

---

**GAO****Testimony**

Before the Subcommittee on Housing Opportunity and  
Community Development, Committee on Banking, Housing,  
and Urban Affairs, U.S. Senate

---

Hearing  
held on  
Sept. 28, 1995  
Statement  
Submitted on  
Oct. 13, 1995

---

**HOUSING AND URBAN  
DEVELOPMENT****Public and Assisted Housing  
Reform**

Statement for the record Judy A. England-Joseph,  
Director, Housing and Community Development Issues,  
Resources, Community, and Economic Development Division



---

---

Mr. Chairman and Members of the Subcommittee:

As this Subcommittee deliberates legislation as part of the Congress's consideration of fundamental changes in federal housing policy, we are pleased to provide our views on some of the issues facing the future of public housing. The bill before you, S. 1260, would reform and consolidate the Department of Housing and Urban Development's (HUD) public and assisted housing programs and shift primary responsibility for many of those programs to state and local governments.

Current federal housing programs are seen as overly regulated and leading to warehousing of the poor, and the Congress is asking state and local governments to take a larger role in defining how the programs will work. Combined, these factors lead the Congress to reconsider the most fundamental aspects of public housing--whom it will house, the resources we devote to it, the amount of the existing stock we keep, and the rules under which it will operate.

My statement, which is drawn from our past reports and testimonies as well as ongoing work, addresses areas we believe merit consideration in your deliberations on S. 1260 and the future of public housing. (see app. I for a list of selected GAO products.) In summary:

- S. 1260 is one of a few key Congressional initiatives seeking significant changes to several fundamental policies governing how public housing is provided. To be most effective, we believe these changes need to provide sufficient flexibility to housing authorities to accommodate the varying conditions they face in terms of their physical stock, its market value, and the availability of other affordable housing in the immediate market area. Further, housing authorities will need an adequate transition period in which they can use the regulatory reforms proposed in the bill--primarily the provision allowing a broader mix of incomes in public housing--to change their mix of tenants so that their need for federal operating subsidies is reduced. However, housing authorities that move in this direction likely will provide assistance to fewer families with very low incomes.
- The proposed legislation envisions reforming tenant-based assistance by merging the section 8 voucher and certificate programs.<sup>1</sup> This is a reform we have long supported and is

---

<sup>1</sup>The section 8 certificate and voucher programs are both tenant-based assistance for lower-income households to obtain affordable, privately owned housing; they are similar in many respects but have some statutory differences affecting how much subsidy an assisted household receives. They are tenant-based in that if a family

likely to result in significant benefits by simplifying federal and local administration and enhancing equity among the families being served.<sup>2</sup>

- A relatively small number of housing authorities have been designated by HUD as troubled for much of the past decade with little intervention from HUD. If HUD intervenes against troubled authorities, as it did when it took over the Chicago Housing Authority earlier this year, its attention and resources could be overly burdened by these few authorities. HUD's resources could be stretched even thinner if there are more troubled housing authorities than it realizes.
- The long-term success of public housing may depend, in part, on housing authorities' ability to work with local governments and community organizations to better leverage the federal resources available for community and economic development. However, integrating public housing into the larger community faces some longstanding obstacles: little interaction between housing authorities and local governments, public housing residents' isolation from the broader community, and those residents' skepticism born from the failure of past community development efforts.

Before I address each of these areas, I would like to briefly discuss the history of the federal government's assisted housing policy and the various directions it has taken over the years.

### BACKGROUND<sup>3</sup>

Since the inception of public housing in 1937, the Congress has periodically redefined who should receive housing assistance. In some cases, legislation targeted low- and very-low-income families for assistance. In others, the Congress sought to avoid concentrations of low-income families in public housing. For example, while the 1937 Housing Act allowed tenants to earn up to 5

---

moves, it takes its subsidy with it. In project-based assistance, such as public housing, the subsidy is tied to the unit and the family loses the subsidy if it moves.

<sup>2</sup>Section 8 Rental Housing: Merging Assistance Programs Has Benefits but Raises Implementation Issues (GAO/RCED-94-85, May 27, 1994) and Rental Housing: Housing Vouchers Cost More Than Certificates but Offer Added Benefits (GAO/RCED-89-20, Feb. 16, 1989).

