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The U.S. Customs Service was created by the Congress in 1789 to collect duties on imports. Over the years it has been given additional responsibilities that include the control of: terrorism, international trafficking in controlled substances, arms, currency, and threats to public health. Customs has approximately 11,500 employees assigned to over 300 offices in the United States and other employees at overseas locations. These offices are linked through four organizational levels or tiers, a basic organizational arrangement which was established in a major reorganization in 1965 and 1966.

Findings/Conclusions: Since the 1965-1966 reorganization, there have been numerous organizational studies that have questioned the appropriateness of the 9-region, 45-district configuration. To date, however, no reductions have been made. Studies have indicated that reduction of 6 regions and 30 districts would cut Customs' administrative overhead, maintain better balance of workload and personnel among field offices, improve operational efficiency and coordination, and provide more consistent application of laws and regulations. (RRS)

7945

REPORT BY THE

Comptroller General

OF THE UNITED STATES

Reductions Needed In The Number Of Customs Regions And Districts--Organizational Alternatives

Studies of the U.S. Customs Service over the past 14 years indicate a need to reduce the number of its regions and districts. One proposed organizational alternative would close 3 regional and 15 district offices. These closures, however, would not eliminate a Customs representative in the locations and should not reduce services to the importing and traveling public. They would, though, result in

- reduced administrative overhead,
- more balanced workloads and personnel among the field offices, and
- greater uniformity in managing geographic problem areas, including the Mexican border.



FPCD-78-74
OCTOBER 10, 1978



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

B-114898

The Honorable Al U. lman
Chairman, Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

As requested in your April 3, 1978, letter, we summarized the organizational alternatives proposed in various studies of the field organization of the U.S. Customs Service, which presently consists of 9 regions and 45 districts.

The report discusses the universal support in the studies for reducing the number of Customs regions and districts. It presents the various organizational alternatives and indicates that the 6-region, 30-district configuration was cited most often for its potential economy and efficiency. Reducing the number of regions and districts should not degrade service to the importing and traveling public. In fact, service delivery could be improved, since these reductions should reduce overhead and make needed personnel resources available for day-to-day operations. Also, these moves would not remove a Customs presence from affected locations since each will retain either district or port-of-entry status.

We did not obtain written agency comments. The matters dealt with in the report, however, were discussed with agency officials, and their comments have been considered. In general, Customs officials support the need to reduce the number of regional and district offices.

As agreed with your office, we will make copies of this report available to interested parties upon request, beginning on the report date. At that time we shall also send copies to the Director, Office of Management and Budget; the Chairmen, House and Senate Committees on Appropriations; the Secretary, Department of the Treasury; and the Commissioner, U. S. Customs Service.

Sincerely yours,


ACTING Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE HOUSE
COMMITTEE ON
WAYS AND MEANS

REDUCTIONS NEEDED IN THE
NUMBER OF CUSTOMS REGIONS
AND DISTRICTS--ORGANIZATIONAL
ALTERNATIVES

D I G E S T

Since the U.S. Customs Service's major re-organization in 1965-66, organizational studies have continually questioned the appropriateness of the 9-region, 45-district configuration. The studies have universally supported the need to reduce the number of regions and districts and have proposed several alternative configurations.

A 6-region, 30-district structure was cited most often for its potential efficiency and economy. In addition, under several alternatives certain regional and district offices, because of their low level of workload and personnel, appear to be prime candidates for consolidation. These are the New Orleans, Baltimore, and Los Angeles regions and the Port Arthur, Galveston, Bridgeport, Providence, Wilmington, Savannah, and Milwaukee districts.

A reduction to 6 regions and 30 districts, the studies indicated, could cut Customs' administrative overhead, maintain better balance of workload and personnel among field offices, improve operational efficiency and coordination, and provide more consistent application of laws and regulations.

All of the changes call for a continued Customs presence in the cities where regional offices would be eliminated. The cities would retain either district office or port-of-entry status. Furthermore, the importing and traveling public would benefit from additional resources available to meet day-to-day operations.

FPCD-78-74

Tear Sheet. Upon removal, the report cover date should be noted hereon.

As requested by the Chairman's office, GAO did not solicit written comments from Customs on this report. However, GAO discussed these matters with top Customs officials, and their comments were considered in preparing the report. According to the officials, Customs has recognized for some time the need to reduce the number of regions and districts, but has been unwilling to effect such reductions because of external congressional and public concern over the possible impact on affected communities.

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CHAPTER 1
INTRODUCTION

In response to the April 3, 1978, request of the Chairman, House Committee on Ways and Means (see app. I), we have summarized selected organizational studies of the U.S. Customs Service relating to the organization of the Customs field structure. This effort represents a follow-on to our March 30, 1978, report, "Achieving Needed Organizational Change: A Customs Service Dilemma" (FPCD-78-29), which discussed the need to reduce the number of Customs field offices and to clarify and realign the responsibilities within the Customs organization. The scope of our effort and a listing of the studies we reviewed are discussed in chapter 5.

CUSTOMS MISSION
AND RESPONSIBILITIES

The U.S. Customs Service was, in effect, created by the Congress on July 31, 1789 (1 Stat. 29). At the time its mission was relatively straightforward--to collect duties on imports. However, over the years it has been given additional responsibilities that include the control of: terrorism, international trafficking in controlled substances, arms, and currency, and threats to public health and environment.

Among the specific responsibilities currently assigned to Customs are:

- Assessing and collecting Customs duties, excise taxes, and penalties on imported merchandise.
- Controlling carriers, passengers, and articles entering or departing the United States.
- Interdicting and seizing contraband, including narcotics and illegal drugs, being imported into the United States.
- Detecting and apprehending persons engaged in fraudulent importing practices.
- Protecting American business and labor through enforcement of such laws as the Antidumping Act; countervailing duty laws; copyright, patent, and trademark provisions; quota restrictions; and marking requirements.

--Enforcing the Currency and Foreign Transactions Reporting Act, the Arms Export Control Act, numerous navigations laws, and export control laws and regulations.

--Enforcing over 400 laws and regulations administered by some 40 other Federal agencies, including automobile safety and emission standards, counterfeit monetary instruments prohibitions, electronic product radiation material standards, and food and drug hazardous substance prohibitions.

Not only has the scope of Customs' mission expanded over the years, but the complexity has increased as well. Enforcing the laws and regulations requires both familiarity with them and the ability to apply them in a variety of situations. These situations range from the assessment and collection of duties to detection of the occasional smuggler, as well as increasingly sophisticated and well-financed smuggling operations.

Increased trade and travel have also affected Customs' mission requirements. The table below illustrates workload increases between fiscal year 1965 and fiscal year 1977.

| <u>Workload category</u> | <u>Fiscal year 1965</u> | <u>Fiscal year 1977</u> | <u>Percent change</u> |
|-----------------------------------|-----------------------------|-----------------------------|---------------------------|
| Commercial cargo entries (note a) | 1.9 million | 3.7 million | 99 |
| Vehicles processed | 53.5 million | 77.8 million | 46 |
| Aircraft processed | 220,100 | 372,600 | 69 |
| Vessels processed | 197,500 | 154,500 | -22 |
| Persons processed | 181 million | 263 million | 45 |
| Number of seizures | 22,000 | 90,700 | 313 |
| Collections | \$2.1 billion | \$6.1 billion | 190 |

a/These are referred to by Customs as formal entries.

CUSTOMS ORGANIZATIONAL STRUCTURE

To accomplish its mission and responsibilities, Customs has approximately 14,500 employees assigned to over 300 offices in the United States, and others at various overseas locations. These offices are linked together through four organizational levels, or tiers--a headquarters office located in Washington, D.C.; 9 regional offices located in designated U.S. cities; 45 district offices; 1/ and 303 ports-of-entry. This basic organizational arrangement was established in a major reorganization in 1965 and 1966. (See app. II for field office locations and app. III for jurisdictional boundaries.) The general functions of these tiers are:

- Headquarters is the top tier of the organization and is responsible for setting policy, providing general guidelines and procedures, making management evaluations and audits, and generally overseeing the entire field operation.
- Regions are the first of two intermediate organizational tiers and are responsible for overall supervision and management of districts and ports. They also provide centralized administrative support for the districts and ports and perform certain operational functions consolidated to achieve economies of scale.
- Districts are the second of two intermediate tiers and principally carry out Customs operations at the district city port. They are, in essence, large ports. In addition, districts supervise operations of other ports, collect revenues, and provide general day-to-day operational direction to the entire district area.
- Ports are the basic tier where Customs work is accomplished and service is provided to the public. Ports are responsible for processing commercial cargo, passengers, vessels, and aircraft.

1/Includes the New York region's three area offices, which are organizationally structured like districts.

Lines of authority

Legislation authorizes the Secretary of the Treasury to enforce the tariff laws and regulate their administration. The Secretary has delegated to the Commissioner of Customs his rights, powers, and duties for implementing all Presidential directives and congressional legislation relating to Customs activities.

As shown on the overall organizational chart (see app. IV), authority flows to the field in four separate lines. The result is that field operations in each region are directed by four principal field officials: a regional commissioner, a regional director of investigations, a regional director of internal affairs, and a regional counsel.

For the most part, operational line authority flows from the Commissioner to the regional commissioners to the district directors, and from them to the port directors. Not all line authority, however, flows in this manner. For example, authority for investigations flows to the assistant commissioner for investigations who directs field operations. Thus, the Office of the Regional Director of Investigations and the Special-Agent-in-Charge Districts do not report through the regional commissioners or district directors. (See app. IV.)

Customs staffing

The following table shows the staffing levels for the four organizational tiers as of June 3, 1978.

| <u>Organizational tier</u> | <u>Number of employees</u> | <u>Percent of total</u> |
|---------------------------------------|----------------------------|-------------------------|
| Headquarters office (note a) | 1,435 | 10 |
| Regional offices | 2,143 | 15 |
| District and port offices (note b) | <u>10,984</u> | <u>75</u> |
| Total | <u>14,562</u> | <u>100</u> |

a/30 of the 1,435 headquarters personnel are Customs agents working abroad.

b/Most district office personnel are involved in port operations.

CHAPTER 2

REDUCTION IN THE NUMBER OF REGIONS

Since the 1965-66 reorganization, there have been numerous studies of the nine-region organizational structure. Each concluded that there were too many regions; each recommended reducing the number. To date, no reductions have been made--there are still nine regions.

1977 "WEBSTER STUDY"

The most recent major internal organization study was the 1977 "Customs Organization Review," referred to as the "Webster Study." The "Webster Study" resulted from President Carter's request that executive departments reform their management and structure. In complying with the request, the Department of the Treasury and the Customs Service undertook a joint review of the organization and management of the Customs field structure. The objective of the study was to determine ways to increase economy and efficiency and improve service to the public. The study group obtained comments from key Customs officials, visited all nine regions and several districts, and analyzed available management information.

