence exits to support the establishment of a pharmacy or a pharmacist class of drugs in the United States at this time, either as a fixed or a transition class. Available evidence tends to undermine the argument that countries with such a class obtain major benefits. This report discusses in detail the facts supporting this conclusion.

b. Benefits.—This report demonstrates the need to assess the way other nations determine pharmaceutical classifications. In reviewing the classification systems of other nations, the GAO has shown no appreciable gains to be made by changing the U.S. classification system.

50. "Medicare: Antifraud Technology Offers Significant Opportunity To Reduce Health Care Fraud," August 11, 1995, GAO/AIMD–95–77.

a. Summary.—Medicare continues to suffer large losses each year due to fraud. Existing risks are sharply increased by the continual growth in Medicare claims—both in number and percentage processes electronically. Existing Medicare payment safeguards can be bypassed and apparently do not deter fraudulent activities. The Health Care Financing Administration should be able to benefit by taking full advantage of emerging antifraud technology to better identify and prevent Medicare fraud. The number and types of Medicare fraud schemes perpetrated in South Florida may make

that area the best place to test antifraud systems before nationwide use.

b. Benefits.—Previous GAO reports have shown that HCFA lacks comprehensive and sometimes common sense ways to combat waste, fraud, and abuse in Medicare and Medicaid, resulting in the loss of billions of dollars each year. This report reinforces that view and cautions Congress once again that it must take steps to ensure better accounting and accountability at the agency.

51. "VA Health Care: Need for Brevard Hospital Not Justified," August 29, 1995, GAO/HEHS–95–192.

a. Summary.—The Department of Veterans Affairs (VA) assumed control of a former naval hospital in Orlando, FL, in June 1995. VA plans to convert the hospital into a nursing home while continuing to operate an existing outpatient clinic. VA also plans to build a new hospital and nursing home in Brevard County, 50 miles from Orlando. GAO concludes that VA's conversion of the former Orlando Naval Hospital into a nursing home and construction of a new hospital and nursing home in Brevard County is not the most prudent and economical use of its resources. These construction projects are based on questionable planning assumptions that may result in an unneeded expenditure of Federal dollars. Specifically, VA did not adequately consider hundreds of nursing home beds available in nearby communities, unused VA hospital beds, and the potential for decreasing demand for VA hospital beds. VA could achieve its goals in central Florida by using existing capacity.

b. Benefits.—The report provides useful information regarding flaws in the VA criteria and process used to allocate construction funds.

52. "Medicare: Excessive Payments for Medical Supplies Continue Despite Improvements," August 8, 1995, GAO/HEHS–95–171.

a. Summary.—In fiscal year 1994 alone, Medicare was billed more than $6.8 billion for medical supplies. Congressional hearings and government studies have shown that Medicare has been extremely vulnerable to fraud and abuse in its payments for medical supplies, especially surgical dressings. In one case, Medicare paid more than $15,000 in claims for a month's supply of surgical dressings for a single patient, apparently without reviewing the reasonableness of the claims before payment. Until recently, medical suppliers had considerable freedom in choosing the Medicare contractors that would process and pay their claims. Some exploited this freedom by "shopping" for contractors with the weakest controls and highest payment rates. This report discusses (1) the circumstances allowing payment for unusually high claims for surgical dressing and (2) the adequacy of Medicare's internal controls to prevent payments for excessive claims.

b. Benefits.—As previous GAO reports have concluded, HCFA lacks proper controls within Medicare and Medicaid to prevent large scale waste, fraud, and abuse. This report points to the need for significant reforms to assure program integrity.

53. "Block Grants: Issues in Designing Accountability Provisions," September 1, 1995, GAO/AIMD–95–226.

a. Summary.—Congress has shown strong interest in consolidating narrowly defined categorical grant programs into broader purpose block grants. A total of 15 block grant programs with funding of $35 billion were in effect in fiscal year 1994, constituting a small portion of the total Federal aid to States. If Medicare and Aid to Families With Dependent Children are added, however, block grant spending could rise substantially—to as much as $138 billion or about 58 percent of the total Federal aid to States. This report summarized information on how accountability for program financial management can be designed to fit a block grant approach and the potential consequences of such provisions. To provide an overview and summary of GAO's evaluations of past block grant programs, GAO reviewed nearly two decades of reports, testimony, and other documents on accountability issues related to intergovernmental programs. GAO also consulted with experts on block grants, performance budgeting, and financial accountability.

b. Benefits.—In order to give States more flexibility, the Congress has supported converting categorical grant programs into block grants. The GAO report will help the Congress establish effective management and accountability systems in block grants.

54. "Adult Education: Measuring Program Results Has Been Challenging," September 8, 1995, GAO/HEHS–95–153.

a. Summary.—According to a recent national survey, nearly 90 million adults in the United States have difficulty writing a letter explaining an error on a credit card bill, using a bus schedule, or calculating the difference between the regular and sale price of an item. To address these deficient skills, Congress passed the Adult Education Act, which funds State programs to help adults acquire the basic skills needed for literacy, benefit from job training, and continue their education at least through high school. The most common types of instruction funded under the act's largest program—the State Grant Program—are basic education (for adults functioning below the eighth grade level), secondary education, and English as a second language. Because many clients of Federal employment training programs need instruction provided by the State Grant Program, coordination among these programs is essential. Although the State Grant Program funds programs that address the educational needs of millions of adults, it has had difficulty ensuring accountability for results because of a lack of clearly defined program objectives, questionable validity of adult student assessments, and poor student data.

b. Benefits.—The GAO report demonstrates that there is a great need for literacy training. However, the report also suggests that the current system used to evaluate the illiteracy rate cannot ascertain the success of the program. The report will aid Congress in considering legislation to target literacy programs to achieve measurable goals.

55. "School Finance: Trends in U.S. Education Spending," September 15, 1995, GAO/HEHS-95-235.

a. Summary.—Recent trends in financing U.S. education show a leveling off of per pupil spending for education combined with increasing enrollment in public elementary and secondary schools. Meanwhile, the schools face an increasing number of poor children and others at high risk of school failure—students whose education costs are generally greater than average. Moreover, education's share of State budgets has declined, and Federal funding for education faces tight fiscal constraints. If these trends continue, America may be less able to provide adequate educational services for many school-age children or make needed improvements in the educational system.

b. Benefits.—This report examines trends in per pupil funding for education. The information provides a thorough and useful overview of the issues Congress and the American people must consider in order to ensure adequate education funding in the future.

56. "Medicare Spending: Modern Management Strategies Needed To Curb Billions in Unnecessary Payments," September 19, 1995, GAO/HEHS-95-210.

a. Summary.—Medicare's vulnerability to billions of dollars in unnecessary payments stems from a combination of factors. First, Medicare pays higher than market rates for some services and supplies. For example, Medicare pays more than the lowest suggested retail price for more than 40 types of surgical dressings. Second, Medicare's anti-fraud-and-abuse controls do not prevent the unquestioned payment of claims for improbably high charges or manipulated billing codes. Third, Medicare's checks on the legitimacy of providers are too superficial to detect the potential for scams. Various health care management strategies help private payers avoid these problems, but Medicare generally does not use these strategies. The program's pricing methods and controls over utilization, consistent with health care financing and delivery 30 years ago, have not kept pace with major financing and delivery changes. GAO believes that a viable strategy to remedy the program's weaknesses would involve adapting the health care management approach of private payers to Medicare's public payer role. This strategy would include (1) more competitively developed payment rates; (2) enhanced fraud and abuse detection efforts through modernized information systems; and (3) more rigorous criteria for granting authorization to bill the program.

b. Benefits.—Previous GAO reports have shown that HCFA lacks comprehensive and common sense ways to combat waste, fraud, and abuse in Medicare and Medicaid, resulting in the loss of billions of dollars each year. This report reinforces that view and points out successful practices from the private sector that can help prevent fraud and abuse in Medicare.

57. "Medicaid: Tennessee's Program Broadens Coverage but Faces Uncertain Future," September 1, 1995, GAO/HEHS-95-186.

a. Summary.—In early 1993, Tennessee predicted that increases in State Medicaid expenditures and the loss of tax revenues used to finance Medicaid would produce a financial crisis. To control

Medicaid expenditures, and extend health insurance coverage to most State residents, Tennessee converted its Medicaid program into a managed-care health program—TennCare—to serve both Medicaid recipients and uninsured persons. GAO found that although TennCare met its objective of providing health coverage to many uninsured persons while controlling costs, concerns remain with respect to access to quality care and managed care performance. In addition, the soundness of the methodology for determining and the resulting adequacy of the program's capitation rates have been questioned. This report discusses (1) TennCare's basic design and objectives; (2) the degree to which the program is meeting these objectives; and (3) the experiences of TennCare's insurers and medical providers and their implications for TennCare's future.

b. Benefits.—While the report highlights some concerns with TennCare, GAO makes clear that flexibility is paying off, giving the State more control over costs and expanding health coverage. The report makes the case to Congress that while giving States more flexibility in Medicaid eligibility and service delivery is not without its difficulties, it can be successful.

58. "Health Care Shortage Areas: Designations Not a Useful Tool for Directing Resources to the Underserved," September 8, 1995, GAO/HEHS-95-200.

a. Summary.—Many Americans live in places where barriers exist to obtaining basic health care. These areas range from isolated rural locations to inner-city neighborhoods. In fiscal year 1994, the Federal Government spent about $1 billion on programs to overcome access problems in such locales. To be effective, these programs need a sound method of identifying the type of access problems that exist and focusing services on the people who need them. The Department of Health and Human Services uses two main systems to identify such sites. One designates Health Professional Shortage Areas (HPSA), the other Medically Underserved Areas (MUA). More than half of all U.S. counties fall into these two categories. GAO reviewed the two systems to determine (1) how well they identify areas with primary care shortages; (2) how well they help target Federal funding to benefit those who are underserved; and (3) whether they are likely to be improved under proposals to combine them.

b. Benefits.—The GAO report indicates that the HPSA and MUA systems do not effectively identify areas with primary care shortages or help target Federal resources to benefit those who are underserved. Furthermore, the GAO offers alternative reform initiatives for Congress and HHS to consider.

59. "Cancer Drug Research: Contrary to Allegation, NIH Hydrazine Sulfate Studies Were Not Flawed," September 13, 1995, GAO/HEHS-95-141.

a. Summary.—Despite advances in treating cancer, some forms of the disease remain resistant to all therapies and are often fatal. Because of findings suggesting that hydrazine sulfate may improve survival for some patients with advanced cancers, the National Cancer Institute sponsored three studies of the drug. All three studies failed to show any benefit from it. The developer of hydra-

zine therapy alleged that the National Cancer Institute compromised its studies by allowing study patients to take tranquilizers, barbiturates, and alcohol, which they contend are incompatible with hydrazine sulfate. GAO confirmed that all three trials allowed the use of tranquilizers to varying degrees and one trial allowed the use of barbiturates and alcohol. Retrospective analyses, however, found no evidence that the use of these allegedly incompatible agents adversely affected the results of the clinical trials. Although GAO's work did not support the allegation that the studies were flawed, the National Cancer Institute should have ensured that complete and accurate records were kept on concurrent medications and possible alcohol use. Furthermore, the National Cancer Institute's investigators did not analyze this issue until recently, and the published results did not accurately describe the use of tranquilizers during one of these clinical trials.

b. Benefits.—The GAO report demonstrates that the National Cancer Institute studies concerning hydrazine sulfate for cancer patients were not compromised by the use of tranquilizers, barbiturates, and alcohol. The report cautions the Institute about the accuracy of some recordkeeping and provides valuable insights to Congress on health care research procedures.

60. "Health Insurance Portability: Reform Could Ensure Continued Coverage for up to 25 Million Americans," September 19, 1995, GAO/HEHS-95-257.

a. Summary.—Although Federal and State laws have improved the portability of health insurance, an individual's health care coverage could still be reduced when changing jobs. Between 1990 and 1994, 40 States enacted small group insurance regulations that include portability standards, but the Federal Employee Retirement Income Security Act of 1974 prevents States from applying these standards to the health plans of employers who self-fund. As a result, Members of Congress have proposed broader national portability standards. GAO estimates that as many as 21 million Americans each year would benefit from Federal legislation to ensure that workers who change jobs would not be subject to new health insurance plans that impose waiting periods or exclude "preexisting conditions." In addition, as many as 4 million Americans who at some point have been unwilling to leave their jobs because they feared losing their health care coverage would benefit from national portability standards. Such a change, however, could possibly boost premiums, according to insurers.

b. Benefits.—With both the administration and the Congress agreeing on the need for greater health insurance portability, it is important that any legislation achieve that goal while avoiding unintended or market-distorting consequences in this complex area. This report provides Congress with important information on insurance portability issues.

61. "Durable Medical Equipment: Regional Carrier's Coverage Criteria Are Consistent With Medicare Law," September 19, 1995, GAO/HEHS-95-185.

a. Summary.—In November 1993, the Health Care Financing Administration began consolidating the work of processing and

paying claims for durable medical equipment, prostheses, orthoses, and supplies at four regional carriers. Claims for such items had previously been processed and paid by local Medicare carriers. As part of the transition to regional processing, the four regional carriers developed coverage criteria for the items. GAO found that the final criteria adopted by the regional carriers are consistent with Medicare's policies on national coverage and the law. GAO does not believe that the criteria have impeded access by disabled beneficiaries to needed durable medical equipment and other items. Also, the regional carriers approved a similar percentage of service for durable medical equipment and other items for disabled and aged Medicare beneficiaries in 1994, so there was no significant difference in access to durable medical equipment and other items between the two groups of beneficiaries.

b. Benefits.—This report assists Congress in the discharge of its oversight responsibilities and provides useful analysis of a successful HCFA initiative.

62. "Medical Liability: Impact on Hospital and Physician Costs Extend Beyond Insurance," September 29, 1995, GAO/AIMD-95-169.

a. Summary.—As Congress considers proposals to reduce the tort liability in the health care industry, little consensus exists on the extent to which medical liability-related spending boosts hospital and physician expenditures, a central issue in the debate over health care reform. GAO found that hospitals and physicians incur a variety of medical liability costs. Studies attempting to measure such costs have focused on the cost of purchased malpractice insurance, which is readily quantifiable because of State reporting requirements. Other hospitals and physician liability costs, however, are impractical and methodologically difficult to measure with any precision. Such costs include defensive medicine, liability-related administrative expenses, and medical device and drug company liability expenses that are passed on to hospitals and doctors in the price of products. However, a broader understanding of such costs and their implications is useful to the ongoing medical liability reform debate.

b. Benefits.—This report gives the Congress a greater understanding of liability related expenses in health care.

63. "Health Care: Employers and Individual Consumers Want Additional Information on Quality," September 29, 1995, GAO/HEHS-95-201.

a. Summary.—Both employers who purchase health care and individual consumers have demanded more information on quality. In response to these demands, some States, large employers, and health plans have been publishing performance reports describing the quality of health care providers. These "report cards" provide such information as the frequency with which preventive services are provided and the degree of success in treating certain diseases. Data comparing health care plans and providers helped the consumers GAO surveyed make their health care purchasing decisions. However, performance reports have yet to achieve their fullest potential. Consumers said that they needed more reliable and

valid data, more readily available and standardized information, and more emphasis on outcome measures. Meeting the information needs of individual consumers continues to lag behind meeting employer needs. Attention must be paid to ensuring that individual consumers have access to health care data. Although employers themselves have begun to cooperate with one another, few of those GAO interviewed are making complete health care data available to help individual consumers make purchasing decisions. Relevant stakeholders have not yet addressed the issues of disseminating performance data to individual consumers so that they can make responsive, informed decisions about their health care coverage.

b. Benefits.—The movement toward managed health care has created a stronger need for quality of care information. This report provides information on performance measures and quality surveys used by States and private purchasers of health coverage.

64. "Welfare to Work: Child Care Assistance Limited; Welfare Reform May Expand Needs," September 21, 1995, GAO/HEHS-95-220.

a. Summary.—From 1991 through 1993, Federal and State spending on child care subsidies to help welfare recipients work or go to school grew from about $460 million to more than $1 billion. As Congress and the States consider various approaches to restricting the length of time that mothers stay on welfare, questions have arisen about the child care needs that will arise as more and more welfare mothers participate in training activities or return to work. In particular, concerns have been raised about the capacity of State child care resources to handle the rise in the number of children needing care under such proposals. This report examines (1) the extent to which child care needs of welfare recipients in an education program—the Job Opportunities and Basic Skills Training program—are being met; (2) whether any barriers exist to meeting the child care needs of program participants; (3) the effects of child care subsidies on former welfare recipients' progress toward self-sufficiency; and (4) the potential implications of welfare reform for child care availability and continuity.

b. Benefits.—This report provides Congress with useful information on the relationships between likely demand for welfare, health care and training programs.

65. "Child Welfare: Complex Needs Strain Capacity To Provide Services," September 26, 1995, GAO/HEHS-95-208.

a. Summary.—Between 1983 and 1993, sharp increases in the number of foster children combined with unprecedented service needs led to a crisis in foster care. Reports of child abuse and neglect nearly doubled, and foster care caseloads grew by two-thirds. Demands for child welfare services grew not only because the number of foster children increased but also because families and children were more troubled and had more complex needs than in the past. Large numbers of preschool-age foster children, for example, are at risk for health problems due to prenatal drug exposure. Meanwhile, resources for child welfare services failed to keep pace with the needs of troubled children and their parents. Although foster care funding has increased dramatically at all levels of gov-

ernment, Federal funding for child welfare services has lagged. State and localities have found it hard to meet the demand, despite the fact that they have more than tripled expenditures in some cases. As a result, States have adopted various measures to meet the needs of troubled children and their families while maintaining child safety. Many States now offer family preservation services or place children with relatives to maintain family ties and save money. States are also increasingly considering the use of specialized foster homes for children with unique problems, including emotionally disturbed and medically fragile youngsters, to provide more family like care at lower costs than institutions.

b. Benefits.—This report provides useful information on the complex and dynamic relationships between public assistance programs, particularly programs directed to children.

66. "FDA Import Automation: Serious Management and Systems Development Problems Persist," September 28, 1995, GAO/AIMD-95-188.

a. Summary.—The Food and Drug Administration (FDA) oversees imports of food, drugs, cosmetics, medical devices, and other products to ensure that the public is protected from goods of questionable quality or that make misleading claims. In 1987, FDA began developing an automated system to improve its import entry clearance process, which required extensive paperwork. Despite an investment of 8 years and $13.8 million to automate its process for inspecting imported goods, the new system contains major deficiencies. This is due mainly to inadequate top management oversight and a management team that lacked expertise and skill in system development. FDA has implemented a portion of the system—the Operational and Administrative System for Import Support (OASIS)—to enhance its ability to regulate imports and to relieve importers and FDA personnel of some of the paperwork burdens associated with import processing. In developing OASIS, FDA did not follow generally accepted systems development practices for validating software; conducting user acceptance testing; developing a security plan to safeguard its computer facilities, equipment, and data; and conducting a cost-benefit analysis. The resulting shortcomings mean that OASIS may not perform as needed and that unsafe products could enter the country.

b. Benefits.—This GAO report indicates that the FDA's OASIS system has been poorly managed and coordinated. The report gives the Congress information needed to conduct thorough oversight and to evaluate FDA reform proposals.

67. "Welfare to Work: Approaches That Help Teenage Mothers Complete High School," September 29, 1995, GAO/HEHS/PEMD-95-202.

a. Summary.—A variety of local programs seek to help teenage mothers complete their secondary education and thereby avoid welfare dependency. GAO found that close monitoring of teenage mothers' educational activities coupled with follow-up when their attendance drops increases the likelihood that they will complete their education. Leveraging the welfare benefit as a sanction or reward for attendance has contributed to the completion of high

school by teenage mothers. Providing support services to overcome barriers to continued attendance, with or without financial incentives, also seems to work, especially for dropouts. Assistance in meeting child care or transportation needs may be particularly helpful but did not appear to be enough, in the absence of attendance monitoring, to motivate these young mothers to complete their secondary education. Although current Federal Aid to Families With Dependent Children policy stresses the importance of teenage mothers' participation in the JOBS program, it does not require States to serve all teenage mothers in JOBS, nor does it require States to monitor the school attendance of all teenage mothers on welfare. Congress is now deliberating several reforms to the welfare system, including whether to provide benefits to teenage mothers. Although GAO found that several approaches can succeed in helping teenage mothers complete high school, the final form of any reform legislation will likely influence each State's use of these approaches.

b. Benefits.—As Congress addresses welfare reform, aid to teenage mothers is one of the most contentious areas of concern. This report points to several ways which have proven effective in assisting teenage mothers.

68. "VA Student Financial Aid: Opportunity To Reduce Overlap in Approving Education and Training Programs," October 30, 1995, GAO/HEHS-96-22.

a. Summary.—Since the 1940's, the Department of Veterans Affairs (VA) and its predecessor agencies have contracted with State approving agencies to assess whether schools and training programs offer classes of sufficient quality to merit VA education assistance benefits. GAO estimates that $10.5 million of the $12 million paid to these agencies in 1994 was spent on assessments that overlapped those of the Department of Education. These assessments involved reviews of academic and vocational schools that were already accredited by Education-approved agencies. State approving agency efforts costing another $400,000 in 1994 may have overlapped assessments of apprenticeship programs done by the Department of Labor. The continued use of State approving agencies to do assessments that overlap other assessments does not appear to be a good use of scarce Federal dollars. GAO suggests restricting State approving agency activity solely to those schools and programs not subject to "gatekeeping" by the Department of Education.

b. Benefits.—This report provides additional evidence that Departments of Education, Labor and the VA operate duplicative education, training and school assessment programs.

69. "Worker Protection: Federal Contractors and Violations of Labor Law," October 24, 1995, GAO/HEHS-96-8.

a. Summary.—Private sector firms receive billions of dollars each year in Federal Government contracts for goods and services. Although these firms generally profit from their business with the Federal Government, some also violate Federal laws that protect the rights of employees to bargain collectively. Legislation is pending before Congress that would debar firms showing "a clear pat-

tern and practice" of violating the National Labor Relations Act from being awarded Federal contracts. This report identifies the extent to which violators of the act include employers that have contracts with the government. More specifically, GAO identifies characteristics associated with these Federal contractors and their violations of the act and identifies ways to improve compliance of Federal contractors with the act.

b. Benefits.—This report gives Congress information needed in oversight and legislative deliberations regarding better enforcement and compliance with labor laws by Federal contractors.

70. "Arizona Medicaid: Competition Among Managed Care Plans Lowers Program Costs," October 4, 1995, GAO/HEHS-96-2.

a. Summary.—Many States are converting their traditional fee-for-service Medicaid programs to managed care delivery systems. Arizona's Medicaid program offers valuable insights—especially in fostering competition and monitoring plan performance. Since 1982, Arizona has operated a statewide Medicaid program that mandates enrollment in managed care and pays health plans a capitated fee for each beneficiary served. Although the program had problems in its early years, such as the dismissal of the program administrator and the State's takeover of the administration, it has successfully contained health care costs while maintaining beneficiaries' access to mainstream medical care. Arizona's recent cost containment record is noteworthy. According to one estimate, Arizona's Medicaid program saved the Federal Government $37 million and the State $15 million in acute care costs during fiscal year 1991 alone. Arizona succeeded in containing costs by developing a competitive Medicaid health care market. Health plans that submit capitation rates higher than their competitors' bids risk not winning Medicaid contracts. Other States considering managed care programs can benefit from Arizona's experience. GAO concludes that key conditions for holding down Medicaid costs without compromising beneficiaries' access to appropriate medical care include freedom from some Federal managed care regulations, development and use of market forces, controls to protect beneficiaries from inadequate care, and investment in data collection and analysis capabilities.

b. Benefits.—The report makes it clear that the flexibility afforded Arizona is paying off under Section III Medicaid waivers. Furthermore, it makes the case to Congress that while giving States more flexibility in Medicaid eligibility and service delivery is not without difficulties, it can prove successful and should be pursued.

71. "Mammography Services: Initial Impact of New Federal Law Has Been Positive," October 27, 1995, GAO/HEHS-96-17.

a. Summary.—The Mammography Quality Standards Act of 1992 imposed uniform standards for mammography in all States, requiring certification and annual inspection of mammography facilities. GAO found that the act has resulted in higher quality equipment, personnel, and practices. Although mammography quality standards are now in place in all States, they do not appear to have hampered access to services. To avoid large-scale closure of facili-

ties, however, the Food and Drug Administration settled on an approach that allowed some delay in meeting certification requirements. For this and other reasons, such as the availability of outcome data, more time will be needed before the act's full impact can be determined. GAO is required to assess the effects of the act again in 2 years and to issue a report in 1997.

b. Benefits.—This report provides valuable oversight feedback about the Mammography Quality Standards Act to the Congress.

72. "Homeownership: Mixed Results and High Costs Raise Concerns About HUD's Mortgage Assignment Program," October 18, 1995, GAO/RCED-96-2.

a. Summary.—During the 19-year period that ended in September 1993, the Department of Housing and Urban Development (HUD) incurred losses totaling $12.8 billion as a result of foreclosures on homes that the Federal Housing Administration (FHA) had insured. As an alternative to foreclosure on such properties, HUD operates a mortgage assignment program. For borrowers accepted into the program, FHA pays the mortgage debt, takes assignment of the mortgage from the lenders, and develops a new repayment plan for the borrower under which monthly mortgage payments can be reduced or suspended for up to 36 months. HUD collects mortgage payments from the borrowers while allowing them to live in their homes. The number of FHA borrowers participating in the program has tripled during the past 6 years, reaching 71,500 at the end of fiscal year 1994. Their unpaid principle balances total $3.7 billion. GAO found that program has helped borrowers avoid immediate foreclosure, but it has not been fully successful in helping borrowers avoid foreclosure and retain their homes on a long-term basis. GAO estimates that 52 percent of the nearly 69,000 borrowers who have entered the program since fiscal year 1989 will eventually lose their homes through foreclosure. Moreover, program losses have exceeded those that would have been incurred had loans gone immediately to foreclosure without assignment. Options to reduce program losses include reducing the 3-year relief period provided to borrowers, setting a time limit on eliminating delinquencies, and accepting only those borrowers into the program who can afford to pay at least half of their mortgage payments.

b. Benefits.—This report gives the Congress suggestions on how to reform HUD's Mortgage Assignment Program.

73. "FDA Drug Approval: Review Time Has Decreased in Recent Years," October 20, 1995, GAO/PEMD-96-1.

a. Summary.—New drugs marketed in the United States must be approved first by the Food and Drug Administration (FDA). FDA grants its approval after it has determined from data submitted by a drug's sponsor that the drug is safe and effective and that the manufacturer can guarantee its quality. GAO found a considerable reduction in approval time for new drug applications between 1987 and 1992. It took an average of 33 months for new drug applications submitted in 1987 to be approved but only 19 months on average to approve new drug applications submitted in 1992. The priority that FDA assigns to new drug application and the experience of its sponsors significantly affect the likelihood of a quick de-

cision. FDA assigns priority status to drugs that are expected to provide therapeutic benefit to consumers beyond that of drugs already marketed. Priority status and sponsor experience are also the two factors that predict the likelihood of drug approval. Finally, the limited data available on review time for FDA and its counterpart in the United Kingdom paint a more ambiguous picture than presented in many recent reports. In fact, the latest data published by the regulatory agency in the United Kingdom show that it does not have faster approval times than FDA.

b. Benefits.—This report documents better FDA performance in drug reviews and approvals, but also demonstrates that statutory deadlines are still missed. This information should be useful in congressional oversight and legislative considerations of FDA reform.

74. "Medical Devices: FDA Review Time," October 30, 1995, GAO/PEMD-96-2.

a. Summary.—The Food and Drug Administration (FDA) regulates the manufacture and marketing of medical devices in the United States. Some critics have argued that FDA's review of medical devices is excessively lengthy and can impose inordinate delays in the introduction of new devices into the marketplace. GAO found that FDA review times and trends for medical device applications varied widely between October 1988 through May 1995. For 510(k) applications submitted, the review time remained stable from 1989 to 1991, then rose sharply in 1992 and 1993, before dropping in 1994. For 1994, the median was 152 days. The mean time to a decision was higher—166 days—and this mean will continue to grow as the remaining open cases (13 percent) are completed. The review time trend for original premarket approvals was less clear, in part because a large proportion of applications had yet to be completed. Not all the time that elapsed between an application's submission and its final determination was spent under FDA's review process. In many cases, FDA had to wait for additional information.

b. Benefits.—This report documents that medical device reviews and approvals at the FDA are slow, inconsistent and often miss statutory deadlines. This information should be useful in congressional oversight and legislative considerations of FDA reform.

75. "Higher Education: Selected Information on Student Financial Aid Received by Legal Immigrants," November 24, 1995, GAO/HEHS-96-7.

a. Summary.—According to records at the Department of Education of about 390,000 legal immigrant students received Pell grant aid in academic year 1992–93. This was about 10 percent of all students receiving Pell grants. In total, immigrants received $662 million, or about 11 percent, of Pell grant aid in that year. GAO was unable to determine the total number of legal immigrants who received Stafford loans because citizenship data are not maintained in the Education Department's loan files. Some immigrants who received Pell grants, however, also received Stafford loans totaling $257 million. About 82 percent of the immigrants who received student aid lived in seven States, led by California and New York. Sixty-one percent attended public colleges, 19 percent attended private colleges, and 21 percent attended for-profit

vocational schools. The 100 schools with the most immigrant Pell grant recipients accounted for about half of all such students, and 91 percent of these schools were located in the seven States with the highest concentration of immigrant students.

b. Benefits.—As the Congress considers welfare, education and immigration reforms, this report offers useful information on the extent to which ineligible non-citizens obtain assistance.

76. "Ryan White Care Act of 1990: Opportunities To Enhance Funding Equity," November 13, 1995, GAO/HEHS–96–26.

a. Summary.—GAO's analysis of existing funding formulas demonstrates that Federal funding under the Ryan White Care Act can be made more equitable. An important goal of the act was to target emergency funding to areas of greatest need. At the time the law was enacted, high rates of human immunodeficiency virus (HIV) infection were found in fewer areas of the country, service delivery networks were just beginning to form, and these service delivery systems had to rely primarily on private and volunteer resources. During the past 5 years, however, the HIV epidemic has become more widespread and less localized. Hence, areas where the AIDS caseload had burgeoned recently need per-case funding levels comparable to those in areas where AIDS was initially concentrated.

b. Benefits.—This report should prove useful in consideration of legislation to reauthorize the Ryan White Care Act.

77. "Medicare: Enrollment Growth and Payment Practices for Kidney Dialysis Services," November 22, 1995, GAO/HEHS–96–33.

a. Summary.—Medicare is the predominant health care payer for people with end-stage renal disease—permanent and irreversible loss of kidney function. Medicare's costs for this program have increased, mainly because of the substantial increase in new beneficiaries being enrolled in the program. The average annual rate of increase averaged 11.6 percent between 1978 and 1991. In addition to the rise in enrollment, the mortality rate for new patients decreased. For example, deaths among beneficiaries during their first year in the program fell from 28 percent to 24 percent between 1982 and 1991. Since the program began in 1973, technological advances and greater availability of kidney dialysis machines have meant that persons who were not considered good candidates for kidney dialysis in 1973—those 65 years old or older and those whose kidney failure was caused by diabetes and hypertension—are now routinely placed on dialysis. GAO's review of medical services and supplies provided to all Medicare end-stage renal disease patients in 1991 shows that no separately billable service or supply was provided often enough to make it a good candidate to be considered part of the standard dialysis treatment and thus included in a future composite rate.

b. Benefits.—This report will assist congressional oversight and authorizing committees in reviewing appropriate Medicare payment rates and reimbursement policies.

78. "National Health Service Corps: Opportunities To Stretch Scarce Dollars and Improve Provider Placement," November 24, 1995, GAO/HEHS-96-28.

a. Summary.—The National Health Service Corps (NHSC) is the Federal Government's main program for placing physicians and other health care providers in locations with identified shortages of health professionals. For many years, NHSC recruited health care providers primarily by awarding scholarships to students who agreed to serve in shortage areas after their health professions training was completed—generally several years later. In the late 1980's, the Congress authorized an additional approach—a loan repayment program for health care providers who had completed their training and could begin serving in a shortage area immediately. Under this second approach, the government repaid a set amount of educational loan debt for each year of service in a shortage area. In recent years, funding for NHSC scholarships and loan repayments has increased nearly ten-fold, from about $8 million in fiscal year 1989 to nearly $80 million in fiscal year 1994. This report (1) compares the costs and benefits of the NHSC scholarships and loan repayment programs and (2) determines whether NHSC has distributed available providers to as many eligible areas as possible.

b. Benefits.—This report will assist Congress in better targeting and matching health professional training funds to areas of need.

79. "School Facilities: States' Financial and Technical Support Varies," November 28, 1995, GAO/HEHS-96-27.

a. Summary.—This report is one in a series addressing the condition of America's school facilities. While the construction of school buildings has traditionally been a local responsibility, nearly all States now have some role in school facilities construction, renovation, and major maintenance, and 13 States have established comprehensive facilities programs. As a group, States reported providing about $3.5 billion for school facilities construction during fiscal year 1994. However, State involvement in facilities matters varied greatly. For example, State financial assistance for school facilities in the 40 States with ongoing assistance programs ranged from $6 per student to more than $2,000 per student. States' technical assistance and compliance review activities also varied greatly, as did the amount and type of data that States collected and maintained on school facilities. Forty States collected some type of building inventories or building condition data. Overall, the data on State involvement suggest that while most States are providing facilities support to school districts, many States do not currently play a major role in addressing school facilities issues.

b. Benefits.—As the Congress considers major education reforms, this report will help better focus the Federal role in the Nation's school systems.