<sup>3</sup>This section is drawn largely from Michael H. Schill, "Distressed Public Housing: Where Do We Go From Here?" University of Chicago Law Review (Spring 1993).

times the rent they paid for their homes, the 1949 Housing Act gave preference to assistance to the very poor.

From 1959 to 1974, a number of measures the Congress passed undid earlier provisions that had targeted the poorest and neediest families. For example, the Housing Act of 1959 eliminated the existing income ceiling, and the 1974 act required housing authorities to select tenants with a broad range of incomes. The Senate report that year expressed the hope for economically viable housing and a socially healthy environment. However, in the midst of these changes, the Congress also passed the Brooke Amendment in 1969, limiting tenants' rents to no more than 25 percent of their income. The Brooke Amendment is widely seen as an initial contributor to concentrating the poor in public housing. This concentration occurred because as tenants' income increased when they found employment or received pay raises, they faced corresponding rent increases from housing authorities charging the full 25 percent of income they were allowed. Over time, this caused working tenants to move out. This left behind greater concentrations of tenants who were unemployed or receiving other federal assistance.

In the early and mid-1980s, the pendulum continued to swing toward concentrating poor people in public housing. The Congress retargeted assistance to those with very low incomes in three key ways: (1) In 1981, it required that 90 percent of all current residents and 95 percent of the tenants in newly constructed buildings have very low incomes<sup>4</sup>; (2) also in 1981, it raised tenants' contributions to rent payments to 30 percent of their income (to be phased in over 5 years) and eliminated rent ceilings, causing those with incomes at the upper end of eligibility for public housing to begin moving out; and (3) it mandated federal rules that favored admitting to public housing those with little or no income, adding to the concentration in public housing of the very poor.

The long-term effects of these changes were a drop by nearly half in the average income of public housing residents (from 33 percent of median in 1981 to about 17 percent today) and a near doubling in housing authorities' need for operating subsidies (from \$1.5 billion in 1982 to \$2.9 billion in 1995).<sup>5</sup> As rent increases were phased in, tenants at the upper limit of eligibility for public housing gradually began moving out. This year, both the administration and the Congress have proposed balancing the budget within a decade. For public and assisted housing, this could mean that some programs will need to be redefined so that they either

---

<sup>4</sup>These quotas were reduced to 75 and 80 percent, respectively, in later years.

<sup>5</sup>In nominal dollars.

require less funding and/or operate more efficiently under existing spending levels.

#### STRENGTHENING THE LONG-TERM VIABILITY OF PUBLIC HOUSING

S. 1260 proposes several significant changes for public housing that could strengthen the long-term viability of federally assisted low-income housing. The changes include altering the mix of tenants who will continue in project-based public housing and fostering new tenant-based housing opportunities. To be most effective, these changes to public housing policy will need to provide sufficient flexibility to housing authorities to accommodate the varying conditions they face in terms of their physical stock, its market value, and the availability of other affordable housing in the immediate market area. Incorporating adequate time for housing authorities to transition to new ways of providing housing services will also help to ensure that the new policies are implemented successfully.

#### Project-Based Public Housing vs. Tenant-Based Housing Certificates

Earlier this year, we reported that HUD's proposed conversion to housing certificates raised concerns that HUD's analysis left largely unanswered.<sup>6</sup> The proposal lacked the detailed analysis necessary to demonstrate that certificates would be a more cost-effective means of providing rental assistance. Moreover, HUD had not taken into account wide cost differences between conventional public housing and housing certificates at various developments. In some cases, the cost to the government of public housing is about half of what a housing certificate in that area would cost. In others, due to extensive modernization and rehabilitation needs of the housing stock, housing certificates are several times cheaper. HUD's analysis relied on average costs and did not reveal wide differences in the cost of the two approaches we found at individual housing developments.

