GAO

United States
General Accounting Office
Washington, D.C. 20548

160388

Resources, Community, and
Economic Development Division

B-279681

April 30, 1998

The Honorable Pete V. Domenici
Chairman
The Honorable Harry Reid
Ranking Minority Member
Subcommittee on Energy and
Water Development
Committee on Appropriations
United States Senate

The Honorable Joseph M. McDade
Chairman
The Honorable Vic Fazio
Ranking Minority Member
Subcommittee on Energy and
Water Development
Committee on Appropriations
House of Representatives

Subject: Nuclear Regulatory Commission: Information on Potential Budgetary Reductions for Fiscal Year 1999

As requested, we are providing you with information about the Nuclear Regulatory Commission's (NRC) carryover balances and our projection of potential fiscal year 1998 carryover balances, as well as our examination of the unpaid balances for completed contracts and its research program.[1] In summary, we found that between fiscal year 1995 and fiscal year 1997, NRC reduced its carryover balances by about 32 percent. Nevertheless, we estimate that up to $57 million may potentially be available at the end of fiscal year 1998 to reduce NRC's fiscal year 1999 budget request. As of October 1997, NRC had

[1]In this report, we define carryover balances as the total of ending unobligated balances and uncosted obligations or undelivered orders. Uncosted obligations or undelivered orders are goods and services that have been ordered and obligated but for which no funds have been spent.

160388

155 completed contracts with unpaid balances totaling $2.7 million. Since October 1997, NRC deobligated over $560,000 of the $2.7 million–about $412,000 was a direct result of our review. NRC can use the $560,000 in this or subsequent fiscal years. NRC is holding the remaining $2.1 million to pay final fees or rate adjustments when it closes the contracts. In addition, at the end of fiscal year 1997, NRC had 241 research projects with carryover balances totaling about $39 million ($7 million from prior fiscal years). As of January 31, 1998, the Office of Nuclear Regulatory Research had expended about $18 million of prior-year funds.

CARRYOVER BALANCES

Overall, NRC has reduced its carryover balances from fiscal year 1995 through fiscal year 1997. For example, in fiscal year 1995 NRC had almost $220 million in carryover funds, and at the end of fiscal year 1997, almost $149 million–a 32-percent reduction. According to the Chief, Funds Control Branch, in the Office of the Chief Financial Officer, NRC has made an effort since fiscal year 1993 to reduce its carryover balances. In commenting on a draft of this report, NRC noted that for the past 4 years, senior managers have been held accountable for their offices' financial performance, and NRC monitors and reports on unobligated and uncosted funds and expenditures to help senior managers assess their financial performance. Nevertheless, at the beginning of fiscal year 1998, NRC's Office of Administration carried over 27 percent of its fiscal year 1997 funds; the Office of Analysis and Evaluation of Operational Data, 42 percent; the Office of Nuclear Material Safety and Safeguards, 52 percent; the Office of Nuclear Reactor Regulation, 50 percent; and the Office of Nuclear Regulatory Research, 55 percent.

We have estimated potential reductions to NRC's fiscal year 1999 budget request using several carryover balance goals–two of which are based on NRC's financial management performance measures, which are described in more detail in the methodology section of this report. At the end of fiscal year 1998, we estimate that NRC could carry over up to $113.8 million, and up to $57 million may potentially be available to reduce NRC's fiscal year 1999 budget request. (See enc. I for additional information about these estimates.)

UNPAID BALANCES FOR COMPLETED CONTRACTS

NRC has significantly reduced its inventory of commercial contracts in the closeout process (from 829 to 293) since its Office of Inspector General first identified this problem area in 1992.[2] However, NRC could still gain from focusing on closing out its contracts more quickly.

NRC uses the contract closeout process to reconcile all records and transactions between the agency and its contractors once the contracts are completed. The process ensures that (1) NRC has received all goods and services, (2) NRC has paid all invoices and fees to the contractor, (3) the contractor has returned all government property to NRC, and (4) NRC has deobligated all excess funds. Our review of 155 commercial contracts with unpaid balances that were in the closeout process in October 1997 showed that over 50 percent had expired over 3 years ago, over a third had expired over 5 years ago, and 7 had expired more than 10 years ago.[3] Yet NRC had not closed the 155 contracts and expended or deobligated over $2.7 million in unpaid balances. As of the end of January 1998, NRC was in the process of deobligating over $560,000 for 41 of the 155 contracts–about $412,000 was the direct result of our questioning the need for NRC to carry these balances. NRC staff told us that they will hold the remaining $2.1 million to pay final fees or rate adjustments when the agency closes the contracts. NRC can use the $560,000 in this or subsequent fiscal years.