80. "Head Start: Information on Federal Funds Unspent by Program Grantees," December 29, 1995, GAO/HEHS-96-64.

a. Summary.—In fiscal year 1995, Head Start was appropriated $3.5 billion to provide a range of service to eligible, preschool-aged children from low-income families. Currently, about 1,400 local

agencies, known as grantees, sponsor these programs and serve 752,000 children. Local programs provide education, nutrition, health, and social services to low-income children and opportunities for parental involvement and enrichment. Since 1990, the Congress has increased funding for Head Start 135 percent to allow more children the opportunity to participate and to improve the quality of Head Start services. During this period of growth, virtually all program funds were awarded to grantees. However, some Head Start grantees did not spend all of the program funds awarded them each year to conduct local program activities and carried these unspent funds forward for use in subsequent years. This report determines (1) the amount of Head Start funding unspent by program grantees at the end of grantee budget years 1992, 1993, and 1994 and the reasons for these unspent funds; (2) the proportion of carryover funds that were added to grantee awards or that offset grantee awards in subsequent years; (3) the proportion of carryover funds that are one or more grantee budget years old; and (4) the grantees' intended use of carryover funds.

b. Benefits.—This report provides Congress and the public with one measure to evaluate the efficiency and effectiveness of Head Start programs.

81. "Department of Education: Efforts by the Office for Civil Rights To Resolve Asian-American Complaints," December 11, 1995, GAO/HEHS–96–23.

a. Summary.—As with many other Federal agencies and departments responsible for enforcing civil rights and equal employment opportunity laws, over the last several years the discrimination complaint workload of the U.S. Department of Education's Office for Civil Rights (OCR) has increased, but its staffing has remained level. In the early 1990's, compared with the 1980's, generally, the number of compliance reviews decreased and the average time to resolve complaint investigations and complete compliance reviews increased. Because of this, concerns have been raised about how effectively OCR carries out its responsibilities. The GAO has examined OCR's complaint investigations and compliance reviews of discrimination cases involving Asian-Americans who applied for or were enrolled in postsecondary schools, such as colleges and universities. This report determines: (1) for 13 specific cases, did Education's OCR follow established policies and procedures, particularly with respect to timeliness and recordkeeping, in conducting complaint investigations and compliance reviews involving Asian-Americans; (2) for fiscal years 1988–1995, how did the timeliness and outcomes of complaint investigations and compliance reviews involving Asian-Americans compare with the timeliness and outcomes of those involving other minority groups; and (3) have recent administrative changes implemented by OCR improved its operations in conducting and resolving complaint investigations and completing compliance reviews?

b. Benefits.—This oversight report of the Department of Education's OCR provides the Congress with important information necessary to evaluate the office.

NATIONAL ECONOMIC GROWTH, NATURAL RESOURCES, AND REGULATORY AFFAIRS SUBCOMMITTEE

1. "Nuclear Regulation: Weaknesses in NRC's Inspection Program at a South Texas Nuclear Power Plant," October 3, 1995, GAO/RCED–96–10.

a. Summary.—At the request of Congressman John Dingell, ranking minority member of the Committee on Commerce, the General Accounting Office (GAO) conducted a study of the circumstances surrounding the shutdown of the South Texas Project Electric Generating Station, a nuclear plant located in Matagorda County, TX, and the effectiveness of the Nuclear Regulatory Commission's (NRC) inspection program at the plant. This report attempts to: (1) identify the circumstances surrounding the shutdown of the plant and the seriousness of the event; (2) determine whether the NRC was aware of problems at the plant before the shutdown; and (3) identify any factors that may have prevented NRC from having complete and timely information about the licensee's performance.

The NRC found several safety violations but considered an accident unlikely. The licensee shut down both reactors because of continuing problems with their emergency pumps. NRC requires the reactor to be shut down if its pump is inoperable for more than 3 days. NRC later found that one reactor's pump had been inoperable for about 40 days. Two of the reactor's three generators had also been inoperable during portions of this period. The risk of damaging the reactor's core increased from about 1 chance in 5 million to about 1 chance in 83,000 during the period when two or more of the reactor's emergency systems were not working.

The NRC was aware of long-standing malfunctions with the reactor's pumps, including problems with one reactor's pump in the 3-day period preceding the shutdown. However, it was not until after the shutdown that NRC found, among other things, that the licensee had not conducted a valid test of the reactor's pump since December 26, 1992. NRC also knew that the licensee was performing maintenance on the reactor's generators. However, the agency did not know that, in addition to the problems with the pump, (1) painting had immobilized one generator for 24 days, and (2) the licensee had removed another generator from service for 61 hours—conditions that substantially increased the likelihood of a core-damaging event at the plant.

Although one purpose of NRC's inspection program is to prevent significant events at plants, in practice, NRC rarely detects such events before its licensees do. All 16 significant events that NRC reported for 1993, including the event in South Texas, were initially identified by the licensees rather than by NRC.

According to the NRC, a major purpose of its reactor inspection program is to identify and resolve underlying problems at nuclear plants and, by so doing, anticipate and prevent significant safety events—events with the potential to both damage a reactor's core and release radioactive material. In the case of the South Texas plant, this goal was not achieved.

Furthermore, the GAO concluded that the NRC did not identify the underlying safety problems that contributed to the event at the

South Texas plant—another stated purpose of the inspection program—until after the plant's shutdown. Specifically, while NRC's inspection program identified long-standing problems at the plant, NRC did not adequately use its inspection to determine if the problems were indicative of systemic, or underlying problems in the licensee's operation of the plant. As a result, it was not until after the plant's shutdown that the agency identified the areas as underlying safety concerns at the plant. By then, the problems had become so acute that it took the licensee more than a year to address the concerns.

b. Benefits.—NRC's March 1995 report on the effectiveness of its inspection effort at the South Texas plant presents a candid overview of weakness in the agency's inspection program, including NRC's failure to (1) assess the significance of identified problems and (2) ensure that long-standing problems at the plant had been corrected. NRC has taken several actions, and planned others, to address the program's weaknesses. The effectiveness of NRC's corrective actions will depend, to a great extent, on NRC's ongoing initiatives to rely more heavily on licensees to identify problems at nuclear facilities. Overall, this report will help to identify the ways in which the NRC can improve its inspection program and can alert nuclear plants to potential problems concerning the safety of their facility.

2. "Tax Administration: Information on IRS' Taxpayer Compliance Measurement Program," October 6, 1995, GAO/GGD–96–21.

a. Summary.—At the request of Congressman Joseph Knollenberg, the General Accounting Office (GAO) prepared a report on the Internal Revenue Service's Taxpayer Compliance Measurement Program (TCMP) for tax year 1994. The report focuses on how the IRS addressed the problems discussed in GAO's December 1994 report on the status of the program and, if the problems persist, how they would affect final TCMP results; (2) informational sources other than TCMP that IRS could use to target its audits more effectively; and (3) the relevancy of TCMP data for alternative tax system proposals.

The GAO found that the IRS has generally taken appropriate action in the concerns raised in GAO's 1994 report that dealt with meeting milestones for starting TCMP audits, testing TCMP data base components, developing data collection systems, and collecting and analyzing data. The IRS plans to collect data on partners, shareholders, and misclassified workers as suggested in GAO's 1994 report. This additional data should allow IRS to better measure compliance levels, which could increase the value of TCMP audit results. Also, IRS plans to have auditors computerize some of their comments on audit findings, which should make it easier for researchers to analyze TCMP results.

GAO's overall conclusion is that TCMP could be very useful not only for improving compliance in the existing tax system, but also as a tool for designing and administering a new system. While types of income and deductions included in each new proposed tax system vary, TCMP could still provide data on compliance issues that would have to be addressed in any of the new system proposals that GAO reviewed. To the extent that new tax systems are

proposed and adopted, TCMP data could alert tax system designers and administrators to potential areas of noncompliance and provide data on which to base rules and regulations. The longer it takes to implement a new tax system, the more useful TCMP data could be for helping design and administer the new system.

b. Benefits.—This report provides an update on the progress being made with respect to reforming the Internal Revenue Service's Taxpayer Compliance Measurement Program.

3. "Tax Administration: IRS Faces Challenges in Reorganizing for Customer Service," October 10, 1995, GAO/GGD–96–3.

a. Summary.—At the request of Sens. Orrin Hatch, Bill Bradley, Richard Shelby, Robert Kerrey, Reps. Nancy Johnson, Robert Matsui, Jim Lightfoot, and Steny Hoyer, the General Accounting Office (GAO) prepared a report on the Internal Revenue Service's effort to modernize its information systems and restructure its organization. The report discusses: (1) IRS' goal for customer service and its plans to achieve them; (2) the gap between current performance and these goals; (3) its progress to date; (4) current management concerns; and (5) several important challenges IRS faces. The IRS has as its goals for its customer service to: (1) provide better service to taxpayers; (2) use its staff and facilities more efficiently; and (3) raise the level of compliance with the tax laws. IRS plans to better serve taxpayers by improving their accessibility to telephone service and resolving most problems with a single contact.

The GAO has concluded that the gap between IRS' current operations and its customer service vision is very great. As an example, the GAO points to IRS plans to improve telephone accessibility by greatly reducing busy signals on its new customer service telephone system. In fiscal year 1994, taxpayers who called the IRS Taxpayer Services toll-free sites got busy signals 73 percent of the time.

The IRS has made some progress toward its customer service vision, including selecting sites for the new centers, experimenting with two prototype sites, and beginning operations at five more customer service centers. However, implementation still has far to go. For example, as of June 30, 1995, only 925 of an eventual 22,240 staff had been reassigned to customer service centers. The new computer and telephone systems planned to support customer service were still in an early stage of development and testing. IRS officials recently acknowledged that the transition would last longer than the original goal of full operation in 2001.

The GAO recommends that the IRS: (1) clarify the criteria for assigning process owners responsibility for TSM projects when they involve more than one core business system; (2) define process owners' roles and responsibilities for TSM projects involving more than one core business system; and (3) emphasize to those designated as process owners the need for them to provide the business requirements necessary to develop, test, and implement new customer service products and services.

b. Benefits.—This report helps to highlight the problems the IRS is facing in its attempt to improve customer service. The GAO has made several suggestions in this report to the IRS on how the agency might proceed with improving its operations.

4. *"Bank Regulatory Structure—Canada," September 28, 1995, GAO/GGD–95–223 "Tax Administration: IRS Faces Challenges in Reorganizing for Customer Service," October 10, 1995, GAO/GGD–96–3.*

a. Summary.—At the request of Representative Charles Schumer, the General Accounting Office (GAO) conducted a study of the structure and operations of regulatory activities in several countries. This particular study focuses on the regulatory structure of Canada.

GAO's objectives were to describe: (1) the Canadian bank Federal regulatory and supervisory structure, and its key participants; (2) how that structure functions, particularly with respect to bank authorization or chartering, regulation, and supervision; (3) how banks are examined; and (4) how participants handle other financial system responsibilities.

The Office of the Superintendent of Financial Institutions (OSFI) has primary responsibility for overseeing the safety and soundness of financial institutions in Canada. OSFI administers the appliciation process for incorporating financial institutions, issues financial institution regulations and guidelines: taking both formal and informal enforcement actions relying mostly on informal actions, such as recommendations; and taking the lead in resolving problem institutions.

OSFI conducts full-scope, onsite examinations of financial institutions with a staff of full-time examiners. OSFI relies on a financial institution's external auditors for an assessment of the fairness of an institution's annual financial statement. External auditors also have a responsibility to report to OSFI anything that they discover during the course of their work that might affect the well-being of an institution, and OSFI advises external auditors about anything material that has come to its attention concerning a financial institution.

b. Benefits.—This report will provide interested parties with a comprehensive overview of the Canadian financial regulatory system. The information contained within this report will assist in the formulation of proposals to consolidate U.S. bank regulatory agencies.

5. *"Tax Administration—IRS' Partnership Compliance Activities Could Be Improved," June 16, 1995, GAO/GGD–95–151.*

a. Summary.—At the request of Chairman Bill Archer and Vice-Chairman Robert Packwood, the General Accounting Office produced a report to determine: (1) the extent of partnership compliance with Federal tax laws; (2) any steps IRS is taking to improve partnership compliance; and (3) any additional efforts that IRS could take to improve partnership compliance.

The extent of partnership tax compliance is unknown. IRS' most current partnership compliance data were collected under its tax year 1982 partnership Taxpayer Compliance Measurement Program (TCMP). This data showed that partnerships under reported their net income by $13 billion in 1982 which the GAO estimates resulted in an underpayment of taxes by partners approaching $3.6 billion. Even when partnerships reported all of their income, partners sometimes failed to include it in their own tax returns. Thus,

IRS estimated that individual partners owed an additional $2.4 billion in taxes in 1982. But significant tax law changes in the intervening years make these data unreliable indicators of the present situation. IRS will not have more current partnership compliance data until October 1998 when its TCMP audits of tax year 1994 partnership returns are scheduled to be completed.

GAO has concluded that the IRS is taking some steps to address partnership compliance issues. For example, it is planning to conduct partnership TCMP audits to determine the level of partnership compliance and to develop audit selection formulas. However, the results of these audits will not be available until late 1998. IRS is also in the process of modernizing the tax system with plans such as developing an integrated case-processing system that would allow IRS to more effectively and efficiently identify noncompliant taxpayers. This system is scheduled to be in place by 2001.

b. Benefits.—This report examines IRS' attempts to increase partnerships' compliance with tax laws. It suggests several steps that could be taken by the IRS to improve compliance rates in this area.

6. "Financial Audit: Examination of IRS' Fiscal Year 1994 Financial Statements," August 4, 1995, GAO/AIMD–95–141.

a. Summary.—In accordance with the Chief Financial Officers Act of 1990, this report presents the results of the General Accounting Office's (GAO) efforts to audit the Principal Financial Statements of the Internal Revenue Service for fiscal years 1994 and 1993 and an assessment of its internal controls and compliance with laws and regulations. IRS continues to face major challenges in developing meaningful and reliable financial management information and in providing adequate internal controls that are essential to effectively manage and report on its operations. Overcoming these challenges is difficult because of the long-standing nature and depth of IRS financial management problems and the antiquated state of its systems. IRS has expressed its commitment to resolving the problems GAO reported.

This report discusses the scope and severity of IRS financial management and control problems, the adverse impact of these problems on IRS ability to effectively carry out its mission, and IRS' actions to remedy the problems. The report also contains recommendations to help IRS continue its efforts to resolve these long-standing problems and strengthen its financial management operations.

b. Benefits.—This report will provide interested parties with an assessment of changes that need to be made within the IRS to improve the agency's financial operations.

7. "Government Corporations: Profiles of Existing Government Corporations," December 13, 1995, GAO/GGD–96–14.

a. Summary.—At the request of Senator David Pryor, ranking minority member of the Senate Subcommittee on Post Office and Civil Service, the General Accounting Office (GAO) conducted a review of government corporations (GC's) to determine the number of

these corporations presently in operation and their adherence to 15 Federal statutes.

The GAO surveyed 58 entities that were potential government corporations to identify their legal status and adherence to 15 Federal statutes. The GAO identified these 58 entities by including: (1) all government corporations listed in the Government Corporation Control Act; (2) entities that were listed in at least three of five major government corporation studies done in the last 15 years; and (3) additional entities the GAO identified during the course of our work.

No comprehensive descriptive definition of criteria for creating GC's exist, and counts of the number of government corporations have varied widely. Using self-reported responses, the GAO identified 22 GC's. In addition to the 22 government corporations, the GAO also profiles five other entities that reported that they were not GC's. The GAO decided to profile these other five entities for two reasons. First, although these entities reported that they were not government corporations, they are frequently considered to be GC's by others and were previously identified in several major GC studies done over the last 15 years. Second, each of these entities receives at least some of its operating funds from yearly Federal appropriations.

Congress sometimes exempts GC's from several key management laws to provide them with greater flexibility than Federal Government departments and agencies typically have in hiring employees, paying these employees competitive salaries/benefits, disclosing information publicly, and procuring goods and services. Because of these exemptions, the government corporations did not report uniform compliance with the 15 selected Federal statutes. For example, one GC—the Federal Housing Administration—reported full adherence to 14 of the 15 statutes, while another—Amtrak—reported full adherence to only 2 statutes.

b. Benefits.—This report helps to create a greater understanding of what constitutes a government corporation and how they are similar to, or differ from, government agencies, government sponsored enterprises, and private corporations.

8. "Forest Service: Distribution of Timber Sales Receipts Fiscal Years 1992–94," September 8, 1995, GAO/RCED–95–237FS.

a. Summary.—At the request of Congressman Sidney R. Yates, ranking minority member of the Subcommittee on Interior and Related Agencies of the Committee on Appropriations, the General Accounting Office (GAO) conducted a study to provide information on the receipts collected for the timber sales program in fiscal years 1992–94. This study includes the amount of the receipts the Forest Service distributed for specific purposes and the receipts deposited in the General Fund of the Treasury compared with the Forest Service's outlays for the preparation and administration of timber sales for that same period. During fiscal years 1992–94, the Forest Service collected nearly $3 billion in timber sales receipts and distributed about $2.7 billion, or 90 percent, to various Forest Service funds or accounts for specific purposes. The Forest Service deposited the remaining receipts—about $300 million—in the General Fund of the Treasury. Outlays for preparing and administer-

ing timber sales totaled about $1.3 billion for the same period. Overall, for fiscal years 1992–94, the Forest Service collected more timber sales receipts than it distributed.

b. Benefits.—The GAO's report details timber sales receipts and outlays by region for fiscal years 1992–94.

9. "Community Reinvestment Act: Challenges Remain To Successfully Implement CRA," November 28, 1995, GAO/GGD–96–23.

a. Summary.—At the request of Chairman Leach, Congressman Henry Gonzalez, Chairwoman Roukema, Congressmen Bruce Vento and Joseph Kennedy, the General Accounting Office (GAO) prepared a report on the effectiveness of the Community Reinvestment Act. It discusses the major problems with the implementation of the act identified by the affected parties, the extent to which recent regulatory reform efforts have addressed those problems, and the challenges that regulators need to address as they implement new CRA regulations. It also discusses initiatives that banks have taken independently or in partnership with others to enhance community lending.

GAO identified four major problems with the regulators' compliance examinations and enforcement of CRA that all the affected parties agreed were problems: (1) too little reliance on lending results and too much reliance on documentation of efforts and processes, leading to an excessive paperwork burden; (2) inconsistent CRA examinations by regulators resulting in uncertainty about how CRA performance is to be rated; (3) examinations based on insufficient information that may not reflect a complete and accurate measure of an institutions' performance; and (4) dissatisfaction with regulatory enforcement of the act, which largely relies on protests of expansion plans to ensure institutions are responsive to community credit needs. However, the reasons they gave for why they believed the problems adversely affected their interests—which form the basis for their concerns—and often contradictory solutions they offered to address the problems, showed that the affected parties differed considerably on how best to revise CRA.

b. Benefits.—The results of this study should be of great assistance to lawmakers in their efforts to revisit and revise the CRA statute in order to clarify its intent and scope. In particular, this study will assist with the development of alternative strategies for meeting the goals of the CRA.

10. "Bank Mutual Funds—Sales Practices and Regulatory Issues," September 27, 1995, GAO/GGD–95–210.

a. Summary.—At the request of Congressman John Dingell, ranking minority member of the Committee on Commerce, and Congressman Henry Gonzalez, ranking minority member of the Committee on Banking and Financial Services, the General Accounting Office (GAO) prepared a report on the extent to which banks and thrifts have expanded into mutual fund activities. The GAO found that in the last few years, many banks and thrifts have entered the mutual fund business to retain customers, increase fee income, and diversify their operations. The rapid growth of bank mutual fund sales over the last 5 years has raised concerns that bank customers may not fully understand the risks of investing in

mutual funds compared to insured bank products. In February 1994, the four banking regulators responded to these concerns by issuing guidelines to banks and thrifts on the policies and procedures that these institutions are to follow in selling nondeposit investment products, such as mutual funds. During visits to a sample of banks and thrifts in 12 metropolitan areas in March and April 1994, GAO found that many institutions were not following the guidelines. About one-third of the institutions visited made all the risk disclosures called for by the guidelines, and about one-third did not clearly distinguish their mutual fund sales area from the deposit-taking area of the bank as required by the guidelines. The banking regulators have stated that they are including steps in their examinations to determine how well institutions are following guidelines.

b. Benefits.—The results of this study will assist in the development of a sensible approach to conducting examinations of banks' mutual fund activities to provide effective investor protection, while ensuring bank safety and soundness.

11. "National Parks—Difficult Choices Need To Be Made About the Future of the Parks," August 30, 1995, GAO/RCED–95–238.

a. Summary.—At the request of Senators Murkowski, Campbell, Thomas, and Congressman James Hansen, the General Accounting Office (GAO) conducted a study on the current condition of national parks. The report specifically discusses: (1) what, if any, deterioration in visitor services or park resources is occurring at the 12 park units that GAO visited; (2) what factors contribute to any degradation of visitor services, natural and cultural resources at the 12 park units that GAO visited; and (3) what choices are available to help deal with identified problems. The GAO concluded that the overall level of visitor services was deteriorating at most of the park units that GAO reviewed. Services were being cut back, and the condition of many trails, campgrounds, and other facilities was declining. Trends in resource management were less clear because most park managers lacked sufficient data to determine the overall condition of their parks' natural and cultural resources. In some cases, parks lacked an inventory of the resources under their protection.

Two factors particularly affected the level of visitor services and the management of park resources. These were (1) additional operating requirements placed on parks by laws and administrative requirements and (2) increased visitation, which drives up the parks' operating costs. These two factors seriously eroded funding increases since the mid-1980's.

The GAO has concluded that the national park system is at a crossroads. While the system continues to grow, conditions at the parks have been declining, and the dollar amount of the maintenance backlog has jumped from $1.9 billion in 1988 to over $4 billion today. Dealing with this situation involves making difficult choices about how parks are funded and managed. These choices call for efforts on the part of the Park Service, the administration, and the Congress centering on one or more of the following: (1) increasing the amount of financial resources going to the parks; (2) limiting or reducing the number of units in the park system; and

(3) reducing the level of visitor resources. Additionally, the Park Service should be able to stretch available resources by operating more efficiently and continuing to improve its financial management and performance measurement systems.

b. Benefits.—This GAO study provides interested parties with an honest assessment of the current status of much of our national park system. The results of this study will assist in determining what priorities need to be set for the national park system, including potential solutions to many of the problems these parks currently face.

12. "Nuclear Safety: Concerns With Nuclear Facilities and Other Sources of Radiation in the Former Soviet Union," November 7, 1995, GAO/RCED-96-4.

a. Summary.—At the request Senator Bob Graham, the General Accounting Office (GAO) conducted a study on (1) nuclear facilities (other than civil nuclear power reactors), nuclear-powered vessels, and other sources of radiation in the former Soviet Union; (2) the views of United States and international experts on the safety of these facilities and other sources of radiation; and (3) United States and international efforts to address nuclear safety and environmental problems associated with these facilities and other sources of radiation. According to available information, the countries of the former Soviet Union have at least 221 operating nuclear facilities, not including civil nuclear power reactors. Ninety-nine of these facilities are located in Russia and include facilities involved in plutonium production and processing as well as weapons design and production. Russia also has a fleet of nuclear powered vessels, including 228 submarines. In addition, according to the Department of Defense, as many as 10,000 to 20,000 organizations throughout the former Soviet Union may be using different types of radiation sources for medicine, industry, and research.

The GAO also found that nuclear safety experts, including Russian officials, are concerned about the safety of certain nuclear facilities and the potential for accidents, particularly at facilities producing or reprocessing plutonium and at some sites for decommissioning nuclear submarines. The following five major factors contribute to unsafe conditions in the former Soviet Union: (1) aging facilities and equipment and inadequate technology; (2) the lack of awareness of and commitment to the importance of safety; (3) the long-standing emphasis on production over safety; (4) the absence of independent and effective nuclear regulatory bodies; and (5) the lack of funds for safety improvements.

Nuclear safety experts cited the radiological contamination generated by past and continued operation of nuclear weapons operations in the former Soviet Union as current safety and environmental concerns. For example, over many years, nuclear waste from three large sites in Russia producing plutonium had been discharged directly into surrounding lakes and rivers. Currently, radioactive waste is being injected into the ground and continues to be stored improperly. In addition, Russia's history of dumping liquid and solid radioactive waste from nuclear-powered submarines and icebreakers into the Arctic seas and the Sea of Japan has

raised concerns about the long-term environmental effects of this practice.

b. Benefits.—This report highlights some of the nuclear safety issues concerning nuclear facilities and other sources of radiation in the former Soviet Union and will help foster an informed debate over the need for United States assistance in ensuring the safety of these facilities.

NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE SUBCOMMITTEE

1. "Export Controls: Some Controls Over Missile Related Technology to China Are Weak," April 1995, GAO/NSIAD–95–82.

a. Summary.—This report presents information regarding the Missile Technology Control Regime (MTCR) and United States missile technology related exports to the People's Republic of China. For fiscal years 1990 though 1993, the Commerce and State Departments approved a total of 67 export licenses worth about $530 million for missile-related technology commodities for China. While United States Government officials believe that the United States generally performs adequate monitoring of China's compliance with the terms of its MTCR commitments, this review indicates that because the Commerce Department's pre-license check/post-shipment verification program is inadequate, and hampered by Chinese government reluctance to cooperate, the United States end-use check program to monitor license conditions has only marginal effectiveness for exports to China.

b. Benefits.—Given the weaknesses in monitoring commodities after their export to China, GAO believes it is all the more important that dual-use license applications be scrutinized in accordance with clear procedures before their approval. The effectiveness of United States sanctions on China is unknown, due in part to the fact that United States Government officials share no consensus on a definition of, or criteria for, measuring the effectiveness of proliferation sanctions imposed on China.

2. "Export Controls: Concerns Over Stealth-Related Exports," May 1995, GAO/NSIAD–95–140.

a. Summary.—This report is a review examining export controls over low-observable, radar signature reduction technology, or "stealth" technology. Materials used for stealth have civil and military applications and are controlled on the Commerce Control List (CCL) and the U.S. Munitions List (USML). However, the unclear lines of jurisdiction over stealth-related items may lead to the inappropriate export of militarily sensitive stealth materials and technology. Exporters may unknowingly seek and obtain export licenses from Commerce for militarily sensitive items controlled on the USML. The less restrictive export controls under the Export Administration Act (EAA) provide an incentive for exporters to go to Commerce rather than State. Moreover, Commerce has limited authority to prevent such exports. Licenses to export stealth-related commodities and technology controlled on the CCL can only be denied under limited circumstances and when the exports are going to certain destinations.

b. Benefits.—Under current referral practices, the majority of applications for the export categories related to stealth are not sent to DOD or State for review. Without such referrals, DOD, State, and Commerce cannot ensure that export licenses for militarily significant stealth technology are properly reviewed and controlled.

3. "Weapons of Mass Destruction: Reducing the Threat From the Former Soviet Union: An Update," June 1995, GAO/NSIAD–95–165.

a. Summary.—Congress has had an ongoing interest in the effectiveness to reduce the threat posed by weapons of mass destruction in the former Soviet Union (FSU). In 1991, Congress authorized the Department of Defense (DOD) to help FSU States destroy weapons of mass destruction, store and transport those weapons in connection with their destruction, and reduce the risk of proliferation. This report assesses the Cooperative Threat Reduction (CTR) program's planning and funding status, and recent progress in addressing CTR objectives in the FSU. In some areas, the CTR program has made progress over the past year and its long-term prognosis for achieving its objectives may be promising. The program has played an important role in facilitating Ukraine's weapons dismantlement effort and the executive branch believes that the promise of CTR aid has been a significant factor in the political decisions of the recipient states to begin dismantling weapons of mass destruction. Nevertheless, the overall specific material impact of CTR assistance provided to date has been limited and the program must overcome numerous challenges and problems to realize its long term objectives. The program's long-term prospect may be more promising, but problems and challenges remain.

b. Benefits.—Congress may wish to consider reducing the CTR program's fiscal year 1996 request for $104 million for support to Russian chemical weapons destruction efforts by about $34 million because of uncertainties regarding the expenditure. Congress may also wish to consider withholding approval to obligate any remaining funds designated for the design or construction of elements of a chemical weapons destruction facility until the United States and Russia have agreed on the results of the joint evaluation study concerning applicability of a destruction technology.

4. "B–2 Bomber: Status of Cost, Development, and Production," August 1995, GAO/NSIAD–95–164.

a. Summary.—The conference report on the National Defense Authorization Act for fiscal year 1994 called for the GAO to report to the congressional defense committees at regular intervals on the total acquisition costs of the B–2 Bomber program throughout he completion of the production program. This report discusses the Air Force's progress in acquiring 20 operational B–2 aircraft within cost limitations set by the Congress and the extent of the progress achieved in flight testing, production, and modification efforts. It finds that although ground and flight tests have demonstrated the structural integrity, flying qualities, and aerodynamic performance of the B–2's flying wing design, GAO's review of the program's progress indicates that there are many important events yet to be completed, and many risks can impact the ultimate cost and com-

pletion of the 20 operational B–2 aircraft. For example, the flight test program is only about half complete, and modification efforts required to deliver 20 operational B–2's did not begin until July 1995.

b. Benefits.—After 14 years of development and evolving mission requirements, including 6 years of fight testing, the Air Force has yet to demonstrate that the B–2 design will meet some of its most important mission requirements. As of May 31, 1995, the B–2 had completed about 44 percent of the flight test hours planned for meeting test objectives. Test progress has been slower than planned. The test program is planned for completion in July 1997, but GAO's analysis of the tests to be completed and the time that may be needed to complete them indicates that completion by July 1997 is optimistic. The flight test program depends on timely delivery of effective integration software to bring together the functions of the various B–2 subsystems so that the aircraft and crew can perform the planned military functions. In the past, B–2 integration software was delivered late, without all the planned capabilities, and with deficiencies that significantly affected the Air Force's ability to complete flight testing on schedule. In addition, the change in emphasis on the B–2 mission from nuclear to conventional increased the need to integrate precision conventional weapons into the B–2 aircraft, while after 9 years of producing and assembling aircraft, Northrop Grumman, the prime contractor, continues to experience difficulties in delivering B–2's that can meet Air Force operational requirements. For the most part, aircraft have been delivered late and with significant deviations and waivers. All corrections are scheduled to be incorporated into B–2 aircraft during planned modification programs scheduled for completion on July 2000.

5. "Foreign Assistance: Assessment of Selected USAID Projects in Russia," August 1995, GAO/NSIAD–95–156.

a. Summary.—This report responds to the Committee on International Relations' request that we evaluate assistance projects in Russia managed by the United States Agency for International Development (USAID). Specifically, the GAO investigated whether individual USAID projects were meeting their objectives and contributing to systemic reforms, whether the projects had uncommon characteristics that contributed to their successful or unsuccessful outcomes, and whether USAID was adequately managing its projects in Russia. In conducting it's study, GAO reviewed 10 judge mentally selected projects with obligations of $64.6 million as case studies and used audits and evaluations performed by the USAID Inspector General.

b. Benefits.—Projects have had mixed results in meeting their objectives. While some of the USAID projects the GAO reviewed fully met most or all of their objectives, were contributing to systemic reform, and were sustainable, others did not have all or some of these attributes of success. USAID did not adequately manage some projects it funded. The devolution of management and monitoring responsibility from USAID's Washington office to its Moscow office delayed decisionmaking and created confusion among contractors. USAID's management information systems were inad-

equate, and it did not adequately monitor or coordinate some projects. USAID has taken steps to overcome these problems, including terminating some unsuccessful projects, refining its assistance strategy, and undertaking efforts to improve project monitoring and evaluation. In commenting on this report, USAID said that the difficult operating environment in which it worked during the first 2 years of the program in Russia cannot be overstated. GAO agrees that USAID faced numerous operating obstacles in getting this program underway, and these observations on how well the projects performed should be seen in that context.

6. *"Peacekeeping: Assessment of U.S. Participation in the Multinational Force and Observers," August 1995, GAO/NSIAD–95–113.*

a. Summary.—This report responds to the Committee on International Relations' request that the GAO review U.S. participation in the Multinational Force and Observers (MFO). The recent signing of peace accords between Israel and the Palestinian Liberation Organization, Israel and Jordan, and the possibility of similar agreements between Israel and Syria and Lebanon have heightened interest in the MFO, which has monitored the current treaty of peace between Egypt and Israel since 1982. The MFO operational responsibilities include manning observation posts in the Sinai, conducting both ground and air surveillance, and conducting naval patrols in the Strait of Tiran to monitor implementation of the security arrangements established in the treaty. This report provides information on U.S. contributions to and the total cost of the MFO, including measures taken to reduce costs; the level of U.S. participation and its operational impacts; State Department oversight of U.S. participation; and State Department and other relevant parties' views of MFO performance and lessons learned.

Despite the MFO operational success and its ability to reduce certain costs, GAO finds that greater State oversight over U.S. participation may be needed because of the MFO operating environment and the absence of assurance regarding the adequacy of internal controls. Unlike other international organizations, the MFO does not have a formal board of directors or an independent audit committee to oversee its operations. Moreover, GAO observed that some MFO policies have been changed to accommodate the personal needs of MFO officials and that financial transactions involving the MFO and an MFO retail store it established may not have received the necessary review. State was not aware of the specifics surrounding these matters, both of which had an impact on the cost of MFO operations and amount of the U.S. contribution. State can also improve the quality of its reporting to Congress, as some annual reports to Congress have not contained full or accurate information on the cost of U.S. participation.

b. Benefits.—GAO recommends that the Secretary of State ensure adequate oversight of the MFO by examining the annual MFO-style published financial statements for items that may impact U.S. contributions, requesting the MFO have its external auditor include an evaluation of the MFO management and internal accounting controls beyond what is required to complete the annual financial statement audit and provide a copy of the resulting report

to State. GAO also recommends that the Secretary of State include the U.S. annual assessment cost contribution of one-third of the MFO operating costs in its annual report to Congress on MFO. GAO believes that the review of external auditor's report, published financial reports, and annual budget submissions does not provide adequate oversight of U.S. contributions to the MFO.

