

CED-76-137

9-7-76

REPORT TO THE CONGRESS

093671



BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Progress And Problems In Giving Rural Areas First Priority When Locating Federal Facilities

Multiagency

The report discusses:

- The lack of compliance by many Federal agencies with the requirement of section 901(b) of the Agricultural Act of 1970, as amended, that policies and procedures be established giving first priority to locating Federal offices and facilities in rural areas.
- The limited effect of the law on Federal employment in rural areas.
- The factors affecting site selection decisions, many of which run counter to the objective of the act.

GAO believes that additional congressional guidance is needed on selecting sites for Federal facilities.

CED-76-137

~~707509~~

SEPT. 7, 1976

1093671



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

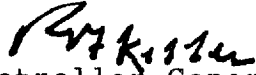
B-114873

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

This report summarizes (1) the efforts of executive departments and agencies to comply with section 901(b) of the Agricultural Act of 1970, as amended, which requires the establishment and maintenance of policies and procedures giving first priority to locating new offices and facilities in rural areas and (2) the complexities of site selection decisions due to the various laws, regulations, executive orders, and additional factors which must be considered.

We made this review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67) to determine the effectiveness of Federal efforts to locate its offices and facilities in rural areas.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of Agriculture; the Administrator of General Services; and the heads of the other departments and agencies mentioned in the report.


Acting Comptroller General
of the United States

C o n t e n t s

		<u>Page</u>
DIGEST		i
CHAPTER		
1	INTRODUCTION	1
2	PROGRESS AND PROBLEMS IN MEETING REQUIREMENT OF SECTION 901(b)	4
	Impact of legislation on Federal employment in rural areas has been minimal	4
	Section 901(b) requirement has not been complied with by most agencies	6
	Numerous laws, regulations, and other factors affect site selec- tion decisions	8
	Delineation of rural areas would reduce errors in annual reports and help agencies comply with section 901(b)	14
	Conclusions	16
	Recommendations to the Congress	17
	Recommendations to the heads of various executive departments and agencies	18
	Agency comments and our evaluation	18
3	SCOPE OF REVIEW	21
APPENDIX		
I	Selected agencies lacking policies and/or procedures required by sec- tion 901(b) of the Agricultural Act of 1970, as amended, as of Decem- ber 1975	22
II	Agencies that commented on the matters discussed in this report	23
III	Letter dated June 15, 1976, from the Acting Director, Office of Management and Budget	24
IV	Letter dated June 8, 1976, from the Assistant Secretary for Administration, Department of Agriculture	26

APPENDIX

Page

V	Letter dated June 11, 1976, from the Deputy Administrator, General Services Administration	29
VI	Officials of principal agencies responsible for administering activities discussed in this report	32

ABBREVIATIONS

DOD	Department of Defense
FPMR	Federal Property Management Regulations
GAO	General Accounting Office
GSA	General Services Administration
HUD	Department of Housing and Urban Development
OMB	Office of Management and Budget
SMSA	Standard Metropolitan Statistical Area
USDA	Department of Agriculture
VA	Veterans Administration

D I G E S T

Section 901(b) of the Agricultural Act of 1970

--directed the heads of all executive departments and agencies to establish and maintain, insofar as practicable, departmental policies and procedures for locating new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population density and

--requested the President to submit annual reports on efforts made in carrying this out.

To close the loophole provided by the words--insofar as practicable in areas of lower population density--section 601 of the Rural Development Act of 1972 amended section 901(b) to require that first priority be given to locating new offices and other facilities in rural areas. (See p. 1.)

The effect of this legislation on Federal employment in rural areas has been minimal. From enactment of section 901(b) on November 30, 1970, through December 31, 1973, the latest date for which information was available, the percentage of Federal civilian employment in rural areas actually decreased slightly: 19.3 percent to 19.2 percent. (See pp. 4 and 5.)

As of December 1975 only 3 of the 21 executive departments and agencies GAO surveyed had complied fully with the requirement of section 901(b), as amended, that they establish and maintain policies and procedures giving first priority to locating new offices and facilities in rural areas. Of the other 18, 7 had not established any policies or procedures, 3 had established policies but not procedures, and 8 had policies and procedures which were out of date. (See pp. 6 to 8.)

In addition:

- Executive Order 11512 governing the planning, acquisition, and management of Federal space has not been revised to incorporate the requirement of section 901(b). (See p. 8.)
- The General Services Administration's procedures for selecting public building sites are weighted in favor of urban areas. (See p. 9.)
- Reports submitted to the Congress reflecting efforts to implement section 901(b) contained numerous misclassifications of areas as rural or urban. This happened mainly because the Department of Agriculture had not delineated rural areas. (See pp. 14 to 16.)

Establishing the policies and procedures required by section 901(b) would help insure that rural areas are considered in selecting the sites for new or relocated facilities; however, there are a number of other laws, regulations, executive orders, and additional factors which must also be considered in selecting sites. These factors often run counter to the objective of section 901(b) and make site selection decisions a complex matter. (See pp. 8 to 14.)

RECOMMENDATIONS TO THE CONGRESS

Because of the complexity of site selection decisions, GAO believes that some congressional guidance on this matter is needed. (See p. 16.) Accordingly, GAO recommends that the Congress have representatives of Federal departments and agencies and other interested parties advise it, through congressional hearings or other means, of their observations on site selection requirements, problems, and needed improvements. The Congress should also provide additional guidance on the matter of site selection priorities.

Should the Congress reaffirm the requirement of section 901(b), GAO recommends that it (1) assign, or request the President to assign, to one agency the overall leadership and coordination responsibility for implementing section 901(b)

and (2) direct each agency to establish an affirmative action plan for implementing section 901(b). (See p. 17.)

RECOMMENDATIONS TO THE HEADS OF VARIOUS
EXECUTIVE DEPARTMENTS AND AGENCIES

If the Congress does not modify or repeal the requirement of section 901(b):

--The head of each executive department and agency which has not done so should comply with section 901(b) by establishing (1) a written policy that first priority be given to locating new offices and other facilities in rural areas unless there is an overwhelming reason why any such office or facility should not be located in a rural area and (2) the procedures required by section 901(b) to implement the policy. Such procedures, at a minimum, should require approval by the department's or agency's central office of new or relocated facilities in other than a rural area and a written statement citing the reason(s) why a rural area was not selected.

--The Administrator of General Services should (1) begin action to revise Executive Order 11512 to incorporate the requirement of section 901(b) and (2) revise the procedures for selecting public building sites so that areas designated for detailed analysis are not generally limited to urban areas.

--The Secretary of Agriculture should delineate rural areas in accordance with the definition prescribed in section 306(a)(7) of the Consolidated Farm and Rural Development Act, as amended. (See p. 18.)

AGENCY COMMENTS

Most of the executive departments and agencies that commented on the matters discussed in this report generally agreed with the conclusions and recommendations, particularly those relating to the need for congressional guidance in dealing with the complexities of site selection decisions. (See app. II for a listing of the agencies that provided comments.)

