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WASHINGTON, D.C. 20548

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RELEASED

The Honorable John D. Dingell
Chairman, Subcommittee on Energy
and Power
Committee on Interstate and
Foreign Commerce
House of Representatives H. 2303

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Dear Mr. Chairman:

Subject: [Personnel Support Services Furnished
1 the Federal Energy Regulatory Commission 1452
2 by the Department of Energy] (EMD-80-20) 912
DOE

Your letter dated May 14, 1979, requested that we re-examine the Department of Energy's (DOE's) processing of Federal Energy Regulatory Commission (FERC) job applications in light of its April 1979 internal memorandums. The memo-randums discussed problems that FERC operating offices were experiencing with DOE-furnished support services.

You were particularly concerned about the ^{There were} apparent inconsistencies between the information contained in our previous report (EMD-79-53, May 1, 1979) and FERC's internal memorandums, and the implications such inconsistencies had on the adequacy and thoroughness of our review. In that report, we said that according to FERC officials, DOE's processing of job applications was being done in a reasonable time frame, and no serious problems existed.

This report is based on our followup of the information supplied in the FERC memorandums forwarded with your request letter, and our findings are consistent with those in our previous report. It was discussed with your office in August 1979.

As agreed with your office, we limited our followup work to what appeared to be the more troublesome problems that FERC officials listed in their memorandums, i.e. (personnel related problems.) We selected four offices--Office of Pipeline and Producer Regulation, Office of Opinions and Reviews, Office of Congressional and Public Affairs, and Office of Administrative Law Judges--for review. We reviewed available records and discussed the situation with FERC program officials, the Executive Director, the Special Assistant to the Executive Director, and the Chairman, FERC. Our review was completed in September 1979.

see paper

508101
Federal agencies
regulatory agencies
Personnel management
(1004293)
Personnel classification
Too classified
PS grade classification



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FERC INTERNAL MEMORANDUMS

Background

FERC operates under a common support agreement with DOE which provides for DOE's Central Headquarters Offices to furnish certain general support requirements such as

- contracting and procurement (except for areas specifically mentioned in section 401 (c) (5) of the Department of Energy Organization Act),
- recruiting and personnel administration,
- payroll,
- automatic data processing,
- operation of management information systems,
- property management,
- facilities maintenance, and
- equal employment opportunities to FERC.

and The agreement also provided that DOE's Central Office staff would, on request, furnish support in areas where expertise is not resident in FERC.)

The FERC operating offices prepared their memorandums at the request of the Special Assistant to the Executive Director. The Chairman, FERC asked the Special Assistant to compile a list of one-time and recurring difficulties the operating offices were experiencing with DOE services provided under the common support agreement. The Chairman requested the information in order to prepare for an April 11, 1979, meeting with the Director, DOE Office of Administrative Services. The purpose of this meeting was to discuss how DOE could improve furnishing support services to FERC.

In summarizing the office memorandums and compiling a list for the Chairman, the Special Assistant did not verify the problems outlined in the memorandums. In the Executive Director's absence the Special Assistant submitted his memorandum directly to the Chairman.

COMMENTS ON PROBLEMS EXPERIENCED
BY FERC OPERATING OFFICES

Discussions of [the key personnel issues listed in memorandums with program officials from four offices showed that the areas of job position descriptions and proper grade levels for new employees were the primary issues where FERC program officials and DOE personnel classifiers differed.] ^{were}

The Special Assistant to the Director, Office of Pipeline and Producer Regulation, informed us that his major problems with the personnel office arose when the Office of Pipeline and Producer Regulation was allocated over 300 new regulatory positions to enable FERC to meet its responsibilities under the National Energy Act. Since the regulatory positions were new, the Office of Pipeline and Producer Regulation had to prepare initial position descriptions and grade justifications. Because no formal training program for regulators existed, the Office of Pipeline and Producer Regulation had to recruit personnel with degrees in various disciplines, such as economics, engineering, accounting, etc., with the intent of training them in the regulatory processes.

*Improvements
have been
made
page 6*

Disagreements arose between the Office of Pipeline and Producer Regulation and DOE classifiers regarding the types of educational backgrounds and grade levels required to fill the new positions. While DOE classifiers were using the Office of Personnel Management guidelines to determine the proper grade levels, the Office of Pipeline and Producer Regulation was contending that it required higher grade-level authorizations to attract the quality of personnel needed to do the job. This disagreement delayed the filling of these vacancies. In this regard, we noted that Section 401(c) of the Department of Energy Organization Act provided the Chairman, FERC, with the authority to achieve the most effective and economical staff operations within the policies established by the Commission. The Executive Director stated that this section included the authority to overrule decisions made by DOE classifiers. The Chairman, in a directive dated October 20, 1977, delegated that authority to the Executive Director, who has used it sparingly.

An official in the Office of Opinions and Reviews informed us that a major problem arose when DOE classifiers were requested to approve position descriptions for three

GS-6/7 legal secretaries. Upon review of the position description, the classifiers determined that, based on the Office of Personnel Management guidelines, these positions should be classified as GS-6/7 legal clerk positions. After discussion between the Office of Opinions and Reviews and the DOE classifier, the positions were advertised as legal clerks, which was a time consuming process. Another problem experienced was the length of time it took for employees to receive a copy of their SF-50, Notification of Personnel Action, from DOE personnel--6 to 8 weeks--after reporting to work. Also, the Opinions and Reviews official believed this process was too time consuming.