In addition, almost one third of the 155 contracts had task orders (specific descriptions of the goods or services the contractor is expected to deliver) with outstanding balances of less than $300. Under NRC's closeout procedures, these balances cannot be deobligated until the contracts are closed. According to NRC staff, the agency does not deobligate the funds because it is not cost-effective to do so. We note that to deobligate more than $300, NRC is required to obtain a signed release from the contractor, but the agency can deobligate $300 or less without such a release. Thus, we question what efficiencies NRC gains from this exemption because about half of the contracts with outstanding balances of $300 or less expired more than 3 years ago. With the cost and time incurred to generate monthly reports to track such small amounts, it would seem appropriate for NRC to include a time frame as well as a dollar amount target for deobligating small amounts of funds for completed contracts.

---

[2]Review of NRC's Contract Close Out Process (OIG/92A-04, June 26, 1992).

[3]The remaining 138 commercial contracts (293 less 155) had no unpaid balances and were outside the scope of this review.

RESEARCH PROGRAM

At the beginning of fiscal year 1997, NRC funded 273 research projects. At the end of the fiscal year, 241 of the projects showed carryover balances totaling about $39 million, including about $7 million from prior-year funds. The remaining $32 million from fiscal year 1997 represents about 55 percent of the funds available during that year. According to project managers, the carryover balances occurred, in part, because of delays in billing from the contractors and late submission of information from utilities that contractors would analyze for NRC.

For any office that has contract support funds, NRC sets a forward funding target of 60 to 90 days (excluding salaries and benefits) of the funds available from the ending fiscal year to ensure that contracts will continue if funding lapses at the beginning of the subsequent fiscal year. NRC did not prepare a written analyses to support the 60- to 90-day target but rather examined a number of factors, such as the time it takes to receive an appropriation and apportionment and to issue obligating documents for contracts, to determine a reasonable and prudent goal to ensure the continuity of funding. According to the Chief, Funds Control Branch, an analysis conducted in the early 1990s showed that an average of 1.4 months elapsed between the time work was completed and the bill was received. As a result, NRC allows an additional 2 months over and above the 60 to 90 days recognizing the time lag in reporting and recording contractor costs. In other words, NRC sets an unliquidated obligation target of 5 months at the end of the fiscal year.

Of the 241 research projects showing carryover balances at the end of fiscal year 1997, we found that 34 met or had less than the targeted 90 days of forward funding and 207 (86 percent) exceeded the target. Using the unliquidated obligation target of 5 months, 92 projects met the target; 149 (almost 62 percent) did not. By the end of January 1998, the Office of Nuclear Regulatory Research had expended about $18 million of prior-year funds.

We examined 16 research projects: 12 conducted by Department of Energy (DOE) laboratories, 1 conducted by another government agency, 2 conducted by commercial entities (universities), and 1 conducted under an international agreement. Although we found that NRC deobligated funds for one project because of unanticipated delays and generally kept the carryover balance for another below 20 percent, we also found that the project manager of one commercial research contract did not require a spending plan, believing that the requirement for one was an option. The same contractor did not submit vouchers for expenditures for as much as 1 year after the work was completed, thereby causing a sizable carryover balance for the project, and was 4 months late in submitting a required quarterly progress report.

AGENCY COMMENTS AND OUR EVALUATION

We provided a draft of this report to NRC for review and comment. (See enc. III for NRC's comments.) NRC concludes that no funds will potentially be available at the end of fiscal year 1998 to reduce NRC's fiscal year 1999 budget request. Nevertheless, NRC's own analyses show that up to about $17 million may potentially be available to reduce NRC's fiscal year 1999 budget request.