7. *"Unmanned Aerial Vehicles: Maneuver System Schedule Includes Unnecessary Risk," September 1995, GAO/NSIAD-95-161.*

a. Summary.—This report consists of a review of the Joint Tactical Unmanned Aerial Vehicle (UAV) program, including the Hunter UAV system, a variant of the Hunter referred to as the Maneuver system, and another Hunter variant for shipboard use; and brings to attention certain aspects of the program status and the Joint Tactical UAV project for the Maneuver system that GAO believes will unnecessarily increase the Department of Defense's (DOD) risk on the program.

Past UAV acquisition programs have been marked by premature entry into production that resulted in extensive and costly system redesigns in attempting to achieve acceptable system performance. Nevertheless, the Joint Tactical UAV Project Office plans to begin production of the Maneuver system without adequate assurance that it can meet operational performance requirements. As a result, DOD will again risk becoming committed to acquiring an unsatisfactory system.

b. Benefits.—GAO recommends that the Secretary of Defense change the Maneuver system's acquisition strategy to require that sufficient operational testing be conducted before the start of low-rate production. The purpose of this change is to demonstrate that without any major or costly design changes, the system can achieve its primary mission and meet requirements for performance and suitability.

8. *"Ballistic Missile Defense: Current Status of Strategic Target System," March 1995, GAO/NSIAD-95-78.*

a. Summary.—This report concerns the status of the Strategic Target System (STARS) program, the program's current and future costs and its plans for the future. STARS began in 1985 as a result of concerns that the supply of Minuteman I boosters, which were used to launch targets on intercontinental ballistic missile flight trajectories, would be depleted by the year 1988. As a result, both STARS I and STARS II were developed as alternate launch vehicles. The first STARS I flight was successfully launched in February 1993 and in August 1993 a STARS I reentry vehicle experiment was also successfully launched. STARS I can deploy single or multiple payloads, but it cannot simulate the operation of the post-boost vehicle (PBV), which is necessary to carry multiple warheads and independently target each warhead on a specific target. As a result, the Ballistic Missile Defense Organization (BMDO) created an Operations and Deployment Experiments Simulator (ODES), which functions as a (PBV). With the addition of ODES to STARS I, the configuration is named STARS II. STARS II was successfully launched in July 1994.

b. Benefits.—In 1993 the Secretary of Defense compiled a detailed "Bottom-Up Review" of the Nation's defense strategy. As a result the future of the STARS program is in limbo as to whether it will be continued, placed in a dormant status, or terminated. The Secretary of Defense was uncertain if STARS was necessary due to the dramatic changes in the world resulting from the end of the cold war and the dissolution of the Soviet Union.

STARS officials cite many reasons for continuing the program. The Strategic Arms Reduction Treaty I (START) limits other strategic ballistic missiles' use of telemetry encryption, but STARS is exempt from this restriction. STARS will also be exempt from the STARS II Treaty upon its ratification, which means that it will be the only land-based multiple warhead booster that the United States can use as a target or for research and development. Other benefits of STARS is that it is the only U.S. target missile system that operates in the 1,500 to 3,500 km range and it can deliver a variety of experiments and scientific payloads at various speeds and trajectories. The final decision on the future of the STARS program most likely will not be made for up to 6–9 months.

9. Military Training: "Potential To Use Lessons Learned To Avoid Past Mistakes Is Largely Untapped," August 1995, GAO/NSIAD–95–152.

a. Summary.—This report focuses on whether the military and the Joint Staff have learned from past problems and experiences and used that learned information to avoid repeating past mistakes. Specifically, the report investigates the military and Joint Staff's effectiveness in collecting all significant lessons, identifying recurring weaknesses, and implementing corrective actions. Training methods are examined at the various combat training centers, in addition to, examination of operations such as the Persian Gulf war and Operation Restore Hope in Somalia.

b. Benefits.—The results of these examinations is not a favorable one for the military and Joint Staff. The findings conclude that despite the implementation of lessons learned programs, mistakes are often repeated. These negative findings are not to be taken lightly for the problems found could result in serious consequences. Some of the specific problems are that the Marine Corps, Air Force, and the Navy do not include all significant information from training exercises and operations in their lessons learned programs. Thus, important information is missed that could be useful to others. The Joint Staff and all the services, except the army, do not routinely analyze lessons learned information to identify trends or potential problems. The Air Force does not ensure that lessons learned information receives the widest possible distribution. The lack of training on how to access the data bases is the primary reason for the limited distribution of information. Finally, the Air Force, Navy, and the Marine Corps do not use lessons learned information to its full potential. These parts of the military are insufficient in following-up to ensure that problems have been properly corrected.

10. "National Security: Impact of China's Military Modernization in the Pacific Region," June 1995, GAO/NSIAD–95–84.

a. Summary.—This purpose of this report is to review and examine China's recent military modernization. The report assesses the nature and purpose of China's improvement in their military, while comparing China's military to other Asian nations. China, with the end of the cold war, is now viewed as aspiring to take over role of the leading regional power. China's military is the world's largest military force, although its weaponry is far outdated and its troops are not trained in modern warfare. Since 1989, China has devoted more of its resources toward the national goal of military modernization. More specifically, China is attempting to upgrade its air and naval power, while realigning its force structure. Throughout this modernization China has maintained a lack of openness concerning its military which leads to suspicion and questions about its intentions.

b. Benefits.—China had initiated its military modernization by acquiring new weapon systems, restructuring its forces, and improving its training. China has also reduced its forces, increased its defense budget, and changed its military doctrine in the hope of improving its military. These actions seemed to be fueled by a number of reasons. These include the desire to be the leading regional power in Asia, lessons learned about modern warfare from the Gulf war, the need to protect its economic interests, and a need to maintain internal stability. The improvement in China's military has neighboring countries concerned about China challenging them in contested areas.

11. "Drug Courts: Information on a New Approach To Address Drug-Related Crime," May 1995, GAO/NSIAD–95–159BR.

a. Summary.—This briefing report examines the usefulness and effectiveness of the recently developed drug courts. These courts are the result of Title V of the Violent Crime Control and Law Enforcement Act of 1994, which authorizes the award of Federal grants for drug courts. These courts became necessary when State and local courts were inundated with drug cases during the late 1980's. The drug courts are designed to monitor the treatment and behavior of drug-using defendants. The objective of the drug courts is to use the authority of the court to reduce crime by changing defendants' drug-using behavior. Incentives such as the possibility of dismissed charges or reduced sentences are used to divert defendants to drug courts. The judges who preside over these courts monitor the progress of defendants through frequent status hearings, and prescribe sanctions and rewards as appropriate. The drug courts represent a new movement in dealing with drug-related crime and drug-using defendants.

b. Benefits.—The conclusions resulting from the study are mixed. There are some visible benefits to the drug court program, but there are also limitations in its design and methodology. The relative newness of drug courts limits the ability to make firm conclusions on effectiveness and impact. The program, as of March 1995, has expanded to 37 drug courts operating nationwide. These courts have accepted over 20,000 defendants, with a third of them completing their programs. Among the defendants, there are none cur-

rently charged with a violent offense and most do not have prior violent convictions. The results from the evaluations were contrasting surrounding the amount of recidivism among the program's participants. Thus, it's difficult to determine how many defendants the drug courts benefited. The Department of Justice expects to assess the impact and effectiveness of the drug courts in about 2 years to clarify the program's effectiveness. For the fiscal year 1995, $29 million was appropriated for the drug courts. However, Congress has proposed cutting this budget and the House has passed legislation repealing the drug court grant program authorized in the 1994 Crime Act.

12. "Tactical Aircraft: Concurrency in Development and Production of F–22 Aircraft Should Be Reduced," April 1995, GAO/NSIAD–95–59.

a. Summary.—This report examines the concurrency, which is defined as the overlap between development and production of a system, of the Air Force's F–22 fighter program. This assessment looks at whether the fighter program was introduced in a timely manner or fulfilled an urgent need, avoided technological obsolescence, and maintained an efficient industrial development/production work force. Initial operational tests, which are field tests intended to demonstrate a system's effectiveness and suitability for military use, were the major way used to determine the program's concurrency.

b. Benefits.—After tests and evaluations were concluded, the F–22 Fighter program exhibited a high degree of concurrency. This concurrency will allow the production of a significant number of F–22s before many of the technological advances are flight tested and before the completion of initial operational testing and evaluation (IOT&E). Although there is a certain amount of risk in the F–22's production because the program embodies many of these important technological advances that are critical to its operational success. The Air Force plans to procure 80 F–22s under low-rate initial production (LRIP), at a cost of about $12.4 billion, before completing (IOT&E). The program's production rates are projected to accelerate to 75 percent of the full-production rate under the LRIP phase of the program.

13. "Financial Management: Control Weaknesses Increase Risk of Improper Navy Civilian Payroll Payments," May 1995, GAO/AIMD–95–73.

a. Summary.—GAO's tests of 225,000 Navy payroll and personnel records for one pay period found overpayments to 134 Navy civilians, which represented less than one-tenth of 1 percent of the accounts tested. Although GAO tallied $62,500 in overpayments to these persons, the total amount overpaid is likely to be far greater because some of these erroneous payments continued for nearly 1 year. The causes of these overpayments included the following: (1) The Defense Finance and Accounting Service did not check to see whether civilian employees were paid from multiple data bases for the same time period and (2) reconciliations between civilian payroll and personnel systems were infrequent and did not provide for systematic follow-ups to investigate and correct discrepancies.

Navy payroll operations are susceptible to additional improper payments because (1) a large number of payroll personnel are granted virtually unrestricted access to both pay and personnel data; (2) ineffective audit trails do not always identify who made data changes; and (3) inactive payroll accounts are maintained on the active payroll data base.

b. Benefits.—GAO examination of the Navy's payroll records show that many of the overpayments were discovered by the Defense Finance and Accounting Service (DFAS) within 6 months of their occurrence. The (DFAS) then processed retroactive transactions to change the pay records and to initiate the resolution process. These adjustments were made on 45 out of the 134 overpaid Navy civilians that GAO identified. GAO provided Navy personnel officials with a comprehensive list of all the remaining overpayments and requested that these officials recover the cited amounts.

14. "DOD Household Goods: Increased Carrier Liability for Loss and Damage Warranted," May 1995, GAO/NSIAD–95–48.

a. Summary.—The Department of Defense (DOD) spends more than $700 million each year to move the household goods of military service members and DOD civilian employees. DOD shares liability with carriers for loss and damage to these shipments. During mid-1987, DOD increased carrier liability for domestic household goods shipments, a change that the carrier industry opposed. In March 1993, DOD proposed that carrier liability be similarly increased for international household goods shipments, a change that carriers objected to as well. This report evaluates DOD household goods shipment programs to determine (1) the impact of the 1987 increase in carrier liability on domestic shipments and (2) the level and the type of carrier liability that DOD should adopt for international shipments.

b. Results.—Since DOD has increased carrier liability on domestic household goods shipments the household goods claims costs have declined and carrier performance has improved. Claim costs have declined an estimated $18.9 million during the fiscal years 1987–1991. However, the carrier liability for DOD international household goods of $0.60 per pound per article severely restricts DOD's ability to recover the cost of loss and damage inflicted during shipment, it also increases government costs, and limits carrier incentive to improve performance. Thus, the carrier liability needs to be increased. The GAO report concurs with DOD's proposal to change carrier liability on international shipments from a per pound, per article basis to one based on shipment valuation. Although, GAO recommends that with this change, carriers should receive compensatory payments in exchange for the increased liability. Finally, the household goods program also has some management and administrative problems that need to be addressed with any increase in carrier liability.

15. "Military Exports: A Comparison of Government Support in the United States and Three Major Competitors," May 1995, GAO/NSIAD–95–86.

a. Summary.—Declining U.S. defense spending has placed defense-related jobs and some domestic industrial capabilities at risk. U.S. defense companies are using various strategies to adjust to the decline. One strategy is to boost defense export sales. Export proponents point out that such sales maintain industrial base capabilities and lower the cost of weapons to the U.S. Government. They also argue that more government support for exports is needed to level the playing field against foreign competitors. Opponents of such support argue that it could delay restructuring of the defense industry and increase global weapons proliferation. This report reviews (1) conditions in the international defense export market and (2) the tools used by France, Germany, the United Kingdom, and the United States to enhance the competitiveness of their defense exports. GAO compares the U.S. position in the global defense market with those of its major competitors and analyzes the factors that can contribute to a sale.

b. Benefits.—The United States has moved forward to become the world's leading defense exporter, increasing its market share to 49 percent by 1993. This is a result of the United States recognizing the positive impact that defense exports can have on the defense industrial base. The United States is projected to remain strong in the world market, but further growth will be limited. This is due to many factors including U.S. national security and export control policies to reduce dangerous or destabilizing arms transfers to certain countries and certain major foreign country buyers' practices of diversifying weapons purchases among multiple suppliers. This government involvement in the defense industry's sales will, in turn, affect the position of defense manufacturers in overseas markets. As global defense markets decrease, government support will become more significant, and companies will fight to maintain their market share. Other nations such as France, Germany, and the United Kingdom provide similar types of support. These include (1) government backed or provided export financing; (2) advocacy on behalf of defense companies by high-level government officials; and (3) organizational entities that promote defense exports. The nations differ in that central organizations support defense exports in France and the United Kingdom, while in the United States several government agencies share in supporting defense exports. They also differ because United States financing is provided through the Foreign Military Financing (FMF) in the form of grants and loans, while the three European countries provided government-backed guarantees for commercial bank loans.

16. "Comanche Helicopter: Testing Needs To Be Completed Prior to Production Decisions," May 1995, GAO/NSIAD–95–112.

a. Summary.—Under the restructured program to produce the Comanche helicopter, production decisions will be made before operational testing of the Comanche starts, thereby continuing the risky practice of concurrent development and production. Because of the Comanche's high costs and technical risks, GAO believes that the Army should undertake operational testing before making

decisions on long-lead and low-rate initial production. The Comanche will be a much more expensive helicopter than the one originally justified to Congress. The Comanche's acquisition unit cost has almost tripled in 10 years—from $12.1 million in 1985 to $34.4 million in 1995. The cost and program schedule will again be affected because of the program restructuring. After a decade of developing the Comanche, the Army continues to experience technical difficulties, including software problems, and key aircraft maintainability requirements for the Comanche may not be achievable—calling into question the Comanche's ability to meet its wartime availability requirements and its objective of lower operating and support cost. On the positive side, the program is meeting its goals of reducing maintenance levels and keeping within acceptable limits of overall weight growth for the Comanche.

b. Benefits.—The Army's restructuring of the Comanche program continues risks associated with making production decisions before knowing whether the aircraft will be able to perform as required and of higher program costs. Although there are high risks involved with making production decisions before operational testing, the time provided by extending the development phase and the acquisition of the six additional aircraft under the restructured program provides the Army with the opportunity to conduct operational testing before committing funds to any production decisions. Additionally, the risks associated with concurrency can be limited by reducing production aircraft to the minimum necessary to perform initial operational testing. GAO predicts that the restructuring of the program provides additional time which will provide the chance to resolve the technical risks before the decision to enter production is made. Long-lead production decisions are scheduled for November 2003, and low-rate initial production is planned to start in November 2004, about 9 months before operational testing begins. Finally, GAO recommends that the Secretary of Defense require the Army to complete operational testing to validate the Comanche's operational effectiveness and suitability before committing any funds to acquire long-lead production items or enter low-rate initial production.

17. "Defense Downsizing: Selected Contractors Business Unit Reactions," May 1995, GAO/NSIAD–95–114.

a. Summary.—This report examines how the recent decline in defense spending has affected individual business units of major defense contractors. GAO selected business units from 6 of the top 10 defense contractors in 1993—General Dynamics, General Motors, Lockheed, Martin Marietta, McDonnell Douglas, and United Technologies. These units were engaged primarily in defense work, an important part of their corporations' total government sales. GAO compares defense expenditures over several years and changes in business units' (1) sales and employment levels and (2) spending on independent research and development, bid and proposal preparation, capital improvements, and facilities.

b. Benefits.—Measured from their peak years, GAO determined that the six business units have experienced sales decreases ranging from 21 percent to 54 percent through 1993 and estimated declines ranging from 50 percent to 73 percent through the latest

year projected. While employment reductions ranged from 30 percent to 76 percent through 1993 and planned reductions ranging from 44 percent to 79 percent through the latest year are projected. As a result these business units have significantly reduced their spending with reductions ranging from 31 percent to 71 percent through 1993 and projected reductions ranging from 41 percent to 84 percent expected through the latest year. Additionally, the six units have reduced expenditures for capital improvements by an average of 80 percent through 1993 and, through the latest year projected, estimate an average reduction of 76 percent in these expenditures. Defense contractors view the current decline as permanent and have developed a variety of strategies to deal with reduced defense spending.

18. "Overhead Costs: Defense Industry Initiatives To Control Overhead Rates," May 1995, GAO/NSIAD-95-115.

a. Summary.—Senior Pentagon officials have expressed concern that contractor overhead rates may drive up procurement costs as a result of declines in Defense Department spending. Declining defense spending since the late 1980's has reduced sales by defense contractors and has reduced the business bases against which they charge overhead. This report reviews (1) initiatives taken by six individual business units of large defense contractors—General Dynamics, General Motors, Lockheed, Martin Marietta, McDonnell Douglas, and United Technologies—to reduce overhead costs and (2) the issue of whether the units' actions would avoid increases in overhead rates.

b. Benefits.—In response to their declining business bases, the six business units examined have taken action to reduce their overhead costs. These measures include reducing the number of indirect employees, cutting employee health benefits, consolidating facilities, and reducing independent research and development and bid and proposal expenditures. These measures have been successful, shown by a reduction in overhead costs by an average of 35 percent between their peak years and 1993 and an anticipated total reduction of about 53 percent between their peak years and the latest projected years. However, overhead costs at four of the six business units were not declining as rapidly as their sales, and as a result these units were forecasting increases in their overhead rates. Unless these businesses can further reduce costs or increase their sales, their overhead rates will continue to rise, which could result in increased procurement costs.

19. "Peace Operations: Estimated Fiscal Year 1995 Costs to the United States," May 1995, GAO/NSIAD-95-138BR.

a. Summary.—Several United States agencies have participated in peace operations during fiscal year 1995, such as those in Haiti, Bosnia, and Southwest Asia. The Defense (DOD) and State Departments are the two lead agencies involved in U.S. peace operations. The U.S. Agency for International Development is the lead agency that provides humanitarian assistance and coordinates U.S. donations of food with the Agriculture Department. This briefing report provides information on (1) potential fiscal year 1995 costs of peace operations; (2) the potential United States share of United Nation

assessments for peace operations; and (3) the manner in which the annual defense budget enables DOD to participate in peace operations.

b. Benefits.—The Federal agencies' and departments' participation in peace operations is estimated to have cost $3.7 billion during the fiscal year 1995; $672 million of this estimated cost has not been funded. About $1.8 billion, or 49 percent, of the estimated cost is DOD's estimated incremental costs, costs which would not have been incurred except for the operations, for its involvement in peace operations. These incremental costs include (1) special payments, including imminent danger pay, family separation allowance, and foreign duty pay for troops deployed to certain peace operations; (2) operation and maintenance expenses in support of deployed forces; (3) procurement of items such as forklifts and fire support vehicles; and (4) limited military construction at Guantanamo Bay, Cuba. The estimated U.S. share of special U.N. peacekeeping assessments ($992.1 million) is also included in this figure. The remaining cost of $1.9 billion will be paid by several non-defense agencies and departments. These estimated costs could increase if the need for new operations arises or current operations are expanded.

20. "Cassini Mission: Estimated Launch Costs for NASA's Mission to Saturn," May 1995, GAO/NSIAD-95-141BR.

a. Summary.—In April 1994, NASA estimated that it would cost about $475 million for a Titan IV–Centaur launch of its Cassini spacecraft. NASA plans to launch its Cassini spacecraft to Saturn in October 1997. Following a voyage of more than 6 years, the spacecraft will orbit Saturn for 4 years, observing the planet's atmosphere, rings, and moons. In response to congressional concerns about cost, this briefing report provides information on the current estimated cost for the Cassini launch and determines the extent of cost-saving opportunities.

b. Benefits.—NASA's most recent estimate for the Titan IV–Centaur launch of its Cassini spacecraft is about $452 million, which is $23 million less than its previous estimate in April 1994. This decrease was the direct result of NASA reducing its earlier estimate of mission integration costs. The $452 million estimate includes $253 million to the Air Force for a Titan IV–Centaur launch vehicle and launch services, mission integration, prior-year studies, support by two NASA field centers, NASA funding for potential future cost increase, and miscellaneous costs. Other than the reduction in the mission integration costs, cost savings in other areas of the Cassini launch are unlikely, and some of NASA's cost could increase. Additionally, the Air Force is not required to refund NASA payments in excess of cost. Consequently, the Air Force is not required to refund to NASA fees that the Air Force does not pay to the Titan IV contractor. Among these fees are a $9 million incentive fee and $2 million in award fees. Finally, NASA's mission integration does not fully comply with the revised policy for cost-plus-award-fee contracts, which was implemented to encourage contractors to deliver quality products at reasonable costs.

21. *"Peace Operations: Update on the Situation in the Former Yugoslavia," May 1995, GAO/NSIAD–95–148BR.*

a. Summary.—This briefing report provides an update on the situation in the former Yugoslavia. GAO assesses (1) progress in resolving the conflict in Croatia and Bosnia-Herzegovina and (2) the effectiveness of the United Nations in carrying out Security Council mandates in these countries.

b. Benefits.—Little progress has been made toward the resolution of the major issues of conflict in Croatia and Bosnia. In Croatia, there are still fundamental differences between the Croatian Serbs, who demand an independent state within Croatia, and the Croatian government, which demands control of its occupied territory. The Croatian Serbs still maintains an army with heavy weapons and fighter planes, while they continue to face the Croatian government along confrontation lines. In Bosnia, the Bosnian Serbs control 70 percent of the territory and no territory has been returned to the Bosnian government, as proposed in the international peace plan. As of May 1995 fighting continues and since the beginning of the conflict many thousands of Bosnians have been killed, widespread human rights violations have been committed, and the guilty parties have not answered for their crimes.

The United Nations Protection Force (UNPROFOR) has been ineffective in carrying out mandates leading to lasting peace in the former Yugoslavia. In Croatia, UNPROFOR was unable to demilitarize the territory controlled by the Croatian Serbs, return displaced persons to their homes, or prevent the use of Croatian territory for attacks on Bosnia. In Bosnia, UNPROFOR made an assertive stand with the North Atlantic Treaty Organization (NATO) to protect Sarajevo in February 1994. As a result of UNPROFOR's overall ineffectiveness, Croatia announced in January 1995 that it would not agree to a renewal of UNPROFOR's mandate. This ineffectiveness in deterring attacks and providing protection stems from an approach to peacekeeping that is dependent on the consent and cooperation of the warring parties. Another factor that has contributed to UNPROFOR's lack of credibility is their lack of consistent assertive response to aggression. For example, UNPROFOR has the authority to use force, but tries to negotiate when attacked and has called sparingly for NATO air support. However, UNPROFOR has been successful in many other areas. They have helped provide food for thousands living in the region over the past several winters, monitored the situation on the ground, maintained roads, escorted convoys to the safe areas, operated the Sarajevo airport, and undertaken confidence-building measures, such as joint patrols and monitoring of cease-fires.

22. *"NASA Budgets: Gap Between Funding Requirements and Projected Budgets Has Been Reopened," May 1995, GAO/NSIAD–95–155BR.*

a. Summary.—Recent events have reopened a gap between NASA's program plans and its likely budgets. NASA has not yet developed plans for closing this $5.3 billion gap projected for fiscal years 1996–2000. NASA closed the gap that GAO reported in 1992 primarily by changing and deleting some of its major programs. As

a result of these changes, NASA increased the risks in several of its largest programs.

b. Benefits.—In 1992, GAO reported that NASA's funding estimates for fiscal years 1993–1997 exceeded its likely budgets for those years. GAO estimated that NASA would have to reduce its program plans by $13-$21 billion to match the available budgets. As a result, NASA has reduced its 5-year program plans by about $20 billion, or almost 22 percent. NASA accomplished this by eliminating some programs, scaling down program scopes, identifying program efficiencies, stretching some programs beyond the 5-year planning period, and reducing the number of civil service personnel. In some cases, NASA has accepted higher program risk to achieve the budget reductions. For example, reductions in the space shuttle program have increased the risk of delays in meeting projected launch schedules. Another problem that NASA is encountering with their reduced budget is that their future budgets are not expected to cover anticipated inflation. In fact, GAO estimates that NASA will lose $3.8 billion in purchasing power in fiscal years 1996–2000 because of inflation. Despite their efforts, NASA still has a $5.3 billion gap between estimated funding requirements and projected budgets. This gap resulted when NASA was directed, in January 1995—just before the President's budget was submitted to the Congress—to freeze its budget at $14.3 billion and make increasingly larger reductions from that level for each year from 1997–2000. Under this plan, the agency's budget would be reduced from $14.3 billion in 1996 to $13.2 billion in 2000. NASA has yet to figure out how it will accomplish the $5.3 billion in unresolved reductions, although studies are underway on how to make the reductions.

23. "Juvenile Justice: Representation Rates Varied as Did Counsel's Impact on Court Outcomes," June 1995, GAO/GGD-95-139.

a. Summary.—Some legal organizations and scholars have raised concerns about the access to counsel afforded to young people in juvenile court proceedings. For example, the American Bar Association and individual law professors testified before Congress in 1992 that half of all juveniles in the United States waive their constitutionally guaranteed right to counsel without speaking to attorneys. This report (1) reviews laws in 15 States to determine juveniles' right to counsel; (2) determines how often juveniles obtain counsel in juvenile courts in three States; (3) determines the likely impact of counsel on juvenile justice outcomes; (4) determines whether juveniles who are in adult court have counsel; and (5) provides insights on the quality of counsel.

b. Benefits.—In all 15 States reviewed by GAO, juveniles were guaranteed the right to counsel in delinquency proceedings. In cases where the juveniles could not provide counsel on their own, the States have provisions to provide and compensate counsel for them. Of the 15 States, 11 had laws allowing the waiver of counsel under certain circumstances but generally had rules to ensure that waivers were made only when juveniles were aware of their right and voluntarily gave up that right. In three other States juveniles can waive counsel even though the State statutes do not specifically address the waiver issue. In the remaining State, juveniles

could not waive counsel. After analyzing three States, California, Pennsylvania, and Nebraska, GAO determined that overall representation varied from 97 and 91 percent in California and Pennsylvania, to 65 percent in Nebraska. The overall impact of representation on case outcomes varied according to the State and the offense category. In most cases, juveniles without representation were less likely to receive out-of-home placements (e.g., training school). Additionally, unrepresented juveniles were generally about as likely to have their cases adjudicated (i.e., judged to be a delinquent) than represented juveniles, but characteristics other than representation (e.g., detention prior to adjudication and prior offense History) were more strongly associated with placement decisions. GAO could not locate any data bases to determine if juveniles in adult court had counsel or to compare access to counsel for juveniles in adult and juvenile court. However, GAO's survey of prosecutors indicated that juveniles in adult and juvenile court were given the same opportunity as adults to be represented. Finally, the report gives a favorable assessment of the quality of counsel provided to juveniles.

24. "U.S. Attorneys: More Accountability for Implementing Priority Programs Is Desirable," June 1995, GAO/GGD–95–150.

a. Summary.—U.S. attorneys litigate for the government in criminal and civil proceedings. They prosecute persons charged with violating Federal criminal law, represent the government in civil cases, and collect money and property owed to the government. In view of the independence and the discretion exercised by U.S. attorneys in determining which cases to prosecute and recent growth in the size and the cost of their operations, this report determines (1) how the Justice Department communicates national priorities to the U.S. attorneys; (2) how selected U.S. attorneys establish their priorities and coordinate them with law enforcement agencies in their districts; and (3) what, if any, measures Justice uses to assess U.S. attorneys' effectiveness in meeting national priorities.

b. Benefits.—Justice did not have a specific process for communicating national law enforcement priorities over the past 10 years. National priorities, on the other hand, were communicated through a variety of processes, such as Attorney General speeches, press conferences, budget memorandums, discussions at seminars and conferences, and testimony before Congress. Justice has moved toward setting more focused law enforcement policies and making a commitment to principles of strategic management and clear articulation of priorities, goals, and missions for U.S. attorneys. Seven out of eight U.S. attorneys GAO visited did not have formal processes to establish priorities and communicate them to law enforcement components in their districts. Instead, their priorities were set informally on the basis of the Attorney General's priorities, as well as on the crime problems and socioeconomic characteristics of their districts. The report concluded that the U.S. attorneys interviewed were satisfied with their input into the development of national priorities. Justice had no requirements for these U.S. attorneys to measure their own effectiveness. Instead, Justice's evaluation program was the primary means of assessing the

activities of individual U.S. attorneys' offices. Finally, at the end of 1994, Justice was developing plans to implement the Government Performance and Results Act of 1993's requirements to measure performance.

25. "INS: Information on Aliens Applying for Permanent Residence Status," June 1995, GAO/GGD-95-162FS.

a. Summary.—This fact sheet provides information on aliens applying to the Immigration and Naturalization Service (INS) to adjust their status to lawful permanent residents. Recent legislation allows aliens who entered without inspection, worked illegally, or overstayed their visas to apply for permanent resident status without leaving the country. GAO provides data on (1) the number of aliens applying for permanent resident status under the legislation; (2) revenue that has been received as a result of these aliens' applications; (3) denial rates for these applications; and (4) the impact of these applications on INS' workload.

b. Results.—GAO concluded that from October 1, 1994, to February 24, 1995, 175,940 aliens applied for permanent resident status. During this same time period INS denied 8 percent, or 6,983, of the applicants. The revenue generated from these applications totaled $61.7 million for the same time period. These applications resulted in an increased estimated processing time per application in many areas. To meet the increased workload, in April 1995, the Department of Justice notified Congress of a proposed reprogramming action that would provide INS additional resources to enhance its application processing capability.

26. "Managing For Results: The Department of Justice's Initial Efforts To Implement GPRA," June 1995, GAO/GGD-95-167FS.

a. Summary.—The Government Performance and Results Act of 1993 was intended to improve the effectiveness and the efficiency of Federal programs by establishing a system to set performance goals and measure results. This fact sheet reviews the Justice Department's implementation of the act. As GAO was systematically collecting information from each Justice component about its implementation of the act, the Department asked GAO to describe what it had found because this information had not been consolidated at Justice. This fact sheet provides information that addresses questions from the Departments's components to help them develop performance measures and discusses the processes used to develop the fiscal year 1996 exhibits, implementation questions and concerns, and performance measures used in the exhibits.

b. Benefits.—GAO's review of the development of the Department's first performance measurement exhibits revealed that the components (1) used five general processes to develop the exhibits, four of these processes involved getting input from program staff; (2) had a variety of questions and concerns about implementing a performance measurement system regarding how the Office of Management and Budget (OMB) would analyze and use the performance data; and (3) developed a number of output and outcome measures for a variety of activities.

27. *"Foreign Assistance: African Development Foundation's Overhead Costs Can Be Reduced," June 1995, GAO/NSIAD–95–79.*

a. Summary.—The African Development Foundation was created by Congress in 1980 as an independent public corporation to support local self-help initiatives of the poor in Africa. In response to congressional concerns about whether the Foundation has used its resources efficiently, GAO reviewed the Foundation's administrative and financial management practices. This report discusses whether the Foundation (1) used program funds for administrative expenses; (2) presented reliable data in its budget submissions to Congress; and (3) complied with financial reporting requirements.

b. Benefits.—During the fiscal year 1994, the African Development Foundation (ADF) spent more of its budget for headquarters administrative expenses (about 28 percent) than other similar agencies spent for such costs. ADF's higher administrative expenses are a result of higher salaries and greater use of consultants and contractors than were budgeted to carry out headquarters functions. ADF's funds are appropriated as a lump sum and not earmarked for program or administrative use and as a result ADF is not bound by statute as to the amount it can spend for administrative overhead. The budgetary and cost data that ADF presented to Congress was not reliable. The data was based on unaudited financial statements and an accounting system that was not viable for audit. ADF has recently acknowledged the problem and taken steps to improve the quality of budget reporting. Finally, ADF did not meet the financial reporting, internal controls assessment, and budget report reconciliation requirements of the Government Corporation Control Act; however, it began steps in 1994 to do so.

28. *"Army National Guard: Combat Brigades' Ability To Be Ready for War in 90 Days Is Uncertain," June 1995, GAO/NSIAD–95–91.*

a. Summary.—The end of the cold war and budgetary constraints have increased the military's reliance on Army National Guard combat brigades. Shortcomings revealed during the combat brigades' mobilization for the Persian Gulf war raised questions about the training strategies used and the time required to be ready to deploy. GAO found that recruitment and training problems make it unlikely that these units could meet a goal of combat readiness within 90 days of mobilization. This report discusses whether (1) the Bold Shift training strategy has enabled combat brigades to meet peacetime training goals; (2) the advisers assigned to the brigades are working effectively to improve training readiness; and (3) prospects of having the brigades ready for war within 90 days are likely.

b. Benefits.—None of the seven brigades came close to achieving the training proficiency sought by the Bold Shift strategy during 1992 through 1994. The brigades were unable to recruit, retrain, and meet staffing goals, and many personnel were not sufficiently trained in their individual job and leadership skills. In addition, collective training was also problematic. For example, in 1993, combat platoons had mastered an average of just one-seventh of their mission-essential tasks and less than one-third of the battalions met gunnery goals. The new adviser program's efforts to improve

training readiness have been limited by factors such as (1) an ambiguous definition of the advisers' role; (2) poor communication between the active Army, advisers, brigades, and other National Guard officials, causing confusion and disagreement over training goals; and (3) difficult working relationships. The poor relationship between the active Army and the State-run Guard, if not improved, could undermine prospects for significant improvement in the brigades' ability to conduct successful combat operations. Finally, GAO concluded that it is highly uncertain whether the Guard's mechanized infantry and armor brigades can be ready to deploy 90 days after mobilization. It is estimated that brigades would need between 68 and 110 days before being ready to deploy.

