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The Honorable John D. Dingell  
Chairman, Subcommittee on Fisheries and  
Wildlife Conservation and the Environment  
Committee on Merchant Marine and Fisheries  
House of Representatives



Dear Mr. Chairman:

As requested in your letter of March 30, 1973, we have reviewed certain aspects of the Migratory Bird Conservation Fund, as administered by the Department of the Interior; specifically, obligation ceilings placed on the fund for fiscal years 1973 and 1974 by the Office of Management and Budget (OMB), and the manner in which the U.S. Postal Service sells Federal migratory bird hunting stamps (duck stamps) and deposits the receipts into the fund.

The Migratory Bird Conservation Fund is replenished by permanently appropriated receipts from the sale of duck stamps under the Migratory Bird Hunting Stamp Act (16 U.S.C. 718) and by funds appropriated by the Congress under the so-called Accelerated Wetlands Acquisition Act (16 U.S.C. 715k-3 through 715k-5).

The Migratory Bird Hunting Stamp Act requires that all persons 16 years old or older hunting migratory waterfowl carry an unexpired Federal duck stamp. A Department of the Interior official advised us that a substantial number of people also purchase these duck stamps as a means of supporting the purposes of the Migratory Bird Conservation Fund. Receipts from the sale of the stamps are deposited in the fund and are used to acquire land suitable for migratory bird refuges and the production of migratory waterfowl. Since fiscal year 1963, appropriations to the fund totaling \$81.4 million have been made under the Accelerated Wetlands Acquisition Act. This act, as amended, authorized a total of \$105 million to be appropriated to the fund through fiscal year 1976.

It also provides that starting in fiscal year 1977, 75 percent of the receipts from the sale of duck stamps must be used to repay these appropriations.

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Impoundment of Funds -  
Fiscal Years 1973 and 1974

The budget presented to the Congress for the Federal Migratory Bird Conservation Fund for fiscal year 1973 showed estimated obligations of \$14.4 million and estimated receipts of \$7 million from the sale of duck stamps; and requested an appropriation of \$7.1 million under the Accelerated Wetlands Acquisition Act. The budget showed also that unobligated funds of \$300,000 would be carried over from fiscal year 1972 and that no unobligated funds would be available at the end of fiscal year 1973.

The Congress appropriated the requested \$7.1 million for fiscal year 1973. A Department of the Interior official told us that receipts from the sale of duck stamps are now expected to be \$10.7 million, or \$3.7 million in excess of the budget estimate, and that unobligated funds of about \$1 million were carried over from fiscal year 1972. Thus, it appears that \$18.8 million would be available for obligation in fiscal year 1973.

Pursuant to the Federal Impoundment and Information Act, OMB reported to the Congress on February 5, 1973, that an obligation ceiling had been placed on the fund for fiscal year 1973 because the existing tax laws and the statutory limitation on the national debt (as prescribed under Public Law 92-599), would not result in sufficient funds being provided to cover all outlays in that year as contemplated by Congress.

Officials of OMB and the Department of the Interior informed us that the placing of a \$12.1 million obligation ceiling on the fund should result in unobligated funds of \$6.7 million being carried over into fiscal year 1974.

They informed us also that for fiscal year 1974 an obligation ceiling of \$9 million had been placed on the fund, no appropriated funds had been requested, and receipts from duck stamp sales are expected to be \$10 million. If the expected receipts from duck stamp sales for fiscal years 1973 and 1974 are realized, the obligation ceilings imposed on the fund will result in the impoundment of \$6.7 million at the end of fiscal year 1973 and \$7.7 million at the end of fiscal year 1974.

The obligation ceiling makes no distinction between funds appropriated under the Accelerated Wetlands Acquisition Act and receipts from the sale of duck stamps.

Your office requested that we suggest statutory language that would specifically prohibit the withholding of funds available under the Migratory Bird Hunting Stamp Act and the Accelerated Wetlands Acquisition Act. We believe the following will accomplish this objective:

No part of any appropriation made by section 4 of the Migratory Bird Hunting Stamp Act of 1934, as amended (16 U.S.C. 718d), or pursuant to the authority of the act approved October 4, 1961, Pub. L. 87-383, as amended (16 U.S.C. 715k-3 through 715k-5), shall be impounded or otherwise reserved or withheld from obligation for the purposes for which provided except to the extent specifically authorized or required by law on the basis of circumstances or considerations having particular application to such appropriation.

The foregoing language would preclude impoundments with respect to the Migratory Bird Conservation Fund which are purportedly based upon general economic, fiscal or policy considerations, such as the need to contain overall Federal spending in order to combat inflation, prevent borrowings in excess of the debt limitation, and/or avoid tax increases. Impoundments of this nature have been justified on the basis of alleged implicit authority derived from the statutory debt limitation, the Economy Act of 1946, and the Economic Stabilization Act. Impoundments under such authorities have no particular or special application to the Migratory Bird Conservation Fund.