NRC disagreed with the methodology we used to estimate the funds that may potentially be available to reduce NRC's fiscal year 1999 budget request. Specifically, NRC disagreed with our use of the first 4 months of costs in fiscal years 1997 and 1998 to project fiscal year 1998 costs. NRC noted that using the first 4 months considerably understates its costs by $23.5 million. As an alternative, NRC suggested that we use the average monthly costs for the prior 12 months to forecast total expenditures for fiscal year 1998. We agree with NRC that its suggested methodology results in cost projections that are closer to its recent experience. Because of the timing of our work, however, we did not have information on expenditures for the first 6 months of the fiscal year as NRC had when commenting on our draft report. Nevertheless, using data NRC provided to us, we calculated the average monthly costs for the 12-month period ending January 31, 1998, and changed our report to reflect the results. The slight differences between NRC's and our results occur because NRC used the average costs for the entire agency for the last 6 months of fiscal year 1997 ($482.7 million), as compared to the 12 months of costs solely for the 0200 general account that we used ($480.9 million). NRC's other comments relate to the analyses we conducted before changing our methodology to use the 12-month average.

NRC also noted that the projections of potentially available funds do not recognize the uncosted obligations that have not been delivered. Yet this is inconsistent with other information in NRC's comments, particularly an estimated $37 million that the agency says would be needed to meet its uncosted obligations. All of the target carryover goals that we projected allow for these costs and involve sufficient funds to protect NRC from this potential concern. Also, the methodology we use is not intended to provide a finite budget reduction but rather a range of estimates that the Congress can consider as it deliberates NRC's fiscal year 1999 budget. Furthermore, NRC noted that we did not address the issue of DOE laboratories assigning their technical experts to other work if NRC funding lapses. However, the suggested analysis was outside the scope of this review.

In addition, NRC noted that the draft did not discuss the actions that the agency has taken over the last 4 years to control its carryover balances. We have incorporated the information provided by NRC where appropriate in the report.

- - - - -

We performed our work from October 1997 through April 1998 in accordance with generally accepted government auditing standards. Enclosure II describes our scope and methodology.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 5 days after the date of this letter. At that time, we will send copies of this report to the Chairman, NRC; the appropriate congressional committees; and other interested parties. We will make copies available to others upon request.

If you or your staff have any questions about this report, please call me at (202) 512-3841. Major contributors to this report were Mary Ann Kruslicky and Carolyn McGowan.

Victor S. Rezendes
Director, Energy, Resources,
and Science Issues

Enclosures - 3

NRC'S CARRYOVER BALANCE AND ESTIMATED BALANCE FOR THE 0200 GENERAL ACCOUNT USING VARIOUS GOALS FOR FISCAL YEAR 1999

Assumed carryover balance goal	Projected fiscal year 1999 beginning carryover balance	Carryover balance goal for fiscal year 1999	Potentially available balance
12 percent[a]	$113,817,611	$56,675,027	$57,142,584
15 percent[a]	113,817,611	70,843,784	42,973,827
25 percent[b]	110,474,398	52,469,973	58,004,425
41.7 percent[c]	110,474,398	92,440,311	18,034,087
50 percent[c]	110,474,398	110,928,373	(453,975)

[a]Includes salaries and benefits for NRC employees; does not include nuclear waste fund, official representation, or reimbursable activities.

[b]Does not include salaries and benefits for NRC employees, nuclear waste fund, official representation, or reimbursable activities.

[c]Percent of prior year costs; does not include salaries and benefits for NRC employees, nuclear waste fund, official representation, or reimbursable activities.

Source: GAO analysis using data provided by NRC to determine the average monthly costs for the 12 months ending January 31, 1998.

SCOPE AND METHODOLOGY

We examined NRC's fiscal year 1997 carryover balances for all headquarters and regional offices (0200 general account) and projected potential fiscal year 1998 carryover balances under several assumptions. We also examined unpaid balances for completed contracts and the agency's research program. We obtained information on the funds available, committed, obligated, and expended for all of NRC's budget and reporting categories for fiscal year 1997, as well as at the end of January 1997 and January 1998. NRC also provided data on total expenditures and unliquidated obligations of prior-year funds, as well as the obligational authority for fiscal year 1998 for each office.