Of the 18 agencies that were not in full compliance with section 901(b), as amended, in December 1975, 12 said that they had either taken, begun, or planned corrective action or that they would take such action if the Congress provided additional guidance on selecting sites. (See pp. 18 to 20.)

CHAPTER 1

INTRODUCTION

The Congress expressed its commitment to a sound balance between rural and urban America in title IX of the Agricultural Act of 1970 (42 U.S.C. 3122(a)). The act states that this balance is so essential that the highest priority must be given to revitalizing and developing rural areas. The Congress continued its commitment to rural development by passing the Rural Development Act of 1972 (86 Stat. 657) which has as a major thrust the creation of jobs.

Creating jobs is recognized as the key to rural development. The Federal Government, through the location of its offices and other facilities, can have a direct impact on creating jobs. Recognizing this potential, section 901(b) of the 1970 act, as enacted on November 30, 1970, stated:

"Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain, insofar as practicable, departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations." (Underscoring supplied.)

The President's first annual report defined areas of lower population density as locations either

--in a county not within a Standard Metropolitan Statistical Area (SMSA) 1/ or

1/Generally defined as a county or group of contiguous counties which contain at least one city of 50,000 persons or more or twin cities with a combined population of at least 50,000.

--within an SMSA in a city which, along with its contiguous urban area, has a population of 35,000 inhabitants or less.

Section 601 of the Rural Development Act of 1972 (42 U.S.C. 3122(b) (supp. IV)) amended section 901(b) to require that "first priority" be given to locating new offices and other facilities in rural areas. For such purposes, "rural areas" was defined as all territory:

"* * * that is not within the outer boundary of any city having a population of fifty thousand or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than one hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States * * *." 1/

The House report 2/ on the Rural Development Act stated that this amendment was to provide mandatory priorities governing the location of new Federal offices and facilities in rural areas. The Chairman of the Senate Committee on Agriculture and Forestry, in presenting the amendment to the Senate, said that the language of the 1970 act--insofar as practicable in areas of lower population density--turned out to be a loophole which would be closed by requiring that rural areas be given first priority in the location of offices and other facilities. He added:

"We hope that this amendment will indicate to the administrative officers of the executive branch that the Congress is very serious about this matter. We intend that location of new offices and installations and of relocated facilities shall be used as a positive tool for rural development, bringing with it increased rural jobs and increased rural payrolls." (118 Congressional Record 28801 (1972))

1/See section 306(a)(7) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926(a)(7)(supp. V)).

2/H. Rept. 92-835, 92d Cong., 2d sess. 13, Feb. 16, 1972.

The House-Senate conferees in their report 1/ said that, while accepting the amendment, they wished to make clear that "first priority" did not mean that all new Federal offices and facilities (hereafter referred to collectively as facilities) must be located in rural areas if there was an overwhelming reason not to. The conferees did not define what constituted an overwhelming reason.

1/H. Rept. 92-1129, 92d Cong., 2d sess. 32, June 14, 1972.

CHAPTER 2

PROGRESS AND PROBLEMS IN MEETING

REQUIREMENT OF SECTION 901(b)

Most Federal departments and agencies (hereafter referred to collectively as agencies) subject to section 901(b) ^{1/} have not complied fully with the requirement that they establish and maintain policies and procedures giving first priority to rural areas when selecting sites for new or relocated facilities. Without such policies and procedures there is no assurance that the agencies will fully and adequately consider rural areas in selecting sites since they must also consider various other laws, regulations, executive orders, and other factors--many of which may conflict with the objective of section 901(b). According to the latest available data, section 901(b) has had little impact on the percentage of executive agency civilian employment in rural areas.

IMPACT OF LEGISLATION ON FEDERAL EMPLOYMENT IN RURAL AREAS HAS BEEN MINIMAL

The percentage of executive agency civilian employment in rural areas did not change appreciably in the 3 years following enactment of section 901(b), as shown in the schedule on the following page.

The President's first two annual facility reports to the Congress showed that 2,447 facilities were established or relocated during the period covered, November 30, 1970, to June 30, 1972. These facilities employed about 33,800 people. Our analysis of the reports showed that about 28 percent of the 33,800 employees were located or relocated in low population density areas. We could not determine, however, the net increase in the number of employees in low density areas because the two reports did not identify moves from one low density area to another.

^{1/}Section 901(b) is not applicable to the legislative and judicial branches of the Government; therefore, employment data for legislative and judicial agencies was not used in determining the impact of section 901(b). Similarly, Postal Service Employment data was omitted because of its special exemption from the requirement of section 901(b). (See note a, p. 5.)

Civilian Employment in Executive Agencies (note a)

<u>As of</u> <u>December 31</u>	<u>U.S. total</u>	<u>SMSAs</u> <u>(note b)</u>		<u>Non-SMSAs</u> <u>(note c)</u>	
		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1970	1,888,710	1,524,457	80.7	364,253	19.3
1971	1,896,776	1,532,728	80.8	364,048	19.2
1972	1,942,711	1,562,499	80.4	380,212	19.6
1973 (note d)	1,926,972	1,556,081	80.8	370,891	19.2

a/Postal Service employees not included because the Postal Reorganization Act of 1970 (39 U.S.C. 410) exempts the Postal Service from the requirement of section 901(b).

b/Employment data is for the 243 communities classified as SMSAs in February 1971.

c/Although information on Federal employment in rural areas, as defined by the Rural Development Act, was not readily available, a Department of Agriculture (USDA) demographic expert said that non-SMSAs provided a good representation of such rural areas for purposes of analyzing the impact of section 901(b) on Federal employment.

d/Latest year for which data was available at March 31, 1976.

Source: U.S. Civil Service Commission, Manpower Statistics Division.

USDA, which analyzed the first two reports to determine the impact of the 1970 act, said that there were only 13 facilities actually located in low density areas in which density was a determining location criterion. According to USDA, these 13 facilities employed just 79 workers. USDA concluded that the legal requirement had virtually no impact on the location of Federal facilities during the period covered by the first two annual reports.

The third and fourth annual facility reports showed that a total of about 3,840 facilities employing about 73,300 people were established or relocated during fiscal years 1973 and 1974. Our analysis of the reports, which showed the rural or urban classifications of both the locations moved from and those moved to, showed a net increase in rural employment of about 11,000 people, most of which resulted from new installations. The net increase in urban employment was about 31,000 people, nearly 3 times as many.

SECTION 901(b) REQUIREMENT HAS NOT BEEN
COMPLIED WITH BY MOST AGENCIES

As of December 1975 only 3 of the 21 Federal agencies 1/ surveyed had fully complied with the requirement that they establish and maintain policies and procedures giving first priority to locating facilities in rural areas. (See app. I.) The act requires such policies and procedures to help insure full and adequate consideration of rural areas in selecting sites for new and relocated facilities.

The agencies surveyed were those which reported new or relocated facilities in the fiscal year 1975 report and which had at least 3,000 employees. Of the 21 agencies in this category 18 were not in full compliance with the act

- 3 had established policies but had no procedures,
- 8 had not updated their policies and/or procedures to reflect the amendments to the 1970 act, and
- 7 had not established any policies or procedures.