29. *"Military Personnel: High Aggregate Personnel Levels Maintained Throughout Drawdown," June 1995, GAO/NSIAD–95–97.*

a. Summary.—The largest military drawdown since the end of the Vietnam War is now about 80 percent complete. By the end of fiscal year 1999, the Defense Department will have reduced its military and civilian personnel by almost a third. GAO found that despite these substantial cuts, the military services generally kept more than 95 percent of their authorized positions filled throughout the drawdown. They also maintained high fill rates for most ranks and kept more than 90 percent of authorized positions filled in most military categories. The major area of concern was a continuing shortage of field grade officers, especially in the Army, where fill rates generally hovered between 80 and 85 percent. In addition to discussing the extent to which the services were able to fill authorized positions, this report discusses the factors contributing to the personnel shortage at selected U.S. installations and units and the factors that could lead to personnel shortages in the future.

b. Benefits.—GAO reported that many factors contributing to personnel shortages at units and installations were directly related to the drawdown and could dissipate as the drawdown concludes. For example, not all personnel in units being withdrawn from Europe and not all those in units affected by United States base closure and realignment decisions were required to transfer with their units. This policy, as well as others, created shortages in some units and led to multiple personnel transfers. Other factors contributing to shortages were less directly related to the drawdown. For example, (1) personnel had to be transferred between units to meet the requirements of operations other than war; (2) military personnel had to be temporarily assigned to duties formerly handled by civilians whose positions were eliminated; and (3) scarce field grade officers had to be assigned to joint duty and reserve units before other operational positions could be filled.

30. *"Navy Torpedo Programs: MK–48 ADCAP Upgrades Not Adequately Justified," June 1995, GAO/NSIAD–95–104.*

a. Summary.—As part of its ongoing work on Navy torpedo programs, GAO reviewed the Navy's plans to upgrade both the propulsion and the guidance and control systems of the MK–48 Advanced Capability (ADCAP) torpedo. Because the program manager is seeking approval to begin low-rate initial production, this report

discusses (1) the need for the propulsion system upgrade and (2) the appropriateness of approving low-rate initial production of the guidance and control system.

b. Benefits.—GAO concluded that the $249 million upgrade to the ADCAP propulsion system is not needed. The technological improvement to be contributed by the propulsion upgrade, which is torpedo quieting, will neither improve the performance of the ADCAP nor reduce the vulnerability of the launching submarine to enemy attack. Moreover, the Operational Test and Evaluation Force (OPTEVFOR) already considers the current ADCAP operationally suitable and effective in shallow water, and the Navy did not establish a requirement to improve the ADCAP's propulsion system for use in open ocean deep water in its operational requirements document for the upgrade. GAO recommended that approval for the low-rate initial production for the guidance and control upgrade would be ill-advised at this time. Installing the new guidance and control unit will do nothing more to counter the existing threat than the current units until the new software is developed and installed. The software necessary to take advantage of the upgraded guidance and control hardware will not be ready until mid-1998. Therefore, upgrade acquisition would be better scheduled to coincide with the software development schedule. As currently planned, the Navy could buy as many as 529 units at a cost of $177 million before the new software will be available.

31. "Space Station: Estimated Total U.S. Funding Requirements," June 1995, GAO/NSIAD–95–163.

a. Summary.—The space station program was approved in the mid-1980's and has since been redesigned several times to meet decreasing budgets. NASA estimates that the International Space Station can be built and completely assembled in orbit by June 2002. The International Space Station would provide more research capacity, support more crew, and cost less than prior space station configurations. NASA is currently planning a 10-year operational life for the space station following completion of assembly.

b. Benefits.—GAO estimates that it will cost about $94 billion to design and launch the space station through 2012. Although the program has made great progress since last year in defining its requirements, meeting its schedule milestones, and remaining within its annual operating budgets, the program still faces formidable challenges in meeting all its goals on time and within budget. Moreover, low financial reserves through fiscal year 1997 could lead to cost overruns and force postponement of some activities. In addition, the space station's current launch and assembly schedule is ambitious, and the shuttle program may have difficulty supporting it. If the contractor is unable to negotiate subcontractor agreements for the expected price, the target cost for the prime contract could increase. NASA plans to complete an independent internal assessment of space station costs later this fiscal year.

32. *"Defense Management: Selection of Depot Maintenance Standard System Not Based on Sufficient Analyses," July 1995, GAO/AIMD-95-110.*

a. Summary.—This report evaluates the Defense Department's (DOD) justification for developing and deploying the Depot Maintenance Standard System. DOD is developing the system to help streamline depot maintenance operations and manage resources more effectively at its repair depots. DOD spends about $13 billion annually to manufacture, overhaul, and repair equipment, such as airplanes, ships, and tanks, and repairable parts of this equipment, such as radios and engines. Congress has raised concerns that although DOD has spent billions of dollars for information technology during the past several years, DOD has not produced significant quality improvement, cost savings, and productivity gains in service operations. Congress required DOD to conduct a study to determine the best prototype depot maintenance system and directed GAO to assess the soundness of the study's conclusions. DOD, however, has not completed such a study. As a result, this report determines whether DOD had (1) based its selection of the system on convincing analyses of costs and benefits, as well as economic and technical risks, and (2) selected a strategy that would dramatically improve depot maintenance operations.

b. Benefits.—GAO concluded that DOD did not base its decision to develop and implement the Depot Maintenance Standard System (DMSS) on sufficient analyses of costs and benefits or on detailed assessments of economic and technical risks. Also, DOD did not obtain project milestone reviews by the Major Automated Information System Review Council (MAISRC) and approvals from the Milestone Decision Authority (MDA). These reviews and approvals are designed to ensure that system development and implementation decisions are consistent with sound business practices and to better manage risks inherent in large information system projects. DOD is making a major investment, totaling more than $1 billion, to develop and deploy DMS, intended to incrementally improve depot maintenance processes and move toward a DOD-wide integrated corporate system. These improvements are intended to reduce depot maintenance operational costs by $2.6 billion or less than 2.3 percent over a 10-year period. However, by focusing first on developing and deploying a standard depot maintenance information system designed to incrementally improve depot maintenance processes, DOD will not achieve any immediate dramatic cost reductions and may make future re-engineering efforts more difficult by entrenching inefficient and ineffective work processes.

33. *"Defense Communications: Management Problems Jeopardize DISN Implementation," July 1995, GAO/AIMD-95-136.*

a. Summary.—The Department of Defense (DOD) initiated the Defense Information System Network (DISN) program in 1991 as a two-phase effort to improve its long-distance telecommunications services and reduce costs. DOD envisioned that in the near term, DISN would achieve these goals by consolidating and integrating about 100 existing communications networks into one network. For the long term, DISN would replace older telecommunications systems and use new technology and improved acquisition strategies

to provide a more cost-effective system. In addition to the DISN initiative, the General Services Administration (GSA) and the Interagency Management Council (IMC) in 1993 began planning a replacement for the Federal Telecommunications System (FTS) 2000 program, which provides the Federal Government's long-distance service. GAO in this report (1) assesses DISN's objectives, requirements, management plans, and implementation status, and (2) determines whether Defense has positioned itself to participate effectively in the government wide Post-FTS 2000 program.

b. Benefits.—Asked to review implementation of DISN, GAO found that DOD had not effectively planned and managed its DISN program. DOD spent more than $100 million during the past 3½ years on DISN's planning, implementation, operation, and management. Despite this expenditure, DISN still lacks validated operational requirements, approved plans for network implementation, and guidelines needed to ensure efficient and effective end-to-end management of this important communications network. As a result, DOD's near-term DISN implementation more than 2 years behind schedule and DISN's objectives of improving DOD communications services and reducing costs are at risk. Rather than buy services from commercial providers through initiatives such as the Post-FTS 2000 program, Defense currently intends to use the program primarily to obtain the communications bandwidth it needs to build its own private DISN network. GAO determined that by limiting its use of Post-FTS 2000 services, Defense risks spending hundreds of millions of dollars to establish, operate, and maintain redundant communications facilities and services that do not efficiently or effectively respond to its requirements.

34. "Illegal Aliens: National Net Cost Estimates Vary Widely," July 1995, GAO/HEHS-95-133.

a. Summary.—In recent years, public concern has grown about illegal aliens' use of public benefits and their overall cost to society. The three national studies that GAO reviewed represent the initial efforts of researchers to estimate the total public fiscal impact of illegal aliens. The limited data available makes it hard to develop reasonable estimates on such a broad subject. Moreover, the national studies varied considerably in the range of items they included and their treatment of some items, making their estimates difficult to compare. As a result, a great deal of uncertainty remains about the national fiscal impact of illegal aliens. Obtaining better data on the illegal alien population would help improve the national net cost estimates. Such data should focus on characteristics of illegal aliens, such as geographic distribution, age distribution, income distribution, labor force participation rate, tax compliance rate, and school participation, that are helpful in estimating the largest net cost items. Clearer explanations of which costs and revenues are appropriate to include would also help improve the usefulness of the estimates. The expert panel convened by the U.S. Commission on Immigration Reform could serve as a forum for discussing some of these data and conceptual issues.

b. Benefits.—All three national studies concluded that illegal aliens in the United States generate more in costs than revenues to Federal, State, and local governments combined. However, the

studies varied considerably in the range of costs and revenues they included and their treatment of certain items, making them difficult to compare. Thus, a great deal of uncertainty remains about the actual national fiscal impact of illegal aliens.

35. *"Federal Criminal Justice: Cost of Providing Court-Appointed Attorneys Is Rising, but Causes Are Unclear," July 1995, GAO/GGD-95-182.*

a. Summary.—The Criminal Justice Act of 1964 required the Federal judiciary to provide for the legal representation of eligible Federal criminal defendants who were financially unable to afford their own attorneys. In response, the Federal judiciary created the Federal Defender Services program. This program provides legal services for eligible defendants through a mixed system, which includes 45 Federal Public Defender Organizations (FPF's), 10 Community Defender Organizations (CDO's), private "panel" attorneys chosen from a list or maintained by the district courts. As of August 1993, 85 percent of all criminal cases prosecuted in Federal courts required court-appointed legal counsel. This report (1) reviews several issues related to cost growth and the workload at the Federal Defender Services program, which provides legal counsel for those who cannot afford attorneys, and (2) determines whether Death Penalty Resource Centers (DPRC) have reduced Federal costs for representing indigent defendants in death penalty cases.

b. Benefits.—The Administrative Office of the U.S. Courts maintains that the overall Defender Services workload has grown and costs have increased because criminal cases, especially drug cases, involve more defendants; more persons are defended by court-appointed attorneys; more defendants are being tried in Federal courts; and the costs are more complex, principally because of changes in Federal sentencing guidelines and mandatory minimum-sentencing statutes. Although each of these factors may have had some effect, inadequate data prevented GAO from determining to what extent these factors individually or collectively accounted for the doubling of program costs or the tripling of DPRC costs from fiscal years 1990 through 1993. Death Penalty Resource Centers (DPRC) have reduced Federal costs for representing indigent defendants in death penalty cases. This is exemplified with the average DPRC cost per representation at $17,200, while the average panel attorney cost per representation is $37,000. However, DPRC costs have increased because more DPRC's have been created, more death penalty cases are in the courts, and the cases are becoming more complex.

36. *"Depot Maintenance: Some Funds Intended for Maintenance Are Used for Other Purposes," July 1995, GAO/NSIAD-95-124.*

a. Summary.—During the past several years, Congress and military officials have expressed concern about the adequacy of the depot maintenance funding levels and the adverse effect on readiness resulting from growing maintenance backlogs. This report (1) determines the services' processes for deciding which end items of equipment will be overhauled; (2) compares the depot maintenance funding received by the military services from Congress with the amounts requested by the service; and (3) assesses the services'

management of maintenance backlogs and the impact of depot maintenance backlogs on readiness.

b. Benefits.—GAO determined that the services use such measurements as hours of usage/operations, mileage, engineered standards, historical data, and inspection results to identify end items of equipment that qualify for depot maintenance. The services then assess the candidates in terms of the depots' ability to perform the maintenance and the anticipated availability of funds. A comparison of the amount of depot maintenance work executed to the amount of funds requested and received shows that for fiscal years 1993 and 1994, the amount of depot maintenance accomplished by the services was about $485 million less than the amount requested and about $832 million less than the amount received. The depot maintenance funds not used for depot maintenance were used for military contingencies and other O&M expenditures such as real property maintenance base operations. The depot maintenance backlogs at the time the services submit their budget requests to the Congress tend to decrease during the year of budget execution. These decreases are a result of the services' reducing the requirements for items requiring depot maintenance. According to service officials, the depot maintenance backlogs are manageable, represent an acceptable minimal level of risk, and have not yet adversely affected equipment operational readiness rates. The service officials attribute the lack of adverse effects to funding levels; the levels of depot maintenance execution; and the reductions to the force levels, which have made more equipment available to the remaining forces.

37. "Defense Contracting: Contractor Claims for Legal Costs Associated With Stockholder Lawsuits," July 1995, GAO/NSIAD-95-166.

a. Summary.—In response to a congressional request, GAO asked the Defense Contract Audit Agency (DCAA) for its views on allowing the reimbursement of legal costs resulting from stockholder derivative lawsuits associated with defense contractor wrongdoing. The Major Fraud Act of 1988 and the Federal Acquisition Regulation (FAR) addresses the allowableness of defense contractors' legal fees and other proceeding costs related to litigation with the Federal Government. However, neither the act nor the FAR expressly addresses the allowableness of legal costs associated with stockholder derivative lawsuits based on prior corporate wrongdoing. DCAA performs contract audit functions for the Department of Defense (DOD) and provides accounting and financial advisory services to DOD components responsible for procurement and contract administration. In addition, DCAA audits costs and makes recommendations regarding the allowableness of cost claimed or proposed by contractors. This report includes information on (1) defense procurement fraud cases; (2) Defense Contract Audit Agency's (DCAA) policy on the allowableness of legal fees associated with stockholder derivative lawsuits; and (3) the number of stockholder lawsuits associated with defense contractor wrongdoing.

b. Benefits.—DCAA responded that the Federal Acquisition Regulation (FAR) contained no cost principle dealing specifically with

the allowableness of legal fees associated with defending against stockholder derivative lawsuits. DCAA concluded, however, that such costs were unallowable under the FAR cost principle on reasonableness of costs when the lawsuit was based on contractor wrongdoing. As a result, DCAA issued audit guidance in April 1995 that specifically dealt with these costs. From October 1988 through December 1994, 72 cases arose involving procurement fraud associated with firms on the Defense Department's Top 100 Contractors list. It is not apparent, however, that claiming reimbursement for stockholder derivative legal costs is a common practice.

38. *"Space Shuttle: Declining Budget and Tight Schedule Could Jeopardize Space Station Support," July 1995, GAO/NSIAD-95-171.*

a. Summary.—NASA plans to use the space shuttle on 21 flights during a 5-year period to transport station components into orbit for assembling the space station. The shuttle is necessary because it is the only U.S. launch vehicle capable of carrying humans into space. As a result, the shuttle will have to be substantially redesigned to gain additional lift capability. At times, only two of the four shuttles will be available for station assembly. One shuttle, *Columbia*, cannot provide adequate lift and one of the remaining shuttles will be undergoing scheduled maintenance during some portions of the assembly schedule. The space station has been redesigned in March 1993, and is now called the International Space Station because it combines the efforts of Europe, Japan, Canada, Russia, and the United States.

b. Benefits.—NASA's plans for increasing the shuttle's lift capability are complex and challenging, involving about 30 separate steps, including hardware redesigns, improved navigational or flight design techniques, and new operational procedures. Further difficulties are possible. NASA's schedule for meeting the space station's launch requirements appear questionable—particularly during a period of shrinking budgets. Delays in the launch schedule could substantially boost the space station's cost. Under the shuttle's modification and launch enhancement program, NASA will defer some recertification activities and will forgo full integration testing of the propulsion system. NASA plans to assess the implications of the design changes through a combination of tanking and component tests and systems analysis. Because of the magnitude and the complexity of the shuttle enhancement program, GAO urges additional measures to ensure that (1) the implications of integrating many individual design changes are fully understood and (2) safety is not compromised.

39. *"Law Enforcement Support Center: Name-Based Systems Limit Ability To Identify Arrested Aliens," August 1995, GAO/AIMD-95-147.*

a. Summary.—Identifying persons arrested for aggravated felonies as aliens is critical to joint efforts by the Immigration and Naturalization Service (INS) and local law enforcement agencies to prevent the release of these persons before INS can take action. To meet this requirement, INS established the Law Enforcement Support Center (LESC), whose pilot operations began in July 1994.

When individuals arrested for aggravated felonies identify themselves as being foreign-born, the local law enforcement agency (LEA) sends a request to LESC to determine whether these individuals are aliens and, thus, possibly subject to deportation. This report discusses whether (1) LESC, using the INS name-based data bases, can identify individuals arrested for aggravated felonies as aliens; (2) other INS initiatives will allow identification of aliens arrested for aggravated felonies; and (3) criminal alien information in two of INS' data bases is complete and accurate.

b. Benefits.—GAO determined that INS dependance on LESC for providing identification of aliens who were arrested for aggravated felonies is inherently limited by the name-based systems that it depends upon. Until INS successfully implements a system that identifies persons on the basis of biometric information, such as fingerprints, the INS planned move to an automated fingerprint data base is intended to address the need for better ways to identify persons who will be processed for either enforcement or benefit purposes. Further, accurate and complete criminal alien data in INS' Deportable Alien Control System and the Central Index System are essential. Unless INS data reliability problems are resolved, INS risks making decisions on the basis of inaccurate and incomplete information.

40. "Juvenile Justice: Juveniles Processed in Criminal Court and Case Depositions," August 1995, GAO/GGD-95-170.

a. Summary.—According to the Justice Department, juveniles are committing increasing numbers of serious crimes, such as murder and aggravated assaults. The number of juvenile court cases involving these offenses rose 68 percent from 1988 to 1992. Each State has at least one of three methods—judicial waiver, prosecutor direct filing, and statutory exclusion (State laws requiring the transfer of juveniles for some crimes)—available for transferring juveniles to criminal court. In recent years, many States have changed their laws to expand the criteria under which juveniles may be sent to criminal court. This report discusses (1) the frequency with which juveniles have been sent to criminal court; (2) the juvenile conviction rates and sentences in criminal court; (3) the dispositions of juvenile cases in juvenile court; and (4) the conditions of confinement for juveniles held in adult prisons.

b. Benefits.—GAO's analysis of nationwide estimates from the National Center for Juvenile Justice (NCJJ) showed that juvenile court judges transferred to criminal court less than 2 percent of juvenile delinquency cases that were filed in juvenile court from 1988 to 1992. According to the Bureau of Justice Statistics' 1989 and 1990 Offender Based Transaction Statistics (OBTS) data from seven States, conviction rates of juveniles prosecuted in criminal court for serious violent, serious property, and drug offenses varied within and among States. The incarceration rates varied dramatically from 3 percent in California to 50 percent in Vermont. Additionally, many juveniles were placed on probation in juvenile court. For example, in 1992, juveniles in 43 percent of approximately 744,000 formal delinquency cases were placed on probation. Of the remaining 57 percent of juvenile cases, 27 percent were dismissed, and 17 percent of the juveniles were placed in a residential treat-

ment program, and 12 percent of them received some other disposition such as restitution, fines, or community service. About 1 percent were transferred to criminal court. In the four States that GAO visited, juveniles sentenced to adult prisons generally were to be subject to the same policies and procedures as adults; however, in three of the four States visited, younger inmates were housed in separated prisons. At all facilities, juveniles generally were to be provided with the same health services; afforded the same educational, vocational, and work opportunities and provided access to the same recreational facilities as older inmates.

41. "Defense Restructuring Costs: Payment Regulations Are Inconsistent With Legislation," August 1995, GAO/NSIAD-95-106.

a. Summary.—Section 818 of the National Defense Authorization Act for Fiscal Year 1995 governs payments made by the Defense Department (DOD) to contractors for costs associated with business combinations, including mergers and acquisitions. Normally, after a business combination, a new company will undertake restructuring activities, such as closing plants, eliminating jobs, and relocating workers. Section 818 prohibits payment of restructuring costs until DOD officials certify that projected savings from the business combination are based on audited cost data and should reduce costs to DOD. Section 818 also requires the Secretary of Defense to report annually on DOD experience with business combinations, including whether savings associated with each restructuring actually exceed costs. In response to section 818 requirements, DOD issued interim regulations on restructuring costs effective December 29, 1994. This report reviews the regulations to determine whether they (1) are consistent with section 818, applicable procurement laws, and the Federal Acquisition Regulation (FAR) and (2) ensure that restructuring costs are paid only when in the best interests of the United States.

b. Benefits.—DOD regulations do not comply with section 818 requirements because all restructuring costs associated with defense contractor business combinations, for which contractors may be reimbursed, will not be subject to the section's certification requirements. By excluding some restructuring costs that should be subject to section 818 certification requirements, DOD cannot ensure that payment of these costs are made only when in the best interests of the United States. Further, the regulations cannot ensure that DOD will be able to meet the section's annual reporting requirements to Congress. Moreover, DOD plans to pay restructuring costs up to the amount of savings projected to result from a business combination, which would result in the payment of those costs without significant projected savings to DOD.

42. "Military Bases: Case Studies on Selected Bases Closed in 1988 and 1991," August 1995, GAO/NSIAD-95-139.

a. Summary.—As part of an earlier review of 37 bases closed by the first two base realignment and closure rounds, GAO reported in late 1994 on expected revenues from land sales, resources requested from the Federal Government, and issues delaying reuse planning. GAO collected more information on reuse planning and implementation at the 37 bases. This report provides updated sum-

maries on the planned disposal and reuse of properties, successful conversions, problems that delayed planning and implementation, and assistance provided to communities. GAO also profiles each of the 37 installations.

b. Benefits.—Under current plans, over half of the land will be retained by the Federal Government because it (1) is contaminated with unexploded ordinance; (2) has been retained by decisions made by the base realignment and closure commissions or by legislation; or (3) is needed by Federal agencies. Most of the remaining land will be requested by local reuse authorities under various public benefit transfer authorities or the new economic development conveyance authority. Further, reuse efforts by numerous communities are yielding successful results. Military airfields are being converted to civilian airports, educational institutions are being established in former military facilities, and wildlife habitats are being created that meet wildlife preservation goals while reducing the Department of Defense's environmental cleanup costs. However, some communities are experiencing delays in reuse planning and implementation. This is due to failure within the local communities to agree on reuse issues, developments of reuse plans with unrealistic expectations, and environmental cleanup requirements. In order to help alleviate some of these problems the Federal Government has made available over $350 million in direct financial assistance to communities. In addition, DOD's Office of Economic Adjustment has provided reuse planning grants, the Department of Labor has provided job training grants, and the Federal Aviation Administration has awarded airport planning and implementation grants.

43. "Inventory Management: DOD Can Build on Progress in Using Best Practices To Achieve Substantial Savings," August 1995, GAO/NSIAD-95-142.

a. Summary.—In a series of five recent reports, GAO discussed the Defense Department's (DOD) efforts to adopt modern logistics practices to better manage its $22 billion in inventory of consumable items, such as food, clothing, and industrial supplies. As of September 1994, consumable items accounted for only 29 percent of DOD's $74 billion in secondary inventory value, but for 88 percent of the total items. This report discusses (1) the extent to which DOD has adopted the specific practices that GAO recommended for consumable items; (2) the savings and benefits being achieved through the use of these practices; and (3) DOD's overall progress in improving consumable item management.

b. Benefits.—While DOD has taken steps to improve its logistics practices and reduce consumable inventories, it could do more to achieve substantial savings. DOD can make the most improvements with hardware items because it continues to store large amounts of items (such as bolts, valves, and fuses) that cost millions of dollars to manage and store. DOD's inventories of hardware items existing in 1992 are expected to decrease only 20 percent by 1997. In contrast, private sector companies, have reduced similar inventories by as much as 80 percent and saved millions in associated costs by using "supplier parks" and other techniques that give established commercial distribution networks the respon-

sibility to manage, store, and distribute inventory on a frequent and regular basis directly to end-users. If DOD were to adopt these innovative commercial practices, hardware inventories and related management costs could be significantly reduced. However, DOD has taken steps that use prime vendors to supply personnel items directly to military facilities. By 1997, with the expanded use of prime vendors and by eliminating obsolete and unnecessary items, DOD expects to reduce personnel (medical, food, and clothing) item inventories 53 percent from 1992 levels. DOD's most successful program to date uses prime vendors at approximately 150 military medical facilities, which has reduced overall wholesale pharmaceutical inventories by $48.6 million and has achieved inventory reductions and cost savings at medical facilities. Finally, if DOD took similar steps with its prime vendor program and consistently applied it within each service, the current savings could be significantly increased.

44. "U.S.-Japan Cooperative Development: Progress on the FS–X Program Enhances Japanese Aerospace Capabilities," August 1995, GAO/NSIAD–95–145.

a. Summary.—In 1988, the United States and Japan agreed to cooperatively develop the FS–X fighter plane, which is a significantly modified derivative of the United States Air Force's F–16 Block 40 fighter aircraft. Congress has been concerned about the transfer of United States technology to Japan through the FS–X program and whether the program will provide the United States with useful technology. As a result, Congress requested that GAO monitor and periodically report on the implementation of the FS–X program. This report examines (1) the program's status; (2) United States Government and contractor controls over technical data and hardware provided to Japan for the program; (3) the transfer of program technology from Japan to the United States; and (4) the benefits that the program has provided to the Japanese and United States aerospace industries.

b. Benefits.—The FS–X development program entered the prototype production phase in April 1993. The first prototype flight is currently scheduled for late summer 1995, a delay of about 2 years from earlier estimates. The adequacy of United States Controls of the transfer of technology and hardware to Japan has varied. Japan is obtaining F–16 technical data from the United States Air Force, as well as, technologies and FS–X subsystem items from United States companies under export licenses. However, there is inadequate sharing of licensing information among U.S. Government entities on these and related exports to ensure (1) compliance with DOD releasability guidelines or (2) that FS–X items are properly categorized as derived or non-derived. On the other hand, the United States has gained more access to Japanese FS–X technologies since GAO's June 1992 FS–X review, although some issues remain unresolved. Further, Japan has been reluctant to transfer data for certain systems to the United States and is seeking to limit technology transfer to the United States for those systems by reclassifying them as non-derived. Finally, no one currently knows what benefits, if any, Japanese technologies will provide to the United States. United States officials believe that better coordina-

tion between United States defense contractors is necessary to effectively evaluate and apply Japanese FS–X technologies.

45. "Poland: Economic Restructuring and Donor Assistance," August 1995, GAO/NSIAD–95–150.

a. Summary.—Since the reform process began in central and eastern Europe in 1989, Poland has undertaken some of the most dramatic economic reforms in the region. Although the United States now has assistance programs in several central and east European countries, Poland has received the largest share of that assistance. This report (1) assesses the status and the progress of the country's economic restructuring in the key areas of macroeconomic stabilization, foreign trade and investment, privatization, and banking; (2) discusses the role that donors have played in the transformation process; and (3) identifies lessons learned that could be useful to other transition countries.

b. Benefits.—Poland has made substantial progress in stabilizing and restructuring its economy. The International Monetary Fund and other major donors played an important role in the early stages of the reform process by requiring Poland to adopt tough macroeconomic reforms in return for receiving substantial donor assistance. Although Poland's own efforts to implement tough reform measures and apply consistent macroeconomic policy over several years have been the critical factors in the country's economic recovery. Further, Poland has achieved significant increases in its exports to the West and a number of foreign companies have recently made significant investments in Poland. However, trade barriers hamper Poland's exports of certain products to the European Union, and a number of internal obstacles continue to impede foreign investment. Donor assistance has had only a marginal impact in facilitating trade and investment. In moving toward privatizing its economy, Poland's progress has been mixed. The country's economic reforms have resulted in a rapidly growing private sector, but significant portions of the Polish economy remain in the hands of the government. Continuing, Poland has fundamentally reformed its banking sector, but several major problems remain, including delays in bank privatization, unclear policies regarding the licensing of foreign banks, inadequate banking expertise and bank supervision skills. Donors have provided key financial support for recapitalizing Poland's state-owned banks and restructuring their problem loan portfolios. However, despite the progress that has been made, Poland is still struggling to overcome relatively high rates of inflation and unemployment. Poland's transition experience offers a number of lessons that merit consideration by countries such as Russia, Ukraine, and others not as far along the reform path as Poland. These lessons suggest that while donor assistance can be important in supporting economic restructuring efforts in certain key areas, the ultimate success or failure of such efforts is far more dependent upon the actions of the transition country than it is upon those of outside participants.

46. "Financial Audit: Expenditures by Six Independent Counsels for the Six Months Ended March 31, 1995," September 1995, GAO/AIMD-95-223.

a. Summary.—This report presents the results of GAO's audit of expenditures reported by six independent counsels for the 6 months ended March 31, 1995, as well as, the consideration of the internal control structure for this audit period. The internal controls of the independent counsels were tested with regard to safeguarding assets against loss from unauthorized use or disposition, assuring the execution of transactions in accordance with management authority, laws, and regulations; and properly recording, processing, and summarizing transactions to permit the preparation of expenditure statements in accordance with the applicable basis of accounting. GAO also discusses the evaluation of the counsels' compliance with laws and regulations for the 6 months ending on March 31, 1995.

b. Benefits.—GAO found that the statements of expenditures for independent counsels Arlin M. Adams, Joseph E. DiGenova, Robert B. Fiske, Jr., Donald C. Smaltz, Kenneth W. Starr, and Lawrence E. Walsh were reliable in all material respects. However, GAO also did limited tests of internal controls and discovered a material weakness in internal controls over reporting of expenditures. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low risk that errors or irregularities in amounts that would be material to the expenditure statements and may not be detected promptly by employees in the normal course of their duties. GAO's audit tests for compliance with selected provisions of laws and regulations disclosed no instances of noncompliance that would be reportable under generally accepted government auditing standards.

47. "Foreign Direct Investment: Review of Commerce Department Reports and Data-Sharing Activities," September 1995, GAO/GGD-95-242.

a. Summary.—This is GAO's final report on the Secretary of Commerce's first three annual reports on foreign direct investment in the United States. GAO: (1) assesses the extent to which Commerce's second and third reports—issued in 1993 and 1995—fulfilled their requirements under the law and responded to recommendations made in a 1992 GAO report; (2) reviews the process by which Federal agencies collect data on foreign direct investment; (3) reviews the status and processes of the data exchanges, or links, initiated by the Financial Data Improvements Act of 1990 between the Commerce Department's Bureau of Economic Analysis and the Labor Department's Bureau of Labor Statistics; and (4) evaluates the extent to which implementation of the act has improved public information on foreign direct investment in the United States.

b. Benefits.—The 1993 and 1995 reports included discussion of all the data requirements of the 1990 act for which data exists, and responded to the recommendations in our 1992 report. In addition, GAO found that the two reports adequately presented the Commerce Department's analysis and findings. Overall, the Commerce reports' analyses and conclusions relating to the effects of foreign

direct investment in the United States (FDIUS) on the U.S. economy were thorough and reasonable. The U.S. Government collects data on foreign investment principally through the Commerce Department. The Commerce Department's Bureau of Economic Analysis (BEA) obtains information on (FDIUS) through four survey questionnaires that require U.S. affiliates of foreign firms to report on a wide range of financial and operating data. The BEA-census and the BEA-Bureau of Labor Statistics (BLS) data-sharing efforts, initiated by the 1990 act, have generated data on U.S. affiliates of foreign firms at a greater level of industry specificity than was previously available. This data has enabled Commerce to provide a richer description of U.S. affiliates' activities and to draw more meaningful comparisons between their operations and those of other U.S. firms without imposing their burdens on survey respondents. The Commerce Department's FDIUS reports and the data-sharing activities between BEA, Census, and BLS have largely fulfilled the purpose of the 1990 act by improving the quality and quantity of Federal Government data on FDIUS.

48. "Combat Identification Systems: Changes Needed in Management Plans and Structure," September 1995, GAO/NSIAD–95–153.

a. Summary.—The military services are pursuing a number of solutions that should help reduce the occurrence of friendly fire incidents. One class of systems being pursued under Army and Navy led efforts are cooperative identification of friend or foe (IFF) question and answer (Q&A) systems. Because the services are approaching major decision points in the acquisition process for these systems, GAO reviewed their management plans and structures for cooperative IFF Q&A systems development and integration.

b. Benefits.—The Army and the Navy have failed to fully consider how to integrate their independently developed systems to identify friend from foe on the battlefield and thus reduce fratricide incidents. Moreover, these systems, which could cost more than $4 billion, are limited to identifying "friends" equipped with compatible identification systems. GAO recently learned that the Army plans to acquire more near-term millimeter wave cooperative identification systems without analyzing whether the system can be integrated into the mid- and long-term solutions—as GAO recommended in an October 1993 report. The Army plans to acquire another 115 near-term systems at a cost of nearly $24 million. The Defense Department and the Army are concerned about the affordability and cost-effectiveness of the near-term system, and it may never be fully fielded for these reasons. The Army's plan risks wasting millions of dollars on a system that may never be procured.