To estimate potentially available carryover balances for the 0200 general account, we (1) projected carryover balances at the beginning of fiscal year 1999, (2) set carryover balance goals, and (3) analyzed the difference between the goals and the projections to identify potentially excess balances for each NRC headquarters and regional office. We developed our projected total carryover balances by adding carryover balances at the beginning of fiscal year 1998 and new funding in fiscal year 1998 to calculate the total resources available for the 0200 general account. We developed fiscal year 1998 cost estimates on the basis of average monthly costs for the 12 months ending January 31, 1998. We then subtracted fiscal year 1998 cost estimates from the total resources available to arrive at projected carryover balances for the beginning of fiscal year 1999. To develop goals for the carryover balances, we used five different assumptions: 12 percent, 15 percent, and 25 percent of the total resources available, as well as 41.7 percent and 50 percent of the projected costs for fiscal year 1998. We used the 12 percent and 15 percent to be consistent with a similar analysis of the Department of Energy (DOE)[4]; the 25 percent and 41.7 percent to be consistent with two of NRC's financial management performance measures (the 90-day forward funding target and 5-month target for unliquidated obligations at the

---

[4]We adopted minimum-level carryover balance goals based on an approach first developed by DOE's Environmental Management program. In prior years for our work related to Energy, we allowed 1 month's carryover balance (or 8 percent) for operating funds and 6 months' carryover balance (or 50 percent) for capital equipment funds. However, beginning in fiscal year 1997, operating and capital equipment activities are no longer funded as separate categories. To account for this change, we used a new target percentage (12 percent) for calculating carryover balances that would equal the same carryover balance levels as those calculated under the dual-percentage method that we had used for Energy in prior years. Recognizing that the split between operating and capital equipment funds could vary somewhat from year to year, we also calculated the carryover balance goal at a 15-percent level.

end of the fiscal year, respectively); and 50 percent of costs, which was instituted by DOE following recommendations that we made in an April 1996 report.[5] We then compared projected fiscal year 1999 beginning balances to the goals derived. The difference between the projected balances and the carryover balance goals represents the pool of potentially available carryover balances for fiscal year 1999.

To determine the number of contracts that had been closed at the end of fiscal year 1997, we obtained the Office of Administration's database showing for each contract, its type, the name of the contractor, completion date, and other pertinent data. We compared the information in the Office of Administration's database with the Federal Financial System's data to identify those contracts showing unpaid balances. We provided the information to NRC staff and asked them to verify the unpaid balances and explain the reasons for them.

For research projects, we obtained information on the funds available, committed, obligated, and expended for individual projects for fiscal years 1995-97 and the funds available and committed for fiscal year 1998. The number of research projects varies each year–in fiscal year 1997, NRC funded 273 projects. After calculating the carryover balances for the projects, we identified 67 and judgmentally selected 16 for a more in-depth review. We identified the 67 because of such circumstances as the lack of expenditures for one or more fiscal years. We met with the project managers for the 16 projects to determine the reasons for the balances that we identified. We performed our work from October 1997 through April 1998 in accordance with generally accepted government auditing standards.

---

[5]DOE Management: DOE Needs to Improve Its Analysis of Carryover Balances (GAO/RCED-96-57, Apr. 12, 1996).

COMMENTS FROM THE NUCLEAR REGULATORY COMMISSION

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

April 27, 1998

Ms. Gary Jones
Associate Director, Energy
Resource, and Science Issues
United States General Accounting Office
Washington, DC 20548

Dear Ms. Jones:

Thank you for providing the Nuclear Regulatory Commission (NRC) with the opportunity to comment on your draft report entitled Nuclear Regulatory Commission: Information on Potential Budgetary Reductions for Fiscal Year 1999 (GAO/RCED-98-157R). The primary finding in your report is that between $34.3 million and $81.2 million may potentially be available at the end of fiscal year (FY) 1998 to reduce NRC's FY 1999 budget request. The NRC disagrees with the validity of General Accounting Office's (GAO) method used to project FY 1998 costs and the method and assumptions used to project the potentially available balance. The NRC estimates that there are no funds potentially available at the end of FY 1998 to reduce NRC's FY 1999 budget request. As you note in your report, the NRC has successfully reduced carryover balances over the past four years. This has been accomplished through sound and aggressive financial management.