One of the issues addressed by the "Webster Study" was the need for restructuring the regional level. In this regard, the study considered four alternative regional configurations as follows:

- Nine-region configuration (status quo).
- Eight-region configuration (closing the New Orleans regional office and dividing the area between the Miami and Houston regional offices).
- Seven-region configuration (closing the New Orleans and Baltimore regional offices and dividing the areas among the Houston, Miami, and Boston regional offices).
- Six-region configuration (closing the New Orleans, Baltimore, and either the Los Angeles or Houston regional offices or both, and changing the boundaries of all the present regions except New York).

The study recommended the six-region configuration as offering the greatest potential for economies and efficiencies.

Six-region configuration

Under the six-region configuration, the "Webster Study" proposed dividing the country into more-geographically-defined regions. The areas and cities in which regional offices were to be located were as follows:

| <u>Geographical area</u> | <u>Proposed regional office location</u> |
|--------------------------|--|
| Northeast | Boston |
| New York | New York City |
| Southeast | Miami |
| Southwest | Houston/Los Angeles |
| Northwest | San Francisco |
| North Central | Chicago |

This configuration called for closing both the New Orleans and Baltimore regional offices, as well as either the Houston or Los Angeles regional office, or both--assuming designation of another site for the Southwest regional office. The workload of the New Orleans office was to be assumed by the Miami regional office. The Baltimore workload would be assumed by the Boston office.

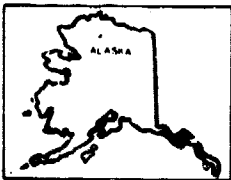
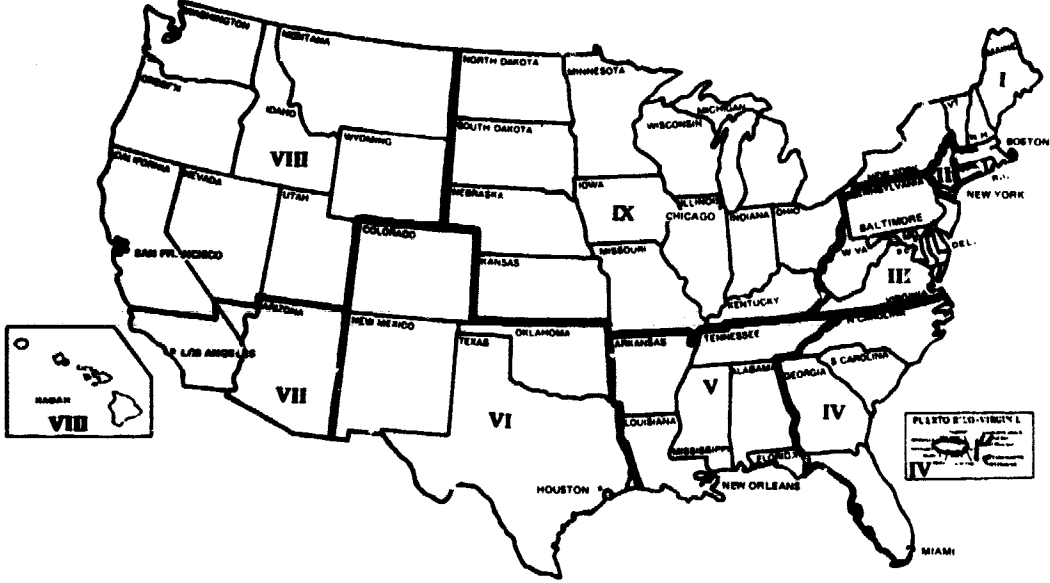
According to the study, reducing the number of regions to six would eliminate about 88 positions and produce about \$3 million in annual recurring savings. One-time relocation costs were estimated at between \$1.8 million and \$2.4 million, depending on the location of the Southwest regional office. Detailed cost and savings data for this six-region proposal is shown in appendix V. A comparison of the recommended six-region configuration with the current nine-region structure is shown on the following page.

An important objective of the proposed six-region configuration was to give Customs a single Southwest region to manage the Mexican border activities. It was felt that a single Southwest region would provide greater uniformity in the application of Customs policy and procedures. The Southwest region would service approximately 22 percent of Customs' field personnel and collect 19 percent of total Customs revenue.

The New Orleans and Baltimore regional offices were chosen for elimination based on their low workload. The study noted, for example, that the New Orleans regional office had the smallest number of employees, obtained the lowest amount of collections, statistically ranked last for most



CURRENT NINE REGION CONFIGURATION



**PROPOSED SIX REGION CONFIGURATION
WEBSTER STUDY**



key workload indicators, and supervised only two district offices. Similarly, the Baltimore regional office ranked low for most key workload indicators and was relatively low in the number of employees and amounts collected.

Workload and personnel data comparing the current nine-region and the proposed six-region configurations, as presented in the study, are shown in the tables on the following two pages.

In proposing the six-region structure, the "Webster Study" recognized certain disadvantages. As depicted in the above tables and pointed out by the study, the proposed six-region structure would continue to result in wide disparity in terms of number of employees and level of Customs activity. Furthermore, significant changes would be needed in the boundaries of regional offices. In addition, the study indicated that six regions would present a less flexible field structure than the alternative seven-region configuration in the event functions were added to or taken away from Customs. Under an ongoing Office of Management and Budget study, considerations are being made to consolidate certain border functions of Customs and the U.S. Immigration and Naturalization Service. The proposed Customs seven-region configuration divides the Mexican border at a point corresponding to the current Mexican border division of the Immigration and Naturalization Service, thereby obviating the need for regional boundary changes if the consolidations were to occur.

Alternative configurations

In addition to the proposed six-region configuration, the "Webster Study" considered three other alternatives--nine regions, eight regions, and seven regions.

Under the nine-region (or current) configuration, the study pointed out the management difficulties and operational inefficiencies caused by wide variances in the number and size of subregional units, personnel, geographic dispersion of ports, and workload, and in the number and characteristics of geographic problem areas, i.e., borders or seacoast.

Under the eight-region configuration, the "Webster Study" proposed eliminating the New Orleans regional office and redistributing its workload between the Miami and Houston regional offices. Specifically, the proposal called for merging the Mobile district and three Tennessee ports into the Miami region and the remainder of the New Orleans district into the Houston region.

Current Customs Regions
Personnel and Workload Data 1/

| | <u>Boston region</u> | <u>New York region</u> | <u>Baltimore region</u> | <u>Miami region</u> | <u>New Orleans region</u> | <u>Houston region</u> | <u>Los Angeles region</u> | <u>San Francisco region</u> | <u>Chicago region</u> |
|---------------------------|--------------------------|----------------------------|-----------------------------|-------------------------|-------------------------------|---------------------------|-------------------------------|-------------------------------------|---------------------------|
| Personnel | 1,238 | 2,852 | 839 | 1,148 | 435 | 1,163 | 1,288 | 1,224 | 1,125 |
| No. of ports | 57 | 5 | 17 | 36 | 19 | 29 | 14 | 65 | 61 |
| Formal entries | 554,395 | 810,529 | 188,341 | 229,575 | 55,664 | 191,743 | 387,957 | 319,791 | 507,240 |
| Vessels (inc. ferries) | 13,546 | 7,420 | 11,456 | 26,456 | 9,070 | 22,523 | 4,662 | 16,441 | 56,350 |
| Total aircraft | 35,477 | 59,486 | 17,010 | 160,243 | 2,762 | 33,482 | 32,141 | 55,430 | 47,481 |
| Total vehicles | 14,934,861 | - | - | - | - | 29,517,877 | 20,046,669 | 4,758,395 | 9,601,757 |
| Vessel pas- sengers | 525,251 | 233,550 | 12,690 | 737,013 | 5,988 | 96,267 | 70,074 | 555,978 | 439,300 |
| Air passengers | 3,071,583 | 5,395,678 | 723,681 | 3,390,326 | 120,667 | 709,421 | 1,315,803 | 2,637,323 | 1,156,707 |
| Land border crossings | 41,906,661 | - | - | - | - | 91,783,443 | 77,934,478 | 13,572,109 | 21,726,493 |
| Total collec- tions | \$397,198,750 | \$1,477,438,957 | \$455,321,292 | \$347,188,828 | \$180,790,211 | \$30,94,110 | \$649,628,688 | \$488,303,414 | \$655,288,795 |

1/Workload and revenue data is for fiscal year 1976.

Personnel data represents filled positions as of June 1, 1977.

Six-Region Configuration
Personnel and Workload Data 1/

| | <u>Northeast region</u> | <u>New York region</u> | <u>Southeast region</u> | <u>Southwest region</u> | <u>Northwest region</u> | <u>North central region</u> |
|---------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------------|
| Personnel | 2,085 | 2,844 | 1,583 | 2,426 | 1,163 | 1,211 |
| No. of ports | 75 | 4 | 55 | 42 | 50 | 77 |
| Formal entries | 743,811 | 809,454 | 285,239 | 570,919 | 296,800 | 619,012 |
| Vessels (inc. ferries) | 25,224 | 7,420 | 35,526 | 27,185 | 16,165 | 56,626 |
| Total air- craft | 52,590 | 59,383 | 163,005 | 63,871 | 50,511 | 54,152 |
| Total vehi- cles | 14,934,861 | - | - | 49,564,546 | 4,126,265 | 10,233,887 |
| Vessel pas- sengers | 537,941 | 233,550 | 743,001 | 166,341 | 538,775 | 456,503 |
| Air pas- sengers | 3,797,029 | 5,393,913 | 3,510,993 | 1,955,921 | 2,587,253 | 1,306,080 |
| Land border crossing | 41,906,661 | - | - | 169,717,921 | 11,760,480 | 23,538,122 |
| Total col- lections | \$861,372,770 | \$1,468,586,239 | \$527,979,039 | \$941,241,136 | \$480,435,256 | \$675,737,591 |

1/Workload and revenue data is for fiscal year 1976.

Personnel data represents filled positions as of June 1, 1977.

Although elimination of the New Orleans regional office would eliminate an estimated 29 positions and produce about \$900,000 in annually recurring savings, it was believed that more economies and efficiencies could be realized by further reductions in the number of regions.

Under the seven-region configuration, the "Webster Study" proposed, as under the eight-region alternative, eliminating the New Orleans regional office and redistributing its workload between Miami and Houston regional offices. In addition, the Baltimore regional office was to be eliminated and its workload assumed by the Boston and Miami regional offices. In splitting the Baltimore region, the Norfolk, Washington, D.C., and Baltimore districts were to be put into the Miami region, while the Philadelphia district would become part of the Boston region. The study estimated that the seven-region structure would eliminate about 58 positions and produce approximately \$1.9 million in annually recurring savings. The benefits cited with the seven-region concept were: relatively even balance of employees and workload among regions; minor disruption in organization, management, and personnel; greater flexibility than six regions if Customs border functions were merged with Immigration and Naturalization Service southern border regions. Disadvantages of the seven-region concept were: the continuance of a situation whereby two regions would represent and supervise activities of Customs along the Mexican border; and the potential for fewer economies and efficiencies than would be realized under the six-region concept.