The three agencies in full compliance were USDA, the Department of the Interior, and the Veterans Administration (VA). The three agencies with a policy statement but no procedures were the Department of the Treasury, the Department of Transportation, and the General Services Administration (GSA).

A number of problems existed in the policies and procedures which had been established and/or in their implementation. For example, although USDA required departmental approval of all moves involving 10 or more employees to other than a rural area, this was not done in a number of instances. Also Interior required both central office approval for all moves to urban areas and a written justification accompanying each request for approval stating why a rural area could not be selected. An Interior official told us, however, that intracity moves were generally exempt from these policies and procedures. In June 1976 Interior said that frequent moves of its personnel were made within cities due to expanding programs or consolidations of offices. It

1/The 21 agencies accounted for about 98 percent of the executive department and independent agency civilian full-time employment in August 1975.

said that, in its opinion, such cases did not constitute the establishment of new offices.

Officials of the Department of Housing and Urban Development (HUD) and of some other agencies which had not established or updated the required policies and procedures told us that their agencies followed GSA's Federal Property Management Regulations (FPMR) 1/ which govern the procurement of space and service requirements for the executive agencies. In our opinion, this practice does not fulfill the intent of the law because the law explicitly requires that all agencies establish policies and procedures for locating facilities in rural areas. Further, the FPMR does not contain procedures for implementing the policy.

Without procedures, an agency has no assurance that rural areas are considered in site selection. For example, in the fiscal year 1975 annual facility report, HUD said that it had considered the provisions of the 1970 act "on a case by case basis" during the year. A discussion with a HUD official and a review of the files on the three relocations HUD reported, however, failed to reveal any evidence that rural areas were considered. Although such consideration in the three cases might not have resulted in selecting a rural site, there could be instances where it might.

A Department of Defense (DOD) official told us that DOD had not established policies and procedures giving first priority to rural areas because, generally, its facilities were located on the basis of strategic defense missions. In the annual facility report for fiscal year 1975, DOD said that the facilities it established during the year were selected on the basis of program mission.

In July 1976 DOD said that, in locating its facilities, special recognition needs to be given to the function that the activity is to perform to see if it is compatible with a rural setting. It said that national defense interests were often overriding. Further, DOD said it was in the process of consolidating its facilities as announced in March and April 1976 and, as a consequence, there was little opportunity for selecting new areas for installation development.

We reviewed the case files on 21 randomly selected moves in 4 agencies to determine if consideration was given to

1/Sections 101-17.002(h) and 101-18.100(f) of the FPMR states that "insofar as practical" first priority is to be given to locating facilities (both purchased and leased) in rural areas.

rural areas. In 7 of 13 cases at the 2 agencies that had established policies and procedures and in all 8 cases at the 2 agencies without policies and procedures, there was no evidence of such consideration.

Of the 18 agencies that were not in full compliance with section 901(b), as amended, in December 1975, 12 told us in June and July 1976 that they had either taken, initiated, or planned to initiate corrective action or that they would take corrective action if the Congress provided additional guidance on selecting sites.

NUMEROUS LAWS, REGULATIONS, AND OTHER FACTORS AFFECT SITE SELECTION DECISIONS

Various laws, regulations, executive orders, and other factors must be considered by agency officials in selecting sites. These factors often run counter to the objective of section 901(b) and make site selection a complex matter.

Policies governing acquisition and use of Government-controlled space

Section 210(e) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(e)), authorizes GSA to assign and reassign space in Government-owned and leased buildings. Assignments and reassignments are to be advantageous to the Government in terms of economy, efficiency, or national security and in accordance with policies and directives prescribed by the President.

The President's policies for guiding GSA and the heads of executive agencies in acquiring, assigning, reassigning, and using office buildings and space in the United States are in Executive Order 11512, February 27, 1970. This order has not been revised to incorporate the first priority requirement of section 901(b), however. The order provides that the Administrator of General Services shall initiate and maintain plans and programs for effective and efficient acquisition and use of federally owned and leased space in the United States. Also it provides that the Administrator and the heads of executive agencies shall be guided by the following policies for acquiring, assigning, reassigning, and using buildings and space.

1. Material consideration is to be given to the efficient performance of the agencies' missions and programs and the nature and function of the facilities involved, with due regard for the convenience of the public served and the maintenance and improvement of safe and healthful working conditions for employees.

2. Consideration is to be given to the need for developing or redeveloping areas and to the impact the selection will have on improving social and economic conditions in the area.
3. Maximum use is to be made of existing Government-owned permanent buildings which are adequate or economically adaptable to the agencies' space needs.
4. Privately owned space is to be acquired only when Government-owned space is not available.
5. Consideration is to be given to the objective of consolidating agencies and constituent parts thereof in common or adjacent space to improve management and administration.
6. Consideration is to be given to the availability of adequate low- and moderate-income housing, adequacy of access from other areas of the urban center, and adequacy of parking.
7. Proposed developments are to be, to the greatest extent practicable, consistent with State, regional, and local plans and programs. Governors, local elected officials, and regional comprehensive planning agencies are to be consulted in the planning of such developments.

The Public Buildings Act of 1959, as amended (40 U.S.C. 601 et seq.), gives GSA authority to acquire, alter, construct, or replace buildings. Because of this major role in selecting public building sites, GSA's efforts are crucial to achieving the objective of section 901(b). Our analysis of GSA procedures for selecting public building sites, however, showed that the procedures are weighted in favor of urban areas by stating that (1) in general, an SMSA is to be designated for project location and (2) in most cases, the portion of the SMSA designated for detailed analysis to select a specific site will be the SMSA's urbanized area.

Also, in February 1976, GSA revised the FPMR (101-17.002 (h) and 101-18.100(f)) to provide that the area delineated for the acquisition of space be restricted to central business districts, provided the area conforms to the agencies' missions and programs.

In January 1975 about 91 percent of the GSA-controlled space was located in SMSAs.

Legislative requirements affecting
space acquisition and utilization

A program's authorizing legislation may dictate or greatly influence site selection. In certain instances, legislation actually designates a specific location. For example, the Federal mints and assay offices must be located in the cities of Philadelphia, Denver, New York, and San Francisco (see 31 U.S.C. 261) and the Federal Crop Insurance Corporation's headquarters office must be located in the District of Columbia (see 7 U.S.C. 1503).

In many cases, the agency's mission may limit its prerogatives regarding site selection. In fact, program mission was cited as the reason for site selection in about 71 percent of all moves reported in fiscal year 1975. Such agencies as the Bureau of Customs, Coast Guard, and Federal Aviation Administration are severely limited as to where they may locate by their missions. Agencies with public-service-type programs must give prime consideration to the convenience of the public served which may limit site selections to fairly large urban centers. Other agencies have programs which may be operated more efficiently and effectively in an urban center because of the services available there, such as banks, air and rail transportation, and technical and other support services.