S. 1260 would allow public housing authorities to convert individual public housing projects to tenant-based assistance after they meet various requirements, such as cost assessments, market assessments and neighborhood impact assessments. This approach is a much more gradual, thoughtful, and orderly approach to "vouchering out public housing" than was proposed by HUD in its December 1994 Reinvention Blueprint and again in its March 1995 HUD Reinvention: From Blueprint to Action. HUD proposed to convert

---

<sup>6</sup>Our report Public Housing: Converting to Housing Certificates Raises Major Questions About Cost (GAO/RCED-95-195, June 20, 1995) suggested a development-by-development review because in some instances public housing may be less costly than Section 8 assistance.

all 1.4 million units of public housing to tenant-based assistance over a several-year period.

We believe the development-by-development reviews contemplated in S. 1260 will go far toward helping housing authorities decide which federal housing assistance program is most appropriate. The reviews also provide the opportunity, as we concluded in our June 1995 report, to determine whether substantial sums of money could be saved by retaining public housing when it is cost-effective to do so. Because of the large number--13,200--of public housing developments, it will be important for housing authorities to use a consistent data collection and analysis methodology to ensure comparable results.

#### Determining Which Tenants Are Admitted to Public Housing

Changing the federal rules governing tenants' income and admission preferences will be among the most important statutory reforms needed to adjust to possible reductions in operating subsidies, according to the housing authorities with whom we recently consulted.<sup>7</sup> Furthermore, there is substantial concern among public housing providers that funding reductions will happen all at once, while housing authorities will need years to lower their cost of operations by demolishing their most costly stock and changing their mix of tenants to produce increased rental income.

S. 1260 addresses some of these concerns by removing the one-for-one replacement requirement, allowing mixed income developments, eliminating existing federal preference rules for admission to public housing, and granting significant local discretion in setting minimum and maximum rents.

Housing authorities emphasized that they also need time to make rent reform work. Without a transition period to phase in new tenants with a mix of incomes, housing authorities have told us that the only way to meet some of the proposed reductions in operating subsidies would be to defer maintenance and planned modernization projects, lay off staff, and allow vacancies to increase.<sup>8</sup> However, if they are allowed a transition period,

---

<sup>7</sup>These rules currently specify the means housing authorities use to determine the level of income residents may have, factors to consider in setting priorities for who is to be admitted to public housing, and how much rent residents must pay.

<sup>8</sup>These authorities were speaking in reference to the recommendation in July of this year by the House Appropriations Committee to appropriate \$2.5 billion for operating subsidies in fiscal year 1996--a 14-percent reduction from the 1995 level, and \$2.5 billion for modernization--a 32-percent reduction from the original 1995 appropriation.

several believed they could adapt their stock and their mix of tenants to meet reduced levels of funding for operating subsidies.

To illustrate the combined effect of a turnover of tenants and the admission of new tenants with a mix of incomes, we analyzed the interaction between these factors and the resulting adjustment time that a hypothetical well-run housing authority might need before the increased revenues from rent make up for the reduced federal subsidy (see app. II).<sup>9</sup> For example, if the average income of the new tenants is 25 percent of the area's median income, then the adjustment period ranges from 3 years, when the turnover is high, to nearly 7 years, when it is low. However, if the average income of the new tenants is 30 percent of the area's median income, the adjustment period would be shorter, ranging from 2 to 4 years. Appendix II also shows the time periods needed, as new tenants' income varies from 21 to 50 percent of the area's median income.

This analysis confirms that housing authorities with high turnover rates will generally adjust faster. It also shows that housing authorities can further accelerate their adjustment periods--should budget pressures force them to do so--by using the flexibility S. 1260 allows to select new tenants with income at the upper end of the new eligibility limits. Adopting such a strategy, however, would necessarily come at the expense of admitting those very-low-income people who, under current rules, are given preference for admission to public housing.

#### BENEFITS LIKELY FROM REFORMS TO TENANT-BASED ASSISTANCE PROGRAMS

S. 1260 seeks to merge HUD's Section 8 housing certificate and housing voucher programs. This is a reform that we have supported for several years and continue to support. Ultimately, under a merged program, HUD and housing agencies would have one program to administer rather than two, and they would have fewer administrative record-keeping requirements. In addition, private owners would no longer have to meet different requirements for households receiving assistance through different programs. Finally, assisted households would be treated consistently, both in the housing subsidies they receive and in their choice of housing. HUD has already issued a unified set of program requirements for the certificate and housing voucher programs in areas that do not differ because of statute.