The "Webster Study" is currently under consideration by the Office of the Secretary of the Treasury.

1977 "REVIEW OF CUSTOMS FIELD ORGANIZATION III"

The "Review of Customs Field Organization III," completed in February 1977, was a study of the Customs field structure in response to a request by the Deputy Secretary of the Treasury. The purpose of the study was to identify Customs regions and districts that were candidates for consolidation and to outline a strategy for implementing the planned consolidations. In identifying candidates for consolidation, the study examined current workload, revenue, and personnel distributions among Customs field offices and considered geographical and management factors. The study did not, however, develop detailed justification for its eventual proposals or assess the political factors involved, although such analyses were recognized as being necessary before any decision on consolidations.

With respect to regions, the study recommended an eight-region configuration. No other alternatives were presented. Under the eight-region configuration, the New Orleans region was to be abolished and its workload incorporated into the Miami and Houston regions. The Houston region was to assume that portion of the New Orleans region west of the Mississippi River, while Miami was to pick up the New Orleans region east of the Mississippi River. The rationale was that the New Orleans regional office had the smallest number of employees (approximately 3.1 percent), collected the lowest amount of duty (approximately 3.6 percent), ranked last in transactions for most key workload indicators, and supervised only 2 districts and 16 ports-of-entry. The impact of the consolidation on the workload, personnel, and revenue of the three affected regions is shown in the following table.

Distribution of Personnel, Revenue,
and Workload Under the Current Nine-Region and
Proposed Eight-Region Configurations

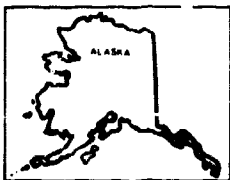
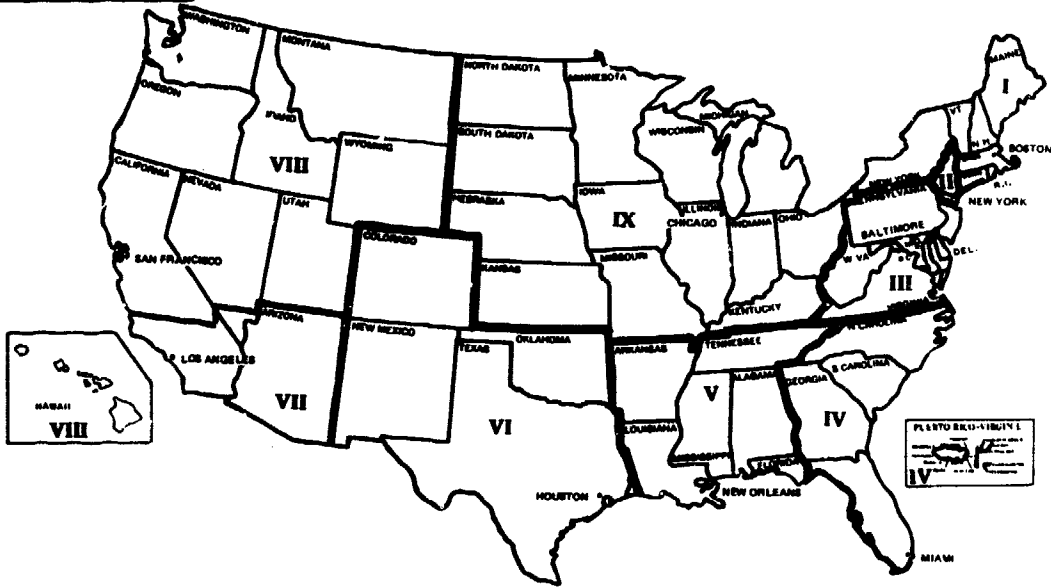
| | <u>Nine regions</u> | | | <u>Eight regions</u> | |
|---------------------|---------------------|--------------------|---------------|----------------------|---------------|
| | <u>Houston</u> | <u>New Orleans</u> | <u>Miami</u> | <u>Houston</u> | <u>Miami</u> |
| Total personnel | 1,220 | 448 | 1,164 | 1,300 | 1,204 |
| Collections | \$305,077,460 | \$180,799,504 | \$347,572,059 | \$464,366,189 | \$369,073,541 |
| Formal entries: | | | | | |
| Vessels | 191,743 | 55,664 | 229,693 | 239,663 | 237,337 |
| Commercial aircraft | 22,216 | 8,780 | 24,016 | 29,136 | 25,870 |
| Other aircraft | 15,017 | 2,007 | 119,720 | 17,019 | 119,725 |
| Crew | 18,465 | 775 | 40,523 | 19,036 | 40,707 |
| | 124,793 | 25,586 | 706,047 | 148,396 | 708,030 |

Note: Workload and revenue data is for fiscal year 1976. Personnel data represents filled positions as of June 30, 1976.

A geographic comparison of the recommended eight-region configuration with the current nine-region configuration is shown on the following page.



CURRENT NINE REGION CONFIGURATION



**PROPOSED EIGHT REGION CONFIGURATION
CUSTOMS ORGANIZATION III**



According to Customs officials, the Department of the Treasury's response to the study was overtaken by the Secretary's initiation of another major review.

1976 "REVIEW OF CUSTOMS ORGANIZATION II"

The "Review of Customs Organization II" was a 1976 low-level review requested by the Deputy Commissioner of Customs. Its purpose was to describe the evolution of the present organizational structure, roles, and relationships. The study was basically a historical survey which identified organizational issues warranting management consideration and further study. It did not address in detail the consolidation of regions or districts. However, the study did note an apparent consensus of Customs managers who supported regional consolidations and believed they should be studied on a case-by-case basis.

1976 "REVIEW OF CUSTOMS ORGANIZATION I"

The 1976 "Review of Customs Organization I" was an internal study performed in response to questions raised by the Under Secretary of the Treasury regarding Customs field organization. The study involved a review of past studies and other information on field configuration. With respect to regional consolidation, the study attempted to identify regions whose activity did not justify regional status by examining regional workload, revenue, and personnel distributions. Three regional alternatives were proposed:

- An eight-region configuration whereby the New Orleans regional office would be abolished and its workload assumed by the Houston and Miami regions.
- An eight-region configuration whereby the Baltimore and Miami regional offices would be abolished and a new Atlanta region established.
- A seven-region configuration representing a combination of the first two alternatives.

The study recommended the seven-region configuration.

Under the seven-region configuration, the New Orleans regional office would be abolished and its eastern area workload assumed by the Miami region and its western area workload assumed by the Houston region. The rationale for abolishing the New Orleans regional office was essentially the same as cited in the 1977 studies that the low volume of

workload, personnel, and subunits did not justify regional status. In combining the Miami and Baltimore regions into a new Atlanta region, the study indicated there would be operating efficiencies and other benefits such as improved management control and improved program coordination. The new Atlanta region would have about 18 percent of Customs' field personnel, collect about 16 percent of total Customs collections, and rank first or second in many key workload areas. Furthermore, by consolidating the two regions and placing the office in Atlanta, the new region would be more in line with the standard Federal region structure. The study did not cite disadvantages associated with the seven-region proposal.

The study estimated one-time relocation costs of approximately \$1.4 million representing personnel relocation expenses of about \$1.1 million and office relocation expenses of about \$300,000. Annually recurring savings were estimated at about \$1.7 million, representing the salaries and benefits of 52 people in two regions whose positions which were to be abolished. The detailed cost and savings data presented by the study is included in appendix VI. A comparison of the recommended seven-region configuration with the current nine-region configuration is shown on the following page.

The rationale and benefits for the two eight-region alternatives considered were essentially the same as for the seven-region alternative. There was no discussion of disadvantages or the reasons the alternatives were rejected. One-time relocation costs involved in abolishing the New Orleans region were estimated at approximately \$460,000. Annual recurring personnel savings were estimated to be about \$840,000. One-time costs and annual savings associated with eliminating the Baltimore and Miami regional offices and establishing a new Atlanta region were \$950,000 and \$890,000, respectively.

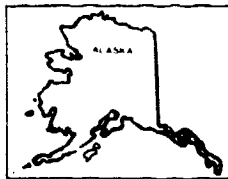
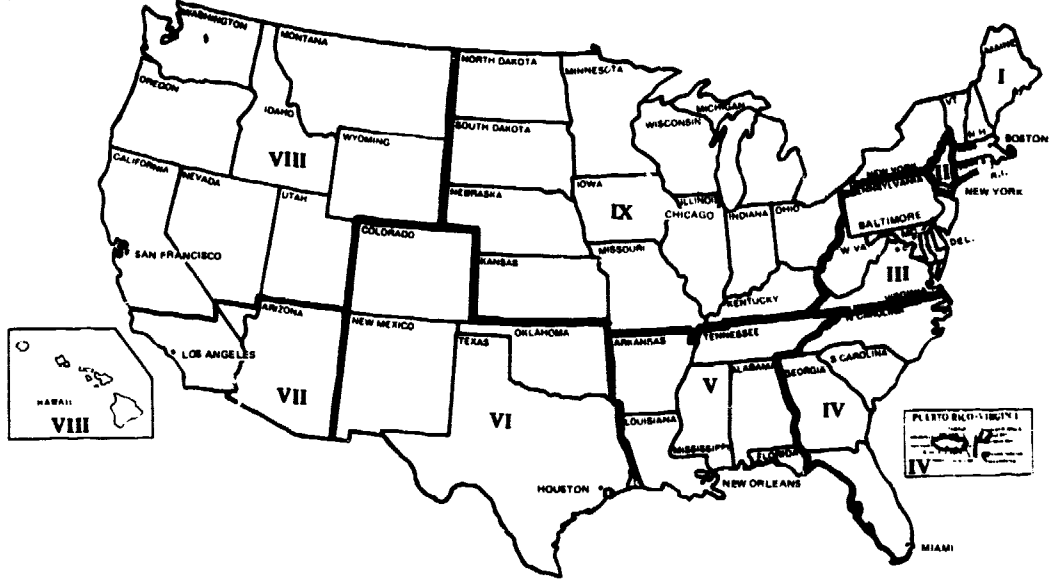
Although Customs management approved the conclusions in the study, according to Customs officials the report was not sent to the Office of the Secretary because it was not completed until after the Presidential elections and preparations were underway for a new Administration.

