



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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November 10, 1980

To the President of the Senate and the
Speaker of the House of Representatives



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On October 1, 1980, the [President's first special message for fiscal year 1981] was transmitted to the Congress pursuant to the Impoundment Control Act of 1974. (The special message proposed 22 deferrals of budget authority totalling \$619.1 million) as follows:

DEPARTMENT OF AGRICULTURE

D81-1 Forest Service
Timber Salvage Sales
12X5204

Section 14(n) of the National Forest Management Act of 1976, Public Law 94-588, 16 U.S.C. 472a(h), directs the Secretary of Agriculture to develop utilization standards, methods of measurement, and harvesting practices for the removal of trees or forest products to provide for the optimum practical use of the wood material. (In situations involving salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement, the Secretary is authorized to require the purchasers of such timber to make monetary deposits to a designated fund as part of the payment for the timber.) The fund is used, in part, to cover the cost for Forest Service sale preparation and supervision of the harvesting of such timber.

The President's special message states that the deferral is necessary ("because of the time lag between the deposit of receipts from salvage sales and the expenditure of funds to cover costs associated with making additional sales.") This justification of D81-1 is identical to those used for deferrals in fiscal years 1978-1980. An examination of this account over the last 4 years shows that the Administration has increased the amount of funds deferred from \$4.5 million in fiscal year 1978 to \$16.5 million this year. The total budgetary resources available also have increased, from \$11 million in fiscal year 1978 to \$27.7 million this year. In each of the last 4 years, the amount deferred has been at least 40 percent of the total budgetary resources available.

Section 14(h) provides that deposits to the fund are to remain available until expended to cover the cost of accomplishing the purposes for which deposited. However, section 14(h)

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also provides that sums found to be in excess of the cost of accomplishing the purposes for which deposited on any national forest shall be transferred to miscellaneous receipts in the United States Treasury. The fact that deferrals have been proposed in each of the last 4 years, and the amount of funds available has increased as discussed above, may be an indication that some of the funds on deposit are in excess of what is needed. However, no funds have been returned to the Treasury.

Forest Service officials have informed us that Forest Service Manual 2435.4, dated October 15, 1979, provides that all salvage sale funds in excess of 150 percent of the latest 3-year average of actual costs will be returned to the Treasury beginning in fiscal year 1982. There are programmatic reasons why the operative date was delayed until fiscal year 1982. The Forest Service felt that it needed this time to develop the timber salvage sales program, and to account for the time lag between various components of the program. However, Forest Service officials acknowledged that, while they need some of the \$16.5 million being deferred, some of the deferred funds are in excess of their needs and could be returned to the Treasury.

D81-2 Forest Service
 Expenses, Brush Disposal
 12X5206

The President's special message states that seasonal factors frequently require deferring the use of funds deposited with the Forest Service for disposing of debris resulting from cutting operations because disposal operations are affected by weather conditions. This justification has been used for deferrals for this account in previous years.

Our review of this account shows that deferrals since fiscal year 1978 have consistently been more than 40 percent of the total budgetary resources available. The total budgetary resources have increased from \$65.7 million in fiscal year 1978 to \$86.3 million in fiscal year 1981.

From our work in this area, we believe that there is a backlog of brush disposal work to be accomplished, and that past disposal collections from timber sales have been inadequate. With the work that needs to be done, the special message offers no explanation why there is a continuing need for large amounts to be deferred for contingencies. Virtually the same amount of funds has been deferred from this account in each of the last 4 years. We believe that the Forest Service should increase its

efforts to reduce the backlog of brush disposal work and make full use of the funds available to it, rather than deferring such funds.

DEPARTMENT OF COMMERCE

D81-3 General Administration
 Participation in United States
 Expositions
 130/41805

D81-4 National Oceanic and Atmospheric
 Administration
 Construction
 13X1452

DEPARTMENT OF DEFENSE - MILITARY

D81-5 Procurement

D81-6 Research, Development, Test,
 and Evaluation

The accounts involved in D81-5 and D81-6 were the subject of deferral D80-50 in fiscal year 1980. Deferral D80-50 was proposed in the President's seventh special message, dated April 16, 1980, and involved 34 accounts. It contained a listing of the 34 accounts involved, but did not identify any of the particular projects affected by the deferral.

In our comments, dated May 30, 1980, we expressed concern that the listing of appropriation titles did not supply the Congress or the Comptroller General with all the necessary information needed to conduct a proper review of the proposed impoundment. Nor does it satisfy section 1013(a)(2) of the Impoundment Control Act, 31 U.S.C. 1403(a)(2), which requires the President to specify, among other things, the particular projects or governmental functions affected by the deferral.