#### ADEQUACY OF HUD'S OVERSIGHT OF TROUBLED PUBLIC HOUSING AND ALTERNATIVES TO CURRENT OVERSIGHT SYSTEM

---

<sup>9</sup>For this analysis, we estimated the period this hypothetical housing authority would need to adjust to its share of the House Appropriations Committee's recommendation for fiscal year 1996 operating subsidies, \$2.5 billion.



HUD's limited oversight of troubled housing authorities has allowed some authorities to continue providing substandard service to their residents for years. Furthermore, HUD's oversight system for all housing authorities, the Public Housing Management Assessment Program (PHMAP), may not be giving HUD a reliable indication of how many housing authorities are troubled and need management improvements. Coupled with proposals to dramatically reduce the size of the department, some housing authority executive directors, industry associations, and housing consultants have said this creates a need to consider alternative oversight mechanisms for public housing.

S. 1260 seeks to increase HUD's authority to intervene against troubled housing authorities on its own or through the use of court-appointed receivers. In addition, it gives HUD the authority to break up large housing authorities--which account for over 90 percent of the troubled units--into smaller, more manageable operations. Our review of HUD's oversight offers some lessons to consider in structuring federal oversight in a reformed public housing program.

#### Oversight of Troubled Housing Authorities

Unless HUD plays an active role in correcting the problems of the non-performers, federal resources and the attention of key HUD staff could be overly burdened by a small number of authorities. Six large troubled authorities have been consistently designated by HUD as troubled over the past decade. In the case of one of these--the Chicago Housing Authority--HUD had no choice but to take over the authority after the executive director and board of directors resigned earlier this year. At that point, the Chicago Housing Authority had been troubled for 16 years, during which HUD had tried several approaches short of taking direct control to improve conditions, none of which were successful.

In contrast, the overwhelming majority of housing authorities in this country are adequate performers, according to HUD's assessment system. Of the over 3,300 housing authorities that provide housing for approximately 3.2 million residents, HUD currently classifies only 92 as troubled.<sup>10</sup> Thirteen of these troubled authorities are considered large, having more than 1,250 units. Six of the 13 large troubled authorities have been troubled for over a decade and account for almost 75 percent of all troubled units. Five of the 6 have been troubled since 1979, when HUD began designating poorly performing housing authorities as troubled.

---

<sup>10</sup>HUD classifies public housing authorities as "troubled" if they score less than 60 out of 100 points against a set of 12 performance indicators in the PHMAP.

Historically, HUD has made limited use of the authority it already has to take action against troubled housing authorities. The Secretary may declare an authority in breach of its contract with HUD for a variety of reasons, including its failure to provide housing that is decent, safe, and sanitary. Once an authority is found to have breached its contract, the Secretary may take it over, petition for the appointment of a receiver, or solicit proposals for new management.

On the occasions when HUD has exercised its authority to take over a housing authority, the results have been mixed. In late 1985, HUD took over the troubled East St. Louis Housing Authority and hired a private manager, who operated the housing authority from September 1986 until May 1992. The housing authority is no longer designated by HUD as troubled. In contrast, HUD's intervention with the Detroit Housing Authority was not as successful. HUD declared the Detroit Housing Authority in breach of its contract in October 1992 but never placed it in receivership or took it over. Currently, the Detroit Housing Authority remains on HUD's list of troubled authorities and has been unable to fill its top management positions despite significant technical assistance from HUD.

#### More Housing Authorities May Be Troubled

HUD's Inspector General has reported that some housing authorities whose PHMAP scores were high enough that they were not designated as troubled should have had lower overall scores and, in some cases, should have been deemed troubled.<sup>11</sup> The consulting company that HUD hired to confirm some PHMAP scores also reported inflated self-reporting of performance by housing authorities. Recent limited work we have done generally confirms these results. Consequently, it is possible that requirements for HUD to take stronger action against troubled housing authorities would strain its resources and limit its ability to conduct effective oversight of the remaining non-troubled authorities.