1972 "PROPOSAL FOR CUSTOMS CONFORMANCE WITH THE STANDARD FEDERAL REGION STRUCTURE"

The 1972 "Proposal for Customs Conformance with the Standard Federal Region Structure" was undertaken as a result of a Presidential request for certain departments to review their field structure to determine if they could adopt the



CURRENT NINE REGION CONFIGURATION



**PROPOSED SEVEN REGION CONFIGURATION
CUSTOMS ORGANIZATION I**



standard Federal region structure. The study presented a proposal for reorganizing the regional structure into a modified version of the standard Federal region structure. Whereas the standard Federal region structure consisted of 10 regions, Customs' version was to consist of 8, as follows:

| <u>Regions</u> | <u>Regional headquarters city</u> |
|----------------|-----------------------------------|
| I | Boston |
| II | New York |
| III | Baltimore |
| IV | Miami |
| V | Chicago |
| VI | Houston |
| VII | San Francisco |
| VIII | Seattle |

In recommending the eight-region configuration, the study proposed the following adjustments to the current nine-Customs-region configuration:

- Abolishing the New Orleans region and dividing its activities between the Houston and Miami regions.
- Abolishing the Los Angeles region with the San Francisco region assuming its workload.
- Establishing a new region in Seattle.
- Changing the boundaries of the other Customs regions to conform with the standard Federal region boundaries.

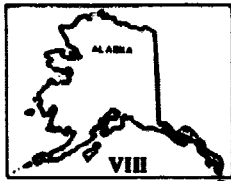
In the case of the New Orleans region, the study cited statistics similar to those mentioned in previous studies as the basis for abolishing New Orleans. Regarding eliminating the Los Angeles region, the study indicated that when compared to the average region, Los Angeles was not as active with respect to personnel, revenue, workload, and supervision indicators. In addition, the study indicated that combining Los Angeles with the San Francisco region would have created a region with identical boundaries as the standard Federal region's San Francisco region. Also, the standard Federal region configuration did not provide for a region in Los Angeles. The establishment of a region in Seattle appeared to be justified only from the standpoint of Seattle's being one of the standard Federal regions.

Improved program administration was cited by the study as the benefit to be achieved from adopting the eight-region configuration. Customs would no longer have to manage small regions. Annually recurring savings were estimated at approximately \$300,000 representing salaries of management personnel in the New Orleans region. Because of the need to establish a regional office in Seattle, substantial savings were not anticipated by eliminating the Los Angeles regional office. The study estimated one-time costs of about \$750,000; however, other than an estimated \$290,000 in relocation expenses, there was no indication as to what those costs entailed. The costs and savings data presented in the study are shown in appendix VII. Maps depicting the current nine-region configuration, the proposed eight-region configuration, and the standard Federal region 10-region structure are shown on the following two pages.

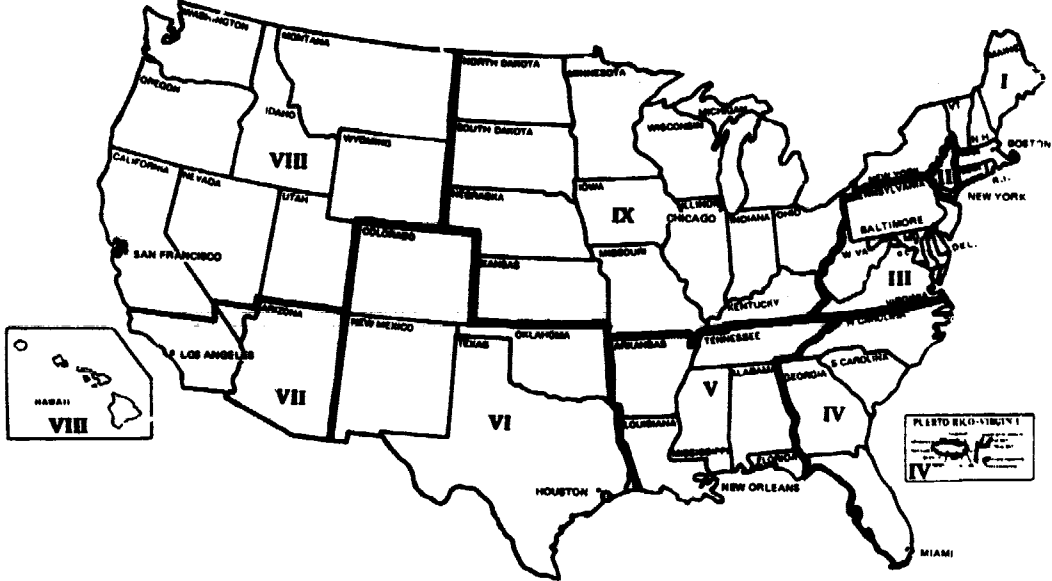
The study's proposals were not implemented because the Deputy Secretary considered the timing inappropriate.

1971 STUDY OF REORGANIZATION PLAN NO. 1 OF 1965

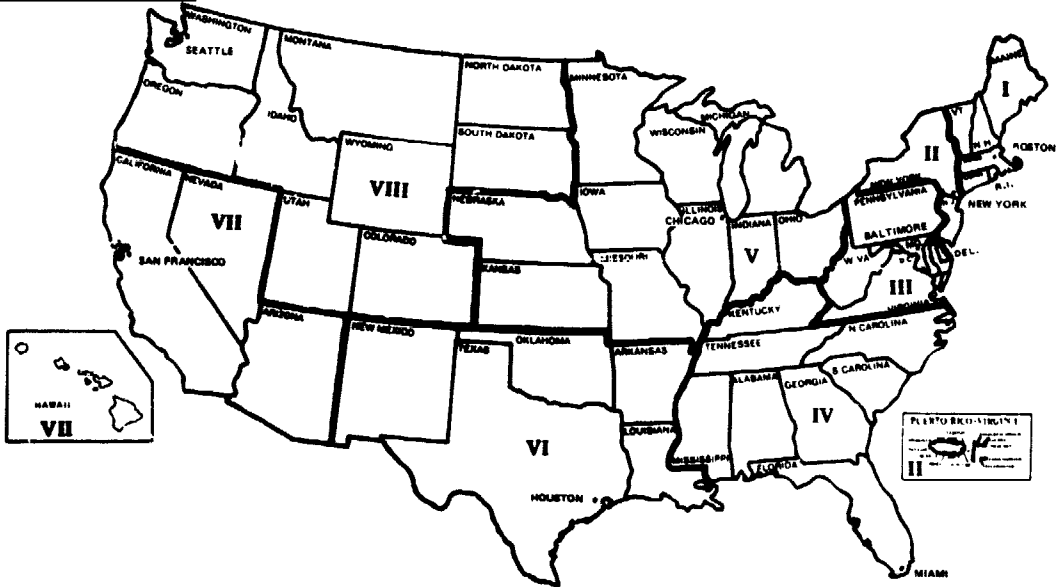
In 1971, the National Academy of Public Administration issued a report entitled "Reorganization of the Bureau of Customs: A Struggle for Status." The report was a case study of the Reorganization Plan No. 1 of 1965, which abolished appointed collectors of customs and established offices filled by career civil servants as part of a broad reorganization and regionalization of Customs. The issues addressed in the study were (1) the congressional consideration of the reorganization plan and the 1964 "Stover Report" (see p. 25) and (2) whether the 1965-1966 reorganization was successful. In addressing the issues, the study examined congressional testimony regarding the reorganizational proposal; reviewed Treasury decisions affecting the reorganization; surveyed Customs personnel, reorganization participants, and Customs clientele; and reviewed other evaluations. The study's overall conclusion was that the 1965-66 reorganization, as effected by Reorganization Plan No. 1 and those recommendations of the "Stover Report" that were implemented, should be considered a success.

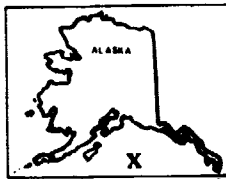


CURRENT NINE REGION CONFIGURATION

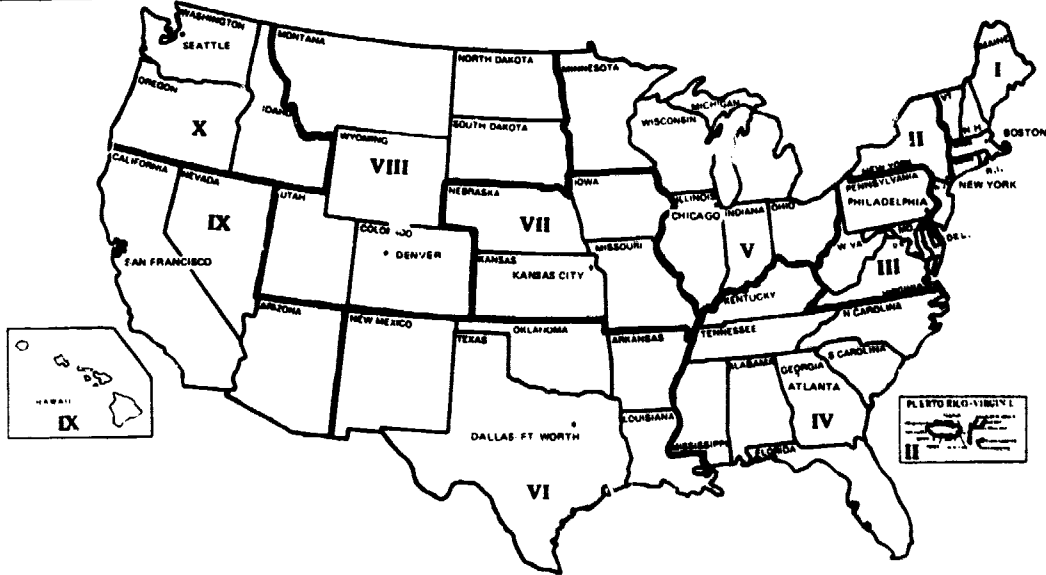


**PROPOSED EIGHT REGION CONFIGURATION
STANDARD FEDERAL REGION PROPOSAL**





**STANDARD FEDERAL REGIONS
TEN REGIONS
STANDARD FEDERAL REGION PROPOSAL**



The 1971 study did not analyze, as a separate issue, whether the number or configuration of Customs regions should be changed. It did note, however, that public protest and congressional influence altered Treasury's decision to establish six regions, as proposed in the "Stover Report." These compromises were intimated to have been necessary in order to achieve the more significant overall goals of the reorganization: Increased productivity, substantial savings, and improved service to the public. The six regions proposed by the "Stover Report" and the three regions added to make the current nine were as follows:

Originally proposed regional sites ("Stover Report")

Boston
New York City
Baltimore
New Orleans
San Francisco
Chicago

Sites added after debate

Miami
Houston
Los Angeles

While not specifically analyzing alternative regional configurations, the study recognized that the current nine-region structure was presenting difficulties, and it suggested that Customs resolve the issue of whether the nine-region configuration is most appropriate for its current mission.