The Director, Office of Congressional and Public Affairs which was established on April 19, 1979, and includes the Division of Public Information, complained that he had been unable to fill all of the promised positions. His office was authorized 37 positions, but as of June 27, 1979, only 23 positions were filled. The FERC Executive Director informed us that the Office of Congressional and Public Affairs had a low-priority in processing of job applications. He stated that the Office would be fully staffed as soon as possible.

An official of the Office of Administrative Law Judges informed us that it took about 4 months from the date a job action request for secretaries was forwarded to personnel until a secretary was hired. In two other instances it took from 2-1/2 to 3 months to hire a secretary. These secretarial positions were classified as low-priority positions under the system FERC established to process new job applications.

IMPROVEMENTS MADE IN DOE
PROCESSING FERC JOB APPLICATIONS

The Executive Director indicated that (two primary factors have impacted the order in which FERC job applications were processed--a priority system in filling vacancies and a departmentwide classification project.)

(In the approved 1979 budget, FERC received a personnel allocation increase of approximately 400 positions. At the same time, FERC had also been experiencing a 10- to 20-percent personnel turnover rate.) In order to fill FERC's most critical vacancies expeditiously, the Executive Director

established a priority system for DOE personnel support staff to follow in processing requests received from FERC offices.

The Executive Director informed us that, although he prepared no written communication to his staff outlining the priority system, he informed the offices of the system at a December 1978 staff meeting. The priority system classified vacancies into three categories:

- Priority 1: vacancies related to fulfilling new National Energy Act requirements. ✓
- Priority 2: vacancies related to reducing existing backlog cases.
- Priority 3: all other vacancies.

The DOE Personnel Officer for FERC informed us that his office gave top priority to all positions involving priorities 1 and 2.

The second factor was that DOE personnel were conducting a departmentwide classification and organizational effort. This effort was mandated by title V of the Civil Service Commission Classification Act. The act and a subsequent Civil Service Review basically required DOE to reclassify by March 1979 all positions in the Department as of September 30, 1978--approximately 20,000. To perform this dual role of reclassifying all positions and performing their daily responsibilities, DOE personnel had a total of 13 classifiers employed at headquarter units. These classifiers, however, could not handle the abnormally heavy workload from the combination of the large increase in allocated positions, the high turnover rate, and the reclassification effort. (As a result, DOE employed several outside contractors to assist in the preparation of job descriptions and grade justifications.) ✓

The primary contractor for headquarters was Booz-Allen Hamilton, who reviewed about 800 positions, including 148 positions in FERC, under a general services contract dated September 30, 1978. The tasks were completed August 31, 1979, at a total cost of about \$325,700.

In addition, two individuals were hired under contract to review 41 additional FERC positions, at a combined cost of about \$19,300. Both contractors started on April 3, 1979; one was completed on July 13, 1979, and the other on July 31, 1979. On September 11, 1979, the DOE classification review was 91 percent completed.

The Executive Director and the Chairman, FERC told us in September 1979, that they saw no major problems with the way that DOE was providing personnel support services. The Executive Director informed us that, in his opinion, the DOE Personnel Office supporting FERC was doing a better job than indicated in the April internal memorandums. The Chairman, FERC, informed us that the personnel support services furnished by DOE have improved and only minor problems remain.

COMMON SUPPORT AGREEMENT

Because of your interest in the common support agreement under which DOE furnishes certain general support services to FERC, we discussed the issue with the Chairman, FERC, and had our Office of General Counsel review the agreement.

The Agreement states that the support services being furnished can generally be provided by Central Headquarters Offices without jeopardizing the programmatic independence or objectivity of FERC. The Chairman, FERC, informed us that he believes that DOE's furnishing FERC with support services will not affect FERC's independence or objectivity under the existing support agreement. While we have no reason to question the Chairman's belief, we point out that because the Department of Energy Organization Act creates a situation in which FERC must rely upon DOE for support services there is a degree of dependency of FERC on DOE that is inherent in this statutory relationship.

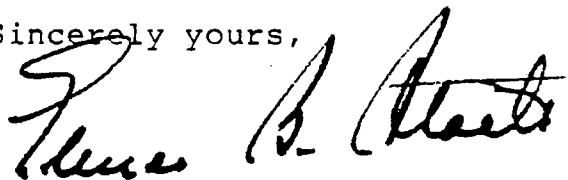
(The termination clause of the common support agreement, which we consider to be in compliance with section 401(c) of the Department of Energy Organization Act, allows FERC to terminate the agreement 90 days after notifying the Secretary of Energy. However, the Chairman, FERC, informed us that if a complete termination of the agreement became necessary FERC, with its current staffing, would not be able to assume all the duties currently provided by DOE within the 90 days

specified in the agreement. The Chairman stated that in the event of a termination, DOE and FERC would probably have to negotiate a transfer of personnel. The reason is that, in certain administrative areas, such as payroll and finance the total amount of time DOE personnel spend in furnishing support to FERC cannot be readily identified.

He further stated that a need to negotiate would only arise if DOE and FERC officials failed to reach a mutually acceptable solution to a major problem. We believe that, in the event negotiations become necessary, FERC's degree of independence could be temporarily affected since DOE would control the personnel during the negotiations. However, we again point out that the potential for affecting FERC's independence would not necessarily arise only in the case of terminating the common support agreement, but, rather, is a risk that is inherent in the fact that, by law, FERC is dependent upon DOE for the provision of support services.

As you requested, we did not obtain agency comments on this report. Our policy is to make request assignment reports available for unrestricted distribution at the time they are issued to the requestor or within a few days of issuance. Those reports which are initially restricted generally will be made available for unrestricted distribution no later than 30 days after the date of the report. We will contact your office regarding specific distribution arrangements.

Sincerely yours,



Comptroller General
of the United States