During recent visits to a limited number of housing authorities, we found differences in how the authorities viewed the usefulness of PHMAP. For instance, officials at two of the six of authorities we visited told us that PHMAP provides little or no incentive for them to improve their operations if they are not troubled (or when they raise their score enough to no longer be troubled). They rely primarily on internal management objectives to run their authorities and view PHMAP merely as a reporting requirement. Other authorities, however, do use some of the PHMAP

---

<sup>11</sup>Audit Report of the Office of Inspector General--Limited Review of the Public Housing Management Assessment Program (PHMAP) (Feb. 4, 1993), Audit Report--Allegheny County Housing Authority (Jan. 13, 1994), and Audit Report--Peoria Housing Authority (Sept. 7, 1995).

indicators as management tools to improve operations. Top management of these authorities told us that they hold their employees accountable for their performance on these PHMAP indicators.

Accreditation--One Potential Alternative to HUD's Public Housing Management Assessment Program

In addition to the findings by HUD's Inspector General and a consultant's confirmatory reviews, PHMAP has been criticized as inadequate for HUD's use in measuring the quality of a housing authority's management, for failing to recognize limitations and conditions unique to each housing authority, and for lacking a means to help housing authorities improve their performance when problems are found. The Subcommittee on Housing and Community Opportunity, House Committee on Banking and Financial Services, recently began considering legislation that would replace PHMAP with an accreditation system for public housing.<sup>12</sup> As used in other industries, accreditation is a system independent of a federal regulatory agency to evaluate performance based on industry standards. Under the House bill, an accreditation board, consisting of housing and real estate industry professionals as well as public housing residents, would be charged with developing standards and guidelines to measure housing authorities' performance.

The National Commission on Severely Distressed Public Housing has also advocated an accreditation system to better evaluate the effectiveness of public housing management.<sup>13</sup> The Commission felt that industry peers, with experience running housing authorities similar to those they are assessing, are in a better position to (1) develop relevant performance standards; (2) evaluate an organization against its own needs and requirements; (3) differentiate among conditions or issues of concern that may exist at one housing development but not at others; and (4) offer technical assistance that is specific to each authority, helps it learn how to meet accreditation standards, and improves management.

THE POTENTIAL FOR INTEGRATING PUBLIC HOUSING INTO COMMUNITY DEVELOPMENT

The pending changes in public housing, along with welfare reform and budget reductions, make it increasingly necessary that local governments, public housing authorities, and community residents work together to use available resources to make public

---

<sup>12</sup>H.R. 2406, The United States Housing Act of 1995.

<sup>13</sup>The Final Report of the National Commission on Severely Distressed Public Housing (Aug. 1992).

housing a viable part of the broader community. To do so, however, will require (1) engaging housing authorities in community development activities, (2) reducing concentrations of public housing, and (3) overcoming residents' skepticism.

Historically, the housing authority has been responsible for carrying out federal public and assisted housing programs--relying on federal funds dedicated to it--with little interaction in broader community development activities. This structure has allowed the housing authority to be less than fully integrated into the community. However, the separation of the housing authority from the local government and the community has increased the isolation of public housing residents and has sometimes hampered housing authorities' ability to obtain other services for public housing. As we look toward comprehensive community development, whether through the Empowerment Zone and Enterprise Community program or through locally based initiatives, housing authorities will need to become stakeholders if meaningful change is to occur.<sup>14</sup> Creating a sustainable community is a time consuming multistep process, and it may take many years before results are visible.

Our recent work in the area of community development shows that progress in this area is most difficult and challenging when there are large concentrations of public housing.<sup>15</sup> One of the organizations we studied served an area that contained nearly 3,000 public housing units--one-third of the city's total units--many of which were vacant. While the organization successfully created over 300 jobs for community members by rehabilitating an area shopping center, rehabilitating and constructing affordable housing, and providing social services, the organization had difficulty involving the neighborhood's public housing residents in its activities. The organization's executive director told us that without reducing the concentration of public housing units by creating mixed-income developments, it would be hard to end the feelings of isolation experienced by public housing residents. Community development experts we interviewed agreed, saying that public policy has contributed to the isolation of public housing residents by concentrating low-income families in one place.

Overcoming residents' skepticism and ensuring residents' participation in community development efforts were a challenge in

---

<sup>14</sup>The Empowerment Zone and Enterprise Communities program was adopted in 1993 under the Omnibus Budget Reconciliation Act. This program promotes the comprehensive revitalization of selected distressed communities by funding broad, community-based strategic plans.