Section 7(a) of the Public Buildings Act of 1959, as amended (40 U.S.C. 606 (supp. IV)), provides that the House and Senate Committees on Public Works must approve the acquisition or construction of any building costing over \$500,000 to insure that public buildings are distributed equitably throughout the United States. To obtain approval, GSA is required to provide the Committees with, among other things,

- a comprehensive plan for providing space to Government employees in the locality of the proposed project considering the continuous availability of suitable space in Government-owned and rented buildings and
- a statement that suitable Government-owned space or rental space is not available at a price commensurate with the proposed project.

Other laws which may affect site selection decisions are:

- Section 603(c) of the Rural Development Act of 1972 (7 U.S.C. 2204a(1) (supp. V)) which requires the Secretary of Agriculture to collocate or consolidate

all field units of the Federal Government concerned with rural development in the appropriate USDA offices covering the geographical areas most similar to those covered by such field units. Most of the consolidated offices established pursuant to this provision have been in rural areas.

- Section 401 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4231) which provides, among other things, for reviewing and evaluating the impact of Federal projects on community development and considering the viewpoints of the various levels of government in planning for Federal projects.
- Section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) which requires the preparation of environmental impact statements for major Federal actions significantly affecting the quality of the human environment.

Impact of Federal organization on location of offices

A March 1969 Presidential directive instructed selected Federal agencies to adopt a uniform field structure with common boundaries and headquarters locations. The Office of Management and Budget's (OMB's) implementing instruction (Circular No. A-105) requires agencies to conform to 10 standard regions and, as a long-range goal, locate their regional offices in the cities designated as the standard regional headquarters. The designated cities are all major urban areas.

Executive Order 11647, issued in February 1972, established Federal Regional Councils in each of the 10 standard regional headquarters. Membership on each Council is to consist of the principal regional officials of several major departments and agencies.

As of December 1974, nearly 290,000 civilian employees, or about 11 percent of the total civilian work force of the executive departments and independent agencies in the United States, were located in the 10 standard regional headquarters cities. Further, the headquarters offices of most Federal agencies are located in the Washington, D.C., metropolitan area. As of December 1974, about 310,000 civilian employees, or 12 percent of the total civilian work force, were located there.

Cases illustrating the impact of
various factors on site selection decisions

We reviewed a number of cases to determine what consideration had been given to locating facilities in rural areas. Although in some cases little or no consideration had been given to a rural area, it was not clear that, if such consideration had been given, a rural area would have been selected. This appeared to be particularly true when an agency was forced to move because of its own or another agency's expanded space needs. In such a situation, it is relatively simple to move to another building within the same city rather than move to another community some distance away. The following examples illustrate this problem and the complexities involved in site selection decisions.

In line with the requirement of Executive Order 11512 that maximum use be made of Government-owned permanent buildings and to promote economy and efficiency in its real property program, GSA requested USDA's Forest Service to relocate from leased space to Government-owned space in Columbia, South Carolina, in May 1973. The Government-owned space became available when the VA relocated an outpatient clinic. The Forest Service was requested to take over this space primarily because (1) the lease for its space was expiring shortly and (2) it was the only agency which had a sufficiently large space requirement in Columbia at that time to use the space being vacated.

A Forest Service official stated that relocation to a rural area was not considered because it would have required more time for planning than was provided and the Columbia office was centrally located to its workload.

Executive Order 11512's requirement that material consideration be given to the efficient performance of the agencies' missions entered into the relocation of the San Francisco regional office of USDA's Food and Nutrition Service in March 1973. The regional office had to move from its quarters in two different buildings in the city because it needed additional space. In requesting approval for the regional office to stay in the city, the Service said that a move to a rural area would increase costs, interfere with attaining program goals, and cause operational inefficiencies. It also said that the major considerations affecting this decision were:

1. A move from San Francisco would result in a loss of a substantial number of experienced and trained employees which would seriously interfere with its program efforts.

2. The cost of moving employees and their household goods and other relocation costs would be substantial. Nonrecurring costs of moving to a location in San Francisco were estimated at \$15,400 compared with \$241,600 for an alternative location--a difference of \$226,200. It was estimated that this cost would be offset by annual recurring savings of \$20,600.
3. Relocating to a rural area would be detrimental to the office's economical and efficient operation because of the lack of adequate air transportation.

On item 3, the Service said that the regional office's vast geographical area--which at that time comprised 11 States, American Samoa, Guam, and the Trust Territories of the Pacific--necessitated about 325 airplane trips annually and that it considered the availability of air transportation with good schedules essential to the efficient performance of its work and the most important factor in locating any of its regional offices. The Service said that, although a few rural areas considered offered good intrastate commuter air service, it would be necessary to travel to San Francisco or Los Angeles to obtain air transportation to points outside the State which involved an estimated 250 trips annually. This would result in additional costs for extra travel of 200 to 300 miles for each trip and a loss of productive worktime--4 to 6 hours--which would adversely affect program operations.

Often several factors will affect a site selection decision. For example, in 1970, GSA advised the Forest Service that the space its Tonto National Forest Supervisor's Office occupied in the Federal Building in Phoenix, Arizona, had to be vacated due to the expanded space needs of the U.S. District Court. At the time, the Supervisor's Office employed about 60 people. The Service considered relocation within Phoenix, an urban area, and to Globe and Payson, Arizona, both rural areas.

The Service analyzed the various factors affecting site selection and decided to remain in Phoenix. Some of the factors which weighed against moving to either Globe or Payson, each about 90 miles from Phoenix, were as follows.

- The public could be better served if the Supervisor's Office, a key contact office, were located in Phoenix.
- The Phoenix location would provide easier access to officials of other agencies and organizations in Phoenix with whom recurring contacts were made.

- Logistical considerations, such as needed services and supplies, favored Phoenix.
- Relocation from Phoenix would result in a loss of at least 12 employees and replacing these employees in either Globe or Payson would be difficult.
- Housing in Globe and Payson was considered inadequate.
- A move to either Globe or Payson would create a severe impact on its utilities, schools, and services.
- Certain costs of relocating to either Globe or Payson would not be incurred by remaining in Phoenix. For example, employee moving costs were estimated to be \$125,000 and training costs for new employees to be \$11,120.

The Service concluded that, of the three alternatives, Phoenix was the best suited to achieve management objectives; i.e., improved public service and efficient and effective operation. The Supervisor's Office was relocated in Phoenix in November 1973.

The fact that suitable office space is not always as readily available in a rural area as it is in an urban area may also be a factor in selecting a site. For example, USDA's Soil Conservation Service and Farmers Home Administration planned to consolidate their field offices, which were located in Elkhorn and Omaha, Nebraska, respectively. The consolidation was intended to better serve the public and to obtain more suitable space. The agencies requested consolidated space in Elkhorn, a rural area. GSA advised the agencies that it was unable to find adequate space in Elkhorn but could in Omaha. As a result, in August 1973, the offices were relocated and consolidated in Omaha, an urban area.