In response to our comments, OMB has provided some additional information in D81-5 and D81-6. OMB also divided the accounts into two proposals, which were previously included in one proposal, to more accurately reflect the relationship between the accounts involved. Accordingly, D81-5 involves funds for procurement and D81-6 involves funds for research, development, test and evaluation.

OMB has taken a step in the right direction in their handling of D81-5 and D81-6. However, all of our concerns have

not been alleviated. The special message still does not identify which, if any, particular projects or programs within each account are affected. Nor is there a statement describing how the various projects or programs will be affected by the deferral if the proposed transfer referred to in the special message is not approved. Such information would be useful to the Congress.)

OMB has informed us that it is difficult to provide more specificity because of the number of projects and programs involved. However, our staff has been able to obtain from the Department of Defense a listing of the particular programs that will be affected by the deferral and the proposed transfers alluded to in the special message. This information is included in an enclosure to this report. Accordingly, we have encouraged OMB to increase their future efforts to provide the information in its special messages that will enable the Congress to conduct a meaningful review of proposed impoundments.

D81-7 Military Construction

D81-8 Family Housing, Defense
979/30701

DEPARTMENT OF DEFENSE - CIVIL

D81-9 Wildlife Conservation

The amount of the deferral has been reduced to \$530,615 due to a release of \$136,000 originally included in the deferral of funds available to the Army.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

D81-10 Alcohol, Drug Abuse, and Mental
Health Administration
Construction and Renovation,
Saint Elizabeth's Hospital
75X1312

D81-11 Office of Assistant Secretary for Health
Scientific Activities Overseas
(Special Foreign Currency Program)
75X1102

D81-12 Human Development Services
Human Development Services (White
House Conference on Children and Youth)
75X1636

DEPARTMENT OF THE INTERIOR

- D81-13 Heritage Conservation and
Recreation Service
Land and Water Conservation Fund
14X5005
- D81-14 Geological Survey
Payments from Proceeds, Sale of Water
14X5662
- D81-15 Bureau of Mines
Drainage of Anthracite Mines
14X0956

DEPARTMENT OF JUSTICE

- D81-16 Federal Prison System
Buildings and Facilities
15X1003

DEPARTMENT OF TRANSPORTATION

- D81-17 Federal Aviation Administration
Facilities and Equipment (Airport
and Airway Trust Fund)
69X8107
698/28107
699/38107
690/48107

DEPARTMENT OF TREASURY

- D81-18 Office of Revenue Sharing
State and Local Government Fiscal
Assistance Trust Fund
20X8111
- D81-19 Office of Revenue Sharing
State and Local Government Fiscal
Assistance Trust Fund
20X8111
- D81-20 Bureau of the Mint
Construction of Mint Facilities
20X1617

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FEDERAL EMERGENCY MANAGEMENT AGENCY

D81-21 Emergency Planning, Preparedness,
 and Mobilization
58X0200

TENNESSEE VALLEY AUTHORITY

D81-22 Payment to the Tennessee Valley
 Authority Fund
64X4110

We have reviewed the first special message. Except as noted above, we have identified no additional information that would be useful to the Congress in its consideration of the President's proposals and we believe that the proposed deferrals are in accordance with existing authority.


Comptroller General
of the United States

Enclosure

ENCLOSURE

The Department of Defense has identified the programs affected by deferrals D81-5 and D81-6 as follows:

<u>D81-5</u>	<u>\$M</u>
Aircraft Procurement - Navy	13.7
- S-3 Series Modifications	12.3
- Aircraft Spares & Repair Parts	1.4
Shipbuilding & Conversion - Navy	86.4
- FFG	86.4
Other Procurement - Navy	21.5
- BQQ-5 SONAR	3.9
- AN/SSQ-62	1.0
- Naval Aviation Facilities Modernization	1.6
- TRIDENT Support Equipment	2.0
- TRIDENT Electronic Equipment	3.0
- Manufacturing Technology	10.0
Procurement - Marine Corps	8.7
- Ammunition Modernization	0.6
- Commercial Cargo Vehicles	3.7
- Modification Kits	4.4
Aircraft Procurement - Air Force	9.4
- F-111 Modification	1.2
- C-135 Modifications	3.3
- Other Production Changes	4.9
 <u>D81-6</u>	
Research, Development, Test, and Evaluation - Navy	6.9
- Navy Independent Labs	0.2
- Aircraft Technology	0.365
- Missile Propulsion	0.540
- Ship, Submarine and Boat	0.510
- Undersea Target Surveillance	0.210
- Surface Aerospace Technology	0.075
- High Energy Laser	5.0
Research, Development, Test, and Evaluation - Air Force	39.6
- Wide Area AntiArmor Munition	20.6
- Cruise Missile Carrier Aircraft	9.0
- JTIDS	10.0