At the same time, it is recognized that some impoundment actions might be based upon direct and specific statutory authority. The primary example of such authority is subsection (c)(2) of the so-called Antideficiency Act, 31 U.S.C. 665(c)(2), which provides in part:

In apportioning any appropriation, reserves may be established to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available. \* \* \*

The proposed language makes clear, however, that the authority to establish reserves under subsection (c)(2) is limited to circumstances or considerations having particular application to appropriations to the fund. Thus, for example, considerations relating to overall Federal spending could not be used as a basis for impoundment under the Antideficiency Act. Finally, while the proposed language

would serve to make clear the limits of impoundment authority with respect to the fund we would view it as essentially a restatement of existing law applicable generally to impoundment of appropriations.

Sale of duck stamps by  
the Postal Service

The U.S. Postal Service handles the printing and sale of duck stamps in a manner similar to that used for regular postage stamps. The stamps are printed by the Bureau of Engraving and Printing, and are distributed for sale by the post offices.

Postal clerks place receipts from duck stamps in cash drawers with the receipts from the sale of other items, and, at the end of each day, prepare a daily cash report which shows the source of all receipts including the amount of duck stamp sales. The receipts from the sale of duck stamps are eventually deposited in the Federal Reserve Bank of New York for credit to the Postal Service Fund.

Quarterly, the Postal Service draws a check on the Postal Service Fund to transfer the receipts from duck stamp sales to the Department of the Interior for deposit in the Migratory Bird Conservation Fund.

Under the Postal Service's cash management program, the balance in the Postal Service Fund not needed for current expenditures is invested in Government obligations. Thus, receipts from duck stamp sales are invested in these securities until they are transmitted to the Department of the Interior. All of the interest earned on the investments is retained by the Postal Service.

As discussed below, the Postal Service does not believe it is feasible to transfer receipts from duck stamp sales to the Department of the Interior other than on a quarterly basis. We believe that the Postal Service should consider reducing the amount it charges the fund for the handling of duck stamp sales by the amount of interest earned by the Postal Service through the investment of duck stamp receipts. Postal officials advised us that interest received from the investment of duck stamp receipts amounts to about \$18,000 a quarter.

Based on summaries of the daily cash reports, first class post offices prepare reports on the sale of duck stamps on a 4-week basis and other post offices prepare such reports on a quarterly basis and submit the reports to the Regional Postal Data Centers where they are

summarized on a quarterly basis, reconciled with the stamp inventory at the beginning and end of each quarter, to verify the amount reported as sales. These summary reports are the basis for the quarterly payments to the Department of the Interior.

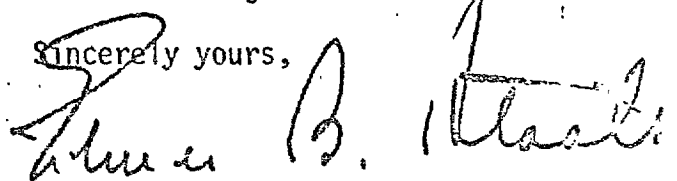
Postal officials advised us that to transfer duck stamp receipts to the Department of the Interior on a monthly rather than on the quarterly basis would require a major change in the accounting system for reporting on the activities of second, third, and fourth-class post offices. They told us that the majority of the duck stamp sales are made at the smaller post offices.

The Migratory Bird Hunting Stamp Act provides that the Postal Service shall be reimbursed from the receipts for expenses incurred in handling the sale of duck stamps. The Postal Service charged the Department of the Interior 15.166 cents per stamp sold in fiscal year 1972, and 15.873 cents per stamp sold in fiscal year 1973. These charges were based on the cost of a clerk's time in selling stamps estimated at less than 1 minute per stamp, and the cost of printing the stamps, and related overhead items. Interest earned by the Postal Service on the investment of duck stamp receipts was not considered in establishing the unit costs. Based on the unit costs, the Postal Service billings to the Department of the Interior for handling duck stamp sales amounted to \$370,302 in fiscal year 1972 and to \$283,042 for the first 9 months of fiscal year 1973.

Your office advised us that you would like to receive this report before the end of June 1973. In view of this time constraint we did not obtain the written comments of the agencies concerned on the matters discussed in this report. We did, however, discuss the matter with appropriate agency officials and their comments were considered.

In accordance with an agreement reached with your office, we are furnishing copies of this report to the Department of the Interior, the U.S. Postal Service, and the Office of Management and Budget.

Sincerely yours,



Comptroller General  
of the United States