DELINEATION OF RURAL AREAS WOULD
REDUCE ERRORS IN ANNUAL REPORTS
AND HELP AGENCIES COMPLY WITH
SECTION 901(b)

Annual reports submitted to the Congress pursuant to section 901(b) contained numerous misclassifications of areas as rural or urban.

Initially, OMB assumed the President's reporting responsibility called for by section 901(b) and advised each agency of the 1970 act's requirement. The agencies were instructed to send their 1972 and 1973 reports to USDA for

consolidation. In July 1974 Executive Order 11797 directed that USDA, one of whose primary missions is rural development, assume full responsibility for compiling the report.

The first two annual reports showed that 44 percent of all employees involved in the reported actions were located or relocated in low population density areas. After correcting for errors, however, we determined that only about 28 percent of the employees were located or relocated in low density areas. (See p. 4.)

For the third annual report, USDA officials reviewed and corrected the agencies' classifications before including them in the report. USDA reviewed the classifications of locations "moved to" (but not "moved from") and made corrections to about 7 percent of the agencies' classifications. Because of a lack of time, this was not done for all agency classifications reported in the fourth annual report. Our analysis of a random sample of 52 of the 524 moves USDA reported in the fourth annual report showed that 4, or about 8 percent, of the 52 locations or relocations were classified as being in or to rural areas but should have been classified as being in or to urban areas.

According to USDA officials, rural areas have not been delineated in accordance with the prescribed definition (see p. 2) because of a problem in determining which "urbanizing areas" qualify as rural in accordance with the definition "immediately adjacent urbanized and urbanizing areas with a population density of more than one hundred persons per square mile."

In June 1976 USDA said that the problem was that the Bureau of the Census data on census tracts was not in enough detail and on a small enough scale to satisfy the requirements of its Farmers Home Administration's business and industrial loan program which is administered under the same rural area definition. It said that, as a result, the Farmers Home Administration determined the eligibility of questionable "urbanizing" areas on a case-by-case basis but that this was not a practical approach for purposes of determining the location of facilities for all Federal agencies.

In June 1976 OMB said it was prepared to assist USDA in developing a workable definition of rural areas. However, legislation 1/ has since been introduced in the Congress which would delete urbanized and urbanizing areas from the

1/H.R. 14641, 94th Cong., 2d sess., July 1, 1976.

rural definition. If enacted, this legislation should permit USDA to delineate rural areas because the problem of determining which urbanized and urbanizing areas qualify as rural would be eliminated. If the legislation is not enacted, USDA could avail itself of OMB's assistance.

Delineation of rural areas would help eliminate misclassifications in the annual reports. Further, it would help agency officials comply with the requirement that rural areas be given first priority because, in a number of cases, agency officials had cited the requirement of section 901(b) as the reason for selecting a location which, in fact, was not rural.

CONCLUSIONS

Although the Congress has recognized the positive impact that the location of Federal facilities can have on rural area development and has directed that rural areas be given first priority in selecting sites for new or relocated Federal facilities, executive agencies must also consider other laws, regulations, and factors when selecting facility sites. Thus, the matter of selecting locations for new or relocated Federal facilities is a complex one. Some congressional guidance on this matter seems to be needed.

To provide such guidance, congressional hearings may be desirable. Such hearings would provide a forum for Federal agencies and other interested parties to comment on site selection requirements, problems, and needed improvements. Such hearings could also help clarify congressional intent on site selection priorities.

If the Congress does not modify or repeal the requirement of section 901(b), each executive agency which has not done so should establish the required policy of giving first priority to locating Federal facilities in rural areas. The policy should be included in agency regulations to help insure that agency officials responsible for site selection are aware of the requirement. Further, each agency which has not done so should establish implementing procedures, as required by the act, to insure that these officials give rural areas first priority in selecting locations unless there is an overwhelming reason not to. These procedures, at a minimum, should require approval by the agency's central office for new or relocated facilities in other than a rural area and a written statement citing the reason(s) why a rural area was not selected.

Also, to help insure compliance with section 901(b), Executive Order 11512, which governs the planning, acquisition, and management of Federal space, should be revised to

incorporate the section's requirement and GSA's procedures for selecting public building sites also should be revised so that areas designated for detailed analysis are not generally limited to urban areas.

Further, USDA should delineate rural areas to assist agency officials in selecting and giving priority to rural areas and to minimize errors in classifying locations in the annual reports to the Congress. Legislation which has been introduced to revise the definition of rural areas should, if enacted, eliminate the problem USDA has had in delineating rural areas.

To help achieve the objective of section 901(b), should it be reaffirmed, certain other actions could be taken. For example, the Congress or the President could assign one agency, possibly GSA or USDA, the overall leadership and coordination responsibility for implementing section 901(b). The agency could oversee the Government's overall effort on this matter with the objective of developing a comprehensive program and providing assistance to other executive agencies. Also, the agency could serve as a focal point for the Congress to use in monitoring and overseeing the adequacy of efforts to locate Federal facilities in rural areas.

Also, each agency might be directed to establish an affirmative action plan for implementing section 901(b) with such plan identifying (1) those offices, facilities, and functions, such as research, payroll, and computer and data processing operations, which may be appropriately located in rural areas and (2) new facilities which may be needed to provide better service to rural areas. The information could then serve as a basis for planning, acquiring, and managing space needs in rural areas.

RECOMMENDATIONS TO THE CONGRESS

We recommend that the Congress have representatives of Federal departments and agencies and other interested parties advise it, through congressional hearings or other means, of their observations on site selection requirements, problems, and needed improvements. The Congress should also provide additional guidance on the matter of site selection priorities.

Should the Congress reaffirm the requirement of section 901(b), we recommend that it (1) assign, or request the President to assign, to one agency the overall leadership and coordination responsibility for implementing section 901(b) and (2) direct each agency to establish an affirmative action plan for implementing section 901(b).

RECOMMENDATIONS TO THE HEADS OF VARIOUS
EXECUTIVE DEPARTMENTS AND AGENCIES

If the Congress does not modify or repeal the requirement of section 901(b), we recommend that:

- The head of each executive department and agency which has not done so establish (1) a written policy that first priority be given to locating new offices and other facilities in rural areas unless there is an overwhelming reason why any such office or facility should not be located in a rural area and (2) the procedures required by section 901(b) to implement the policy.
- The Administrator of GSA (1) begin action to revise Executive Order 11512 to incorporate the requirement of section 901(b) and (2) revise the procedures for selecting public building sites so that areas designated for detailed analysis are not generally limited to urban areas.
- The Secretary of Agriculture delineate rural areas in accordance with the definition prescribed in section 306(a)(7) of the Consolidated Farm and Rural Development Act, as amended.

AGENCY COMMENTS AND OUR EVALUATION

In June and July 1976, 21 executive departments and agencies commented on the matters discussed in this report. (See app. II.) Most generally concurred with our conclusions and recommendations, particularly those relating to the need for congressional guidance. Of the 18 agencies that were not in full compliance with section 901(b), as amended, 12 indicated that they had either taken, begun, or planned action to comply with the section 901(b) requirement or that they would take such action if the Congress provided additional guidance on selecting sites. Because of the large number of responses, we have not reprinted all of them in the report. (See apps. III, IV, and V for OMB, USDA, and GSA comments, respectively.) We considered all of the comments in finalizing the report, however, and the agencies' major points are discussed below.