<sup>15</sup>Community Development: Comprehensive Approaches Address Multiple Needs but Are Challenging to Implement (GAO/RCED/HEHS-95-69, Feb. 8, 1995).

the communities we studied because of neighborhood conditions and the failures of past efforts to address the needs of residents. These organizations used a variety of methods to gain the trust of the residents. Each cited visible accomplishments--rehabilitated housing and economic development projects--as a factor in gaining the trust of residents and reducing their skepticism. However, one of the organizations said that it has yet to involve sufficient numbers of public housing residents in its efforts. In our work in Chicago, we found that residents have little confidence in the authority's ability to address even the most basic issues. The sentiment of the residents was that until their housing needs were taken care of, they could not concern themselves with their broader community.

### CONCLUSIONS

In the face of significant pressures to balance the federal budget within the decade, S. 1260 includes several reforms that will likely improve the long-term viability of public housing, such as allowing mixed incomes in public housing and conversion of some public housing to housing vouchers when that makes the most sense. Additionally, it implements a reform we have long supported--merging the Section 8 certificate and voucher programs--simplifying the program and making it fairer for all of the renters it supports. We support this bill's provisions to significantly increase HUD's authority to intervene in the management of troubled housing authorities, but we note that significant questions remain about the reliability of the oversight system that HUD uses to designate these agencies as troubled. Finally, we note that attempts to leverage all of the resources benefitting low-income families--such as those for public housing and community development--will need to overcome some longstanding obstacles.

SELECTED GAO PRODUCTS

Public Housing: Status of HUD's Takeover of the Chicago Housing Authority (GAO/T-RCED-95-275, Sept. 5, 1995).

Public Housing: Converting to Housing Certificates Raises Major Questions About Cost (GAO/RCED-95-195, June 20, 1995).

Public Housing: HUD's Takeover of the Chicago Housing Authority (GAO/T-RCED-95-222, June 7, 1995).

Public Housing: Funding and Other Constraints Limit Housing Authorities' Ability to Comply With One-for-One Rule (GAO/RCED-95-78, Mar. 3, 1995).

Housing and Urban Development: Reforms at HUD and Issues for Its Future (GAO/T-RCED-95-108, Feb. 22, 1995).

Housing and Urban Development: Reinvention and Budget Issues (GAO/T-RCED-95-112, Feb. 22, 1995).

Department of Housing and Urban Development (GAO/HR-95-11, Feb. 1995).

Community Development: Comprehensive Approaches Address Multiple Needs but Are Challenging to Implement (GAO/RCED/HEHS-95-69, Feb. 8, 1995).

Housing and Urban Development: Major Management and Budget Issues (GAO/T-RCED-95-86, Jan. 19, 1995, and GAO/T-RCED-95-89, Jan. 24, 1995).