49. "Aircraft Requirements: Air Force and Navy Need To Establish Realistic Criteria for Backup Aircraft," September 1995, GAO/NSIAD–95–180.

a. Summary.—Since 1977, many audits by the Defense Department (DOD) and GAO have pointed out that the military services overstate the number of backup fighter and attack aircraft needed for training, test, and evaluation, and to replace combat aircraft

that are lost through attrition or are being repaired. At the end of fiscal year 1993, the Air Force and the Navy/Marine Corps maintained nearly 3,000 fighter and attack aircraft and about 1,600 similar, equally capable backup planes. In response to congressional concerns that backup forces are not efficiently managed and that this had adversely affected funds available for combat forces, this report identifies (1) trends in the number of backup aircraft maintained by the services; (2) steps that the military has taken in response to recommendations made by GAO and others to validate backup aircraft requirements; and (3) opportunities to remove unneeded backup aircraft from the force to minimize the cost of operating and maintaining combat aircraft.

b. Benefits.—The Air Force and the Navy/Marine Corps operate and maintain about one backup aircraft for every two combat-designated fighter/attack aircraft. The Air Force's and the Navy/Marine Corps' plans to reduce the size of the combat-designated aircraft forces will, if implemented, essentially achieve the bottom-up review's force level goals by the end of the fiscal year 1996. Backup forces will also be reduced but will still make up about one-third of all fighter/attack aircraft operated and maintained by the services. The Air Force has not developed supportable criteria for structuring and managing the backup forces and justifying the procurement of backup aircraft. The Navy/Marine Corps have begun to revise their criteria. Realistic criteria is essential because both the Air Force and the Navy plan to buy expensive new aircraft systems in the near future—the F–22 and the F/A–18E/F, respectively. If realistic criteria for backup aircraft are not established soon, the Air Force and the Navy could buy more aircraft than needed. Finally, if attrition aircraft in excess of short-term needs were stored until needed, the Air Force could reduce operation and maintenance costs.

50. "Weapons of Mass Destruction: DOD Reporting on Cooperative Threat Reduction Assistance Can Be Improved," September 1995, GAO/NSIAD–95–191.

a. Summary.—In 1991, Congress authorized the Defense Department to help the former Soviet Union (1) destroy nuclear, chemical, and other weapons of mass destruction; (2) transport, store, and safeguard such weapons in connection with their destruction; and (3) prevent the proliferation of such weapons. Under the Cooperative Threat Reduction program, DOD manages various projects to help Balarus, Kazakhstan, Russia, and Ukraine—the four republics that inherited the former Soviet Union's weapons of mass destruction. This report examines whether DOD had (1) made progress in auditing and examining program aid; (2) listed its planned audit and examination efforts to be carried out during fiscal year 1995; (3) compiled a list describing the current location and condition of program assistance; and (4) provided a basis for determining whether the assistance was being used for the purposes intended.

b. Benefits.—DOD made some progress in the Cooperative Threat Reduction (CTR) program's first year of audit and examination activities. DOD has worked to resolve recipient nations' concerns over audit and examination implementing procedures; conducted five audits at sites in three countries as of July 1995, and planned an

audit every month of other CTR-provided assistance through the end of the fiscal year 1995.

However, in reviewing DOD's report to Congress, GAO found the following shortcomings:

(1) The report does not fully represent all of DOD's audit and examination activities for the fiscal year 1995, as required, and does not describe how DOD plans such activities.

(2) The report does not describe the condition of the assistance, as required, and contains outdated and inaccurate listings of CTR assistance deliveries. While the report is dated January 5, 1995, it was not issued until May 31, 1995. Moreover, the list of CTR deliveries that the report includes is dated February 2, 1995. After that date and through May 1995, DOD delivered CTR aid worth over $38 million.

(3) The limited number of projects DOD reviewed raises questions about the basis for DOD's programwide determination that CTR assistance—with one classified exception—has been accounted for and used for its intended purpose. According to DOD's report, this determination was based on information on 9 of the 23 projects for which CTR-provided assistance was being used. Of these nine projects, only three had actually been audited. Other sources of information for the projects included random observations by U.S. technical teams, recipient-provided data, and national technical means.

51. "Unexploded Ordinance: A Coordinated Approach To Detection and Clearance Is Needed," September 1995, GAO/NSIAD-95-197.

a. Summary.—Inexpensive improvements in mine design; the unique challenges posed by clearing large areas, such as farmland, in Third World countries; and the difficulty of controlling the proliferation of antipersonnel landmines have thwarted U.S. technological efforts to detect and clear unexploded ordinance, which kills an estimated 30,000 people around the world each year. Many of the victims are civilians, including children, who are killed years after hostilities have ceased. This report reviews the extent of ordinance problems. GAO (1) reviews the extent to which the Defense Department's and other agency's requirements and associated research and development could be applied to clearance problems elsewhere in the world; (2) assesses the ability of existing or foreseeable technologies to detect and clear landmines and other unexploded ordnance (UXO); and (3) identifies barriers that could impede the progress or output of this technology.

b. Benefits.—U.S. research and development for UXO detection and clearance technology are broader today than they were during the cold war years and thus have more in common with the worldwide problem. With the dissolution of the Soviet Union, United States requirements have evolved that have more in common with area clearance than "breaching" or making paths through minefields during combat. These new requirements include clearing (1) U.S. military sites of UXO and other hazards, and (2) areas and roads needed for conducting operations other than war, such as peacekeeping. Such broader requirements make it likely that research and development sponsored by DOD will have more direct

application to the clearance problems faced by Third World countries. The technologies available today to clear wide areas are inadequate and cannot keep pace with the number of landmines being emplaced annually. For example, the United Nations estimated that in 1993, 2.5 million mines were emplaced, while only 80,000 were removed. The most effective techniques, such as hand-held probes and metal detectors, are time-consuming, expensive, and labor-intensive. While heavy mine clearing equipment, such as plows, are suited to breaching paths, it is not practical for clearing large areas. Several factors limit the potential output from U.S. investment in technologies related to the detection and clearance of landmines and other forms of UXO. For one, there is no overarching, government wide strategy or organization that exists to ensure that the most is gained from these various efforts. Moreover, it is difficult to estimate if the level of funding for applicable technologies is sufficient. Other barriers to technical solutions include the relative ease with which inexpensive improvements in mine designs have outstripped detection and clearance methods, the unique area clearance challenges Third World countries pose, and the difficulty of controlling the proliferation of antipersonnel landmines.

52. *"1996 DOD Budget: Potential Reductions to Operation and Maintenance Programs," September 1995, GAO/NSIAD-95-200BR.*

a. Summary.—This report evaluates the military services' and Department of Defense's (DOD) fiscal year 1996 operation and maintenance (O&M) budget requests totaling $70.3 billion. GAO reviewed selected O&M accounts for U.S. Army, Europe (USAREUR); U.S. Forces Command (FORSCOM); U.S. Air Forces, Europe; Air Combat Command; Air Material Command; and the Atlantic and Pacific Fleets. They also reviewed selected activities managed at the headquarters of the Army, Navy, and the Air Force, as well as some DOD-managed activities. Specific programs were included because (1) O&M funding levels are increasing; (2) GAO's ongoing or issued reports identified O&M implications; or (3) congressional committees have expressed a specific interest in the program.

b. Benefits.—GAO identified potential reductions of $4.9 billion to the fiscal year 1996 operation and maintenance budget requests, which totaled $70.3 billion, from the military services and the Defense Department (DOD). In addition, GAO notes that funding for the Partnership for Peace program, which is designed to encourage joint training and military exercises with NATO forces and to promote greater partner interoperability, is divided between the DOD and State Department budgets. As a result, no one congressional committee has complete oversight to ensure that the program's efforts are effective and not duplicative. The fiscal year 1996 operation and maintenance budget request from DOD earmarks $40 million for program expenses, including an information management system, regional airspace initiative, defense resource management program, and unit exchanges. Meanwhile, the State Department is requesting $60 million for this same program.

53. "Future Years Defense Program: 1996 Program Is Considerably Different From the 1995 Program," September 1995, GAO/NSIAD–95–213.

a. Summary.—This report compares the Defense Department's (DOD) fiscal year 1996 Future Years Defense Program (FYDP) with the program for fiscal year 1995. Specifically, GAO discusses (1) what major program changes were made from 1995 to 1996; (2) what the implications of these changes are for the future; and (3) whether the 1996 program complies with statutory requirements.

b. Benefits.—The fiscal year 1996 FYDP, which covers fiscal years 1996–2001, is considerably different from the 1995 FYDP, which covers fiscal years 1995–1999. First the total program increased by about $12.6 billion in the 4 common years of both plans. Second, approximately $27 billion in planned weapon system modernization programs for these 4 years have been eliminated, reduced, or deferred to the year 2000 and beyond. Third, the military personnel, operation and maintenance, and family housing accounts increased by over $21 billion during the common period. The net affect is a more costly defense program, despite substantial reductions in DOD's weapon modernization programs between 1996 and 1999. As a result of these changes, Defense plans to compensate for the decline in procurement during the early years of the 1996 FYDP by substantially increasing procurement funding in 2000 and 2001. The Secretary of Defense plans to pay for this increase with a combination of savings achieved from infrastructure reductions, acquisition reforms, and from real budget growth. The additional budget amounts are expected, in part, to lessen the need for Defense to reduce or defer weapon modernization programs to meet other near-term readiness requirements. Congress will specify how Defense is to spend some of the added funds; however, DOD may have an opportunity to restore some programs that were reduced to the year 2000 and beyond. Moreover, the additional funding could mitigate the need for DOD to increase out-year budgets. The fiscal year 1996 FYDP was submitted in compliance with applicable legislative requirements.

54. "Discrimination Complaints: Monetary Awards in Federal EEO Cases," January 1995, GAO/GGD–95–28FS.

a. Summary.—Federal employment discrimination complaints are resolved in various ways. For example, an agency may provide a complainant with appropriate training if training is at issue. Another way to resolve a complaint, which is very common, is to provide the complainant with monetary relief through back pay, which gives the victim of discrimination the salary he or she would have received had the alleged discrimination not occurred. Further, Federal employment discrimination complaints are handled through administrative procedures and the courts. When a lawsuit is filed, any resulting monetary relief is generally paid from the Judgement Fund. However, in some cases the monetary relief is paid by the discriminating agency. Additionally, a prevailing party in a discrimination case at the administrative or judicial level can receive reasonable attorney fees and costs.

b. Benefits.—Although exact payment figures are not readily available, GAO found that Federal agencies and the Judgement

Fund paid at least $87.4 million to Federal workers and their attorneys since fiscal year 1989 as a result of Federal equal employment opportunity cases. Of that amount, $30.6 million was paid in fiscal years 1993 and 1994. Much of the $87.4 million was back pay to Federal employees. However, at least $30.5 million was for attorney fees and costs. Of that amount, $8.7 million was paid in fiscal years 1993 and 1994.

55. "Missile Development: Status and Issues at the Time of the TSSAM Termination Decision," January 1995, GAO/NSIAD-95-46.

a. Summary.—The Tri-Service Standoff Attack Missile (TSSAM) program—a $13.7 billion effort to develop and acquire a stealthy, conventional, medium-range cruise missile—has been plagued by significant technical problems, cost growth, and schedule delays. In May 1994, the Defense Department began restructuring the program after a series of flight test failures and unresolved technical problems. On December 9, 1994, the Secretary of Defense announced plans to cancel the program because of significant development difficulties and growth in the expected unit cost for each missile. This report provides pertinent information on the History and status of the TSSAM program at the time of the Secretary's announcement for use by Congress as it reviews the termination decision.

b. Benefits.—Unsuccessful flight test results, particularly over the last 2 years, made attainment of TSSAM's very high reliability requirement questionable. A reliable improvement program has been initiated to address this problem, but demonstration of whether problems would have been resolved would have taken several years. The acquisition of more test missiles would have added nearly $300 million to the program's estimated development cost but provide little, if any, assurance of TSSAM performance and reliability before the critical early production decisions. Moreover, the total TSSAM program cost increased from an estimated $8.9 billion in 1986 to $13.7 billion in 1994, and the total number of missiles to be produced decreased by over 50 percent. During the same period, estimated procurement unit costs increased from $728,000 to over $2 million. Additionally, declining budgets and changes in threat had prompted the services to consider alternative systems. DOD's March 1994 Cost and Operational Effectiveness Analysis (COEA) concluded that TSSAM was the most cost-effective weapon among several alternatives, principally because of its success in high-threat situations. However, the analysis showed some alternative weapon systems performed well in less demanding situations and might be adequate to meet existing national security requirements.

56. "Department of Energy: National Laboratories Need Clearer Missions and Better Management," January 1995, GAO/RCED-95-10.

a. Summary.—The Energy Department's (DOE) national laboratories have made vital contributions to the Nation's defense and to civilian science and technology efforts. However, the national laboratories today lack clearly defined missions and suffer from poor

coordination to solve national problems. As a result, DOE has underutilized the laboratories' talents to tackle complex issues and these institutions may be unprepared to meet future expectations. GAO raises questions about the laboratories' ability to help the United States meet its changing defense needs at the end of the cold war and compete against growing foreign competition in technology.

b. Benefits.—DOE's laboratories do not have clearly defined missions that focus their considerable resources on accomplishing the Department's changing objectives and national priorities. DOE has not coordinated these laboratories' efforts to solve national problems but has managed each laboratory on a program-by-program basis. As a result, DOE has underutilized the laboratories' special talents to tackle complex, cross-cutting issues. Additionally, DOE has not acted on recommendations by government advisory groups that they redefine the laboratories' missions to meet changes in conditions and national priorities. Moreover, DOE's day-to-day management of the laboratories—perceived as costly and inefficient by laboratory managers—inhibits the achievement of a productive working relationship between the laboratories and DOE that is necessary if the laboratories are to move successfully into new mission areas. Both laboratory and DOE managers believe that more realistic and consistent priorities are needed to comply with the growing oversight and administrative requirements placed on the laboratories in recent years.

57. "Naval Petroleum Reserve: Opportunities Exist To Enhance Its Profitability," January 1995, GAO/RCED–95–65.

a. Summary.—The Naval Petroleum Reserve in Elk Hills, CA, is jointly owned by the U.S. Government and Chevron U.S.A., Inc. It is now operated by Bechtel Petroleum Operations, Inc., under a contract that expires in July 1995. Chevron believes that it can run the reserve more profitably than the Government can, and in May 1995 it proposed taking over reserve operations. Later, the Energy Department (DOE) suspended negotiations with Chevron on this proposal and recently began to solicit interest from other parties to operate the reserve. This report explores actions that DOE and Congress can now take to improve the reserve's profitability.

b. Benefits.—Three actions could enhance the profitability of the Naval Petroleum Reserve (NPR–1). First, DOE could be allowed to set the rate of production in a way that maximizes profits, which is standard industry practice. In contrast, the production rate of oil and gas at the reserve is currently set by statutory requirement at the rate that can be achieved "without detriment to the ultimate recovery" of the resource—called the maximum efficient rate (MER). Second, making a final decision on how ownership shares in the NPR–1 are distributed between DOE and Chevron could enhance the reserve's profitability by allowing the owners to focus on investments that enhance the venture as a whole. Currently, an open-ended arrangement between Chevron and DOE governs their equity and ownership shares of projection. This open-ended situation has undermined trust and cooperation between the two owners, and both spend a significant amount of resources examining the likely impact of proposed investments on their equity shares

before committing to new projects. As a result, these expenditures and the slowed decisionmaking result in reduced profits. By contrast, standard industry practice calls for operating a mature commercial oil and gas field with the equity shares finalized among the partners so the unit can be developed and production managed in the most profitable manner possible. Finally, adding a clause to the contract between DOE and Chevron to promote risk sharing could help encourage investments that enhance profits. In standard industry practice, sharing such risks is encouraged by a contract's "nonconsent clause," which governs how a partner that does not share the initial risks or costs of a project will be treated. Without such a cause, one partner may decide not to participate in drilling a well but later decide that it wants a share of any resulting profits.

58. "Juvenile Justice: Minimal Gender Bias Occurred in Processing Noncriminal Juveniles," January 1995, GAO/GGD–95–56.

a. Summary.—This report studies gender bias in State juvenile justice systems' handling of status offenders, who are youths and have committed an offense, such as truancy or ungovernable behavior, that would not be a crime if committed by an adult. GAO defines "gender bias" as intentional or unintentional differences in the juvenile justice system's outcomes of female and male status offenders who have similar characteristics, such as age, status offense, and prior offense History. GAO (1) compares the outcome of the intake decisions and the frequency and outcomes of detentions, adjudications, and out-of-home placements of female and male status offenders, and (2) compares the availability of facilities and services for female and male status offenders in selected jurisdictions.

b. Benefits.—GAO concluded that there was minimal gender bias, as they defined it, in processing noncriminal juveniles. According to the National Center for Juvenile Justice's national data, 500,620 status-offender cases were petitioned to juvenile courts in the United States during the 6-year period from 1986 to 1991. Five of the six intake regression models that GAO studied indicated no evidence of gender bias. Similarly, for 14 of the 19 regression models for the detention, adjudication, and placement decisions, results indicated no evidence of gender bias in the juvenile courts' handling of status offenders. However, for the one intake model that exhibited a difference for a specific State, females were more likely to be petitioned to juvenile court than males. For the other five State-specific models—three detention, one adjudication, and one placement—females were less likely to be detained, adjudicated, or placed than males. GAO determined that factors, such as prior offense, history, and source of referral, affected the offenders' outcomes. At the 15 facilities that GAO visited, they found minimal gender-based differences in the availability of counseling, educational, and medical services for females and males, although the extent of such services varied by type of facility. The only gender-based difference we noted involved admission physicals. At two of the female-only group homes, health examinations included testing for sexually transmitted diseases, whereas, at similar male-only fa-

cilities operated by the same organizations, such testing was not done unless requested by the males.

59. "Former Soviet Union: Creditworthiness of Successor States and U.S. Export Credit Guarantees," February 1995, GAO/GGD-95-60.

a. Summary.—Under the 1990 Farm Bill, the Office of General Sales Manager (GSM)–102 program is intended to develop, expand, or maintain U.S. agricultural markets overseas by facilitating commercial export sales of U.S. agricultural products. Under the program, the U.S. Department of Agriculture's (USDA) Commodity Credit Corporation (CCC) may guarantee loans to buy U.S. agricultural exports. Through this program the Soviet Union received $3.74 billion in credit guarantees. After its dissolution, and through September 30, 1993, Russia and Ukraine received credit guarantees equal to $1.06 billion and $199 million, respectively. In this report, GAO (1) considered the general economic and political environment in the former Soviet Union (FSU) and its successor states; (2) reviewed how the Soviet debt crisis developed and the relationship between debt problems, on the one hand, and economic reform and creditworthiness on the other; (3) examined how USDA decisions on providing the FSU/successor states with credit guarantees; and (4) considered the exposure of the (GSM)–102 portfolio to default by the FSU and its successor states.

b. Benefits.—Burdened with debt and plagued by economic and political uncertainties, the successor states of the former Soviet Union are not creditworthy and are at high risk for default on billions of dollars in United States agricultural export credit guarantees. Arrears on the debt of the former Soviet Union have continued to mount since 1989—notwithstanding debt deferral, debt rescheduling, and other foreign assistance provided by creditor nations. Although Western nations have indicated a willingness to provide more debt relief and other assistance, much of this aid depends on Russia's implementing difficult macroeconomic and structural reforms. Whether, and when, Russia can or will implement such reforms is questionable. During the period when the Agriculture Department (USDA) provided more than $5 billion in export credit guarantees to the former Soviet Union, Russia, and Ukraine, USDA's own evaluations found that these states were very risky in terms of their ability to repay such debt. As a result of the large amount of credit guarantees made to the former Soviet Union and its successors and their poor creditworthiness, the export credit guarantee program is heavily exposed to default.

60. "Former Soviet Union: U.S. Bilateral Program Lacks Effective Coordination," February 1995, GAO/NSIAD-95-10.

a. Summary.—Since the Soviet Union was dissolved late in 1991, the newly independent successor states have been trying to develop more efficient, market-based economies and establish democratic governments. The United States has strongly supported this transition, both diplomatically and financially. The structure that the executive branch established to coordinate, manage, and implement U.S. programs to help with this enormous undertaking is both unique and complex. This report (1) identifies the size, scope, and

status of the various United States bilateral programs for the Soviet Union; (2) describes the structures established for coordinating and managing these programs; and (3) describes some of the coordination and structural problems the executive branch has faced.

b. Benefits.—For the fiscal years 1990 through 1993, 19 United States Government agencies committed a total of $10.1 billion for bilateral grants, donation, and credit programs to the former Soviet Union (FSU). During the period, Federal agencies obligated $1 billion and spent $434 million of the $1.8 billion authorized by Congress for grant programs, obligated $1.6 billion, and spent $1.22 billion for the donation program, and made $6.7 billion available for direct loans, guarantees, and insurance agreements. The structure for coordinating and managing U.S. bilateral programs for the FSU starts with the National Security Council's Policy Steering Group chaired by the Deputy Secretary of State. This group is the only place where all U.S. Government policies and programs involving the FSU come together and where all agencies report. Pursuant to the Freedom Support Act, in May 1993, the President designated a Coordinator within the Department of State and charged him with broad responsibility for U.S. bilateral programs with the FSU that included management and implementation of assistant programs, resolving policy and assistance program disputes among U.S. agencies participating in the assistance program, designing overall assistance and economic cooperation strategy for the FSU, and ensuring program and policy coordination amongst agencies. Despite this, GAO found that the State Department Coordinator's role is much more limited. Other groups within the executive branch have equal or greater influence and authority over assistance to the FSU or function autonomously outside the Coordinator's purview. In fact, the only bilateral program wholly within the Coordinator's purview is the program funded by the Freedom Support Act. Additionally, other participants involved with U.S. assistance to the FSU have at times resisted, hindered, or overruled the Coordinator's efforts to develop a coherent and comprehensive assistance program for the FSU. These include Cabinet and other agencies, the Gore-Chernomyrdin Commission and Congress through congressional earmarks. Further, the Coordinator's role has been complicated by the existence of serious disagreement between agencies over various aspects of the program. For example, USAID, a primary implementing agency for Freedom Support Act programs, has been involved in numerous disputes with other government agencies over money and policy.

61. "Federally Funded R&D Centers: Executive Compensation at the Aerospace Corporation," February 1995, GAO/NSIAD–95–75.

a. Summary.—The Aerospace Corporation is a nonprofit mutual benefit corporation that provides scientific and technical support, principally general systems engineering and integration services, for the Air Force and other government agencies. Aerospace runs a federally funded research and development center (FFRDC) sponsored by the Air Force. Aerospace's FFRDC's are funded solely or substantially by Federal agencies to meet special long-term research or development needs that cannot be met as effectively by existing in-house or contracting resources. While compensation to

Aerospace employees is primarily paid from government contracts, which represent over 99 percent of the company's total business revenue. Aerospace compensation is reviewed by the Air Force for reasonableness during its annual contract negotiations. This report discusses the salary and other benefits provided to Aerospace's corporate officers and other senior management personnel and includes information on Defense Contract Audit Agency (DCAA) audits on Aerospace compensation costs and congressional actions regarding FFRDC compensation.

b. Benefits.—As of September 1994, Aerospace employed 32 executives, 12 of whom were corporate officers. The officers' total compensation averaged about $240,000, and their annual salary averaged about $176,000. From September 1991 to September 1994, total salary cost for all Aerospace executives rose 78 percent, primarily due to raises of up to 29 percent for individual executives in 1992 and a 45-percent increase in the number of executives from 1991 to 1994. In addition, Aerospace paid executives hiring bonuses of $30,000 each in 1993. In an audit started in response to Aerospace's June 1992 salary increases, the Defense Contract Audit Agency (DCAA) initially questioned the reasonableness of the salaries and fringe benefits. In its final report, however, DCAA no longer questioned the reasonableness of corporate officers' salaries but recommended that Aerospace provide further support for corporate officers' fringe benefits.

62. "DOD Budget: Selected Categories of Planned Funding for Fiscal Years 1995–99," February 1995, GAO/NSIAD–95.

a. Summary.—GAO identified programs in the Defense Department's (DOD) future funding plans for fiscal years 1995–99 for the following 13 categories: environmental cleanup and restoration, defense conversion, DOD dependents schools and Junior ROTC, basic research, counter-drug efforts, humanitarian and foreign assistance programs, civilians separation pay and military temporary early retirement authority, grants to colleges and universities, operation of the 89th Military Airlift Wing at Andrews Air Force Base, medical education and noncombat-related medical research, support for foreign military sales, antiterrorism activities, and pay and allowances to jailed military personnel.

b. Benefits.—GAO notes that DOD planned to fund about 13 categories when the President submitted his fiscal year 1995 budget in February 1994. More than half of the funds are in the operations and maintenance account, which traditionally has funded combat training and other readiness-related items. The largest part of the remaining funds are in the research, development, test, and evaluation account.

63. "Peace Operations: Information on U.S. and U.N. Activities," February 1995, GAO/NSIAD–95–102BR.

a. Summary.—Peace operations use military forces to help maintain or restore international peace. Peace operations fall into three categories: those seeking to prevent conflict from breaking out, those that seek to compel countries to comply with international sanctions designed to maintain or restore peace and order, and those designed to relieve human misery and suffering. This briefing

report covers (1) the cost and funding of peace operations; (2) the effectiveness of U.N. operations; (3) U.S. policy and efforts to strengthen U.N. capabilities; and (4) the impact of peace operations on the U.S. military.

b. Benefits.—GAO noted that when considering the cost of operations it should be recognized that DOD's financial systems cannot reliably determine costs. For the fiscal year 1994, DOD reported incremental costs for peace operations of $1.9 billion and they estimate a cost of $2.6 billion for 1995. In addition to DOD's costs, the Department of State paid $1.1 billion toward U.S. peacekeeping, the Agency for International Development paid $100 million, and various other agencies paid amounts ranging from several hundred thousand to several million dollars. The United Nations has had limited effectiveness carrying out complex missions such as the U.N. Transitional Authority in Cambodia (UNTAC) and operations that entail the use of force, such as the U.N. Protection Force (UNPROFOR) in Bosnia and U.N. Operations in Somalia (UNOSOM). Although, these operations took place in quite hostile environments. However, several weaknesses of the United Nations limit its ability to effectively undertake such large and ambitious operations. These include weaknesses in leadership, command and control, and logistics. Moreover, the United Nations is ill-equipped to plan, logistically support, and deploy personnel for large missions. The United States is making an effort to remedy these problems by recommending steps to improve the capabilities of the U.N. Department of Peacekeeping Operations and thus provide for effective and efficient peace operations. For example, DOD has detailed military officers, sealift and airlift planners, and budget experts to U.N. headquarters to improve planning and preparation for new and ongoing operations. Peace operations have stressed certain key military capabilities, few of which are in the active component. These include certain Army support services, Air Force specialized aircraft, and the F–4G Wild Weasel, which is used for lethal suppression of enemy radars. However, peace operations have also provided the military forces with valuable experience in joint and coalition operations.

64. "Foreign Assistance: Selected Donors' Approaches for Managing Aid Programs," February 1995, GAO/NSIAD–95–37.

a. Summary.—Congress and the executive branch have been deliberating on how to reform the U.S. foreign assistance program given the rapidly changing global environment and recurring management problems. This report provides information on how six other bilateral donors—Canada, Germany, Japan, Sweden, the Netherlands, and the United Kingdom—and the European Union, a multilateral donor, manage their foreign aid programs. GAO discusses (1) the difficulty of planning in an uncertain environment; (2) common structural dilemmas in foreign aid programs; and (3) common management weaknesses.

b. Benefits.—Careful planning is becoming increasingly important as the worldwide recession, growing deficits, and the resulting budget cuts force most donors to make choices among aid programs and recipients. Aid agencies must balance their governments' development assistance goals with newer foreign aid goals associated

with the environment, U.N. peacekeeping, and democracy. Moreover, the balancing of these goals is then weighed against their governments' self-interests and domestic needs, placing additional pressure on declining aid budgets. In addition to an uncertain environment, there are several common structural dilemmas in foreign aid programs the donors have to overcome. These include (1) ensuring coordination and relieving organizational tension among government agencies, particularly aid agencies and foreign ministries, caused by overlapping jurisdictions and conflicts over aid priorities; (2) increasing institutional specialization as new development problems or functions are turned over to newly created aid agencies; (3) determining the most efficient and effective approaches for in-country representation; and (4) determining how much implementation of development activities should be carried out by nongovernment personnel. Finally, donors have reported long-standing problems with inadequate administrative capacity among aid agencies. Addressing management problems takes on a new urgency now that politicians and the general public are looking for greater evidence of development results. The lack of criteria for measuring project and program results, preoccupation with formulating new projects, and inadequate monitoring of program and project implementation were consistently cited as problems among the donors.

65. "Defense Operations Fund: Management Issues Challenge Fund Implementation," March 1995, GAO/AIMD-95-79.

a. Summary.—The National Defense Authorization Act for Fiscal Year 1995 directed the Secretary of Defense to submit to the congressional defense committees a report on the progress made in implementing the September 1993 Defense Business Operations Fund Improvement Plan by February 1, 1995. GAO has monitored and evaluated the Fund's implementation in February 1991 and its operation since. It was previously reported that the Department of Defense (DOD) had not achieved the Fund's objectives. It was also concluded that the Fund's problems are symptomatic of the weaknesses in DOD's overall financial management environment. This report provides GAO's (1) assessment of DOD's progress in correcting the ongoing problems that have hindered the Fund's operations, and (2) recommendations to the Congress and DOD to address GAO's concerns.

b. Benefits.—The Pentagon faces formidable challenges in overcoming problems plaguing the Defense Business Operations Fund. Many of these shortcomings, such as inadequate financial and accounting systems, are the result of years of neglect and date from the old industrial and stock funds. The Fund's financial systems cannot produce accurate and reliable information on Fund operations. Until these antiquated systems are eliminated, (1) the infrastructure costs of maintaining multiple systems for the same purpose will persist, and (2) the Defense Department (DOD) and Congress will continue to receive inaccurate and unreliable information and Fund operations. Also, the recent decision to devolve cash management abandons one of the Fund's goals. DOD can cut costs only if it is more conscious of operating expenses and makes fundamental improvements in the way it conducts business. Although the Fund is supposed to operate on a break-even basis, it

had not been able to meet this goal. Fiscal year 1994 marked the third consecutive year of reported losses. If top management does not reverse this trend, potential savings from the Fund will not be realized.

66. "Travel Process Reengineering: DOD Faces Challenges in Using Industry Practices To Reduce Costs," March 1995, GAO/AIMD/NSIAD-95-90.

a. Summary.—DOD reported that it spent about $3.5 billion in direct costs and processed about 8.2 million vouchers for temporary duty travel in fiscal year 1993. DOD estimated that it spent 30 percent of direct costs to process temporary duty travel. Defense employees perform various types of travel to carry out mission and business functions. This report focuses on temporary duty travel, which includes travel for business, deployment, and training purposes. DOD's travel processing is done on a decentralized basis. The processing generally includes (1) authorizing the funding and appropriate means of travel and issuing travel orders; (2) arranging transportation, accommodations, and developing itineraries; (3) making travel expenditures, purchasing tickets, and collecting receipts; (4) preparing and processing vouchers based on receipts; and (5) reconciling accounts, auditing vouchers, making payments, and generating management reports. The report includes information on DOD's temporary duty travel processes, estimates of travel costs, and an assessment of DOD's ongoing initiatives to improve its travel processes.

b. Benefits.—With processing costs accounting for at least 30 percent of the $3.5 billion that the Pentagon spent on travel in fiscal year 1993, adopting private industry's "best practices" for travel management could save millions of dollars. DOD's needs to streamline its complex processing system, which involves 700 voucher-processing centers, multiple travel agencies, and more than 1,300 regulations. "Best practices" in the private sector include empowering employees to make travel decisions, reducing the number of travel agents to as few as one, consolidating multiple travel-processing centers into a single facility, and simplifying travel policies to less than 20 pages.

67. "Managing Customs: Efforts Under Way To Address Management Weaknesses," March 1995, GAO/GGD-95-73.

a. Summary.—The U.S. Customs Service enforces trade laws and policies designed to prevent importation of foreign goods that threaten our health and safety. Customs also collects duties, fees, and taxes that have totaled about $20 billion annually in recent years, and Customs is the initial source of trade statistics used in formulating and monitoring our Nation's foreign trade policies. GAO had previously identified, in a December 1992 report, a number of problems that could hinder Customs' ability to meet the challenges of the changing world trade environment. The major problem areas were in (1) mission planning; (2) financial, information, and human resource management; and (3) its organizational structure. Since then Customs has made efforts to improve on these noted problems areas. This report discusses the U.S. Customs Serv-

ice's efforts to address weaknesses GAO identified in the 1992 report and during subsequent reviews.

b. Benefits.—Customs has taken action in each of the problem areas. Some of the more significant efforts include the following:

(1) Customs has revised its 1993 *5-Year Plan* to clarify and set priorities for its trade enforcement objectives, including fully automating its transaction processing and establishing performance accountability measurements for achieving its trade enforcement goal.

(2) It has improved controls over the identification and collection of duties, taxes, fees, and penalties.

(3) It has reorganized its debt collection unit, formalized its collection procedures, and aggressively pursued collection of delinquent receivables.

(4) It has embarked on a reorganization plan to correct institutional problems related to cooperation and coordination among its programmatic units and to ensure consistency in policy implementation.

Although, additional efforts will be needed in Customs' financial and information systems modernization programs, GAO's recent audits of Customs' financial statements disclosed that Customs has improvement efforts under way but had not yet fully resolved many of the financial management problems reported in 1992. Also, these audits identified two areas not identified in the 1992 report. One concerns Customs' inability to detect and prevent duplicate or excessive claims for refunds of duties and taxes paid on imported goods that are subsequently exported or destroyed. The other relates to Customs' inability to prevent or detect unauthorized access and modifications to critical and sensitive data and computer programs.