USDA said it believed that revision of Executive Order 11512 and subsequent modification of GSA's procedures would strengthen the legislation. Also it said that reaffirmation by the Congress of the intent of section 901(b) and direction to all agencies to establish an affirmative action plan to implement the act should further insure that first priority is given to locating in rural areas. It said it believed that the annual facility report to the Congress was adequate

for monitoring agency efforts and that little more could be accomplished by assigning leadership and coordination responsibility to one agency.

We disagree with USDA's last point. A central coordinating agency could help develop a more orderly and comprehensive effort to achieve the objective of section 901(b)--the annual facility report would merely be one of the tools it uses to perform this function. Further, on June 25, 1976, USDA submitted draft legislation to the Congress to eliminate the annual facility report.

Other agencies which commented on the matter of a central coordinating agency indicated agreement that such an agency was needed. Two of the agencies said that GSA should be assigned the responsibility. GSA said that it believed OMB should be given the responsibility. OMB suggested, however, that given USDA's legislative responsibilities for rural development and GSA's responsibilities in connection with selecting Federal office building locations, it believed that these two agencies could jointly develop policies and procedures under their respective charters for implementing section 901(b).

GSA agreed with our recommendation to revise Executive Order 11512 to incorporate the requirements of section 901(b), as amended, provided the Congress furnishes essential guidance as to its intent. GSA said, however, that it was not in accord with our recommendation that it revise its procedures for selecting public building sites until the aforementioned congressional guidance is provided and Executive Order 11512 has been revised.

GSA said that, under current procedures, the various agencies determine the geographic location in which their mission can best be performed. It also said that, in those instances when it is consulted, it calls the agencies' attention to the requirements of section 901(b), as amended, but that the agencies make the final decision. GSA believes its present procedures are consistent with its responsibilities under the Public Buildings Act, the Federal Property and Administrative Services Act and Executive Order 11512, as well section 901(b).

OMB said that it had asked the Administrator of GSA to review, in particular, the matters discussed on pages 8 and 9 of this report and to respond to it and to us on the modification of Executive Order 11512 necessary to be more responsive to the suggestions contained in our report. In making its review, we believe GSA should place emphasis on reevaluating its site selection procedures for locating public buildings to insure that they are not unnecessarily weighted in favor of urban areas.

Most of the agencies commented that accomplishing their missions and programs must be given first consideration in locating facilities. In its comments, the Department of Commerce said that it believed that section 901(b), as amended, should be repealed by the Congress. The act, it said, singles out a secondary factor in facility location and makes it a mandatory criterion of first importance.

Because of the diverse factors affecting site selection decisions and priorities, DOD believed that consideration could be given to repealing section 901(b). It said that, if the act was not repealed, it would strongly support our recommendation that congressional guidance be provided.

DOD disagreed with our conclusion that agency procedures to implement section 901(b) should provide for a written statement citing the reason(s) why a rural area was not selected because such a requirement would further increase administrative costs with questionable benefits. In view of the present requirement of section 901(b) that the annual facility report include a statement for each facility listed covering the basic reasons for the selection of all new locations, we do not believe a written statement prepared for an agency's central office approval would be much, if any, of an additional burden.

DOD also questioned whether there was still a need to revitalize rural areas, particularly in comparison with existing urban area problems and unemployment. The Civil Service Commission, while recognizing the need for developing and revitalizing rural areas and for establishing a sound balance between rural and urban America, said that there were rural areas which were long overdue for development programs but there were also cities in great need of economic development. It said that the need for economic development was not peculiar to rural as opposed to urban areas and there appeared to be a need for a more selective approach to economic development.

Along the same lines, HUD said that although it would take action to establish location criteria that would take the objective of section 901(b), as amended, into consideration as far as possible, its prerogatives regarding site selection were limited because of its responsibility to revitalize urban areas. It also said that, in carrying out this responsibility, it must demonstrate its faith in these vital areas to private industry and to the public through its willingness to be housed in central business districts.

The point raised by these agencies, that is, the need for economic development in urban areas, is another factor running counter to section 901(b). This is a problem area that could be addressed in congressional hearings.

CHAPTER 3

SCOPE OF REVIEW

We made our review primarily at the Washington, D.C., headquarters of various Federal agencies. These included the Department of Agriculture and the General Services Administration; the executive departments and other independent agencies listed in appendix I; and the Department of the Interior, the Veterans Administration, and the Office of Management and Budget. We reviewed pertinent laws, regulations, policies, and procedures of the various agencies; examined pertinent agency records; and interviewed officials at the headquarters and regional levels.

SELECTED AGENCIES LACKING POLICIES AND/OR PROCEDURES
REQUIRED BY SECTION 901(b) OF THE AGRICULTURAL
ACT OF 1970, AS AMENDED, AS OF DECEMBER 1975

	<u>Number of civilian employees in U.S. as of August 1975</u>
Agencies with updated policy but no procedures:	
Department of Transportation (note a)	73,757
Department of the Treasury (note b)	122,674
General Services Administration (note a)	38,820
Agencies with outdated policy and procedures:	
Department of Commerce (note a)	35,966
Department of Health, Education, and Welfare (note c)	146,945
Energy Research and Development Administration (note b)	8,233
National Aeronautics and Space Administration (note c)	25,705
Agencies with outdated policy and no procedures:	
Department of Justice	50,672
Department of Labor (note b)	14,952
Department of State	10,920
Environmental Protection Agency	11,468
Agencies with no policy or procedures:	
Department of Defense	961,245
Department of Housing and Urban Development (note b)	16,832
Civil Service Commission (note c)	8,215
Federal Deposit Insurance Corporation	3,099
Federal Energy Administration	3,424
Small Business Administration (note d)	4,723
Tennessee Valley Authority (note b)	28,870
Total	<u><u>e/1,566,520</u></u>

a/Agency will take corrective action if the Congress provides additional guidance on selecting sites.

b/Agency has since initiated corrective action.

c/Agency plans to initiate corrective action.

d/Agency has since established the required policy but will defer further modifications until it is known whether the Congress will modify or repeal section 901(b).

e/This figure represents about 77 percent of the executive department and independent agency civilian full-time employees in the United States as of August 31, 1975.

Source: Federal Civilian Manpower Statistics, October 1975, U.S. Civil Service Commission.