1970 "WOLFE STUDY"

In April 1969, the then Bureau of the Budget requested the Treasury Department to consider whether it was feasible to reduce the number of Customs regions to six, as had been proposed in the 1964 "Stover Report." In response, the Secretary of the Treasury proposed a broad study of Customs field organization. The resultant report, issued in 1970 and referred to as the "Wolfe Study," examined whether the present organization was suited to meet current and future organizational needs. The study team reviewed operational and administrative evaluations conducted subsequent to the 1965 reorganization and visited almost every region and numerous districts and ports. Three organizational alternatives were addressed:

- Continuing the then-existent organization of 9 regions and 42 districts with recommendations for administrative improvements.
- Continuing the then-existent region/district organization concept, but reducing the number of regions and districts.
- Changing the field organization concept by eliminating one intermediate level or by merging the responsibilities of the regions and districts into a single intermediate level.

The study concluded that:

- The number of regions should be reduced to six.
- The geographic arrangement of the regions should be reconstructed.
- The names of regions should be changed to reflect the area served rather than the city in which the regional headquarters was located.

In arriving at its conclusions, the "Wolfe Study" drew heavily on criteria used in the "Stover Report," which were to (1) balance workload and personnel among regions and (2) group geographical areas having similar activities and problems. According to the "Wolfe Study," the nine-region configuration implemented in 1965 did not meet Stover's criteria, and in fact is contributing to many of the problems facing Customs today. It was causing imbalances of workload

and personnel, preventing optimal efficiency, imposing excessive overhead costs, and creating needless management and coordination problems. Furthermore, the report indicated that the practice of naming regions after the cities in which they were located may have had the effect of conferring status on the cities, and thus contributing to increased public and political sensitivity.

According to the "Wolfe Study," imbalances in regional workload data and staffing of regional offices were inequitable and wasteful. For example, although all regions had approximately the same top management structures, the Boston regional office supervised 77 field offices, employed over 900 persons, and processed 14 million vehicles, 40 million passengers, and 430,000 formal entries. On the other hand, the Baltimore and New Orleans regional offices combined supervised only 30 field offices, employed about 900 persons, and processed 800,000 passengers and less than 200,000 formal entries.

The "Wolfe Study" proposed the following six-region configuration:

- Region I would be referred to as the northeast region, with the regional office in Boston, Massachusetts. It would encompass the then-existent Boston region, except for the ports of Buffalo and Rochester, plus the district of Philadelphia and the port of Albany.
- Region II, because of its geographic workload concentration, would retain its title as the New York region, and the regional office would continue to be located in New York City. It would encompass the then-existent New York region, except for the port of Albany.
- Region III would be known as the southeast region and would encompass the then-existent Miami region area and the districts of Washington, D.C., Norfolk, and Baltimore. Because of its central location and its designation as one of the standard Federal regional centers, Atlanta was chosen as the region III regional office location.
- Region IV would be referred to as the gulf-southwest region, with the regional office to be located in Houston. It would include the then-existent New Orleans and Houston regions, the Nogales, Arizona, district, and the Mexican border portion of California.

--Region V would be called the western region would include the then-existent San Francisco region, the Los Angeles district, and the port of San Diego, except for the Mexican border. Its regional office would be located in San Francisco.

--Region VI would include the then-existent Chicago region and the ports of Buffalo and Rochester, New York. All major Great Lakes ports and the north central border would also be included. The region would be entitled the north central region, with the regional office located in Chicago.

Under the six-region proposal, the New Orleans and Los Angeles regional offices would be eliminated and the Baltimore and Miami regional offices consolidated into a new Atlanta region. The New Orleans workload was to be assumed by the gulf-southwest regional office located in Houston, while the Los Angeles workload was to be divided and assumed by the gulf-southwest regional office and the western regional office located in San Francisco.

The "Wolfe Study" concluded that by reducing the number of regions to six, Customs would be able to:

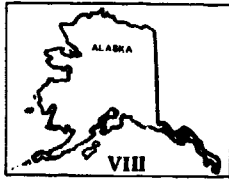
--Realize personnel savings in excess of \$1 million annually.

--Improve the efficiency of its operations by establishing regions of similar size and workload.

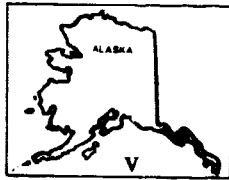
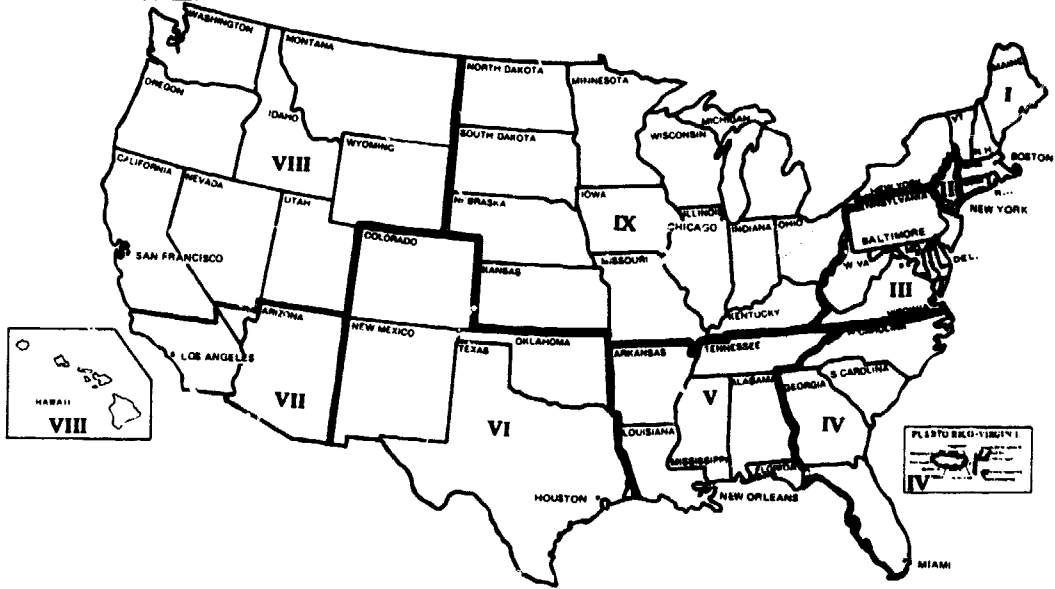
--Move the field organization toward greater political and economic neutrality.

--Better meet future changes in trade practices and patterns, geographic workload concentrations, and enforcement priorities.

This configuration would also give the gulf-southwest region IV complete control over the activities of the Mexican border. Detailed cost data presented in the study is shown in appendix VIII. A comparison of the recommended six-region configuration with the current nine-region configuration is shown on the following page.



CURRENT NINE REGION CONFIGURATION



**PROPOSED SIX REGION CONFIGURATION
WOLFE STUDY**



The "Wolfe Study" was not well received by Customs management. The Commissioner of Customs recommended against the reorganization proposals, arguing that they would have disrupted efforts on new programs such as narcotics interdiction. The Office of the Secretary agreed with the Commissioner.

1967 "REVIEW OF THE STOVER REORGANIZATION"

Subsequent to establishing nine regions in the 1965-66 reorganization, Customs, in 1967, embarked upon a study of the effectiveness of its new organization. The study was requested by the Commissioner of Customs and the study team was given the task of (1) determining the economies and costs of the reorganization, (2) evaluating any improved operations and services, (3) reporting on further organizational or procedural changes needed, (4) reviewing the need for directives required for proper communications, and (5) reviewing the appropriateness of staffing patterns. The study group visited all 9 regions and 15 of the larger districts to gather information through discussions with Customs officials, as well as customs brokers.

The study's general conclusion was that "* * * the reorganization of the Customs Service has been an outstanding success. It has saved the American taxpayer millions of dollars * * * and has provided better service to the public." The savings, estimated at \$6 million annually, were based on abolishing many of the functions previously maintained under the collector of customs and appraiser structure.

In its primary report, the study group was not required to comment, nor did it, on the number of regions and districts. It did suggest that at some point in the future Customs might well be able to revise the internal organization of regional offices to create a less lengthy communication chain. Also, the study group pointed out that the additional regions added to the six proposed by the "Stover Report" imposed additional annual operating costs of approximately \$1 million. In a private report to the Commissioner, however, the study group concluded that there were too many regions.

1964 "STOVER REPORT"

In response to many changes in tariff legislation, development of new trade patterns and relationships, and the growth of and changes in international commerce and travel, the Department of the Treasury undertook a major management

study of Customs in 1963. The resulting report, referred to as the "Stover Report," was the impetus behind the regionalization of certain Customs management and operational functions.

The "Stover Report" noted that the growing emphasis on international trade and travel increased Customs' challenges and problems which could not be adequately addressed with the existing structure, staffing, and procedures. Among the problems were:

- Too many field activities were reporting directly to Customs headquarters to permit consistent and effective direction.
- From three to five independent field activities were operating in a given location without unity of command.
- Uniformity among field offices was lacking.
- There was a need for better distribution of workload and responsibilities. Maintaining small independent field offices caused looseness in field management.

The "Stover Report" recommended a major reorganization of Customs which included creating a four-tier structure by adding a regional level to the existing structure; providing for unity of command and close supervision at all levels; increasing the responsibility of field offices; and consolidating or abolishing small, uneconomical offices.

Establishing the regional tier was designed to obtain uniformity and unity of command, permit increased delegation of authority, permit centralization of certain functions, and improve field administrative programs. The study also concluded that the number of regions should be "as small as possible to gain the maximum benefits of centralization and keep down unnecessary overhead expense," and it recommended that six regions be established using the following criteria:

- Grouping geographical areas having similar Customs activities and problems.
- Achieving a balance of workload among regions.
- Maintaining a reasonable number of ports to be supervised.

The six regional offices would be located in Boston, New York City, Baltimore, New Orleans, San Francisco, and Chicago.

The anticipated benefits were reflected in a number of administrative objectives--such as clarification of roles and responsibilities, reduction of the span of control, greater uniformity in applying Customs laws and regulations, and improvement of services to the importing public.

Responding to the "Stover Report," Customs added the regional level to its organizational structure during 1965-66. However, it established nine regions rather than the recommended six. According to Customs officials, the establishment of nine regions resulted from intense congressional and public concern. A comparison of the "Stover Report"-recommended six-region configuration with the current nine-region configuration established is shown on the following page. Costs data for the six-region proposal is included in appendix IX.