68. "Defense Health Care: Issues and Challenges Confronting Military Medicine," March 1995, GAO/HEHS–95–104.

a. Summary.—The Defense Department's (DOD) military health care system provides medical services and support both in peacetime and in war to members of the armed forces and their families, as well as to retirees and survivors. Post-cold war planning scenarios, efforts to reduce the overall size of the military, Federal budget cuts, and base closures and realignments have focused attention on how large DOD's health care system is, what its makeup is, how it operates, whom it serves, and whether its missions can be carried out in a more cost-effective way. This report describes the Military Health Services System (MHSS), past problems faced by DOD as it ran the system and efforts to solve those problems, and the management challenges now confronting DOD.

b. Benefits.—The MHSS is one of the Nation's largest health care systems, offering health benefits to about 8.3 million people and costing over $15 billion annually. Its primary mission is to maintain the health of 1.7 million active-duty service personnel and to be prepared to deliver health care during times of war. Past reports about DOD's ability to meet its wartime mission described problems such as inadequate training, missing equipment, and large numbers of nondeployable personnel as serious threats to the Department's ability to provide adequate medical support to deployed

forces. Other problems that have faced DOD in the past decade are increasing costs, uneven access to health care services, and disparate benefit and cost-sharing packages for similarly situated categories of beneficiaries. In response to these challenges, DOD initiated, with congressional authority, a series of demonstration programs around the country designed to explore various means by which it could more cost effectively manage the care it provides and funds. The experiences of these demonstration programs provided many valuable lessons and has enabled DOD to become one of the Nation's leaders in the managed care arena. Additionally, DOD, in 1993, began a nationwide managed care program, called TRICARE, to improve beneficiary access to high-quality care while containing the growth of the system's costs. The program calls for coordinating and managing beneficiary care on a regional basis using all available military hospitals and clinics supplemented by contracted civilian services. As DOD implements the TRICARE program, several operational challenges have emerged. These range from deciding the appropriate authorities of regional health administrators to constructing networks adequate to serve all beneficiaries in each region. Finally, as the Congress and the Department plan for the future, decisions about the appropriate size of the military health care system will be of paramount importance.

69. "Security Clearances: Consideration of Sexual Orientation in the Clearance Process," March 1995, GAO/NSIAD–95–21.

a. Summary.—The requirement for Federal employees who handle classified information to be loyal and trustworthy was an outgrowth of a 1947 Federal loyalty program, established by President Truman during a time of heightened feelings of national security over growing concerns about the communist threat. Executive Order 10450 modified the loyalty program in 1953, requiring that any individual's employment be "clearly consistent with the interests of the national security," and for the first time included sexual perversion as a basis for removal from the Federal service. Federal agencies used the sexual perversion criteria in the early 1950's to categorize homosexuals as security risks and separate them from government service. Agencies could deny homosexual men and women employment because of their sexual orientation until 1975, when the Civil Service Commission issued guidelines prohibiting the government from denying employment on the basis of sexual orientation.

b. Benefits.—GAO found during a review of eight Federal agencies that, in a break with government policy dating to the 1950's, sexual orientation was no longer a factor in issuing security clearances to Federal workers and contractors. Some persons GAO spoke with, however, believed that they had been asked inappropriate questions during the clearance processes. All eight agencies indicated that concealment of any personal behavior that could result in exploitation, blackmail, or coercion was a security concern. However, the treatment of concealment as it relates to sexual orientation varies. Most agencies have eliminated specific questions about sexual orientation, but Defense Department and FBI guidelines treat concealment as a security concern.

70. "Peace Operations: Heavy Use of Key Capabilities May Affect Response to Regional Conflicts," March 1995, GAO/NSIAD–95–51.

a. Summary.—As the number, size, and scope of peace operations have increased in the past several years, the nature and extent of U.S. military participation has changed markedly. Recently, the United States has used more military forces, of an increasingly varied nature, in peace operations in places such as Somalia, Bosnia, Haiti, and Northern and Southern Iraq. These operations often take place for an extended duration, usually occurring in austere environments with little or no infrastructure from which to base and sustain an operation. This report discusses the impact that peace operations have on U.S. military forces, force structure limitations that may affect the military's ability to respond to other national security requirements while engaged in peace operations, and options for increasing force flexibility and response capability.

b. Benefits.—Increasing U.S. involvement in peace operations heavily stresses some U.S. military capabilities, including such support functions as quartermaster and transportation forces and the use of specialized aircraft. Extended participation in multiple or large-scale peace operations could tax the military's ability to carry out the Defense Department's strategy for fighting two nearly simultaneous regional conflicts. Several options exist that could allow DOD to meet the demands of peace operations while responding to its two-conflict strategy. These options include changing the mix of active and reserve forces and making greater use of the reserves and contractors.

71. "Unmanned Aerial Vehicles: No More Hunter Systems Should Be Bought Until Problems Are Fixed," March 1995, GAO/NSIAD–95–52.

a. Summary.—The Hunter is a pilotless aircraft resembling a small airplane that is controlled from a ground station. It is intended to perform reconnaissance, target acquisition, and other military missions by flying over enemy territory and transmitting video imagery back to ground stations for use by military commanders. The Hunter program began in 1989, at an estimated cost of $4 billion, as a joint-service effort in response to congressional concern over the proliferation of Unmanned Aerial Vehicles (UAV) by different services and the need to acquire UAV's that could meet the requirements of more than one service. GAO reviewed the Hunter program to determine (1) whether it has been demonstrated to be logistically supportable; (2) whether its performance deficiencies found in prior testing have been resolved; and (3) whether it represents a valid joint-service effort as mandated by Congress.

b. *Benefits.*—Although the Defense Department (DOD) has spent more than $4 billion to acquire the Hunter Short-Range Unmanned Aerial Vehicle. The aircraft suffers from serious performance problems and has crashed repeatedly during flight tests. The plane's engines, originally designed for a motorcycle, have proven especially unreliable. GAO believes that the plane may prove unsuitable for use by military forces and could require costly contractor maintenance to stay in the air. DOD's recent restructuring of the program would further delay and curtail critical testing while al-

lowing for additional procurement of systems whose performance is so far unproven and possibly defective.

72. *"Foreign Aid: Actions Taken To Improve Food Aid Management," March 1995, GAO/NSIAD–95–74.*

a. Summary.—For over 4 decades the United States has provided agricultural commodity assistance, or food aid, to foreign countries to combat hunger and malnutrition, encourage development, and promote U.S. foreign policy goals. The 1990 Agricultural Development and Trade Act made several major changes in the U.S. food aid program. One of the changes involved providing agricultural commodities to developing countries to enhance their "food security", that is, access by all people at all times to sufficient food and nutrition for a healthy and productive life. Moreover, Title II of the act authorizes food donations in response to famines and other emergencies and food aid grants to private voluntary organizations (PVO) and cooperatives, intergovernmental organizations, and multilateral institutions for nonemergency uses. Another important part of the act is Title III, which gives the Administrator of the U.S. Agency for International Development (USAID) considerable flexibility in designing food aid programs that complement its overall country development activities.

b. Benefits.—A July 1993 GAO report identified several problems with the U.S. Agency for International Development's (USAID) management of its food aid programs. These problems included USAID's lack of criteria and guidance for implementing the programs, USAID's inability to show the impact of food aid on food security, and USAID's failure to account for food aid resources. Among the recommendations GAO made: USAID to establish criteria and guidance on how food aid should be programmed, managed, and accounted for; assess the efficiency of food aid in achieving food security; and evaluate the impact of food aid on food security. USAID has fully or partially implemented 11 of 13 recommendations made in GAO's 1993 report. USAID has yet to (1) establish criteria as to when U.S. procurement and shipping regulations may be waived and (2) report to Congress on the efficiency of food aid in achieving food security.

73. *"Army Reserve Components: Cost, Readiness, and Personnel Implications of Restructuring Agreement," March 1995, GAO/NSIAD–95–76.*

a. Summary.—The Defense Department's bottom-up review concluded that the Army's reserve components should be reduced to 575,00 positions by 1999—a 201,000 decrease since fiscal year 1989. In December 1993, the Defense Department announced a major restructuring of the Army National Guard and the Army Reserve. The Offsite Agreement spelled out how personnel reductions would be distributed among the reserve components. This report evaluates (1) the cost of implementing the agreement; (2) the agreement's impact on reserve components' readiness; and (3) reserve components' efforts to absorb displaced personnel.

b. Benefits.—Implementation of the Offsite Agreement could cost over $180 million. The Army's latest cost estimate is about $85 million. As of now, it is too early to tell how the agreement will affect

readiness for most units. Although GAO estimated the readiness impact for some of the units and determined that 13 units will be replaced by units with lower readiness ratings, 18 units will be replaced by units having the same or higher readiness ratings. Finally, in the three areas affected by the agreement—the 157th Separate Infantry Brigade, aviation units, and special operation units—some of the commands' and units' initiatives, to help affected persons find new units, appear to be working well. Others, however, appear to discourage the transfer of personnel, even if a transfer would result in a more effective use of their skills.

74. "Force Structure: Army National Guard Divisions Could Augment Wartime Support Capability," March 1995, GAO/NSIAD-95-80.

a. Summary.—The Department of Defense (DOD), in its bottom-up review of the Nation's defense needs in the post-cold war era, judged that it is prudent to maintain the capability to fight and win two nearly simultaneous major regional conflicts. In responding to a single conflict during Operation Desert Storm, the Army had difficulty providing support units, even though it deployed only a portion of its total combat force. Because of this experience, GAO examined whether (1) the Army might face similar challenges in supporting the two-conflict strategy; and (2) support capability in certain Army National Guard units could be used to alleviate any potential shortfalls.

b. Benefits.—The Army would be hard-pressed to provide enough nondivisional support units for two nearly simultaneous major regional conflicts. The Army had difficulty providing such units during the Persian Gulf war—a single regional conflict. One option for augmenting the Army's nondivisional support capability is to use existing support capability—units, personnel, and equipment—in the eight National Guard divisions that DOD did not include in the combat force for executing the two-conflict strategy. These divisions contain several support units that are similar or identical to nondivisional support units that were not allocated resources during the 1993 Total Army Analysis. These divisions have many of the same types of skilled personnel and equipment that the nondivisional support units have.

75. "Chemical Weapons: Army's Emergency Preparedness Program Has Financial Management Weaknesses," March 1995, GAO/NSIAD-95-94.

a. Summary.—GAO reviewed how the Army's Chemical Stockpile Emergency Preparedness Program funds (CSEPP)—about $281 million appropriated in fiscal years 1988–94—were spent. GAO has previously reported on problems that the Army experienced in improving the emergency preparedness capabilities of local communities and the ineffectiveness of its management approach. GAO (1) identifies the purposes for which the funds were allocated; (2) determines how funds were spent by States and communities associated with four chemical weapons storage sites; and (3) examines elements of the program's financial reporting and internal control systems.

b. Benefits.—Army and Federal Emergency Management Agency (FEMA) officials lack accurate financial information to identify how funds are spent or to ensure program goals are achieved. However, GAO, by analyzing why funds were allocated and by visiting four States participating in the program, developed a general picture of expenditures. More than $145 million (52 percent) was allocated to States and counties, $127 million (45 percent) was allocated to the Army and FEMA, and almost $8.9 million (3 percent) is unallocated. The State allocations for major program categories were (1) $35.1 million for communications; (2) $28.4 million for alert and notification; (3) $18.3 million for salaries and benefits; (4) $15.8 million for automation; and (5) $12.7 million for emergency operations centers. In general, funds were used for priority items and other critical CSEPP objectives, but not all items are operational or have been purchased. Finally, adequate internal controls to ensure assets are safeguarded and program goals are efficiently and effectively achieved do not exist, leaving the program susceptible to fraud, waste, and abuse.

76. "Background Investigations: Impediments to Consolidating Investigations and Adjudicative Functions," March 1995, GAO/NSIAD–95–101.

a. Summary.—Executive Orders 10450 and 12356, as amended, establish uniform requirements for personnel security programs in the Federal Government. They require agency heads to (1) classify Federal positions for sensitivity in relation to national security and (2) investigate each person as appropriate based on the position's level of access to national security information. These background investigations are used to determine whether an individual meets established criteria for access to classified information. Moreover, Executive Order 10450, as amended, directs the Office of Personnel Management to provide investigative services to Federal agencies except those authorized to conduct their own investigations such as the Departments of Defense and State, the FBI, and the CIA. In this report, GAO collected and analyzed information on (1) the feasibility of one central agency conducting all background investigations or adjudicative functions; (2) Federal agencies' compliance with National Security Directive on single scope background investigations for top secret clearances; and (3) costs of background investigations and number of security clearances.

b. Benefits.—GAO concludes that it may be feasible to have one central agency conduct all background investigations and adjudicative functions. However, most of the nine key Federal agencies that account for 95 percent of the security clearances oppose consolidation. Moreover, several other impediments would have to be resolved. Potential benefits of consolidation include cost savings, fewer oversight agencies, standardized operating procedures and information systems, and more consistency in applying standards. However, consolidation could also result in less agency control over the process, potentially reducing the extent to which an individual agency's requirements and priorities were met. GAO found that Federal agencies were complying with National Security Directive 63 on single-scope background investigations for top secret clearances. The purpose of the directive was to eliminate redundant in-

vestigative practices for granting persons access to top secret and sensitive information. Consistent with the directive, some agencies now require even more background information to meet their missions. For example, the U.S. Secret Service conducts polygraph tests for its agents and employees. In the fiscal year 1993, executive branch agencies spent $326 million on background investigations, $20 million of which went to private sector investigators.

77. *"Military Readiness: Improved Assessment Measures Are Evolving," March 1995, GAO/T-NSIAD-95-117.*

a. Summary.—In recent years, military leaders have expressed concern about the effect on military readiness of (1) the level of current military operations; (2) contingency operations; (3) the shifting of funds to support these operations; and (4) personnel truculence. Questions have also been raised about the ability of the Defense Department's (DOD) readiness-reporting system to provide a comprehensive assessment of overall readiness. In an October 1994 report, GAO examined whether current indicators of readiness adequately reflected the many complex components that contributed to overall military readiness and whether readiness indicators existed that could predict positive or negative changes in readiness.

b. Benefits.—This testimony highlights key findings from that report and discusses some major DOD initiatives to achieve a more comprehensive readiness assessment.

78. *"Navy Shipbuilding Programs: Nuclear Attack Submarine Requirements," March 1995, GAO/T-NSIAD-95-120.*

a. Summary.—There are less costly alternatives than the Navy's approach to maintain the required fleet of nuclear attack submarines. These alternatives would save billions of dollars and meet the Navy's force structure and threat requirements. In addition, the SSN-23 is not needed to satisfy force structure requirements or to counter a treat. Instead, the Defense Department's (DOD) justification for building the submarine is to preserve competition and to meet industrial base and national security needs.

b. Benefits.—GAO believes that this is an inadequate justification for building the SSN-23 because currently no competition exists to build nuclear attack submarines and DOD has not made clear what it means by long-term industrial base and national security needs.

79. *"Wartime Medical Care: Aligning Sound Requirements With New Combat Care Approaches Is Key to Restructuring Force," March 1995, GAO/T-NSIAD-95-129.*

a. Summary.—The Defense Department's (DOD) medical system costs about $15 billion annually and employs about 227,000 active duty and reserve personnel. Recent legislation required DOD to determine (1) the size and the composition of the military medical system needed to support U.S. forces during a war, and (2) any adjustments needed for cost-effective delivery of medical care to covered beneficiaries during peacetime.

b. Benefits.—The resulting DOD study challenged the cold war assumption that all medical personnel employed during peacetime

are needed for wartime and questioned whether U.S. military medical forces should be reduced to only those needed for wartime.

80. "Department of Justice: Office of Professional Responsibility's Case-Handling Procedures," March 1995, GAO/OSI-95-8.

a. Summary.—A February 1992 GAO report recommended that the Justice Department's Office of Professional Responsibility (OPR), which investigates allegations of criminal or ethical misconduct involving Justice employees, (1) establish basic standards for conducting investigations; (2) set standards for case documentation; (3) review case files to identify needed changes to Justice procedures and operations; and (4) follow up more consistently on the results of misconduct investigations conducted by other Justice components and maintain the follow-up information in the case files. This report discusses whether the recommendations have been implemented and provides information on the Offices's handling of referrals.

b. Benefits.—OPR's procedural standards for investigating and documenting cases addressed only those cases that OPR staff actually investigated—72 of the 106 cases. In three of the seven OPR investigations, the application of OPR's investigative and documentation standards was questionable. However, OPR's new procedures addressed GAO's recommendation regarding case file reviews to identify systemic problems in Justice procedures and operations. Continuing, the OPR standards did not cover cases that OPR monitored or supervised or cases that involved other matters, such as preliminary reviews of complaints. These cases were not subject to any formalized case file documentation requirements. In addition, GAO found inconsistencies in how OPR monitored and supervised investigations by other Justice components and questioned OPR's handling of some cases in the "other" category. Finally, except for the Office of Inspector General (OIG), OPR had no formal referral procedures with any Justice component.

81. "Chemical Weapons Disposal: Issues Related to DOD's Management," July 1995, GAO/T-NSIAD-95-185.

a. Summary.—Defense Department (DOD) efforts to destroy its chemical weapons stockpile have been plagued by soaring costs and schedule delays. Cost estimates to dispose of this deadly material have risen from $1.7 billion to $11.9 billion, and the planned completion date has slipped from 1994 to 2004. DOD has taken some encouraging steps to improve its management and oversight of the disposal program, but a number of areas are still of concern. To date, only two of nine planned incinerators have been built and only one of the two, at Johnston Atoll, is operational. About $2 billion has been spent on the program, but only 2 percent of the stockpile has been destroyed. The Army continues to experience added program requirements, public opposition, and technical and programmatic problems. Although the storage of the M55 rocket poses the largest safety risk, the Army lacks information to predict the safe storage life of the rocket. Communities near the storage sites are still not yet fully prepared to respond to a chemical emergency. Finally, although the Army is researching technology to dispose of

the chemical weapons stockpile, this technology will not be ready in time to meet the current disposal deadline of December 31, 2004.

82. *"Military Base Closures: Analysis of DOD's Process and Recommendations for 1995,"* April 1995, GAO/T–NSIAD–95–132.

a. Summary.—The Defense Base Closure and Realignment Act of 1990 established the current process for DOD base closure and realignment actions within the United States. This report responds to the act's requirement that GAO provide to the Congress and the Defense Base Closure and Realignment Commission an analysis of the Secretary of Defense's recommendations for bases for closure and realignment and the selection process used. On February 28, 1995, the Secretary of Defense recommended closures, realignments, and other actions affecting 146 domestic military installations. Of that number, 33 were described as closures of major installations, and 26 as major realignments. An additional 27 were changes to prior base closing round decisions. The Secretary projects that the recommendations, when fully implemented, will yield $1.8 billion in annual recurring savings.

b. Benefits.—Although DOD has undergone substantial downsizing in funding, personnel, and force structure, it is generally recognized that much excess capacity likely will remain after the 1995 Base Realignment and Closure Commission (BRAC) round. Currently, DOD projects that its fiscal year 1996 budget represents a 39-percent reduction below its fiscal year 1985 peak. By way of comparison, 1995 BRAC recommendations combined with previous major domestic base closures since 1988 would total a reduction of 21-percent. However, DOD's 1995 BRAC process was generally sound and well documented and should result in substantial savings. Although, the recommendations and selection process were not without problems, and in some cases, there are questions about the reasonableness of specific recommendations. At the same time, we also noted that improvements were made to the process from prior rounds, including more precise categorization of bases and activities. This resulted in more accurate comparisons between like facilities and functions and better analytical capabilities. GAO raised a number of issues that they believe warrant the Commission's attention in considering DOD's recommendations. These issues include: (1) DOD's attempt at reducing excess capacity in common support functions facilitated some important results. However, agreements for consolidating similar work done by two or more of the services were limited, and opportunities to achieve additional reductions in excess capacity and infrastructure were missed. (2) Although the services have improved their processes with each succeeding BRAC round, some process problems continued to be identified. In particular, the Air Force's process remained largely subjective and not well documented; also, it was influenced by preliminary estimates of base closure costs that changed when more focused analyses were made.

83. *"U.S.-China Trade: Implementation of the 1992 Prison Labor Memorandum," April 1995, GAO/GGD–95–106.*

a. Summary.—Following the crackdown on protestors in Tiananmen Square, United States Government officials began de-

bating whether to link renewal of China's most-favored-nation status to improving human rights in China. Among the issues raised was Chinese exports made with prison labor. In early August 1992, the United States and China signed the prison labor memorandum of understanding (MOU) providing for the exchange of information between both countries regarding their respective prison facilities. Not only does United States law prohibit imports of prison labor products, but China itself prohibits such exports. Then, in May 1993, President Clinton signed an Executive order requiring the review of Chinese compliance with the 1992 MOU as part of the annual assessment of China's most-favored-nation status. This report is a review of recent issues regarding the United States-China MOU on prison labor. Specifically, GAO's describes (1) the United States Customs Service's assessment of China's compliance with the prison labor MOU, and (2) the experience of the United States Government in obtaining information sufficient to enforce the prohibition against goods made with Chinese prison labor since the MOU was signed.

b. Benefits.—Although the United States Customs Service was concerned in 1993 that China had not shown a willingness to fulfill its responsibilities under the memorandum, Customs said that Chinese officials had been more cooperative of late. Customs officials said that they had obtained information from the Chinese that allowed them to pinpoint imported goods made with prison labor. This was upheld in December 1994, when the United States Court on International Trade upheld an affirmative Customs finding that imported goods from China had been made with prison labor. However, Justice Department officials are concerned whether any memorandum or agreement could provide Justice attorneys with the information necessary to defend Customs' decisions in an efficient and inexpensive manner because of the evidence that might be required under U.S. law. In addition, the evidence obtained from Chinese government documents may not be present in future cases primarily because the information used as evidence is no longer published in China.

84. "U.S.-Vietnam Relations: Issues and Implications," April 1995, GAO/NSIAD-95-42.

a. Summary.—Although the United States has lifted its trade embargo against Vietnam and allowed United States businesses to invest there, the United States has yet to establish full diplomatic relations with Vietnam. Additional steps toward normalization of relations depend on political and economic change in Vietnam and continued progress on the POW/MIA issue. This report discusses (1) ongoing changes in Vietnam's foreign and domestic policies and the reaction of the international community; (2) changes in United States policy toward Vietnam and the substance of bilateral relations between the two countries; (3) the interests that the United States and Vietnam are pursuing; (4) political development; and (5) key factors affecting the pace of movement toward normalized relations.

b. Benefits.—Changes in Vietnam's foreign and domestic policies have led to broader acceptance of Vietnam by the international community. Vietnam's withdrawal from Cambodia and subsequent

cooperation in the U.N.-coordinated search for a peaceful settlement in that country, and Vietnam's ongoing program of market-oriented domestic reforms have largely removed the basis for the international community's 1980's consensus that Vietnam should be isolated as an outcast. Further, the United States has, among other things, ended its opposition to international financial institution (IFI) lending to Vietnam and lifted its embargo against trade with Vietnam. As a result, United States private sector interests, including businesses, nongovernmental organizations, and Vietnamese-Americans, have established growing ties with Vietnam. Government agencies, including the Departments of State and Defense, have established limited ties. The United States has also altered its policy interests with Vietnam; they now include the promotion of human rights and democracy in Vietnam, as well as United States commercial and security interests. For its part, Vietnam has important commercial and security interests to pursue with the United States. Vietnam still faces an uncertain future, despite ongoing reforms and positive economic trends. While Vietnam has potential for growth and change, analysts still can point out serious constraints that remain. Vietnam remains one of the world's poorest countries, and the Communist party continues to exercise a monopoly on political power. Finally, executive branch officials and other analysts stated that the pace at which the administration moves toward full bilateral ties will depend on United States conclusions regarding developments within Vietnam, particularly with regard to progress on the POW/MIA issue.

85. "Army Training: One-Third of 1993 and 1994 Budgeted Funds Were Used for Other Purposes," April 1995, GAO/NSIAD-95-71.

a. Summary.—The Army uses the Training Resource Model to identify the amount of operating tempo funds that its military units require to meet readiness objectives. Once the Army determines direct (fuel, maintenance, and spare parts) and indirect (civilian pay and maintenance contracts) costs for each reporting unit, it aggregates operating tempo costs, or military training funds, by major command. Finally, the Army establishes a total operating tempo cost for inclusion in the President's budget submission for annual congressional appropriation. Congress has consistently supported Army requests for tempo costs to keep Army forces at a high level of combat readiness. However, as a result of reports that scheduled training exercises have been canceled, GAO in this report determines whether (1) operating tempo funds were spent for purposes other than training, and (2) the operating tempo funds requested in the Army's congressional budget submissions were consistent with the amounts needed for training exercises necessary to meet its readiness objectives.

b. Benefits.—Of the $3.6 million allocated in fiscal years 1993 and 1994 for military training to keep United States forces in the United States and Europe and a high level of combat readiness, the Army diverted nearly one-third for other purposes, including base operations, property maintenance, and other peacekeeping operations. At the same time, outdated assumptions and the failure to consider unit ability to train at their home stations resulted in

Army budget submissions to Congress that overestimated the funding needed to conduct training exercises.

86. *"DOD Service Academies: Comparison of Honor and Conduct Adjudicatory Processes," April 1995, GAO/NSIAD–95–49.*

a. Summary.—Over the years, several highly publicized incidents have occurred at the Nation's military academies involving honor or conduct charges against students. GAO reviewed the adjudicatory systems used at the academies to make decisions on student conduct and performance. This report (1) compares the honor and conduct systems at each academy and describes how the various systems provide common due process protection, and (2) describes the attitudes and the perceptions of students regarding these systems.

b. Benefits.—The three service academies have established review processes to evaluate cases of academically deficient students and prescribe dispositions for each case. The processes in place at each academy are generally similar. Dispositions range from requiring an individual to repeat a failed course to disenrollment from the academy. Before a student is academically disenrolled, at least one academic review group evaluates the case. Students may present statements on their behalf during the review process.

87. *"Nuclear Safety: U.S. Assistance to Upgrade Soviet-Designed Nuclear Reactors in the Czech Republic," June 1995, GAO/RCED–95–157.*

a. Summary.—In March 1994, the Export-Import Bank guaranteed a loan of $317 million for work done by the Westinghouse Electric Corp. on a nuclear power plant in the Czech Republic. The project entailed integrating Western technology into a Soviet-designed pressurized water reactor. Although United States officials saw an opportunity to gain more than $330 million in United States exports and to make the reactors safer, the Austrian Government and some Members of Congress have expressed concern about the safety of the Soviet-designed reactors and the extent of potential United States liability in the event of a nuclear accident. This report discusses (1) the reasons for the Export-Import Bank's loan guarantee for the nuclear power plant; (2) the steps that the Export-Import Bank took to ensure the project's soundness; and (3) the U.S. Government's potential liability as a result of the Export-Import Bank's loan guarantee.

b. Benefits.—United States Government officials believe that Western technology can make the Soviet-designed Temelin reactors safer and provide more than $330 million in United States export earning. As a result, United States officials strongly supported United States industry's participation in the Temelin project and worked with Westinghouse and the Czech Government to help bring about the acceptance of a United States firm for the project. To determine whether the project complied with the administration's policies—particularly United States environmental policy—and to draw on the administration's expertise, the Bank chairman requested guidance from the National Security Council, which conducted an interagency review of the safety of the reactor's design and of the technical capabilities of the Czech regulatory authori-

ties. The results of the National Security Council's review and the engineering and environmental evaluation by the Bank's nuclear engineer satisfied the Bank's Board of Directors, and the loan guarantee was approved. In addition, the Bank's Office of the General Counsel examined the question of whether the Bank, since it is guaranteeing a loan for equipment and nuclear fuel to complete the reactors, could be held liable for damages in the event of a nuclear incident at the Temelin plant. The Bank's General Counsel concluded that the chances are small that the Bank would be held liable in any court for damages.

88. "DOD Infrastructure: DOD's Planned Finance and Accounting Structure Is Not Well Justified," September 1995, GAO/NSIAD-95-127.

a. Summary.—The Defense Department's (DOD) consolidation of more than 300 defense accounting offices did not adequately consider the functions and proper staffing levels of the new offices and gave undue weight to the reuse of closed military bases. GAO concludes that DOD's plan, which is expected to cut 23,000 finance and accounting jobs, stressed short-term cost savings at the expense of customer service and improved business practices. This report assesses (1) the process that DOD used to identify the appropriate size and location for its finance and accounting centers and operating locations; (2) the consolidation's potential impact on customer service; and (3) the extent to which DOD's consolidation plan reflects cutting-edge business practices.

b. Benefits.—GAO stated that DOD's plan to consolidate and reduce personnel as a necessary step toward a more efficient finance and accounting service. In such an undertaking it is important to strike a balance between cost considerations and other factors important to maintaining customer service and improving business operations. GAO concluded that DOD, based on their analysis of the process DOD used to select the proper number of new operating locations and where they should be located, did not achieve that balance. Specifically, GAO found:

(1) DOD decided to open 20 new operating locations without first determining what finance and accounting functions they would perform or if 20 was the right number to support its operations.

(2) DOD, in selecting the 20 specific operating locations, used criteria that resulted in placing undue weight on using excess DOD facilities, primarily those on military bases closed or realigned during the base realignment and closure process.

(3) DOD, for the most part, has not re-engineered the finance and accounting functions that will be performed at the 20 new operating locations. Accordingly, the consolidation may reduce the number of people performing the finance and accounting functions, but operations at the new locations will not reflect leading-edge business practices.

DOD needs to develop a new estimate of number of locations and personnel needed to meet current and future operating requirements. This estimate should factor in the impact on operating requirements of new processes that cure present deficiencies and take full advantage of modern technology.

89. "Peace Operations: Effect of Training, Equipment, and Other Factors on Unit Capability," October 1995, GAO/NSIAD-96-14.

a. Summary.—Since the end of the cold war, the U.S. military has become increasingly involved in peace operations, ranging from military observer duties to humanitarian and disaster relief work. This report examines (1) how the military services incorporate peace operations into their training programs; (2) what effect peace operations have on maintaining combat readiness; and (3) whether the services have the weapon systems and equipment they need for these operations.

b. Benefits.—Commanders of ground combat units differ on when special peace operations training should be provided. Some commanders include aspects of peace operations in standard unit training. Other commanders prefer to maintain an exclusive combat focus until their units are formally assigned to a peace operation. Participation in peace operations can provide excellent experience for combat operations, but such participation can also degrade a unit's war-fighting capability. For example, it can take up to 6 months for a ground combat unit to recover from a peace operation and become combat ready. Additionally, peace operations may interrupt naval training schedules, but there is little difference in the naval skills required for peace operations and for other operations. Finally, to determine whether the services have the appropriate weapon systems and equipment for peace operations is an ongoing process taking place primarily at the service level. The services have identified specific requirements in three areas: (1) force protection; (2) equipment for military operations in built-up areas; and (3) nonlethal weapons. Except for the recent withdrawal operation from Somalia, few nonlethal weapons have been used to date in peace operations.

90. "Cuba: U.S. Response to the 1994 Cuban Migration Crisis," September 1995, GAO/NSIAD-95-211.

a. Summary.—This report reviews the United States Government's efforts to cope with the mass exodus of people from Cuba during the summer of 1994. GAO (1) describes how United States policy toward those seeking to leave Cuba has changed since then; (2) identifies the agencies and the costs to the United States Government associated with the exodus of Cubans; (3) assesses the capabilities of the United States Interests Section in Havana to process applicants seeking legal entry into the United States; and (4) evaluates the adequacy of living conditions in the United States, and at the United States Naval Station, Guantanamo Bay.

b. Benefits.—For over 30 years, fleeing Cubans had been welcomed to the United States. However, the United States Government reversed this policy on August 19, 1994, when President Clinton announced that Cuban rafters interdicted at sea would no longer be brought to the United States. Instead, they would be taken to safe haven camps at the United States Naval Station, Guantanamo Bay, Cuba, with no opportunity for eventual entry into the United States other than by returning to Havana to apply for entry through legal channels at the United States Interests Section. On September 9, 1994, the United States and Cuban Govern-

ments agreed that the United States would allow at least 20,000 Cubans to enter annually in exchange for Cuba's pledge to prevent further unlawful departures by rafters. On May 2, 1995, a White House announcement was released stating that Cubans interdicted at sea would not be taken to a safe haven but would be returned to Cuba where they could apply for entry into the United States at the Interests Section in Havana. Several United States agencies have been involved in implementing the United States policy regarding Cubans wishing to leave their country. The predominant agencies are: (1) the Department of Defense, which will spend about $434 million from August 1994 through September 1995 operating the safe haven camps; (2) the United States Coast Guard, which spent about $7.8 million interdicting Cubans at sea from August 1994 to the present; (3) the Department of Justice's Immigration and Naturalization Service (INS) and Community Relations Service (CRS), which together will spend about $48.3 million for the Cuban migration crisis from August 1994 through September 1995; and (4) the Department of State, which will spend an estimated $7.1 million during this same period. Further, the United States Interests Section in Havana has been able to meet the workload of processing applicants seeking legal entry into the United States. As of June 9, 1995, it had approved 16,305 Cubans for United States entry. Finally, the Cubans' living conditions at the Guantanamo Bay safe haven camps are difficult, but adequate based on our observations at the camps. GAO found no internationally accepted standards of what the living conditions should be at refugee camps, but GAO noted that conditions in all camps generally exceeded U.N. inspection guidelines for minimal shelter, food, and water.

91. "Inventory Management: Purchasing Parts From Contractor-Operated Parts Stores and Commercial Sources," September 1995, GAO/NSIAD-95-176.

a. Summary.—Air Force bases use a variety of vehicles to support base operations. Common commercial vehicles used include Plymouth and Dodge sedans and Ford and Chevrolet pickup trucks. When making small purchases for vehicle repair parts the bases are directed to use the small purchase procedure that is most suitable, efficient, and economical for each acquisition. Small purchase procedures include blanket purchase agreements, purchase orders, and the International Merchant Purchase Authorization Card. Bases may also meet their vehicle repair needs by establishing Air Force Contractor Operated Parts Stores (COPARS). These stores were authorized in the early 1960's because the Air Force believed they would usually be more responsive and less costly than the traditional Air Force base supply system. Currently, the Air Force contracts with COPARS at 46 of its bases, and the value of these contracts totals $79.6 million. This report includes a cost comparison study of vehicle repair parts purchased from COPARS with those purchased directly from commercial suppliers. Also, included is whether the provisions of Office of Management and Budget (OMB) Circular A-76 are to be applied before terminating a COPARS contract.

b. Benefits.—In comparing costs for vehicle parts purchased from COPARS with those purchased directly from commercial suppliers, GAO found that the most cost-effective way to buy parts to repair vehicles can vary from base to base. Factors, such as the types of vehicles in a fleet, the volume of business being done, vendor availability, and vendor payment preferences, differ among bases and can affect the price of parts. Also, mission-related factors, such as deployments, can affect the availability of personnel needed to manage a commercial-source parts procurement operation. Given these differences, installation commanders are in the best position to decide which approach for acquiring parts will best meet their needs. GAO also found that controlling personnel costs is key to determining whether savings can be achieved in a commercial-source procurement system. Office of Management and Budget Circular A–76 does not apply to the Air Force's vehicle repair parts support decision. The establishment of a commercial-source procurement system is simply an alternative way of doing business. The Air Force is not replacing the stores with an identical in-house service. As a result, no study is required.