Projecting FY 1998 Costs

The cost projection method employed by GAO to forecast NRC's FY 1998 costs is flawed and understates NRC's estimated costs for the year. The GAO method assumes that the costing rate for FY 1998 will be the same as that experienced in FY 1997. This assumption is not correct as the NRC experienced delays because of a continuing resolution and in providing financial allowances in FY 1998 where in FY 1997 full funding was available at the beginning of the fiscal year. This resulted in overall lower costs for the first four months of FY 1998 which GAO then used to project the remaining eight months of costs.

The NRC used two separate methods to estimate its FY 1998 costs. The first is based on taking the actual costs for the first six months of FY 1998 from official accounting records and adding a projection for the second six months. The projection was based on the actual monthly costs experienced in the last six months of FY 1997 (the lowest rate experienced during the last six months of the past three fiscal years). Historically, the NRC rate of monthly expenditures is higher during the last six months of the fiscal year. The monthly costing rate used was $43.8 million per month. The second method projected FY 1998 costs using a 12 month running average. The results were within approximately .2 percent, validating the accuracy of the NRC projection. As a result, the NRC estimates its FY 1998 costs to be $482.7 million compared to the GAO's estimate of $459.2 million -- a difference of $23.5 million. The NRC has achieved an unqualified opinion on the audit of its CFO Act financial statements each year since FY 1994. Our FY 1998 cost estimate of $482.7 million is consistent with the audited costs for FY 1996 of $483 million and our FY 1997 audited costs of $493 million.

G. Jones 2

Based on NRC's projection, the amount available at the beginning of FY 1999 is the difference between the amount available in FY 1998 ($594.8 million) and the estimated FY 1998 costs ($482.7 million) or $112.1 million. An adjustment for salaries and benefits was made, for comparability purposes, to obtain the FY 1999 beginning carryover balance of $110.1 million. (Enclosure 1, "NRC Cost/Carryover Projection Calculation").

The "Projected FY 1999 Beginning Carryover Balance" in Enclosure 1 of the GAO report is therefore $23.5 million too high and results in the GAO estimate of "Potentially Available Balance" being overstated. The NRC is providing a corrected table based on the agency's methodology. (Enclosure 2, "NRC Corrected Table Using NRC FY 1998 Cost Projection").

Projecting "Potentially Available" Balances

The GAO report contains five separate assumptions to estimate carryover balance goals (unobligated and unliquidated obligations) for NRC in FY 1999 and to estimate the "potentially available balance" which the GAO indicated could be used to reduce the FY 1999 budget. GAO's assumptions fail to meet NRC's goals for available carryover funding.

The NRC established two carryover goals which were discussed and coordinated with the Office of Management and Budget (OMB) and presented in the FY 1999 Performance Plan. The first goal: (a) recognizes that approximately two months or $37 million of carryover funds are associated with services rendered in FY 1998 but not billed and paid until FY 1999; and (b) allows approximately three months or $56 million to provide continuity of funding so that contracts are not unduly interrupted. The second goal limits unobligated carryover to approximately 5 percent of the FY 1999 budget, which is consistent with previous Commission discussions with Congress. This is approximately $23 million. Therefore, our projection of $110.1 million is well below the Performance Plan goal of $116 million ($37 million plus $56 million plus $23 million). As a result, NRC estimates that no funding is available to reduce the FY 1999 budget.

Additionally, the term "potentially available" is misleading when describing unliquidated obligations. The phrase implies that these funds may be used to fund other agency needs. Instead, these funds represent valid obligations where costs have been incurred but not yet billed and paid or where contracts have been issued to acquire specific goods or services. These obligated funds are not available to be used for other agency needs.

Further, the GAO did not address the cost efficiencies that may be achieved by providing a continuity of contract funding. GAO's assumptions would result in the interruption of contract services which is an inefficient process both from a contract administration standpoint and cost basis. For example, the NRC must have access to DOE's National laboratories to perform its nuclear safety mission. If funding lapses, the DOE contractors will assign the technical experts to other work, therefore causing the NRC to lose these resources. The GAO assumptions would also preclude NRC from entering into fixed cost contracts which are another means of achieving cost effectiveness.