CONCLUSIONS

Over the past 14 years, various studies have supported reducing the number of Customs regional offices. These studies proposed various alternatives to the current nine-region configuration, as indicated below:

Although there were some differences in the number and location of regional offices proposed by the studies, as can be seen in the chart on page 29, the six-region configuration was cited most often. Under a six-region configuration, Customs could reduce overhead and reassign personnel to day-to-day operations. Furthermore, six regions would provide for:

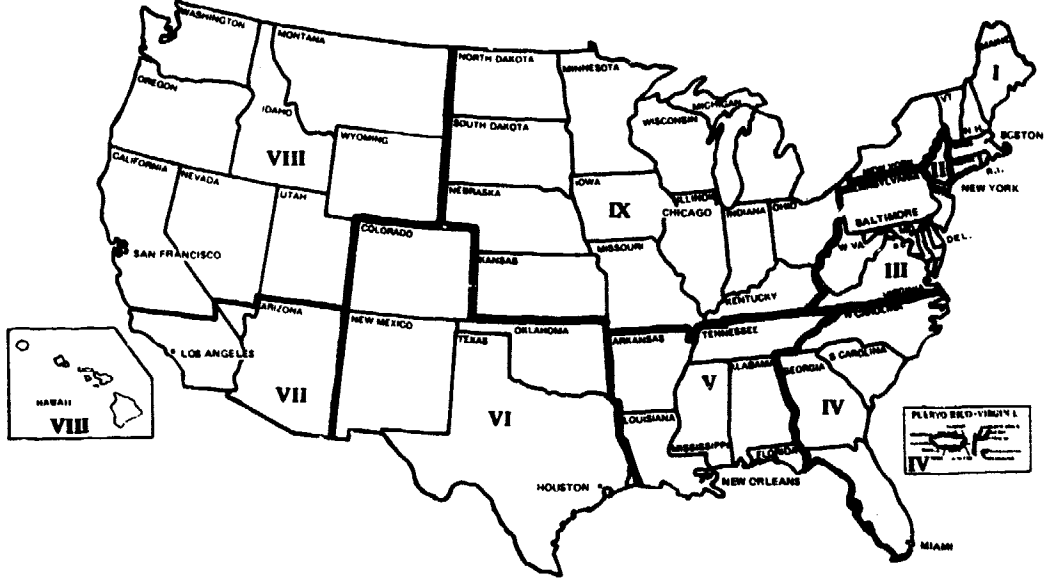
- More balanced workload and personnel among regions.
- Better grouping of regions into areas having similar activities and problems.
- Greater uniformity of management over activities along the Mexican border.

Regional office changes indicated in the studies are

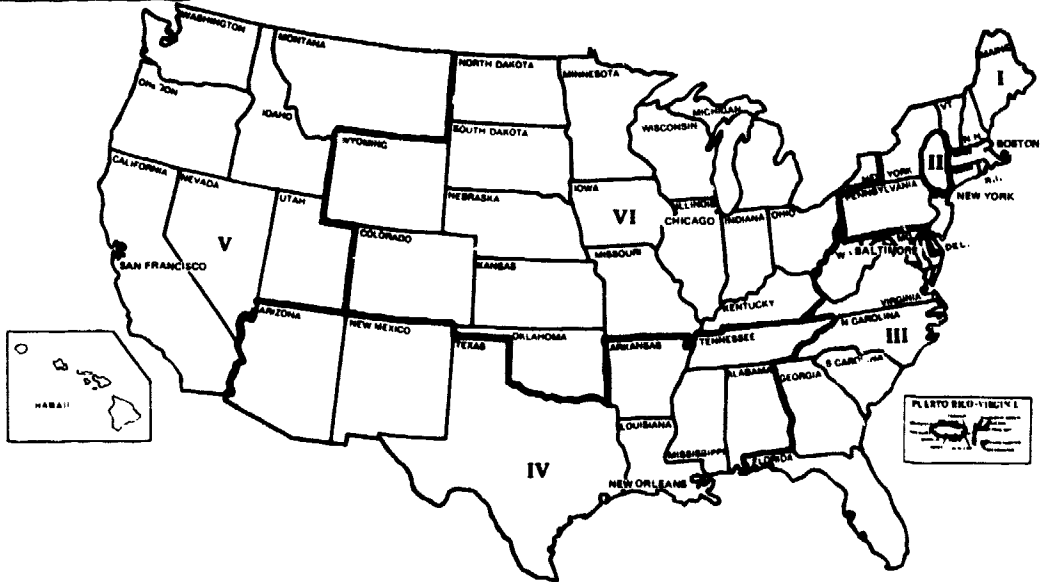
- a six-region configuration (a reduction of three regional offices);



CURRENT NINE REGION CONFIGURATION



**PROPOSED SIX REGION CONFIGURATION
STOVER REPORT**



Summary of Regional Consolidation
Proposals by Study

| Region | Recommended eliminations and mergers (X) | | | | | | | | | | | | | | |
|---|--|---|--|---|--|--------------------------------------|-----------------------------------|--------------------------------|----------------------------|-----|-----|-----|---|-----|-----|
| | 1977 "Webster Study" Study | 1977 "Customs Organi- zation III" Study | 1976 "Customs Organi- zation II" Study | 1976 "Customs Organi- zation I" Study | 1976 "Standard Federal Regions Academy Proposal" Study | 1971 National Academy Study | 1970 "Wolfe Study" Study | 1967 Review of Stover | 1964 "Stover Report" | | | | | | |
| Boston | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| New York | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Baltimore | X | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Miami | - | - | - | a/x | - | - | - | - | - | - | a/x | - | - | - | - |
| New Orleans | X | - | - | a/x | - | - | - | - | - | - | a/x | - | - | - | - |
| Houston | - | X | - | X | - | - | - | - | - | - | X | - | - | - | - |
| Los Angeles | b/x | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| San Francisco | b/x | - | - | - | X | - | - | - | - | - | X | - | - | - | - |
| Chicago | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total number of regions recommended | 6 | 8 | N/A | 7 | 5/8 | N/A | 6 | N/A | 6 | N/A | 6 | N/A | 6 | 3/6 | 3/6 |

a/This study recommended merger of Houston and Los Angeles into a southwest region with headquarters located in either Houston or Los Angeles or a third neutral city.

b/These studies recommended merging Miami and Baltimore into a southeast region with headquarters located in Atlanta.

c/This study recommended establishing a new region in Seattle.

d/The "Stover Report" did not recommend closing Miami, Houston, and Los Angeles, but rather it recommended not establishing regions in those locations.

--elimination of the Los Angeles regional office, with its workload redistributed to the San Francisco and Houston regional offices in such a way as to provide Houston with total control over the Mexican border; and either

--Alternative 1, elimination of the Baltimore and Miami regional offices and the establishment of a new Atlanta regional office to assume their workload; and elimination of the New Orleans regional office, with its workload assumed by the new Atlanta regional office or split between the Atlanta and Houston regional offices; or

--Alternative 2, elimination of the Baltimore regional office, with its workload redistributed to the Miami and Boston regional offices; and elimination of the New Orleans regional office, with its workload assumed by the Miami and Houston regional offices.

To minimize public and political sensitivities to regional office changes, a study suggested naming regions on the basis of geographical areas rather than specific cities. None of the above changes would end Customs' presence in the cities where regional offices would be eliminated. All would retain either district office or port-of-entry status.

CHAPTER 3

REDUCTION IN THE NUMBER OF DISTRICTS

Since the 1965-66 reorganization, the many organization studies have also addressed the district structure. Nearly all concluded that there are too many districts. No changes have been made, however--there are still 45 districts.

"WEBSTER STUDY"

In 1977, the "Webster Study" reviewed the present 45-district configuration of Customs and recommended reducing the number to 33. The study contended that, as presently structured, Customs had some districts that were too small to give adequate guidance to the public on the full range of Customs matters. The consolidations recommended were as follows:

Eliminate district status and consolidate

Into

| | |
|------------------|-----------------|
| Ogdensburg, NY | Champlain, NY |
| St. Albans, VT | Champlain, NY |
| Bridgeport, CT | Boston, MA |
| Providence, RI | Boston, MA |
| Washington, D.C. | Norfolk, VA |
| Wilmington, NC | Charleston, SC |
| Savannah, GA | Charleston, SC |
| Mobile, AL | Tampa, FL |
| Galveston, TX | Houston, TX |
| Port Arthur, TX | Houston, TX |
| Portland, OR | Seattle, WA |
| Duluth, MN | Minneapolis, MN |
| Milwaukee, WI | Chicago, IL |

The resulting 33 districts would then be:

| | | |
|------------------|-----------------|-------------------|
| Boston, MA | Charleston, SC | Cleveland, OH |
| Portland, ME | Tampa, FL | San Francisco, CA |
| Champlain, NY | San Juan, P.R. | Seattle, WA |
| Buffalo, NY | Virgin Islands | Great Falls, MT |
| Philadelphia, PA | New Orleans, LA | Anchorage, AK |
| New York Seaport | Houston, TX | Honolulu, HI |
| JFK Airport | Laredo, TX | Pembina, ND |
| Newark, NJ | El Paso, TX | St. Louis, MO |
| Baltimore, MD | Nogales, AZ | Minneapolis, MN |
| Norfolk, VA | San Diego, CA | Detroit, MI |
| Miami, FL | Los Angeles, CA | Chicago, IL |

In arriving at 33 districts, the "Webster Study" applied the following criteria which it believed would promote effective management and allow for more balanced operational programs:

"A diverse workload which requires the performance of multiple functions (inspection and control, classification and value, patrol, investigations)."

* * * * *

"A sufficient number of personnel to justify a district management structure as well as to justify administrative support personnel."

* * * * *

"A relatively small geographic territory with a large concentrated workload, or a homogenous workload within a large geographic area."