92. "Nuclear Facility Cleanup: Centralized Contracting of Laboratory Analysis Would Produce Budgetary Savings," May 1995.

a. Summary.—The Department of Energy (DOE) is undertaking the cleanup of contaminants that were dumped or leaked into the soil and water at its facilities during more than 50 years of nuclear weapons production. The Environmental Protection Agency (EPA) is also engaged in an expensive cleanup of some of the same contaminants at the Nation's worst nonFederal sites. DOE estimates that this cleanup will cost at least $300 billion and take more than 30 years to complete. In this report, GAO (1) compares the average prices that DOE and EPA pay to commercial laboratories for the same types of analysis and determine whether the two agencies' different contracting approaches affect these prices; (2) identifies whether DOE's decentralized approach has resulted in any administrative inefficiencies; and (3) discusses any key changes DOE is making in its contracting for laboratory analysis.

b. Benefits.—Under DOE's decentralized approach, contractors independently obtain laboratory analyses of soil and water through either commercial laboratories or contractor-run laboratories. In contrast, the EPA, which oversees cleanup of Superfund sites, contracts for these analyses on a centralized basis. DOE pays substantially higher prices than EPA does for the same types of analyses at commercial laboratories. For example, DOE's price for inorganic chemical analysis $358, about 223 percent more than EPA's price of $111. GAO concluded that if DOE had used a centralized approach, like the EPA, they would have saved $247 per analysis, on average. They also determined that DOE dilutes its massive buying power by procuring commonly used analyses on a piecemeal basis through its contractors. The results of DOE's contracting approach are higher prices and unnecessary costs arising from duplication of efforts. Without centralizing its laboratory analysis procurements, DOE will not reap the cost benefits resulting from its enormous buying power.

93. "Federally Funded R&D Centers: Use of Contract Fee by the Aerospace Corporation," September 1995, GAO/GGD-96-4.

a. Summary.—The Air Force provided a $15.5 million contract fee to the Aerospace Corp. to operate a federally funded research and development center. Such fees are common for federally funded, private sector organizations who perform research and development that cannot be done in-house or by contract. Such fees are awarded according to weighted guidelines. The Air Force does submit a plan expressing its needs, but there is discretion as to how the fee is used. Included in the fee are "unreimbursable expenses" which are incurred only if such expenses are "ordinary or necessary."

b. Benefits.—There should be better coordination between the research and development centers and the agency providing the fee so that the agency obtains from the fee the research and development that best suits its immediate needs. In addition, there should be a better definition of "ordinary or necessary" expenses.

94. "Community Policing: Information on the "COPS on the Beat" Grant Programs," October 1995, GAO/GGD-96-4.

a. Summary.—This is a description of the grant application, selection processes for the COPS, Phase I, COPS Funding Accelerated for Smaller Towns (FAST), and COPS Accelerated Hiring, Education, and Deployment (AHEAD) programs. This report also includes a comparison of COPS FAST and COPS AHEAD programs by looking at the crime rates in applicant and nonapplicant jurisdictions, the reasons some jurisdictions chose not to apply for COPS program grants, and the public safety issues identified by a sample of jurisdictions applying for COPS FAST grants.

b. Benefits.—The Department of Justice created a COPS office to award Community Policing Act grants in a non-competitive, two-step application and a selection process to allow officers to be hired more quickly. Basically, the higher the crime rate, the more likely a jurisdiction was to apply. The primary reasons jurisdictions chose not to apply for COPS grants were cost related. Specifically, these jurisdictions expressed uncertainty about being able to continue officer funding after the grant expired and about their ability to provide the required 25-percent match. Property crimes and domestic violence were the most frequently included crimes in the top five public safety issues among approved COPS FAST applicants.

95. "Coast Guard: Enforcement Under MARPOL V Convention on Pollution Expanded, Although Problems Remain," May 1995, GAO/RCED.

a. Summary.—As much as 1 million metric tons of garbage and plastics are dumped into the ocean each year, killing seabirds and marine mammals, creating safety hazards for shippers and boaters, and polluting shorelines and beaches. To mitigate this uncontrolled ocean dumping, the United States became a party to Annex V of the International Convention for the Prevention of Pollution From Ships—known as MARPOL V—which restricts the discharge of garbage and plastics from ships of signatory countries. However, Congress has repeatedly expressed concerns about the Coast Guard's enforcement of MARPOL V provisions. This report dis-

cusses the Coast Guard's progress in enforcing MARPOL V and determines whether funds that Congress earmarked for 100 enforcement positions are being used for educational and outreach efforts, which are intended to improve compliance with MARPOL V.

b. Benefits.—Although the provisions of MARPOL V became effective on December 31, 1988, the Coast Guard did not begin substantial enforcement efforts until the early 1990's. Following congressional criticism in 1990 and 1992, and aided by additional personnel, the Coast Guard stepped up its enforcement efforts. As a result, the number of reported cases involving violations of the MARPOL V regulations has increased steadily from 16 in 1989 to 311 in 1994. At present, no accurate means exists to determine whether the Coast Guard is fully utilizing the additional resources that the Congress provided for enforcing MARPOL. Moreover, the amount of time the Coast Guard, in aggregate, spends on MARPOL-related activities is uncertain because the Coast Guard does not consistently record time spent on this function. In addition, education and outreach has become an important part of the Coast Guard's strategy to achieve compliance with MARPOL. In 1994, the Coast Guard's education and outreach efforts for MARPOL V expanded from targeting commercial shippers to include other groups, such as recreational boaters and fishing vessel operators.

96. "Defense Inventory: Opportunities to Reduce Warehouse Space," May 1995, GAO/NSIAD-95-64.

a. Summary.—The Defense Department's (DOD) 600 million cubic feet of warehouse space make DOD the world's largest inventory manager. Although DOD has substantially cut the number of its storage depots and the inventory stored there—ranging from medical supplies to clothing to spare parts—it could reduce inventory levels still further, particularly among deteriorated or obsolete items. DOD should focus on getting rid of unneeded items that take up a lot of space and involve more than 20 years supply on hand. This report determines (1) the size of DOD's secondary inventory; (2) the amount of space occupied by secondary inventory that DOD does not need to satisfy current war reserve and operating requirements; (3) the cost of storing this inventory; and (4) the time it will take to use it.

b. Benefits.—Over the past several years, DOD has made sizable reductions to the number of storage depots and to the amount of inventory stored in them. DOD has initiatives to make further reductions and we believe opportunities exist to build on these initiatives. Additionally, GAO analyzed DOD secondary inventory, an estimated volume of 218.8 million cubic feet. They found that 60 percent of this volume, or 130.4 million cubic feet, is not needed to satisfy current war reserve and operating requirements. About 84,000 of these items, occupying 41.7 million cubic feet, has more than a 20-year supply. DOD has begun programs to reduce the secondary inventory level; however, its efforts have been partially offset by decreasing inventory demands and increasing returns of material by forces being deactivated. During the last 3 fiscal years, DOD disposed of secondary inventory costing about $43 billion.

97. "Military Exports: Recovery of Nonrecurring Research and Development Costs," May 1995, GAO/NSIAD–95–147.

a. Summary.—Since 1967, the Defense Department (DOD) has been recovering nonrecurring research and development and one-time production costs on sales of weapon systems to foreign governments. The intent of this effort was to control U.S. costs and the extent of weapons sales to foreign governments. In 1992, DOD canceled its policy of recovering nonrecurring costs on direct commercial sales in an effort to boost the competitiveness of U.S. firms in the world market. In 1995, several bills were introduced that could affect the recovery of nonrecurring costs on military sales. This report discusses (1) the government's recovery of nonrecurring research and development costs on sales of major defense equipment; (2) the effect of charging a flat or standard fee rather than the current pro rata fee; and (3) views from supporters and opponents of the recovery of these costs.

b. Benefits.—DOD recovered $181 million in nonrecurring costs on foreign military sales in fiscal year 1994 and estimated, based on historical trends, that collections could amount to $845 million between fiscal years 1995 and 1999. It has been considered to change from the current pro rata fee to a flat or standard fee. A flat rate would be easy to calculate and would not need to be periodically updated, as is the case of a pro rata charge. However, the effect of using a flat rate varies, depending on the way it is applied. Supporters and opponents of the recovery of nonrecurring costs differ on its benefits and drawbacks. Supporters believe that the charges serve national security interests by keeping weapon systems out of unstable regions of the world and the weapons industry should not be subsidized at taxpayers' expense. Opponents, on the other hand, believe the charges adversely affect U.S. industry's competitiveness in the world market and could affect the U.S. economy in the long run.

98. "Military Capabilities: Stronger Joint Staff Role Needed To Enhance Joint Military Training," July 1995, GAO/NSIAD–95–109.

a. Summary.—U.S. military strategy today stresses the need for air, land, sea, and special operations forces to work together in large-scale combat and noncombat operations. Operation Desert Storm, humanitarian relief efforts in Rwanda and Somalia, and the effort to restore democracy in Haiti illustrate the diverse missions that United States forces can expect to carry out. This report examines (1) the scope of the Defense Department's joint training activities; (2) the effectiveness of the management of these activities; and (3) the actions that have been taken and any additional steps needed to improve joint training.

b. Benefits.—Although the chairman of the Joint Chiefs of Staff (CJCS) Exercise Program is the primary method DOD uses to train its for joint operations, inadequate Joint Staff oversight has led to perpetuating a program that provides U.S. forces with little joint training. The vast majority of the exercises were conducted to maintain U.S. access or presence in a region or to foster relations with foreign military forces. The J–7 has not provided the strong leadership needed to ensure that the full range of program man-

agement tasks required for an effective joint training program are carried out and coordinated. It has not (1) critically reviewed planned exercises to ensure that the program provides joint training benefits to the fullest extent possible; (2) ensured that problems surfacing in the exercises are identified and addressed; or (3) monitored enough exercises to gain first-hand knowledge of the problems. Finally, the Secretary of Defense and the Joint Staff have recently taken steps aimed at improving joint training. Notably, they have strengthened the roles of the U.S. Atlantic Command and the Joint Warfighting Center.

99. "Defense Inventory: Shortages Are Recurring, but Not a Problem," August 1995, GAO/NSIAD–95–137.

a. Summary.—As part of its ongoing evaluation of the Defense Department's (DOD) secondary inventory, GAO reviewed issues relating to inventory shortages. This report analyzes inventory shortages to determine the (1) size of the shortage; (2) steps that inventory managers were taking in response to the shortage and if funding problems caused managers not to buy needed items; and (3) need to revise DOD's inventory reporting.

b. Benefits.—DOD's September 1991 secondary inventory shortage was $16.4 billion rather than the $26 billion that DOD cited. Between September 1991 and September 1993, the $16.4 billion shortage decreased to about $8.1 billion. The decrease was attributable to (1) removal of Operation Desert Storm requirements; (2) downsizing the military forces; (3) elimination of some war reserve requirements; and (4) decreases in requirements due to reduced levels of operations. GAO found that in only a relatively small number of instances was funding an issue in deciding whether or not to purchase needed items. GAO found that managers made purchases for about $578 million of $1.1 billion in shortages that they analyzed. For the remaining $559 million, inventory was ordered because (1) requirements on which the shortages were based were no longer paid; (2) inventory managers decided that purchases were not necessary for reasons such as the availability of substitute items in the supply system; and (3) responsibility for items had been transferred to other organizations or the items had been removed from the inventory. In general, the decisions not to buy were valid and may have precluded DOD's acquisition of millions of dollars of inventory that probably would not have been used. Finally, DOD's inventory reporting needs revising because it does not focus on the amount of inventory that is needed to be on hand. For example, only $28.8 billion of DOD's reported $58.8 billion September 1993 wholesale inventory had to be on hand.

100. "1996 Defense Budget: Potential Reductions, Rescissions, and Restrictions in RDT&E," September 1995, GAO/NSIAD–95–218BR.

a. Summary.—GAO examined the Department of Defense's fiscal year 1996 budget request and prior years appropriations for selected research, development, test, and evaluation and procurement programs. GAO's objectives were to identify potential reductions in the fiscal year 1996 budget request and potential rescissions to prior years appropriations. This report summarizes information

and briefings provided to congressional committees from April through July 1995.

b. Benefits.—Due to schedule delays, changes in the program requirements, and issues that emerged after the budget request was developed, GAO identified opportunities to reduce the funding levels for fiscal year 1996 by about $956 million and rescind about $265 million from prior years' appropriations. GAO also found $934 million that Congress can restrict from obligation until specified criteria are met to minimize risks in acquisition programs. Of these totals, GAO identified potential budget cuts of nearly $103 million to the fiscal year 1996 research, development, test, and evaluation budget request and potential rescissions of about $15 million to prior year appropriations. GAO also identified about $27 million in obligational authority that can be restricted. GAO identified potential budget reductions of about $854 million to the fiscal year 1996 procurement budget request, potential rescissions of about $250 million to prior year appropriations, and about $907 million in potential restrictions. GAO also found nearly $98 million in obligational authority expiring on September 30, 1995, including about $77 million in fiscal year 1994 research, development, test, and evaluation funds and about $19 million in fiscal year 1993 procurement funds.

101. "Export Controls: Some Controls Over Missile-Related Technology Exports to China Are Weak," April 1995, GAO/NSIAD-95-82.

a. Summary.—Because of inadequate export controls over shipments of United States missile technology to China—ostensibly for use in satellite projects—and weaknesses in monitoring such shipments after export to China, the United States has no guarantee that such sensitive equipment will not be used for military purposes. This report discusses (1) the nature and the extent of United States dual-use and missile technology exports to the Peoples Republic of China and the extent to which the items are exported to sensitive end users; (2) the ability of the United States to monitor Chinese compliance with conditions attached to United States missile technology exports and with the terms of United States-China understanding on missile technology exports and with the terms of United States-China understanding on the regime; and (3) the effectiveness of United States sanctions imposed on China.

b. Benefits.—For fiscal years 1990 through 1993, the commerce and State Departments approved a total of 67 export licenses worth about $530 million for missile-related technology commodities for China. Most of this amount was for licenses in support of satellite projects, to be owned or operated by other countries or by multinational telecommunications corporations for or within China, for which the President waived applicable sanctions. In general, export licensing process and monitoring controls for missile technology and dual-use export license applications cannot ensure that such United States exports to the Peoples Republic of China are kept from sensitive end users. Further, United States Government officials believe that the United States generally performs adequate monitoring of China's compliance with the terms of its Missile Technology Control Regime (MTCR) commitments. However, GAO's

review indicates that the United States end-use check program to monitor license conditions has only marginal effectiveness for exports to China. The terms of the 1992 United States-China bilateral understanding on China's adherence to MTCR, commit China, as a nonmember, to less restrictive requirements than currently apply to full members of the regime. China agreed to commit to only the MRCR Guidelines and Annex of 1987, in force at the time of its MTCR pledge, but not to the guidelines and annex as subsequently advised. Finally, GAO determined that the effectiveness of United States sanctions on China is unknown. United States Government officials share no consensus on a definition of, or criteria for, measuring effectiveness of proliferation sanctions imposed on China.

102. "Peace Operations: DOD's Incremental Costs and Funding for Fiscal Year 1994," April 1995, GAO/NSIAD-95-119BR.

a. Summary.—The Defense Department (DOD) participated in peace operations in several locales, including Somalia, Bosnia, Haiti, and Southwest Asia, during fiscal year 1994. To help cover the incremental costs of these operations, Congress provided DOD with two supplemental appropriations. DOD also received reimbursements from the United Nations for incremental costs incurred in Somalia. This report provides information on (1) whether the supplemental appropriations fully covered DOD's incremental costs; (2) what the impacts on the services were from funding shortages and overages; and (3) how DOD spent the reimbursements received from the United Nations.

b. Benefits.—During the fiscal year 1994, DOD reported $1,907.8 million in incremental costs for peace operations. Congress provided supplemental appropriations that covered almost two-thirds of these incremental costs, leaving DOD with a funding shortfall of $709.5 million. Then on September 30, 1994, the fiscal year 1995 defense appropriations act provided additional supplemental appropriations of $299.3 million through the Defense Emergency Response Fund (DERF) to further reimburse DOD for certain operations that occurred in fiscal year 1994. Despite this second supplement, and funds from the Feed and Forage Act and the operation and maintenance accounts, DOD still sustained a funding shortfall of $176.9 million. Units participating in peace operations were fully funded for their incremental costs. To pay these units' costs, DOD used funds from other service programs or units that did not participate. Although the funding shortages adversely affected military readiness in several units in the Air Force. The $98.1 million that DOD received in reimbursements from the United Nations for 1993 was deposited to fiscal year 1994 appropriation accounts and, according to DOD, cannot be traced to specific expenditures.

103. "Defense Sector: Trends in Employment and Spending," April 1995, GAO/NSIAD-95-105BR.

a. Summary.—This report includes data on (1) the extent of the Department of Defense (DOD) and defense industry downsizing, and (2) defense reinvestment and conversion expenditures.

b. Benefits.—The defense sector, as measured by Pentagon spending and military and defense industry employment, has been

shrinking, both in absolute terms and relative to the U.S. economy, since the mid-1980's. Declines in Defense Department (DOD) spending and decreases in defense-related employment have occurred during a period of strong increase in the gross domestic product and in nondefense employment. The defense reinvestment and conversion initiative was established in 1993 to help ease the displacement caused by defense downsizing. Not all programs were tied directly to DOD cuts, however. Some individual programs in the initiatives have other purposes and will likely continue after the initiative ends in fiscal year 1997.

104. "National Airspace System: Comprehensive FAA Plan for Global Positioning System Is Needed," May 1995, GAO/RCED-95-26.

a. Summary.—The FAA has been meeting its milestones for implementation of the Department of Defense Global Positioning System thus far. The Global Positioning System will consist of 24 satellites in six orbits at approximately 11,000 miles above the earth. The satellites transmit radio signals that permit adequately equipped users to calculate the time as well as their speed and tridimensional position anywhere on or above the earth's surface and in any weather condition. This report analyzes the status of the implementation of the Global Positioning System.

b. Benefits.—FAA will have more complex and difficult tasks in achieving future milestones. The revised schedule may not give the agency enough time to develop and implement its wide area system for augmenting the Global Positioning System resulting in having to rely on other navigation aids for backup. The current FAA plan omits (1) milestones for implementing the local area system to augment the Global Positioning System; (2) cost estimates for this system and the wide area system; and (3) information on the probabilities of meeting schedule and cost estimates, given known potential problems that may affect the development of these systems.

105. "Military Bases, Analysis of DOD's 1995 Process and Recommendations for Closure and Realignment," April 1995, GAO/NSIAD-95-133.

a. Summary.—The 1990 Defense Base Closure and Realignment Act (Title XXIX, Public Law 101-510), authorized the base closure rounds in 1991, 1993, and 1995. The purpose was to provide a bipartisan approach to the Department of Defense downsizing in funding, personnel, force structure and infrastructure. This report analyzes the improvement of the 1995 round over previous years.

b. Benefits.—While some progress occurred regarding the reduction in excess infrastructure, much excess capacity will remain after the 1995 BRAC round. The Department of Defense 1995 BRAC process was generally sound and well documented and should result in substantial savings. However, the recommendations and selection process were not without problems and, in some cases, raise questions about the reasonableness of specific recommendations. GAO suggests the following areas that need attention: (1) agreements for consolidating similar work done by two or more of the services were limited, and opportunities to achieve additional reductions in excess capacity and infrastructure were

missed; (2) The Air Force BRAC process was largely subjective and not well documented and the Navy did not consistently apply DOD's criteria when excluded certain facilities from closure for economic impact reasons.

106. "Space Shuttle, NASA Must Reduce Costs Further To Operate Within Future Projected Funds," June 1995, GAO/NSIAD–95–118.

a. Summary.—The purpose of this investigation was to determine (1) how successful NASA has been in reducing funding for shuttle operations and what changes enabled the reductions; (2) if the potential exists for further reductions; and (3) whether NASA adequately considered the impact, if any, of the reductions on shuttle safety. NASA will spend about $3.2 billion of its $14.3 billion budget for shuttle production and operations. Since the space shuttle is the Nation's only launch system capable of transporting people, it's viability is critical to other space programs such as the international space system.

b. Benefits.—Significant additional funding reductions are needed to achieve NASA's future budget projections for shuttle operations. If NASA cannot reduce shuttle operating costs to match available funds in fiscal years 1996 through 2000, either NASA's budget must be increased or funding for other programs will have to be cut. On May 19, 1995, the Administrator announced plans for significantly reducing NASA's infrastructure.

107. "DOD Service Academies: Comparison of Honor and Conduct Adjudicatory Processes" April 1995, GAO/NSIAD–95–49.

a. Summary.—This report examines the adjudicatory systems at the service academies to make decisions regarding student conduct and performance by (1) comparing the honor and conduct systems at each academy and describing how the various systems provide common due process protections, and (2) describing the attitudes and perceptions of the students toward these systems. Each academy establishes a conduct system that establishes rules and regulations and provides for dealing with those accused of violations. Each academy also has a largely student-run honor system that prohibits lying, cheating, and stealing.

b. Benefits.—GAO found that although there are many similarities in each academy's honor system, there are some prominent differences. The honor system at the Military and Air Force academies include non-toleration clauses that make it an honor offense to know about an honor offense and not report it, while at the Naval Academy failure to act on a suspected honor violation is a conduct offense. The standard of proof also differs. The Air Force Academy utilizes the "beyond a reasonable doubt," while the other academies utilize "a preponderance of the evidence". Students at the academies receive protections typically associated with procedural due process, with a few notable exceptions. The most prominent exception is the right to representation by counsel and the right to remain silent, however, the right to remain silent is granted once an individual is charged with an offense. GAO administered a questionnaire which indicated that academy students generally saw their honor systems as fair, however, it was found that

there is a considerable reluctance among students to report fellow students for honor violations.

108. "International Broadcasting: Downsizing and Relocating Radio Free Europe/Radio Liberty," April 1995, GAO/NSIAD-95-53.

a. Summary.—In the 1950's, the United States Government established Radio Free Europe/Radio Liberty (RFE/RL) as a private nonprofit company to provide radio programming to Eastern Europe and the former Soviet Union. With the end of the cold war, the executive branch began questioning the role and the management of international broadcasting. Executive branch officials concluded that management consolidation would reduce costs by promoting more rational programming decisions and sharing of engineering and other resources. In July 1994, the President directed that the operations of RFE/RL be moved from Munich to Prague. This report discusses (1) RFE/RL's ability to meet its congressionally mandated funding ceiling and successfully operate in Prague; (2) the most pressing management problems RFE/RL faces in Prague; and (3) RFE/RL's view of its role and mission in the 21st century.

b. Benefits.—Current and planned sources of revenue are insufficient to cover RFE/RL downsizing and relocation costs and to meet mission requirements through 1999. The Board for International Broadcasting estimates that the overall funding shortfall could reach as high as $28 million. Also, the move and operations in Prague may not occur as easily as RFE/RL has anticipated. The move is behind schedule and some RFE/RL managers are concerned about their ability to recruit the most qualified staff from within and outside the company. In looking to the future, RFE/RL officials see an enduring, although changing mission. They believe their broadcasts will continue to be needed to provide accurate, objective news in support of democratic institutions and to present journalistic standards that in-country media can emulate. RFE/RL is also crafting a role for itself to directly assist in the democratic development of the former Eastern bloc countries.

109. "Illegal Immigration: INS Overstay Estimation Methods Need Improvement," September 1995, GAO/PEMD-95-20.

a. Summary.—Reliable and valid estimates of the number of "overstays"—persons who enter the United States legally as visitors but do not leave under the terms of their admissions—are important to public policymaking. Higher numbers of overstays might suggest, for example, the need for stricter policies or laws for issuing temporary U.S. visas to citizens of those countries whose travelers tend to overstay their visas in significant numbers. Overstay data are also needed to monitor travel from countries whose citizens are not required to obtain a U.S. tourist visa. This report examines the basis for the Immigration and Naturalization Service (INS) estimates of overstays and suggests ways in which INS can improve these estimates.

b. Benefits.—INS devised a creative approach for estimating overstays through estimating the number of uncounted departures (that is, "system error"). Specifically, INS determined that system error could be estimated by using data from countries for which it

seems safe to assume there are few or no overstays (that is, "index countries"). GAO devised an alternative method for estimating overstays among foreign visitors who arrive by air. Their method is based on INS' index country strategy but uses more detailed INS data and avoids the global assumption. GAO method also corrects an error in INS' computation formula and uses appropriately weighted data. GAO's overstay estimates are between 16 percent and 47 percent lower than INS'. INS' global approach provided a good starting point for estimating overstays, but makes too many assumptions, which increases the uncertainty of their estimates.

110. "Nuclear Nonproliferation: Information on Nuclear Exports Controlled by U.S.-EURATOM Agreement," June 1995, GAO/RCED–95–168.

a. Summary.—The United States-EURATOM Agreement, which expires on December 31, 1995, controls the export of nuclear materials—specifically enriched uranium, natural and depleted uranium with nuclear uses, plutonium, thorium, and nuclear reactors and their major components—from the United States to 15 western European countries. If a new agreement is not concluded before the expiration date, exports of United States nuclear materials and components to EURATOM would be banned. In addition, the expiration of the agreement would also prohibit Japan from transferring United States-origin nuclear materials to EURATOM because United States-origin nuclear materials are not permitted to be transferred to countries that do not have in place agreements for cooperation with the United States. This report provides information on (1) the amount of United States nuclear exports to EURATOM and Japan and United States-origin nuclear materials transferred from Japan to EURATOM; (2) the value of United States nuclear exports to EURATOM and Japan; and (3) the nuclear industry's views on the potential impact on nuclear commerce with EURATOM and Japan if the agreement is not renewed.

b. Benefits.—From 1980 through 1994, the United States exported about 32.6 million kilograms (kgs) total. About 11 million kgs of nuclear materials went to EURATOM and Japan, respectively, and Japan transferred about 4.7 million kgs of United States-origin nuclear materials to EURATOM. The United States Department of Commerce has valued United States nuclear materials exported from 1989 through August 1994 at about $1.1 billion for EURATOM countries and about $4 billion for Japan. According to United States Enrichment Corporation officials, if the United States-EURATOM agreement expires, the future of the Corporation's uranium enrichment services could be seriously affected. Corporation officials estimated that contracts with EURATOM worth about $470 million would be in jeopardy if the agreement expires. Furthermore, another $1.8 billion in potential new contracts with EURATOM and Japan could be lost.

POSTAL SERVICE SUBCOMMITTEE

1. *"D.C. Area Mail Delivery Service: Resolving Labor Relations and Operational Problems to Service Improvement," February 23, 1995. GAO/GGD–95–77.*

a. Summary.—At the request of the Treasury, Postal Service and General Government Subcommittee and the Committee on Appropriations, the General Accounting Office reported on mail delivery service in the Washington, DC, metropolitan area. The GAO reported that a number of systemic and operational problems caused poor mail service in the Washington, DC, metropolitan area. First, the Postal Service was unable to deal with the unexpected growth in local mail volume in 1994 which was twice the national average. Second, the Postal Service experienced mail processing problems. The Postal Service has taken a number of actions to address the mail delivery problems including increasing staffing, recombining responsibility for processing and customer service at the operational level, eliminating some duplicative handling of mail in Northern Virginia, and processing mail at an auxiliary postal facility in Southern Maryland. These initiatives should help to improve service, but substantial, long-term improvement will require that postal management and labor unions work together to address long-standing employee relations problems that are reported to be more severe in Washington, DC, metropolitan area than in most other locations.

b. Benefits.—By continuing to study the mail delivery service in the Washington, DC metropolitan area, this GAO review provides important information to the American people and the Congress that will help foster a full and open debate on the quality of mail service.

2. *"Automation Is Taking Longer and Producing Less Than Expected," February 22, 1995, GAO/GGD–95–89BR.*

a. Summary.—As a joint request of subcommittee Chairman McHugh and Senator Stevens, the General Accounting Office reported on the U.S. Postal Service's progress in using optical scanning technology to achieve its goals of (1) bar coding virtually all letter mail; (2) automatically sorting mail to individual home and business addresses; and (3) adjusting work methods and employment to achieve workforce reductions. Barcoding of letter mail and automatic sorting of letters to homes and businesses, referred to as "delivery point sequencing," has proven more difficult than the Service expected and is therefore behind schedule. The savings from automation continue to be small compared to overall labor costs and is more difficult to achieve than the Service anticipated.

b. Benefits.—This report provided the Congress information to make informed oversight decisions on the effectiveness of postal automation, a $15 billion effort.

3. *"Many Challenges in a Changing Environment," February 23, 1995, GAO/T–GGD–95–93.*

a. Summary.—As part of a general oversight hearing before the Subcommittee on the Postal Service, the General Accounting Office assembled data on (1) the key characteristics of the Postal Service

of today, and (2) challenges that will face the Service and Congress as they consider how mail service will be provided in the United States in the future. GAO's testimony was based on work they have completed or have underway on Postal labor management relation, customer service, postal revenues, automation, and competition. Service delivery problems and other challenges have increased the calls for basic reforms of the Postal Service. Recent developments include legislation to turn the Postal Service into a publicly owned corporation, and a coalition request to the Postmaster General to suspend the monopoly over third class advertising mail. The Postal Service has suggested that it be given more operational flexibility in several areas.

b. Benefits.—The GAO report highlights key characteristics of the Postal Service and the challenges that will face both the Service and the Congress as they consider how mail service will be provided in the future.

4. "Performing Remote Barcoding In-House Costs More Than Contracting Out," September 13, 1995, GAO/GGD–95–143.

a. Summary.—At Chairman Lightfoot's request, the General Accounting Office compared the direct costs to the U.S. Postal Service of contracting out for remote barcoding services versus having the work done by postal employees. This examination was conducted for a 36-week period, from July 23, 1994, through March 31, 1995. GAO estimated on the basis of Postal Service data, that in-house barcoding of about 2.8 billion images cost about $4.4 million, or 6 percent more than if the images were processed by contractors. This 6 percent cost differential was based on an in-house mix of 89 percent transitional and 11 percent career employee work hours through March 1995.

b. Benefits.—This detailed study of contracting out for remote barcoding helped provide important information to the American people and Congress that will help foster a full and open debate on this decision by the Postal Service.

5. "Postal Ratemaking In Need of Change," November 15, 1995, GAO/GGD–96–8.

a. Summary.—At subcommittee Chairman McHugh's request, the General Accounting Office revisited matters for congressional consideration contained in its March 1992 report to Congress on postal pricing. The report focuses on (1) whether changes in policies concerning volume discounting and demand pricing should still be considered by Congress, (2) the issues surrounding the current ratemaking process, and (3) what proposals for modifying the postal ratemaking process and other changes merit further consideration by Congress. The GAO report finds that changes to the ratemaking provisions of the Postal Reorganization Act of 1970 may be necessary to recognize market realities which have contributed to the reasons why the Postal Service has not been an effective competitor in some markets. These reasons include such factors as price and regulatory constraints. GAO believes that if the Postal Service is to be competitive and is to keep rates lower for most mail classes over the long term, it needs more flexibility in setting postal rates and that postal rates should be based to a greater extent

on economic principles that consider volume discounting and demand pricing.

b. Benefits.—By studying the Postal Service's continued viability as a full service provider, this GAO review provides important information to the American people and the Congress on the effectiveness of the current process for setting postal rates.

6. "New Focus on Improving Service Quality and Customer Satisfaction," December 20, 1995, GAO/GGD-96-30.

a. Summary.—As a joint request of subcommittee Chairman McHugh and Representative Gary Condit, the General Accounting Office reported on the Postal Service's efforts to measure, report, and improve customer satisfaction. The report contains recommendations to the Postmaster General to improve the dissemination and use of customer satisfaction and other performance measurement data. Among other recommendations, the report recommends that the Postal Service consult with appropriate congressional oversight committees to determine business and residential customer satisfaction data and what other performance data should be regularly provided to Congress for its use.

b. Benefits.—This report provides the Congress information on ways the Postal Service can improve on all performance measures as part of a new initiative called *Customer Perfect* and how that information can be disseminated to Congress, the public, and within the Postal Service.

7. "Postal Employment and Barcoding," December 15, 1995, GAO/GGD-96-54R.

a. Summary.—At subcommittee Chairman McHugh's request, the General Accounting Office responded to questions raised during the Subcommittee on Postal Service meeting on September 21, 1995. The GAO reported on (1) changes in the Postal Service employment subsequent to the 1992 downsizing decision, and (2) actions taken and planned by the Postal Service to convert remote barcoding sites from contractor to Postal Service operations. To obtain information on changes in Postal Service employment, the GAO interviewed responsible Postal Service headquarters officials, analyzed postal employment statistics, and reviewed related Postal Service documents.

b. Benefits.—This detailed study of workforce growth and the effects of barcoding on Postal employment will help provide important information to the American people and Congress that will help foster a full and open debate on this decision by the Postal Service.

