



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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COMMUNITY AND ECONOMIC  
DEVELOPMENT DIVISION

January 18, 1982

RELEASED

B-206096

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The Honorable Morris K. Udall  
Chairman, Committee on Interior  
and Insular Affairs  
U.S. House of Representatives



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Dear Mr. Chairman:

Subject: Reorganization of the Office of Surface Mining,  
Department of the Interior (CED-82-32)

Your July 23, 1981, letter asked us to review the proposed reorganization of the Office of Surface Mining (OSM), Department of the Interior, announced by the Secretary of the Interior on May 20, 1981. From an organization of 5 regional offices, 13 district offices, and 24 field offices, OSM is to be reorganized into 13 State liaison offices supplemented by 6 field offices. A western technical center was planned for Casper, Wyoming, and an eastern technical center for Pittsburgh, Pennsylvania.

OSM stated that the reorganization would save \$5.7 million annually by reducing its staffing level from 795 to 628 positions, resulting in a more effective and efficient operation. Under the reorganization, most States will assume primary responsibility for implementing the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87, 30 U.S.C. 1201 et seq.).

We interviewed OSM officials at OSM's headquarters in Washington, D.C., and at its regional offices in Charleston, West Virginia; Knoxville, Tennessee; Indianapolis, Indiana; Kansas City, Missouri; and Denver, Colorado. In an attempt to determine the effectiveness and efficiency of the reorganization, we reviewed OSM's reorganization plans and documents relating to its rationale for proposed office locations and budget, correspondence, and associated studies.

We also reviewed documents given to us by the employees association of OSM's Denver office and contacted the Council of Energy Resources Tribes and other Federal agency officials in Denver, Colorado, and Casper, Wyoming.

When we initiated our review in August 1981, OSM had not prepared a comparative analysis of alternative locations that considered such factors as relocation costs; travel time, costs, and

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destinations; and past and planned workload statistics. Subsequently, OSM developed an extensive amount of information explaining why it selected the cities it did and stated that the reorganization would enable it to effectively and efficiently carry out the surface mining program. However, we could not determine the effectiveness and efficiency of the reorganization at this time for the following reasons:


- Until it is known whether the 10 States that have not yet assumed primary responsibility for implementing the Surface Mining Control and Reclamation Act of 1977 will do so, there will be uncertainty as to what OSM's role will be and where its presence will be needed the most.
- The reorganization is not expected to be completed until the latter part of fiscal year 1982. Operating experience under the reorganization will be needed to determine whether the new structure has serious problems.

In most reorganizations the size of OSM's, uncertainty exists as to whether the new organizational structure will be effective, and considerable anxiety can be expected on the part of the affected staff. OSM officials told us that OSM can overcome this uncertainty and, if future workload indexes change, it will make whatever changes are necessary, including establishing offices in other locations.

On November 4, 1981, House and Senate conferees (H. Rept. No. 97-315) agreed that OSM could use fiscal year 1982 appropriated funds for administrative expenses to implement its reorganization with the stipulation that the Western Technical Service Center be located in Denver, Colorado. OSM's Deputy Director told us that he would have preferred locating the center in Casper, Wyoming, but that the compromise by the conferees was reasonable.

As arranged with your office, we did not obtain agency comments on the information in this report. Unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days from the date of the report. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

  
for Henry Eschwege  
Director