AGENCIES THAT COMMENTED ON THE
MATTERS DISCUSSED IN THIS REPORT (note a)

Executive departments:

Department of Agriculture
 Department of Commerce
 Department of Defense
 Department of Health,
 Education, and Welfare
 Department of Housing and
 Urban Development
 Department of the Interior
 Department of Justice
 Department of Labor
 Department of State
 Department of Transportation
 Department of the Treasury

Independent agencies:

Civil Service Commission
 Energy Research and Devel-
 opment Administration
 Environmental Protection
 Agency
 Federal Energy Administra-
 tion
 General Services Adminis-
 tration
 Office of Management and
 Budget
 National Aeronautics and
 Space Administration
 Small Business Adminis-
 tration
 Tennessee Valley Authority
 Veterans Administration

a/An official of the Federal Deposit Insurance Corporation told us that the Corporation had reviewed our report and had no comments.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 15 1976

Mr. Victor L. Lowe, Director
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Lowe:

This is in response to your recent request for OMB comments on a draft GAO report entitled, "Progress and Problems in Giving Rural Areas First Priority When Locating Federal Facilities."

The report identified the crux of the problem of responding to the requirements of Section 901(b) of the Agricultural Act of 1970, as amended, on pages ii and iii of the digest; namely, "Establishing the policies and procedures required by Section 901(b) would help insure that rural areas are considered in selecting the sites for new or relocated facilities; however, there are a number of other laws, regulations, executive orders, and additional factors which must also be considered in selecting sites." I agree wholeheartedly with your recommendation to the Congress that it "should also provide additional guidance to the executive departments and agencies on the matter of site selection priorities."

If the Congress determines that it is necessary and desirable to continue the requirement of Section 901(b), a clearer expression of Congressional intent regarding site selection priorities as they are currently impacted by a number of sometimes conflicting legislative requirements would be extremely helpful to Executive Departments and agencies in the development of policies and procedures that can be responsive to Congressional intent.

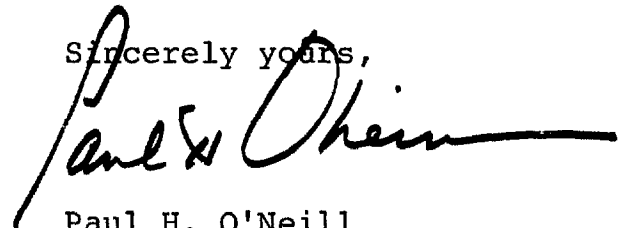
With respect to the matter of developing a standard definition of "rural areas" for the purpose of reporting under Section 901(b), this office is prepared to provide such assistance as may be appropriate to the Department of Agriculture for the preparation of a workable definition.

I have asked the Administrator of the General Services Administration to review particularly pages 9-11 of the draft report and to respond directly to your office as well as OMB regarding possible modification in GSA procedures under E.O. 11512 which may be necessary to be more responsive to the suggestions in the draft report.

Given the Department of Agriculture's legislatively assigned responsibilities for rural development, and the General Services Administration's responsibilities in connection with selection of Federal office building locations, I believe that these two agencies could jointly develop policies and procedures under their respective charters for implementation of Section 901(b).

We welcome this opportunity to comment on this draft report and would also like to have an opportunity to review the comments of other agencies which have been asked to comment on this report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Paul H. O'Neill", written in a cursive style.

Paul H. O'Neill
Acting Director

GAO note: Page references in this appendix refer to a draft report and may not correspond to the pages of this final report.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

June 8 1976

Mr. Henry Eschwege
Director, Resources and Economic
Development Division
United States General Accounting Office
Washington D.C. 20548

Dear Mr. Eschwege:

As requested in your letter of May 4, we have reviewed the draft report to the Congress on the Progress and Problems in Giving Rural Areas First Priority When Locating Federal Facilities. Representatives of our Office of Operations met with Messrs. Renzi, Cannan, and Vande Sand of your office and based on their discussions, it was mutually agreed that the following changes or clarification, as appropriate, would appear in the final report:

1. Pages 4 and 5. The comparison of executive agency civilian employment in rural areas as opposed to non-rural areas is based on Standard Metropolitan Statistical Areas (SMSA's).

Section 601 of the Rural Development Act of 1972 requires that agencies follow the definition of a rural area as defined by Section 306(a)(7) of the Consolidated Farmers Home Administration Act of 1961, as amended. Since this definition does not coincide with the definition of an SMSA, the employment data will be misleading when applied to "rural areas" for purposes of locating Federal facilities.

It was agreed the table would be footnoted to indicate this difference.

2. Page 13. It is stated that the Secretary of Agriculture has the responsibility under Section 603(c) of the Rural Development Act of 1972, for the location and collocation of USDA field offices concerned with rural development in single field offices.

This responsibility is not limited to USDA agencies but all field units of the Federal Government concerned with rural development.

It was agreed the final report would reflect this change.

Henry Eschwege

3. Page 19. Regarding USDA failure to review and correct the fourth annual report.

This report was reviewed and corrected to the extent time permitted to meet the September 1 reporting schedule to the Congress. The Department was not delegated responsibility for the report until July 31, 1974. This left little time to distribute the reporting guidelines to the agencies and obtain their input and for compilation of the report in time to meet the September 1 deadline.

It was agreed that a clarifying statement to this effect would be made part of the report.

4. Page 20. Statement that rural areas have not been delineated because USDA officials cannot agree on what areas are meant by the phrase "immediately adjacent urbanized and urbanizing areas ***."

The delay in delineating rural areas is not because of disagreement within the Department. Rather the difficulty arises from the fact that Census data delineating urbanizing areas is not available in enough detail to satisfy the requirements of the Business and Industrial (B&I) Loan Program of the Farmers Home Administration (FmHA), which is administered under the same rural area definition.

Presently, Census tracts are not on a small enough scale to eliminate borderline or questionable areas. As a result FmHA now determines the eligibility of these areas on a case-by-case basis. We do not feel this approach is administratively practical for purposes of determining the location of facilities for all Federal agencies.

It was agreed to delete this statement from the report and to insert a statement clarifying the problem.

5. Page 21. Regarding the recommendation that agency procedures, as a minimum, require central office approval of all new or relocated facilities to other than a rural area, we disagree in part with this recommendation.

Henry Eschwege

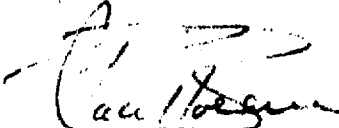
Such a requirement is restrictive and would compound administrative work where agencies have no alternative as to where they could locate because of legislative or program requirements. We suggest that consideration be given to excluding such facilities from central office approval and that such approval be limited to facilities that, because of size, would contribute meaningfully to a rural community.

Your representatives agreed that some limitation could be included in the final report.

The Department believes that revision of Executive Order 11512 and subsequent modification in the General Services Administration's procedures will strengthen this legislation. Reaffirmation by the Congress of the intent of Section 901(b) and direction to all agencies to establish an affirmative action plan for implementing this section should further serve to assure that first priority is given to locating in rural areas. We feel the report to the Congress is adequate for monitoring agency efforts and little more could be accomplished by further assigning leadership and coordination responsibility to one agency.

With the exception of the above, we believe the report realistically covers the problems encountered since enactment of this legislation. We agree that additional Congressional guidance to agencies regarding the intent of this legislation, as opposed to other legislation affecting location of offices, is needed.

Sincerely,



J. PAUL BOLDOC
Assistant Secretary
for Administration

GAO note: Page references in this appendix refer to a draft report and may not correspond to the pages of this final report.