G. Jones 3

NRC Financial Management

Although the GAO report mentions the reduction in NRC carryover balances, it is essentially silent on the initiatives NRC has undertaken and progress made to improve financial management. For the past four years, the NRC has been managing available funds more aggressively. Senior managers are held accountable for their office's financial performance. The NRC monitors and reports on unobligated and unliquidated balances, commitments, obligations, and expenditures to assist senior managers in assessing and monitoring their office's overall financial performance. As a result, the agency has reduced its carryover approximately $100 million over the past four years. This trend is expected to continue with a reduction of approximately 20 percent estimated for FY 1998 compared to FY 1997. A projection of total carryover from all agency appropriations is estimated at $120 million (or $117.7 million if using GAO methodology for compensation for salaries and benefits). (Enclosure 3, "Carryover Funds, FY's 1993-1998).

Conclusion

The NRC has no funds available to reduce our FY 1999 budget request as GAO has claimed. Instead, the NRC has improved its financial management capability to the point where the estimated carryover is well within the goal established in the FY 1999 Performance Report. The amount of carryover projected by NRC is appropriate, and will support the effective and efficient use of contract services for the NRC to meet its mission of ensuring adequate protection of public health and safety in the use of nuclear materials in the United States.

Again, thank you for the opportunity to respond to the GAO report and to meet with your staff to share our concerns.

Sincerely,

Jesse L. Funches
Chief Financial Officer

Enclosures: As stated

Nuclear Regulatory Commission
COST/CARRYOVER PROJECTION CALCULATION
(dollars in millions)

	X0200*
Carry in to FY 1998 (excludes reimbursable)	$ 141.6
ADD: New Budget Authority (excludes reimbursable)	453.2
TOTAL Available	594.8

Expenditures through March 1998	$ 236.9
ADD: Anticipated expenditures last 6 months of FY 1998 (Calculated using an expenditure rate of $43.8 million based upon the average of actual expenditures from the last 6 months of FY 1997 thereby comparing the same period.)	260.3
TOTAL NRC Projected Expenditures for FY 1998	**497.2**
LESS: FY 1998 Projected Expenditures for the NWF	14.5
TOTAL S & E Appropriation Expenditures	**482.7**

TOTAL Available	$ 594.8
LESS: TOTAL Appropriation Expenditures	482.7
DIFFERENCE Estimated Carry in to FY 1999	**112.1**
LESS: Projected Costs Calculation without S & B **	2.0
DIFFERENCE Estimated Carry in to FY 1999 without S&B **	**110.1**

* X0200 Appropriation less Nuclear Waste Fund and Official Representation.

** For computation of carryover balances exceeding 15%, GAO excludes S & B costs.

NRC CORRECTED TABLE
USING NRC FY 1998 COST PROJECTION OF $482.7 MILLION
INSTEAD OF GAO COST PROJECTION OF $459 MILLION.

Carryover Balance Goal Assumption	Projected Fiscal Year 1999 Beginning Carryover Balance	Carryover Balance Goal for Fiscal Year 1999	Potentially Available Balance
12 percent(a)	112,043,148	56,675,028	55,368,120
15 percent(a)	112,043,148	70,843,785	41,199,363
25 percent(b)	110,147,509	52,469,974	57,677,535
41.7percent(b)	**110,147,509**	**93,000,000**	**17,147,509**
50 percent(c)	110,147,509	111,091,820	(944,311)

(a) Percent of funds available and includes salaries and benefits for NRC employees; does not include Nuclear Waste Fund, official representation, or reimbursable activities.

(b) Percent of funds available and does not include salaries and benefits for NRC employees, Nuclear Waste Fund, official representation, or reimbursable activities.