* * * * *

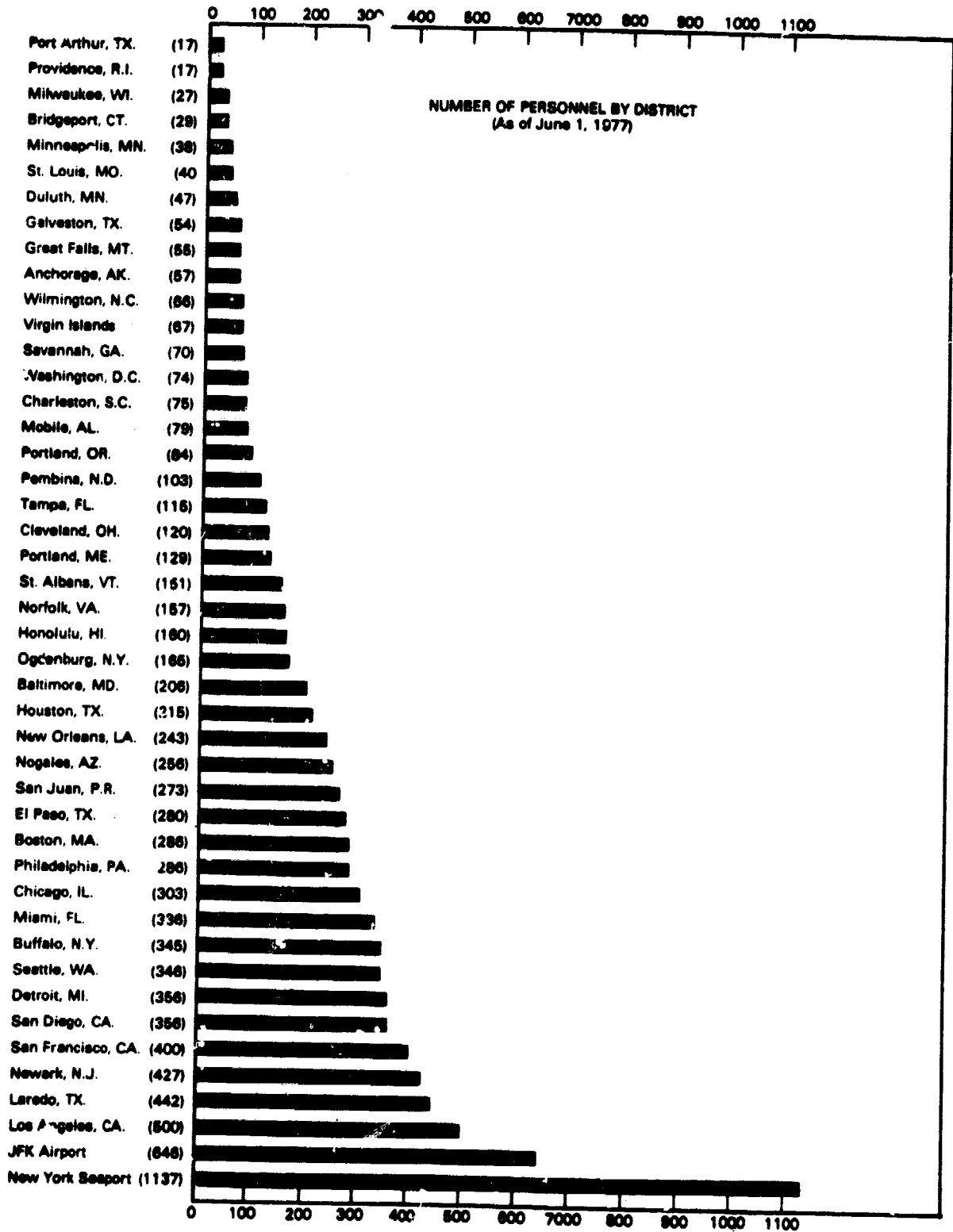
"Enough cargo work concentrated within the district to justify truly specialized import specialist teams."

The districts which did not meet the above criteria were judged not suitable for carrying out the district management role. Webster's rationale for specific consolidations was generally based on insufficient workload and personnel to justify district status. The wide variance in personnel among districts is shown in the chart on the following page.

The "Webster Study" pointed out the district consolidations would yield approximately \$864,000 in annual savings. The savings represented salaries for eliminated administrative positions and were not offset by moving costs related to transfers. The detailed savings data presented in the study is shown in appendix X.

"REVIEW OF CUSTOMS FIELD ORGANIZATION III"

The 1977 "Review of Customs Field Organization III" also addressed the question of reducing the number of districts. The study found, based on an examination of workload, revenue, personnel distributions, and geographical and management factors, that 15 of the present 45 districts could be eliminated. However, the study specifically identified only 8 of the 15 as those most likely to overcome anticipated opposition to consolidations and which could be used as precedence



for further future consolidations. The eight districts identified were as follows:

Eliminate district status
and consolidate

Bridgeport, CT
Providence, RI
Wilmington, NC
Savannah, GA
Port Arthur, TX
Galveston, TX
Minneapolis, MN
Milwaukee, WI

Into

Boston, MA
Boston, MA
Charleston, SC
Charleston, SC
Houston, TX
Houston, TX
Duluth, MN
Duluth, MN

The study's rationale was that the workload of these districts did not justify maintaining a separate district office and that each was in sufficient geographic proximity to be effectively supervised by a larger district.

Benefits to be achieved included reduced administrative overhead and reduced travel and distribution costs. No detailed cost or savings were presented. Reducing the number of districts was also viewed as leading to improved coordination of inter-district operations and to more consistent application of Customs laws and regulations.

"REVIEW OF CUSTOMS ORGANIZATION II"

As previously mentioned the "Review of Customs Organization II" presented a historical evolution of Customs' organizational roles and relationships. The study did not address the appropriate number of Customs districts.

"REVIEW OF CUSTOMS ORGANIZATION I"

The 1976 "Review of Customs Organization I" paralleled the position stated in the 1977 "Customs Organization III" study. It concluded that there were 15 districts whose relatively low levels of activity made them candidates for consolidation. However, it only identified the following districts as the most obvious candidates for consolidations. It did not identify the locations of district headquarters for any of the consolidations. The candidates cited by the study were:

Consolidate into one district

Bridgeport, CT/Providence, RI/Boston, MA
Wilmington, NC/Charleston, SC/Savannah, GA
Port Arthur, TX/Galveston, TX/Houston, TX
Minneapolis, MN/Milwaukee, WI/Duluth, MN

The study's rationale was identical to that used in the 1977 "Customs III" study. The same workload and personnel data was presented for each district and the same conclusions were reached. The 1976 study suggested that before any consolidations be attempted the proposed districts be further scrutinized to determine their operational and political feasibility.

DISTRICT CONSOLIDATION PROPOSAL

In 1972, four districts were proposed for consolidation with larger adjacent districts, as follows:

Eliminate district status and consolidate

Bridgeport, CT
Providence, RI
Port Arthur, TX
Galveston, TX

Into

Boston, MA
Boston, MA
Houston, TX
Houston, TX

The consolidation proposals were not the result of an overall study, as such, but were recommended by the Boston region in the case of Bridgeport and Providence and by the Houston region in the case of Port Arthur and Galveston.

Both proposals were based on the rationale that the candidate districts' workload did not justify maintaining a district overhead structure. The benefits cited in the proposals were improved management through better utilization of supervisory personnel, improved field organization through reduction of non-essential district headquarters, and improved balance among the districts. The proposals indicated overall personnel savings of about \$35,000 in the case of the Bridgeport and Providence consolidation and about \$12,000 in the case of Port Arthur and Galveston. The savings were based on eliminating and downgrading supervisory district positions.

The consolidation proposals were publicly announced; however, public and congressional opposition caused withdrawal of the proposals by the Secretary of the Treasury.

SUBREGIONAL STRUCTURE UNDER A STANDARD FEDERAL REGIONAL STRUCTURE

As part of an effort to conform with the standard Federal region structure (see p. 15) Customs, in 1972, proposed a subregional structure under the combined standard Federal

regional structure by reducing the number of districts from 45 to 30 in the following manner:

Eliminate district status
and consolidate

Into

St. Albans, VT
Bridgeport, CT
Providence, RI
Ogdensburg, NY
Washington, D.C.
Wilmington, NC
Savannah, GA
Cleveland, OH
Milwaukee, WI
Minneapolis, MN
St. Louis, MO
Galveston, TX
Port Arthur, TX
Portland, OR
Pembina, ND

Portland, ME
Boston, MA
Boston, MA
Buffalo, N
Norfolk, VA
Charleston, SC
Charleston, SC
Detroit, MI
Duluth, MN
Duluth, MN
Chicago, IL
Houston, TX
Houston, TX
Seattle, WA
Great Falls, MT

In addition to closing 15 district offices, the report indicated that boundaries for several remaining districts should be realigned to conform with Office of Management and Budget guidelines that no standard subregional structure combine part of one State with all or part of another.

The 1972 study indicated that the proposed consolidations were based on analyses of personnel and workload distributions which were presented in the same fashion as in previously mentioned studies. The advantages cited were:

- Substantial savings through reduced administrative overhead.
- Reduced travel and other costs associated with personnel in positions to be abolished.
- Reduced costs for distributing directives and manuals and for managing certain administrative programs.
- Conformance with an Office of Management and Budget requirement that agencies maintain their June 30, 1971, personnel base.

The total net annually recurring salary savings were estimated at about \$640,000. Details of the salary savings are shown at appendix XI. The disadvantages cited were:

- Significant personnel and office relocation costs.
- Temporary problems caused by dislocated personnel, i.e., operating with reduced staffs until vacancies could be filled.
- Political and public opposition to consolidation proposals.

STUDY OF REORGANIZATION PLAN NO. 1 OF 1965

The 1971 National Academy of Public Administration case study of the 1965-66 reorganization did not specifically present an organizational alternative to the present district configuration. The study did note that the establishment of 42 districts was contrary to the "Stover Report's" recommended 25-district configuration in the 1965-66 reorganization.

The districts established during the reorganization which were not recommended by the "Stover Report" were:

| | | |
|----------------|------------------|-----------------|
| Providence, RI | St. Thomas, V.I. | Anchorage, AK |
| Bridgeport, CT | Mobile, AL | Great Falls, MT |
| Wilmington, NC | Port Arthur, TX | Pembina, ND |
| Savannah, GA | Houston, TX | Minneapolis, MN |
| Miami, FL | Nogales, AZ | Milwaukee, WI |
| St. Louis, MO | Portland, OR | |

The study indicated that the 42-district configuration appeared to have resulted from public protest and the attendant congressional concern over district locations. While not analyzing the legitimacy of the present configuration, the study noted that although the structure may have been practical at the time of the reorganization, it was currently causing difficulties and should be reassessed.

"WOLFE STUDY"

The 1970 "Wolfe Study" recommended a 25-district configuration to provide organizational units more comparable in geographic size, staffing, workload, and number of ports. In arriving at the 25-district configuration, the study proposed the following consolidations.

Eliminate district status
and consolidate

Into

Portland, ME
St. Albans, VT
Ogdensburg, NY
Norfolk, VA
Tampa, FL
Galveston, TX
San Diego, CA
Duluth, MN
Cleveland, OH
Providence, RI
Bridgeport, CT
Washington, D.C.
Wilmington, NC
Savannah, GA
Mobile, AL
Port Arthur, TX
Nogales, AZ
Portland, OR
Pembina, ND
Milwaukee, WI
St. Louis, MO

Bangor, ME
Champlain, NY
Champlain, NY
Baltimore, MD
Miami, FL
Houston, TX
Los Angeles, CA
Minneapolis, MN
Detroit, MI
Boston, MA
Boston, MA
Baltimore, MD
Charleston, SC
Charleston, SC
New Orleans, LA
Houston, TX
San Ysidro, CA
Seattle, WA
Minneapolis, MN
Chicago, IL
Chicago, IL

The 25 district locations proposed to be retained or established by Wolfe were:

| | | |
|------------------|-----------------|-------------------|
| Bangor, ME | New Orleans, LA | El Paso, TX |
| Champlain, NY | Houston, TX | Great Falls, MT |
| Boston, MA | Chicago, IL | San Ysidro, CA |
| Buffalo, NY | Detroit, MI | Los Angeles, CA |
| New York, NY | Minneapolis, MN | San Francisco, CA |
| Philadelphia, PA | Puerto Rico | Seattle, WA |
| Baltimore, MD | Virgin Islands | Anchorage, AK |
| Charleston, SC | Laredo, TX | Honolulu, HI |
| Miami, FL | | |

The "Wolfe Study" used four criteria as desirable if a district was to realize its full operational potential. Those were:

- "1. A sufficient Customs workload which is at least somewhat in balance with that of the other districts in the region;
2. A sufficient number of ports with at least two of related size and character;

3. A geographic area with only one major problem category (e.g., a border or coast); and,
4. More than one port with a significant classification and value workload."