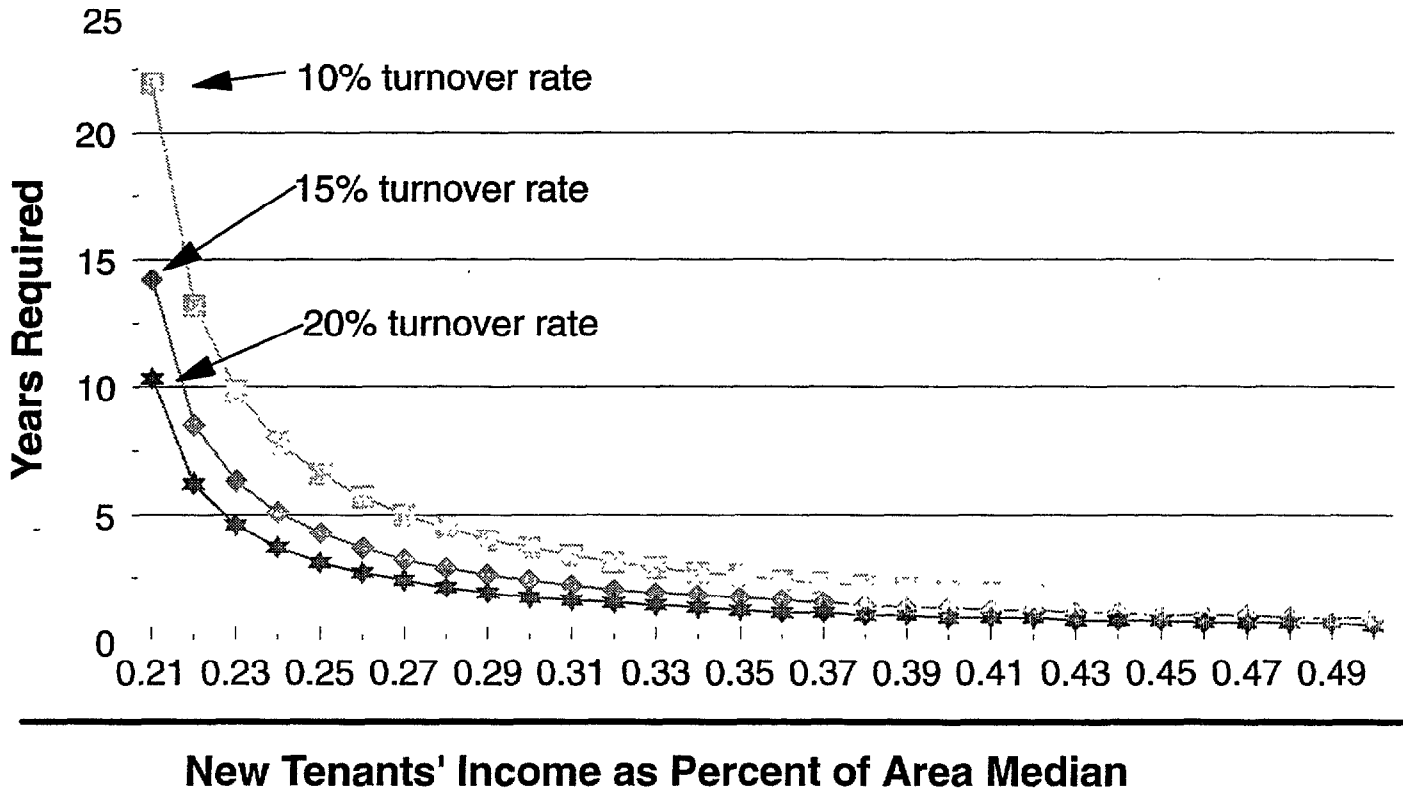
Rental Housing: Use of Smaller Market Areas to Set Rent Subsidy Has Drawbacks (GAO/RCED-94-112, June 24, 1994).

Section 8 Rental Housing: Merging Assistance Programs Has Benefits but Raises Implementation Issues (GAO/RCED-94-85, May 27, 1994).

Housing Issues: The Housing and Community Development Act of 1994 (GAO/T-RCED-94-198, Mar. 10, 1994).

Rental Housing: Housing Vouchers Cost More Than Certificates but Offer Added Benefits (GAO/RCED-89-20, Feb. 16, 1989).

Transition Periods Housing Authorities  
Need to Adjust to Reduced Subsidies



Note: This hypothetical example reflects the following assumptions: the project has 100 units; its occupancy rate is 97 percent; the area median income where the project is located is \$30,000; the average income of the current tenants is 16 percent of area's median; tenants' rent contributions are 30 percent of their income; the monthly operating cost to the PHA to maintain the project is \$350 per unit; and the PHA is facing a 14 percent reduction in its operating subsidy.





---

### Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

**Orders by mail:**

**U.S. General Accounting Office  
P.O. Box 6015  
Gaithersburg, MD 20884-6015**

**or visit:**

**Room 1100  
700 4th St. NW (corner of 4th and G Sts. NW)  
U.S. General Accounting Office  
Washington, DC**

**Orders may also be placed by calling (202) 512-6000  
or by using fax number (301) 258-4066, or TDD (301) 413-0006.**

**Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.**

**For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:**

**[info@www.gao.gov](mailto:info@www.gao.gov)**

---

**United States  
General Accounting Office  
Washington, D.C. 20548-0001**

**Bulk Rate  
Postage & Fees Paid  
GAO  
Permit No. G100**

**Official Business  
Penalty for Private Use \$300**

**Address Correction Requested**

---