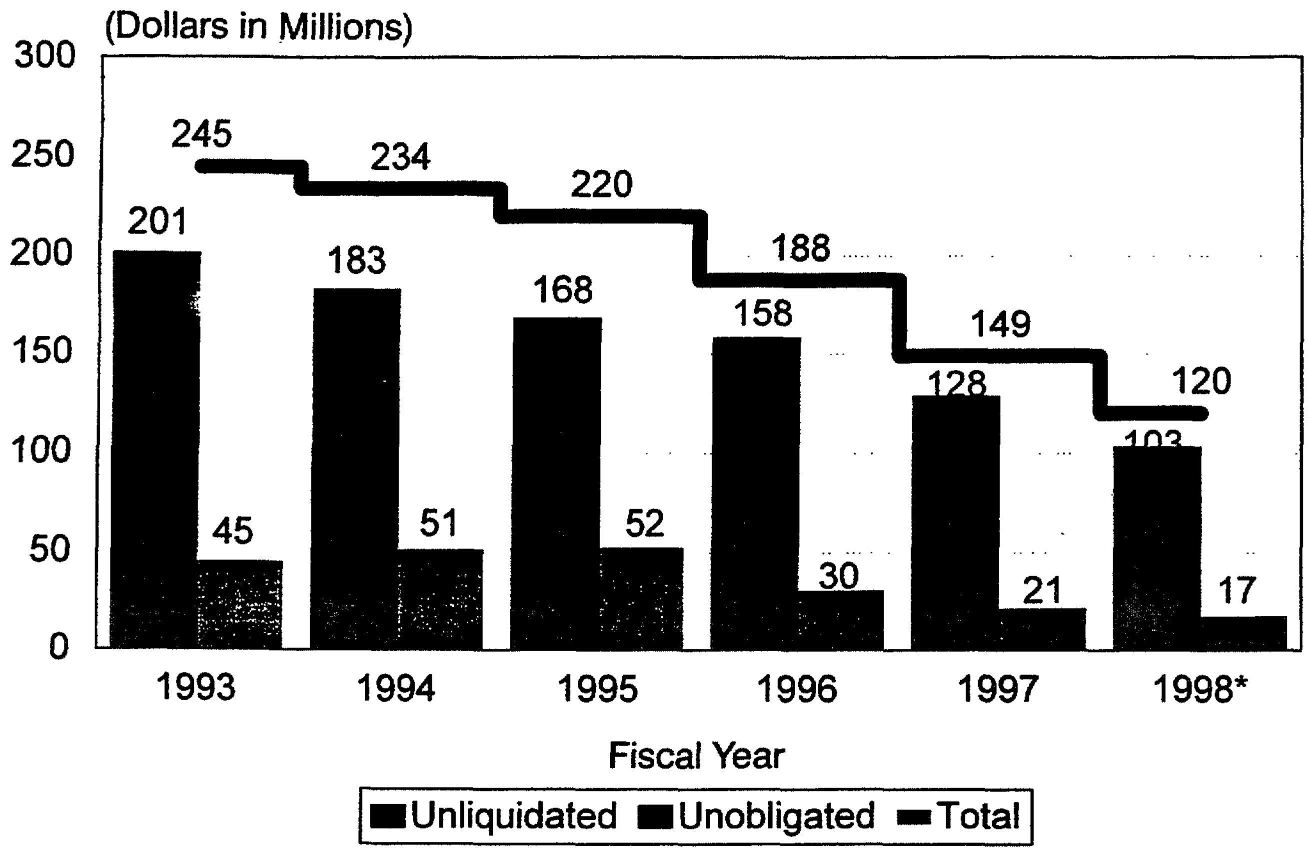
(c) Percent of projected costs and does not include salaries and benefits for NRC employees, Nuclear Waste Fund, official representation, or reimbursable activities.

TOTAL AGENCY COSTS EXCLUDING REIMBURSABLE

Carryover Balance Goal Assumption	Projected Fiscal Year 1999 Beginning Carryover Balance	Carryover Balance Goal for Fiscal Year 1999	Potentially Available Balance
41.7 percent(b)	**$117,743,955**	**$100,293,384**	**$17,450,571**

(b) Percent of funds available and does not include salaries and benefits for NRC employees or reimbursable activities.

CARRYOVER FUNDS, FYs 1993 - 1998



*Estimate

(141138)

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. VISA and MasterCard credit cards are accepted, also. 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 37050
Washington, DC 20013

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 (202) 512-6061, or TDD (202) 512-2537.

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

or visit GAO's World Wide Web Home Page at:

http://www.gao.gov

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

Official Business
Penalty for Private Use $300

Address Correction Requested

Bulk Rate
Postage & Fees P--
GAO
Permit No. G100