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405



June 11, 1976

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
Washington, DC 20548

Dear Mr. Staats:

This is in response to Mr. Fred J. Shafer's letter dated May 4, 1976, requesting our comments on a draft report to Congress on "Progress and Problems in Giving Rural Areas First Priority When Locating Federal Facilities."

We have reviewed the report and our comments are contained in the attached fact sheet.

Thank you for the opportunity to review, evaluate, and comment on GAO's recommendations. We welcome any additional comments or suggestions and will be happy to make representatives of the General Services Administration available for discussion purposes should the need arise.

Sincerely,

A handwritten signature in cursive script that reads "Terry Chambers".

TERRY CHAMBERS
Deputy Administrator

Enclosure

GSA FACT SHEET
PUBLIC BUILDINGS SERVICE
Office of Space Planning
and Management
May 26, 1976

COMMENTS ON

DRAFT REPORT - "PROGRESS AND PROBLEMS IN GIVING RURAL AREAS FIRST
PRIORITY WHEN LOCATING FEDERAL FACILITIES"

GAO Recommendation:

Congress have representatives of Federal departments and agencies and other interested parties advise it, through congressional hearings or other means, of their observations on site selection requirements, problems, and needed improvements. Congress should provide additional guidelines on the matter of site selection priorities. If Congress reaffirms the requirements contained in section 601 of the Rural Development Act of 1972, it may wish to (1) assign or request the President to assign to one agency the overall leadership and coordination responsibility for implementation, and (2) direct each agency to establish an affirmative action plan for implementing section 601.

GSA Comments:

GSA is in accord with the above recommendation that Congress should clarify the requirements for implementation of the Agricultural and Rural Development Acts as they relate to site selection procedures.

With respect to a "lead agency," since OMB has the capability and authority to evaluate agency programs and determine in which communities these programs should be located, we believe it should be given responsibility for this program.

With regard to an affirmative action plan for locating in rural areas, GSA, as a service organization, must be collocated with the agencies it serves. Therefore, in most instances, locating GSA facilities in rural communities would be dependent on the location of other Federal agencies. These agencies normally require general purpose space in areas that allow maximum access to the public.

GAO Recommendation:

The Administrator of General Services (1) initiate action to revise Executive Order 11512 to incorporate the requirements of section 601 and (2) revise procedures for selecting public building sites so that areas designated

for detailed analysis are not generally limited to urban areas.

GSA Comments:

GSA is in accord with the recommendation that action be initiated to revise Executive Order 11512 to incorporate the requirements of section 601 provided essential guidance is furnished by the Congress as to its intent in implementing this section.

However, GSA is not in accord with that part of the recommendation providing for revision of procedures for selecting public buildings sites until such time as the above-referenced essential guidance has been furnished by the Congress and Executive Order 11512 has been thereafter modified.

Under current procedures the various agencies determine the geographic location, whether in a rural or urban area, in which their activities can best perform their missions. In those instances when we are consulted by agencies regarding the selection of a community for a new office, we call their attention to the requirements of the Rural Development Act; however, the final decision rests with the agency. It is GSA's responsibility to provide suitable accommodations at these locations by assigning space currently in our inventory, leasing new space, or constructing a suitable public building in accordance with the provisions of the Public Buildings Act of 1959.

In connection with our responsibility to provide accommodations for new offices, as well as to provide for the rehousing of existing agency activities, we must also conform to the requirements of the Public Buildings Act of 1959, as amended, the Federal Property and Administrative Services Act of 1949, as amended, and Executive Order 11512. The overall effect of these Acts and Executive Order is to impose upon GSA a responsibility to assure the economical and efficient use of space by the agencies; to survey the public buildings needs of the Federal Government; to develop a program for the construction of those buildings, due consideration being given to comparative urgency of need and equitable distribution of projects; and to coordinate the proposed programs and plans for buildings and space in a manner designed to exert a positive economic social influence on the development of the areas in which such facilities are located. We believe that our present procedures are consistent with these Acts and Order, as well as the Rural Development Act of 1972, as now written.

OFFICIALS OF PRINCIPAL AGENCIES
RESPONSIBLE FOR ADMINISTERING
ACTIVITIES DISCUSSED IN THIS REPORT

Tenure of office
From To

DEPARTMENT OF AGRICULTURE

SECRETARY OF AGRICULTURE:

Earl L. Butz	Dec. 1971	Present
Clifford M. Hardin	Jan. 1969	Nov. 1971

ASSISTANT SECRETARY FOR
ADMINISTRATION:

J. Paul Bolduc	Feb. 1976	Present
Joseph R. Wright, Jr.	Mar. 1973	Feb. 1976
Frank B. Elliott	Apr. 1971	Mar. 1973
Joseph M. Robertson	Apr. 1961	Mar. 1971

GENERAL SERVICES ADMINISTRATION

ADMINISTRATOR OF GENERAL SERVICES:

Jack Eckerd	Nov. 1975	Present
Dwight A. Ink (acting)	Oct. 1975	Nov. 1975
Arthur F. Sampson	June 1972	Oct. 1975
Rod Kreger (acting)	Jan. 1972	June 1972
Robert L. Kunzig	Mar. 1969	Jan. 1972

COMMISSIONER, PUBLIC BUILDINGS
SERVICE:

Nicholas A. Panuzio	Sept. 1975	Present
Walter A. Meisen (acting)	Oct. 1974	Sept. 1975
Larry F. Roush	Jan. 1973	Oct. 1974
John F. Galuardi (acting)	July 1972	Jan. 1973
Arthur F. Sampson	Mar. 1970	June 1972

OFFICE OF MANAGEMENT AND BUDGET

DIRECTOR:

James T. Lynn	Feb. 1975	Present
Roy L. Ash	Feb. 1973	Feb. 1975
Caspar W. Weinberger	June 1972	Feb. 1973
George P. Shultz	July 1970	June 1972

Copies of GAO reports are available to the general public at a cost of \$1.00 a copy. There is no charge for reports furnished to Members of Congress and congressional committee staff members. Officials of Federal, State, and local governments may receive up to 10 copies free of charge. Members of the press; college libraries, faculty members, and students; and non-profit organizations may receive up to 2 copies free of charge. Requests for larger quantities should be accompanied by payment.

Requesters entitled to reports without charge should address their requests to:

U.S. General Accounting Office
Distribution Section, Room 4522
441 G Street, NW.
Washington, D.C. 20548

Requesters who are required to pay for reports should send their requests with checks or money orders to:

U.S. General Accounting Office
Distribution Section
P.O. Box 1020
Washington, D.C. 20013

Checks or money orders should be made payable to the U.S. General Accounting Office. Stamps or Superintendent of Documents coupons will not be accepted. Please do not send cash.

To expedite filling your order, use the report number in the lower left corner and the date in the lower right corner of the front cover.

GAO reports are now available on microfiche. If such copies will meet your needs, be sure to specify that you want microfiche copies.

AN EQUAL OPPORTUNITY EMPLOYER

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

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE**



THIRD CLASS