8. "Conditions Leading to Problems in Some Major Purchases," January 18, 1996, GAO/GGD-96-59.

a. Summary.—At subcommittee Chairman McHugh's request, the General Accounting Office reported on whether changes were needed in the Postal Service's purchasing program. The committee cited seven purchases that, because of problems that occurred, did not reflect favorably on the Service's procurement policy or the wisdom of exempting the Service from many of the purchasing rules that apply to other Federal agencies. Four of these purchases were

the subject of earlier reports the GAO issued in response to requests from the Postal Service oversight committees. Although these problem purchases were a small percentage of the total and occurred over several years, each involved significant dollar outlays and resulted in excessive cost, delay, and adverse publicity for the Postal Service. GAO's objectives were to determine (1) if the problems were attributable to some underlying cause or causes that should be addressed through a legislative solution and, if not, (2) whether additional procedural safeguards could be employed by the Postal Service to minimize future occurrences of such problems.

b. Benefits.—This study will provide the Postal Service with information to monitor efforts to improve controls over its procurement and ethics programs.

B. OTHER REPORTS AND STATEMENTS

DISTRICT OF COLUMBIA SUBCOMMITTEE

The following District of Columbia Auditor Reports for 1995 have been sent to Congress as mandated by Section 455 of Public Law 93–198:

1. (4/12/95) Review of the District of Columbia Board of Education's Personnel Screening Procedures for New Hires.
2. (04/17/95) Audit of the D.C. Taxicab Commission Assessment Fund—Fiscal Years 1992, 1993, 1994.
3. (06/01/95) *FY 1992 Annual Report on Advisory Neighborhood Commissions.*
4. (06/08/95) *Implementation of the Government Managers Accountability Act of 1995 and the Merit Personnel Law.*
5. (06/29/95) *FY 1993 Annual Report on Advisory Neighborhood Commissions.*
6. (07/10/95) Review of the Agency Fund of the Office of the People's Counsel for Fiscal Year 1994.
7. (07/12/95) Review of the Award and Administration of Parking Ticket Processing and Delinquent Ticket Collection Services Contracts.
8. (07/13/95) Analysis of the Propriety of Lazard Freres Entering Into an Agreement with Merrill Lynch While Serving as the District's Financial Advisor.
9. (07/27/95) Fiscal Year 1994 Annual Report on Advisory Neighborhood Commissions.
10. (08/11/95) Water and Sewer Utility Administration's Participation in the District's Cash Management Pool.
11. (09/05/95) Audit of the District of Columbia Lottery and Charitable Games Control Board for Fiscal Year 1994.
12. (09/20/95) *Financial Review of the District of Columbia's Drug Asset Forfeiture Program.*
13. (10/20/95) *Review of the Public Service Commission Agency Fund for Fiscal Year 1994.*
14. (10/24/95) *Audit of the District of Columbia's Recycling Program (Revised).*
15. (11/07/95) *Performance Audit of the Office of Emergency Preparedness.*

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE

GENERAL SERVICES ADMINISTRATION

Report to the Congress of the United States—Utilization and Donation of Federal Personal Property—Fiscal Years 1991 and 1992, December 1994.

a. Summary.—This biennial report is required by section 203(o) of the Federal Property Act (Property Act) (40 U.S.C. 484 (o)). It is to present a full and independent evaluation of the programs for donation of Federal surplus personal property. It also contains statistics on excess personal property transferred to Federal agencies which thereupon furnished the items to certain non-Federal organizations. The report is to include such recommendations as GSA determines necessary or desirable.

The instant report makes no recommendations. It states that evaluations and analyses of these programs indicate they are operating as intended by Congress. The report adds, however, that "the proliferation of disposal authorities outside the Property Act is fragmenting both programs causing a loss of oversight and accountability for the transfer of Federal Property." The report speaks, for example, about DOD's Humanitarian Assistance Program. It notes that donation participants and Federal agencies have expressed concern to GSA and Congress that the priority assigned to humanitarian assistance for foreign countries is higher than for meeting domestic needs. Cited property categories are excess clothing, vehicles, and heavy-duty motor equipment, all generated in the continental United States and transferred in substantial quantities for foreign use through the DOD program. The report also discloses swift growth in other transfer programs that adversely impact the donation program, since they involve property at the excess stage before it can be determined surplus. This in effect gives these other transfer programs a priority over the donation program, which involves property at the later surplus stage. In addition, GSA has completed its Federal Operations Review Model (FORM) report on personal property disposal, and the subcommittee will be reviewing this report in detail in the second session of the 104th Congress.

b. Benefits.—The structure of the present donation program was established in 1976 by Public Law 94–519. It consolidated numerous Federal programs for distributing unneeded personal property to State and local organizations. It made GSA, as a single agency, responsible for guiding the partnership with individual State governments. (The current requirement for a biennial report was added in 1988.) The instant report gives a clear picture of the continuing trend toward special legislative deviations outside the Property Act framework that adversely affect the consolidation intended by the 1976 Act. The report supplies a solid basis for subcommittee review of the need for further legislative rationalization of this very large but fragmented form of unbudgeted Federal assistance.

EXPLANATORY STATEMENTS

During the first session of the 104th Congress, a total of seven explanatory statements of proposed negotiated disposal of Federal surplus property were referred to the subcommittee after submission to the full committee pursuant to section 203(e)(6) of the Federal Property and Administrative Services Act of 1949. These properties include the Army Family Housing Site, Orangetown, NY, for $2.0 million; Air Force Plant 78, Box Elder County, UT, for $6.45 million; the Research Triangle Foundation in Research Triangle Park, NC, for other property; the golf course at Fort Benjamin Harrison, Marion County, IN, for $2.4 million; utility systems at Lowry Air Force Base, Denver, CO, for $1.025 million; Youngs Lake Family Housing Site, WA, for $1.6 million; and the Federal Building, Sanford, NC, for $141,000. Of the seven, two were transmitted by the Administrator of General Services on behalf of GSA as the disposal agency. The other five were transmitted by the Secretary of the Army or the Secretary of the Air Force. These were disposals of property determined surplus as a result of recent base closure and realignment legislation which directed GSA to delegate disposal functions under the Federal Property Act to the Secretary of Defense. During the 103d, 102d, and 101st Congresses, the numbers of statements received were 16, 20, and 13, respectively. This contrasts with 45 statements received during the 100th Congress. The decline in the number received results from several factors: (1) Public Law 100–612's raising the dollar threshold for statement submission; (2) the involved screening process for homeless assistance use and the priority of consideration required by section 501 of the Stewart B. McKinney Homeless Assistance Act; (3) the shifting of the approach to real property disposal that has accompanied enactment of the recent base closure and realignment statutes; and (4) special legislative authorizations of individual property transfers, which depart, in whole or in part, from the regular disposal procedures of the Federal Property Act.

According to GSA data, since 1967 through fiscal year 1995, there have been over 1,000 negotiated sales of surplus property to public bodies. These have generated over $740 million in proceeds. The total number of all sales of surplus property since 1967 is 6,582, with an aggregate yield of $1.76 billion. For nearly 50 years, the Committee on Government Reform and Oversight or its predecessors have exercised, by House precedent, legislative and oversight jurisdiction over property management and surplus property disposal. The subcommittee takes seriously the responsibility to provide advance review of explanatory statements in order to monitor compliance with statutory and regulatory provisions.

After thorough review of the statements and supporting documentary, the subcommittee frequently offers comments and recommendations regarding such matters as appraising, negotiating, and adhering to legal policy requirements. In recent Congresses, the subcommittee has directed comments and recommendations toward assuring, for example, that:

1. GSA's or other disposal agency's negotiations are conducted only with public bodies or such private entities as meet strict statutory criteria and carried out vigorously by the par-

ties at arms length and in the basis of approved valuations. (The Property Act requires that in negotiated disposal the estimated fair market value of the property be obtained.)

2. If, after negotiations leading to a final offer to the Government and before award, special circumstances should cause the property's value to appreciate substantially, GSA does not hesitate to reject the offer and seek further negotiations with the party.

3. The standard 10 percent earnest money deposit is always obtained with the final offer.

4. Any excess profits from resale by the original purchaser are prevented for the standard period of 3 to 5 years.

5. GSA restricts so-called pass-through sales, which are early resales or long-term leases to a developer made by the public body with which GSA has negotiated an otherwise acceptable offer. (Sales to public bodies should involve public-purpose use of the property; otherwise the general statutory policy of disposal by public advertising should be followed.) A local public body should not, of course, be able to channel valuable property directly into private entrepreneurship. (The current GSA policy is set out in its Handbook PBS P 4000.1 CH 4–31. June 29, 1994.)

6. Credit sales are made only on the basis of standard credit terms as provided in the GSA regulations.

7. There is a close scrutiny of negotiations in which part of the consideration to the Government is a valuable nonmonetary benefit, such as parking spaces. Sale should be for cash, credit or cash equivalent.

8. Property under lease to the proposed purchaser is disposed of only when made subject to required audit and payment of lease revenues payable to the Government.

9. Negotiations be conducted only in the presence of authorized representatives.

10. GSA's acquisition of new property by exchanging Federal property under the Property Act or under the Public Buildings Act of 1959 follows precisely the statutory and regulatory criteria which restrict exchanges involving privately owned property. (See further discussion below of a recent example.)

11. The timely notice required by regulations to be given local public agencies for screening purposes is not waived.

12. Interest in available surplus property expressed by a representative of the homeless is recognized consistently with the priority of consideration afforded by section 501 of the Stewart B. McKinney Homeless Assistance Act or, with respect to base closure lands, the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421) (10 U.S.C. 2684 note at "SEC. 2905 (b)(7)").

13. A protective covenant is included the deed to assure that the land will not be used for a structure that the FAA finds would create a hazard to air navigation.

14. GSA's property appraisal data are not divulged to the other party or to the public. (The Freedom of Information Act [5 U.S.C. 552(b)(c)] has been interpreted as sanctioning the withholding of such information.)

15. Appraisals and appraisal reviews follow uniform standards of professional appraisal practice of the Appraisal Standards Board of the Federal Financial Institutions Examination Council.

16. That departures from arms-length and vigorous negotiations are not made through such devices as agreement to use a third-party appraiser or appraisal reviewer as a basis for settling price differences.

During the 104th Congress, one explanatory statement was received involving disposal by property exchange. Exchanges of property are by nature negotiations. As a result of longstanding subcommittee concern about difficulties inherent in disposal by exchange, GSA's regulations have made subcommittee review of such proposed transactions a two-step process that involves a preliminary subcommittee examination (41 CFR 101–47.301–1). Important Federal interest to be served by the transaction may be clear; whereas a clear compliance with the narrow authority supporting exchange may not be ascertainable. Exchanges are even more difficult when the parties seek to exchange lands of equal value so that there be no payment of any cash differential. (GSA does not have authority to pay such a differential.) Appraisal and negotiation difficulties can prolong the transaction for years, as well as complicate eventual subcommittee review of the proposal.

The Defense Base Closure and Realignment Acts of 1988 and 1990 (10 U.S.C. 2687 note) provide that real property and facilities at a closed military installation are subject to the utilization disposal provisions of the Federal Property Act. These provisions also require the Administrator of General Services to delegate his property disposal authority under the Federal Property Act. As a result the subcommittee has now received explanatory statements from the Department of Defense. But amendments to the 1988 and 1990 statutes enacted as part of the National Defense Authorization Act for fiscal year 1994 (section 2903 of Public Law 103–160) have given the Secretary supplemental authority to dispose of base closure property outside the Property Act in cases where severe economic impact on the community resulting from closure justifies a less than fair market value transfer to the recognized local redevelopment authority. In such cases, however the Secretary must furnish an explanation as to why the transfer is not for estimated fair market value and why the transfer could not be made in accordance with the still-effective provisions of the 1988 and 1990 base closure acts which require that the Property Act disposal authority (delegated to the Secretary by GSA) be followed. Accordingly, the opportunity will remain for the review by cognizant, congressional committees of DOD transactions even under the supplemental authority.

C. COMMITTEE PRINTS

POSTAL SERVICE SUBCOMMITTEE

1. "Mail Service in the United States: Exploring Options for Improvement," A Report prepared by Congressional Research Service of the Library of Congress for the Committee on Government Reform and Oversight, December 1995, 95–1105 E.

a. Summary.—This report is an extensive review of the structure, operation and organization of the U.S. Postal Service (USPS) and was prepared at the request of subcommittee Chairman John McHugh.

In recent years the USPS has come under severe criticism for its service and delivery operations. Furthermore, USPS general labor and overtime costs have far exceeded Service estimates. The Service had anticipated that automation would curb increases in operating costs; however, savings from this effort have fallen short of expectations. The Postal Service has said that it is hampered by constraints in law under which it must operate.

The report discusses the mandate and mission for the Postal Service and questions whether such goals now create a barrier to the Service's attempt to compete in today's complex communications environment. It analyzes the current statutory structure, the Postal Reorganization Act of 1970, under which the Service operates and raises the question whether statutory change is warranted in helping the Postal Service meet the expectations of its customers. The report elaborates on competition in the modern communications industry, and the effective erosion of the postal monopoly by advances in communications technology. It also discusses the impediments the Postal Service faces in its attempts to respond to market developments and to modifying postal rates and services.

b. Benefits.—The report is a comprehensive primer analyzing the scope and effectiveness of the U.S. Postal Service. It provides a reference point in the committee's deliberations to understand the problems of the Service and provide remedial legislation where necessary.

V. Prior Activities of Current or Continuing Interest

District of Columbia Subcommittee

The subcommittee will continue areas of interest from the 103d Congress in the following areas:

1. The 104th Congress drew heavily upon the work of its predecessor in producing two pieces of legislation which are H.R. 1345 (Public Law 104–8) and H.R. 2108 (Public Law 104–28) **(see Section III, Legislation)**. These laws relate respectively to the District's financial condition and the proposed convention center and sports arena.

2. In May 1994, the Committee on the District of Columbia commissioned a GAO study of the District's finances. That report found that the District was "facing both unresolved long-term financial issues and continual short-term financial crises." It warned that the District would run out of cash by fiscal year 1995. The GAO study found the District's budgetary expenditures did not reflect historical and projected trends and found its projections overly optimistic. The 104th Congress found the GAO study particularly helpful as it attempted to ascertain the extent of the District's problem.

3. With regard to the convention center and sports arena, the Committee on the District of Columbia of the 103d Congress commissioned a GAO study that concluded that the District and the Congress needed better cost and benefit projection estimates before commencing this project and urged that a mechanism be found to generate sufficient revenues to cover known expenses. Action was taken on both of these fronts and the revenue source was stipulated in the enacted legislation.

4. The 103d Congress also considered the possible transfer of ownership of St. Elizabeth's Hospital and the District's unfunded pension liability. These remain ongoing concerns. Although the District of Columbia Subcommittee took no action regarding these issues during the first session of the 104th Congress, it intends to revisit them.

Human Resources and Intergovernmental Relations Subcommittee

1. FDA regulation of breast implants. The subcommittee will monitor FDA efforts to determine the safety and efficacy of these devices, particularly as new scientific studies are completed on alleged silicone diseases.

2. AIDS funding. The subcommittee will review changing AIDS care protocols and changing AIDS demographics to assess appropriate funding levels.

3. FDA drug labeling. The subcommittee will review FDA regulation of drug usage information, off-label uses and industry promotional practices.

4. Federalism. The subcommittee will monitor changes in State/Federal relations, particularly U.S. Supreme Court cases involving Tenth Amendment claims limiting Federal authority.

5. Review of women's health issues. The subcommittee will review HHS and FDA programs on women's health.

6. FDA's new drug review and approval process. The subcommittee will monitor the performance of FDA's Center for Drug Evaluation and Research to determine if statutory deadlines are being met.

7. Minority health issues. The subcommittee will monitor HHS/PHS, CDC and NIH efforts to assess the health needs of minorities.

8. Preemption of State governments by Federal health and safety agencies. The subcommittee will examine the scope, purpose and effectiveness of Federal preemption of certain State health and safety regulations.

9. FDA's health claim labeling rulemaking. The subcommittee will review FDA proposed rules on permissible health claims for certain food and drug products.

10. Medicare and Medicaid funding mechanisms. The subcommittee will examine HCFA management of waivers and regulation of provider reimbursements as these issues effect the costs of Medicare and Medicaid to patients and States.

11. Department of Education's direct student lending program. The subcommittee will review the implementation and management of the direct student loan program.

12. FDA's regulation of jaw implants. The subcommittee will continue to monitor FDA actions and medical research on the evaluation and treatment of TMJ.

13. Federal food labeling regulatory policies. The subcommittee will review efforts to coordinate food safety regulation between the USDA, FDA and the States.

14. Quality of health care received by Native Americans at Indian Health Service facilities. The subcommittee will monitor performance evaluations of Indian Health Service facilities.

NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE SUBCOMMITTEE

The subcommittee will continue its investigations and oversight work in the following areas within its jurisdiction:

1. The activities of the Drug Enforcement Administration in the drug war.
2. Federal agencies and their participation in Drug Interdiction.
3. The Department of Defense (See "VI. Projected Program for the 104th Congress, 2d Session").
4. The U.S. Coast Guard's active involvement in international drug interdiction.
5. The efficiency of the U.S. Customs Service.
6. The use of National Guard forces in multi-jurisdictional areas.
7. The modern implications of the Posse Comitatus Act.

8. The implementation of Census 2000 and the adjustment issue.

9. The implementation of cost saving initiatives at the National Aeronautic and Space Administration.

10. Loan agreements initiated within the Department of State.

11. The success of the Arms Control and Disarmament Agency.

12. The operations of the Bureau of Alcohol, Tobacco, and Firearms.

13. The successful implementations of the recommendations of the Base Closure and Realignment Commission.

14. The efficiency and interagency of the Central Intelligence Agency.

15. Travel related costs at the Department of Defense.

16. The efficiency of the Federal Emergency Management Agency.

17. The efficiency of the National Archives.

18. Civil Rights issues relating to Operation Lightening Strike.

19. The Panama Canal Commission.

20. The actions of Federal law enforcement at Ruby Ridge, the home of Randy Weaver.

POSTAL SERVICE SUBCOMMITTEE

The subcommittee will continue its investigations and oversight work in the following areas within its jurisdiction:

1. Operation of the U.S. Postal Service. The subcommittee will continue to exercise its general oversight authority through the conduct of general oversight hearings.

2. Postal Service labor-management relations. The subcommittee will continue to explore ways to reduce the incidents of workplace violence.

3. Dual role of Chief Postal Inspector as Postal Service Inspector General. The subcommittee will continue to request the Postal Service Inspector General to perform investigations and studies as appropriate for the role of Inspector General. The subcommittee will continue to monitor the performance of the Inspector General in determining whether the dual role of Inspector General and Chief Postal Inspector is appropriate.

4. Postal Service and Bureau of the Census cooperation in implementing plans toward the conduct of the decennial census in 2000.

5. Workplace safety, health and ergonomic issues. Additionally, the subcommittee continues to monitor the Postal Service's operation of its workers' compensation program.

6. Postal Service rate and reclassification processes. The Postal Rate Commission issued its recommended decision in Docket No. MC95–1, Mail Classification Reform I. The subcommittee will monitor any actions the Postal Service Board of Governors may take on this decision and its implementation by the Postal Service. In addition, the Postal Service is expected to submit a second reclassification case for nonprofit mailers and other mailers not included in the original filing.

7. Fiscal year budget proposals and impact on the Postal Service, customers and employees. The administration proposed a substantial Federal budget obligation of $9.85 billion on the Postal Service in its balanced budget submission. The subcommittee will continue to monitor any legislative action on this and other budget proposals affecting the Service.

VI. Projected Program for 104th Congress, 2d Session

DISTRICT OF COLUMBIA SUBCOMMITTEE

A. OVERSIGHT

During the second session of the 104th Congress, the subcommittee will continue its oversight of the government of the District of Columbia. The key issue areas include:

1. Financial condition of the District.
2. Planned new convention center.
3. Education programs and spending.
4. Performance and reorganization of the District government.
5. Management and operational structure of the Blue Plains wastewater treatment facility.
6. Status and future of the Lorton Correctional Complex.
7. Performance and programs of the District of Columbia Financial Responsibility and Management Assistance Authority (the Control Board).

B. LEGISLATION

The subcommittee will consider such bills and resolutions as may be referred. It is anticipated that legislation may include the new convention center, technical amendments to the control board legislation (Public Law 104–8), and the housing of District felons at Lorton Correctional Complex in Virginia.

C. INVESTIGATIONS

During the second session of the 104th Congress, the subcommittee will continue to oversee and investigate various aspects of the government of the District of Columbia. Of particular interest to the subcommittee are:

1. Education programs and performance.
2. Law enforcement.
3. District of Columbia Department of Corrections.
4. The closing and status of Pennsylvania Avenue in front of the White House.
5. Progress of the MCI Arena at Gallery Place (the new sports arena).
6. Plans and progress for the new convention center.
7. Health care services and delivery in the District of Columbia.
8. The recycling program of the District of Columbia.
9. Operation and status of the Blue Plains wastewater treatment facility.
10. Property management practices and performance.
11. Procurement practices and reform.

12. Personnel rules and practices.
13. The proposed "transformation" of the District government.
14. Court ordered receivers and consent decrees.
15. D.C. Unfunded pension liability.
16. Ownership of St. Elizabeth's Hospital.

GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY SUBCOMMITTEE

A. EXECUTIVE REORGANIZATIONS

During the second session of the 104th Congress, the subcommittee will continue its oversight of executive branch organization and structure issues. Among the current priorities are reorganization issues involving:

1. Monitoring the reorganization of the Office of Management and Budget Under "OMB 2000."
2. Establishing an Office of Statistical Policy to consolidate the Federal Government's statistical entities.
3. Reauthorization of the General Services Administration.
4. Reauthorization of the Office of Government Ethics.
5. Proposal to establish an Office of Federal Management in the Executive Office of the President.
6. Establishing an Inspector General for the Medicare and Medicaid programs.
7. Establishing an Inspector General for the Executive Office of the President.
8. Establishing a Chief Financial Officer for the Executive Office of the President.
9. Establishing a Commission on Federal Reorganization.

B. MANAGEMENT ISSUES

During the second session of the 104th Congress, the subcommittee will continue its examination of executive branch management issues and proposed reforms. Among the current priorities are management issues and reform proposals involving:

1. Establishing a separate Office of Federal Management in the Executive Office of the President.
2. The implementation of the Government Performance and Results Act.
3. The implementation of the Chief Financial Officers Act and the Government Management Reform Act.
4. Oversight of the General Accounting Office.
5. Oversight of the Office of Management and Budget.
6. Oversight of the Smithsonian.
7. Oversight of the Post-FTS2000 procurement.
8. The implementation of the Inspectors General Act.
9. Oversight of executive branch travel practices.

C. INFORMATION AND TECHNOLOGY ISSUES

During the second session of the 104th Congress, the subcommittee will focus on an examination of various information technology and information policy issues. Among the current priorities are management issues and reform proposals involving:

1. Federal Use of Information Technology.
2. Managing Federal Information Technology.
3. Improving Federal Automated Financial Management Systems.
4. Improving Citizen Access to Government Information through Information Technology.
5. Enhancing Federal Productivity through Information Technology Investments.
6. Oversight of the Freedom of Information Act.
7. Oversight of the Privacy Act.
8. Oversight of the Federal Advisory Committee Act.

D. LEGISLATION

The subcommittee will consider such bills and resolutions as may be referred.

E. INVESTIGATIONS

During the second session of the 104th Congress, the subcommittee will continue its oversight of the General Services Administration, the General Accounting Office, the Agency for International Development, the Executive Office of the President, the Smithsonian, the National Foundation for the Arts and the Humanities, and other smaller units of government within its jurisdiction. The subcommittee anticipates that its oversight work will direct particular attention to the following investigations:

1. Internal Revenue Service financial management practices.
2. Internal Revenue Service records retention and transfer policy.
3. Effectiveness of the management reforms within the Office of Management and Budget.
4. Adequacy of funding for Chief Financial Officers and Inspectors Generals to prepare and audit financial statements efficiently and effectively.
5. Oversight of executive branch travel practices.

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

A. LEGISLATION.

1. The Local Empowerment and Flexibility Act of 1995 (H.R. 2086, 104th Congress).
2. The Health Care Fraud and Abuse Prevention Act of 1995 (H.R. 2326, 104th Congress).
3. The Health Care Fraud and Abuse Act of 1995 (H.R. 1850, 104th Congress).

B. OVERSIGHT.

1. Unfunded Mandates Reform Act (Public Law 104–4) compliance.
2. Teen pregnancy.
3. Medicare reimbursement for durable medical equipment.
4. HUD management of public housing tenant initiatives.
5. The Federal Employees' Compensation Act.

6. Persian Gulf war syndrome.
7. Job training programs.
8. National immunization program.
9. FDA's National Center for Toxicological Research.
10. Special Prosecutor's report on HUD.
11. Blood safety.
12. FDA's Center for Veterinary Medicine.
13. National Institute of Health grant allocations.
14. Troubled public housing.
15. Medical records and privacy.
16. Immigrant labor.
17. Department of Veterans Affairs/Department of Defense Hospital Coordination.
18. Medicare services in nursing homes.
19. DOL regulation of Multi-employer Welfare Arrangements (MEWA's).
20. Centers for Disease Control and Prevention's monitoring of emerging infectious diseases.

NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE SUBCOMMITTEE

1. THE OFFICE OF NATIONAL DRUG CONTROL POLICY—Drug policy oversight will continue, with a heavy emphasis on interdiction, prevention, source country programs, treatment and law enforcement. The subcommittee will monitor the Office of National Drug Control Policy and it's corresponding responsibility to coordinate efforts of the Drug Enforcement Administration, U.S. Customs, U.S. Coast Guard, Department of Defense, State, Justice, FBI, CIA, Department of Education, Department of Health and Human Services and others in the fight against drugs.

2. PEACEKEEPING OPERATIONS—The subcommittee's oversight investigation of peacekeeping operations will focus on whether or not peacekeeping operations preclude other, more appropriate activities for the U.S. military. What guides the U.S. military into peacekeeping operations? Do these operations waste resources? Are there long term benefits to peacekeeping operations?

3. NORTH ATLANTIC TREATY ORGANIZATION—The demise of the Soviet Union means that a conventional ground attack against Western Europe is no longer in the realm of possible conflict scenarios, at least for the foreseeable future. The subcommittee will investigate why the United States needs NATO and whether there exists a more useful expenditure of national security resources.

4. BALLISTIC MISSILE DEFENSE—The subcommittee will continue to investigate the efficiency and usefulness of the Ballistic Missile Defense Organization. The organization manages a budget of $3 billion. About two-thirds of these funds are being used to develop and procure four core anti-theater ballistic missile systems (Patriot, Navy Lower Tier, THAAD, and Navy Upper Tier). The subcommittee has an ongoing dialog with personnel in the Ballistic Missile Defense Organization.

5. BUREAU OF THE CENSUS—The subcommittee will continue it's oversight of the Bureau's Census 2000 planning and monitor critical Census 2000 planning decisions. Extensive evaluation of the Bureau's 1995 Test Census will be conducted. The subcommittee

should begin to make substantive recommendations to the Bureau in an effort to curb excess. The subcommittee will review Bureau plans on follow-up census taking with a focus on accuracy and costs.

6. NASA—The subcommittee will review NASA's management of projects, including NASA's cost-estimating, establishment of realistic priorities, and the overall testing policy as it relates to the Space Shuttle and other programs. The subcommittee will review potential cost savings from the streamlining of facilities and missions. The subcommittee will give special attention to mission planning, facility maintenance and repair costs, environmental clean-up issues, and skills distribution. The subcommittee will focus on NASA's policies and plans on project testing, storing and archiving data, facility maintenance and repair, and environmental protection. The subcommittee will review NASA's procurement and auditing practices with a special emphasis on NASA's pre-award activities.

7. FEMA—The subcommittee reviewed the participation of FEMA in the aftermath of the bombing of the Alfred R. Murrah Federal Building in Oklahoma City, OK. Pursuant to its oversight jurisdiction over FEMA, the subcommittee will review controls on FEMA's discretionary spending, post-recovery expenditures, and audit procedures.

8. INTELLIGENCE AGENCIES—The subcommittee reviewed the intelligence capabilities of Federal agencies in light of domestic and international terrorist threats. To further its oversight jurisdiction over the U.S. Intelligence community, the subcommittee will conduct a broader investigation of the role of intelligence within the U.S. Government. Specifically, in cooperation with the Permanent Select Committee on Intelligence and other appropriate committees, the subcommittee will review respective jurisdictions and the post cold war roles of the intelligence agencies, interagency cooperation, resource distribution and intelligence processing.

9. ECONOMICS AND NATIONAL SECURITY—The subcommittee will review *foreign direct investment* in the United States. The focus of the inquiry will gauge the effectiveness of safeguards now in place to prevent foreign investments from threatening national security.

The subcommittee also will review *export controls*. The President now has the authority to restrict exports of goods and technologies if such exports would prove detrimental to U.S. national security. This authority has essentially been used to block exports to Communist and formerly Communist countries.

The subcommittee also will review *sole-sourcing*, the principal which suggests that if a product can be purchased at a lower price from an overseas supplier then it should be purchased overseas. This issue has most recently been raised in connection with the production of computer chips supplied to United States military equipment producers by Asian companies.

The subcommittee also will investigate *defense offsets*. The issue involves an increasing practice of foreign nations requiring the United States to purchase high technology commercial items as part of a deal for those foreign nations to purchase high technology defense items from the United States.

10. DEPARTMENT OF ENERGY—The subcommittee will investigate the *Atomic Energy Defense Activities* of the Department of Energy. About $10 billion of the Department of Energy's annual budget is for national defense activities. Some Members of Congress have advocated eliminating the Department of Energy. The administration has reduced the Department of Energy's national defense activities and the current Secretary of Energy is presumed not to support the Department of Energy's role in national security. The subcommittee will look at the possibility of moving the Department of Energy's national defense activities to Department of Defense.

The subcommittee will investigate the redundancy that results from having *three Department of Energy national defense laboratories*. With the downsizing of the national defense, and the collapse of the Soviet Union, three DOE national defense laboratories may not be necessary.

11. DEFENSE DEPARTMENT'S ROLE IN RETAIL SALES AND RECREATIONAL SERVICES—The subcommittee will investigate the extent to which the retail sales and recreational services provided by the Department of Defense are cost-effective. The subcommittee also will examine the advantages and disadvantages of alternatives.

12. COUNTER-PROLIFERATION, COOPERATIVE THREAT REDUCTION, CONTROL OF FISSILE MATERIALS COUNTER-PROLIFERATION—In the aftermath of the cold war, more nations are expected to acquire weapons of mass destruction (nuclear, chemical, and biological weapons) and the means to deliver them. As our non-proliferation efforts fail, the United States must accelerate its efforts to develop capabilities for defense against nations that acquire these weapons and systems to deliver them. This effort, defined as counter-proliferation, is designed mostly to develop technologies that can be used defensively. Examples of such efforts include the development of lightweight protective gear to protect servicemen in a chemical environment; equipment to detect biological toxins; and weapons to detect and destroy well-hidden or well-protected weapons of mass destruction. The subcommittee began to investigate this program with briefings from the Director of the Ballistic Missile Defense Program. The subcommittee will continue its investigation into the success of this operation.

The *Cooperative Threat Reduction* program was established by the Congress in 1991 to reduce the risk of weapons of mass destruction in the former Soviet Union. The program was originally conceived to provide emergency assistance to the former Soviet Union to assist in its destruction of its nuclear arms. It has grown into a multi-year program with over $1.2 billion in total appropriations. The subcommittee will investigate the adequacy of the multi-year plan and whether or not the associated cost estimates are realistic.

The *Control of Fissile Material* is important to U.S. national security in that fissile material is the core of nuclear weapons. Fissile material is a matter of concern in both counter-proliferation and cooperative threat reduction. Fissile material can be investigated as a component of counter-proliferation and cooperative threat reduction or as a national security concern of its own. GAO is currently working on a study for the Senate Governmental Affairs Committee, Subcommittee on Investigations, and the House National Secu-

rity Committee dealing with nuclear materials control in the former Soviet Union. The subcommittee will investigate this topic in cooperation with the Senate Governmental Affairs Committee, Subcommittee on Investigations, and the House National Security Committee.

POSTAL SERVICE SUBCOMMITTEE

A. LEGISLATION

1. The subcommittee anticipates addressing comprehensive postal reform proposals during the second session of the 104th Congress. During the first session the first hearing in a series of postal reform hearings highlighted the need for the subcommittee to address reform issues. Anticipated hearings are projected to address the following subjects: ratemaking reform, the scope of the mail monopoly, labor-management relations and foreign postal reform.

Subcommittee consideration of postal reform marks the first time in 25 years that Congress has considered seriously reforms to the 1970 Postal Reorganization Act.

2. H.R. 1963, the Postmark Prompt Payment Act.

3. The subcommittee will consider such bills and resolutions as may be referred.

B. INVESTIGATIONS

The subcommittee will continue its review of selected programs and activities that are under its jurisdiction. It will continue or commence investigations of issues which occur and problems which are brought to its attention. It is anticipated that particular consideration will be given to the following areas:

1. Postal Service employee training, safety, and morale.
2. Automation, mail volume and the impact of the new rate classification case.
3. Examination of the mailbox monopoly.
4. The role of the Postal Service in the international mail market.
5. The Postal Service Bulk Business Mail acceptance practices and the adequacy of the Postal Service's systems for assessing, collecting, and otherwise protecting revenue and/or accountable paper.
6. The quality of the Postal Service procurement program.
7. The Postal Service oversight of National Change of Address Program licensees and consideration of H.R. 434.
8. Allegations of waste, fraud and abuse in the Postal Service and their investigation by the Postal Inspection Service/Office of Inspector General.

C. STUDIES

1. Continuing review of requested legislative changes by the U.S. Postal Inspection Service to enhance criminal protections against mail fraud, sexually oriented advertisements, and employee safety.

2. Study the quality of the watchdog role of the Inspector General/Postal Inspection Service under the current legislative structure.

3. Study the quality and quantity of data produced by the Postal Service for the ratesetting process.

4. Indepth review of possible reform alternatives for the USPS and the Postal Rate Commission.

5. Maintain the effectiveness of the Revenue Forgone Reform Act.

6. Continue to monitor effectiveness of the USPS application of the IG Act of 1984.

7. Study the Postal Service expenditures and operations relating to transportation, automation and facilities.

8. Address meter fraud.

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