



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-233596.2

January 31, 1989

Mr. Joseph Vellone
Rural Telephone Bank Board
2626 Pennsylvania Avenue, N.W.
Washington, D.C. 20037-1695

Dear Mr. Vellone:

This is in response to your letter of December 1, 1988, requesting that we reconsider the dismissal of your protest, B-232596.1, on November 18, 1988. As a representative of the elected members of the Rural Telephone Bank (RTB) Board, you had protested the award of a contract by the Rural Electrification Administration (REA) for development of a plan for conversion of ownership of the RTB on the basis of alleged procedural improprieties and undue haste in the Board's decision to award the contract.

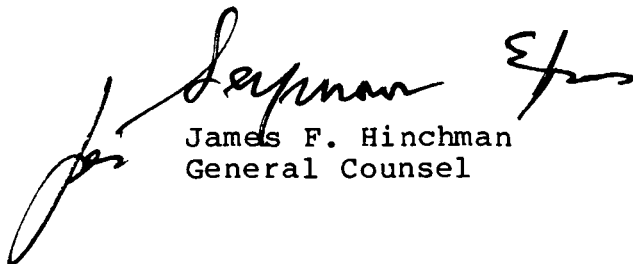
We recognize that you and the other elected members of the RTB Board are very concerned about the resolution of the matters you have presented as a bid protest. However, our consideration of bid protests is limited to those brought by "interested parties," who are actual or prospective offerors whose direct economic interest would be affected by the award of a contract. See the Competition in Contracting Act of 1984, 31 U.S.C. § 3551(2) (Supp. IV 1986), and our Bid Protest Regulations, 4 C.F.R. § 21.0(a) (1988). The RTB is an agency of the United States subject to the supervision and direction of the Secretary of Agriculture (7 U.S.C. § 943(a) (1982)), and as observed by REA in its December 16 letter to us and as you acknowledged in your letter of January 10, 1989, the RTB Board does not meet the definition of an interested party. Since your bid protest is not for consideration by our Office under the statutory and regulatory authority cited, your request that we reopen the file and consider the merits of your protest is denied.

In your January 10 letter you also suggested that the circumstances surrounding this procurement should be subject to an investigation by the Comptroller General. In accordance with section 1413(b) of Public Law 100-203, our Accounting and Financial Management Division is in the process of completing a study of the operations of the RTB and is expected to make comments and recommendations regarding the issue of privatization and the RTB Board's responsibilities. When the report is published, we will

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furnish you a copy of it. As indicated above, however, the matter raised in your letter of November 18, 1988, is not for consideration under our Bid Protest Regulations.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James F. Hinchman". The signature is written in black ink and is positioned above the typed name and title.

James F. Hinchman
General Counsel