Wolfe felt that the proposed 25-district configuration would satisfy these criteria and result in improved comparability and greater consistencies of staffing and career patterns.

The "Wolfe Study" contended that the vast differences in workload, geographic size, staffing, and number of ports of the then-existent 42 districts precluded the districts from being useful blocks in the organizational structure. The structure was viewed as contrary to the one proposed in the 1964 "Stover Report" which, according to Wolfe, presented a sound organizational district structure, i.e., 25 districts. The "Wolfe Study" noted that the excessive number of districts "have served to lock the field organization into a relatively inflexible mold and thereby contributed to the excessive hierarchial overhead * * *." Reducing the number of districts to 25 was estimated to save about 67 positions and approximately \$1.2 million annually.

The "Wolfe Study" also considered elimination of the district level and creation of a single intermediate level. Some advantages of this alternative were a more flexible organization, geographical areas with similar workload, and a reduced span of control. Overall, however, the study team felt that although one intermediate level could bring about much improvement, it would be such a radical departure from the present structure that the disruptive effects would outweigh the benefits.

"REVIEW OF THE STOVER REORGANIZATION"

The 1967 "Review of the Stover Reorganization" did not address the issue of reducing the number of districts. The study did indicate, however, that Customs incurred approximately \$160,000 in added salaries and other costs during fiscal year 1967 as a result of retaining certain small districts. In a private report to the Commissioner of Customs, the study group concluded that there were too many districts. The study did not identify which districts should be eliminated.

"STOVER REPORT"

One of the "Stover Report" recommendations was to reduce the number of districts to 25 to ensure uniformity and better distribution of workload and functions previously performed by 113 principal field offices. The Stover recommendation was aimed at consolidating certain operating functions at 25 district offices and redesignating smaller district offices (having approximately 60 employees) to port status. The overriding objective was to achieve more efficient operations. The report stressed that the redesignations would not result in any curtailment of services to local areas--all essential Customs services would continue to be provided.

The 25 district locations recommended by Stover were as follows:

| | | |
|-----------------------------|-----------------|-------------------|
| Portland, ME | Charleston, SC | San Francisco, CA |
| St. Albans, VT | Tampa, FL | Seattle, WA |
| Boston, MA | New Orleans, LA | Honolulu, HI |
| Ogdensburg, NY | Galveston, TX | Duluth, MN |
| Buffalo, NY | Laredo, TX | Detroit, MI |
| New York City, NY <u>1/</u> | El Paso, TX | Chicago, IL |
| Philadelphia, PA | San Diego, CA | Cleveland, OH |
| Baltimore, MD | Los Angeles, CA | San Juan, P.R. |
| Norfolk, VA | | |

1/This district was subsequently subdivided into three districts--New York Seaport, JFK Airport, and Newark.

CONCLUSIONS

Beginning with the "Stover Report" and continuing over the last 14 years, organizational studies have indicated there are too many Customs districts. The studies pointed out that within the present 45-district configuration, workload and personnel imbalances indicate a need to close certain district offices and consolidate them with adjacent districts.

Although the number and location of district offices to be consolidated varied among the studies, as shown in the table on the following pages, a 30-district configuration was most often recommended.

By reducing the number of districts, the studies cited benefits similar to those anticipated for recommended regional office reductions--greater balance of workload and

Summary of District Consolidation
Proposals by Study

Recommended consolidations

| District | Recommended consolidations | | | | | | | | | |
|------------------|----------------------------|--|---|--|--|--|--------------------------------------|---------------------------|--------------------------------|----------------------------|
| | 1977 "Webster Study" | 1977 "Customs Organi- zation III" | 1976 "Customs Organi- zation II" | 1976 "Customs Organi- zation I" | 1972 District consoli- dation proposal | 1972 "Standard Federal regions proposal" | 1971 National Academy study | 1970 "Wolfe Report" | 1967 Review of Stover | 1964 "Stover Report" |
| Portland, ME | - | - | - | - | - | - | X 2/ X 1/ | - | - | - |
| St. Albans, VT | X 1/ | - | - | - | - | X | - | - | - | - |
| Boston, MA | - | - | - | - | - | - | - | - | - | - |
| Providence, RI | X | X | - | - | X | X | - | - | X | X |
| Bridgport, CT | X | X | - | - | X | X | - | - | X | X |
| Ogdensburg, NY | X 1/ | - | - | - | - | X | X 1/ | - | - | - |
| Buffalo, NY | - | - | - | - | - | - | - | - | - | - |
| New York Seaport | - | - | - | - | - | - | - | - | - | - |
| JFK Airport | - | - | - | - | - | - | - | - | - | - |
| Newark, NJ | - | - | - | - | - | - | - | - | - | - |
| Philadelphia, PA | - | - | - | - | - | - | - | - | - | - |
| Baltimore, MD | - | - | - | - | - | - | - | - | - | - |
| Washington, DC | X | - | - | - | - | X | - | - | X | - |
| Norfolk, VA | - | - | - | - | - | - | - | - | - | - |
| Wilmington, NC | X | X | - | - | - | X | - | - | X | - |
| Charleston, SC | - | - | - | - | - | - | - | - | - | - |
| Savannah, GA | X | X | - | - | - | - | X | - | X | X |
| Virgin Islands | - | - | - | - | - | - | - | - | - | - |
| Tampa, FL | - | - | - | - | - | - | - | - | - | - |
| San Juan, PR | - | - | - | - | - | - | - | - | - | - |
| Miami, FL | - | - | - | - | - | - | - | - | - | - |
| Mobile, Al | X | - | - | - | - | - | - | - | X | X |
| New Orleans, LA | - | - | - | - | - | - | - | - | - | - |
| Port Arthur, TX | X | X | - | - | X | X | - | - | - | X |
| Galveston, TX | X | X | - | - | X | X | - | - | - | - |
| Laredo, TX | - | - | - | - | - | - | - | - | - | - |
| El Paso, TX | - | - | - | - | - | - | - | - | - | - |
| Houston, TX | - | - | - | - | - | - | - | - | - | - |
| San Diego, CA | - | - | - | - | - | - | - | - | - | X |
| Los Angeles, CA | - | - | - | - | - | - | X | - | - | - |

1/These districts were to be replaced by a new Champlain, New York, district.

2/This district was to be replaced by a new Bangor, Maine, district.

3/This study recommended reducing the number of districts to 30. It did not identify the districts to be eliminated.

Summary of District Consolidation
Proposals by Study (cont.)

Recommended consolidations

| District | 1977 "Webster Study" | 1977 "Customs Organi- zation III" | 1976 "Customs Organi- zation II" | 1976 "Customs Organi- zation I" | 1972 District consoli- dation proposal | 1972 "Standard Federal Regions proposal" | 1971 National Academy study | 1970 "Wolfe Report" | 1967 Review cf Stover | 1964 "Stover Report" |
|--|----------------------------|--|---|--|--|--|--------------------------------------|---------------------------|--------------------------------|----------------------------|
| Nogales, AZ | - | - | - | - | - | - | - | X 4/ | - | X |
| San Francisco, CA | - | - | - | - | - | - | - | - | - | - |
| Portland, OR | X | - | - | - | - | X | - | X | - | X |
| Great Falls, MT | - | - | - | - | - | - | - | X | - | X |
| Seattle, WA | - | - | - | - | - | - | - | - | - | - |
| Anchorage, AK | - | - | - | - | - | - | - | - | - | X |
| Honolulu, HI | - | - | - | - | - | - | - | - | - | - |
| Cleveland, OH | - | - | - | - | - | - | - | - | - | - |
| Minneapolis, MN | - | - | - | - | - | X | - | X | - | - |
| Milwaukee, WI | X | X | - | - | - | X | - | X | - | X |
| St. Louis, MO | - | - | - | - | - | X | - | X | - | X |
| Duluth, MN | X | - | - | - | - | - | - | X | - | - |
| Detroit, MI | - | - | - | - | - | - | - | - | - | - |
| Pembina, ND | - | - | - | - | - | - | - | X | - | X |
| Chicago, IL | - | - | - | - | - | X | - | - | - | - |
| Total number of districts recommended | 33 | 30 | N/A | 30 | 41 | 30 | N/A | 25 | N/A | 25 5/ |

4/This district was to be replaced by a new San Ysidro district.

5/The "Stover Report" did not recommend closing the indicated districts, but rather it recommended not establishing districts in those locations.

personnel, better grouping of offices into geographical areas having similar activities and problems, and greater consistency in applying Customs laws and regulations.

In addition to a 30-district configuration, the studies present the following:

--Widespread support for closing/consolidating:

Port Arthur, TX
Bridgeport, CT
Providence, RI
Galveston, TX
Wilmington, NC
Savannah, GA
Milwaukee, WI

--Majority support for closing/consolidating:

Washington, DC
Portland, OR

--Some support for closing/consolidating

Minneapolis, MN
Ogdensburg, NY
St. Albans, VT
Mobile, AL
St. Louis, MO
Pembina, ND

As with regional offices, except in one instance, the closing of the district offices listed will not eliminate a Customs presence from these locations. Each, except for St. Albans, also has a Customs port-of-entry. Furthermore, eliminating district offices would reduce overhead and allow Customs to reassign personnel to day-to-day operations.

CHAPTER 4

OVERALL CONCLUSIONS

Since Customs' major reorganization in 1965-66, organizational studies have continually questioned the appropriateness of the 9-region and 45-district configuration. The studies have universally supported the need to reduce the number of regions and districts and have proposed several alternative configurations.

A 6-region and 30-district structure was cited most often as offering the greatest potential for realizing organizational efficiencies and economies. In addition, certain regional and district offices, because of their low level of workload and personnel, appear as prime candidates for consolidation under several alternatives. These are the New Orleans, Baltimore, and Los Angeles regions and the Port Arthur, Galveston, Bridgeport, Providence, Wilmington, Savannah, and Milwaukee districts.

By reorganizing to 6 regions and 30 districts, the studies indicated that Customs could reduce administrative overhead, maintain better balance of workload and personnel among field offices, improve operational efficiency and coordination, and provide more consistent application of laws and regulations. To minimize public and political sensitivities to regional office changes, it also seems desirable to name regions on the basis of geographical areas they serve rather than specific cities in which they happen to be located. None of the changes would end Customs' presence in the cities where regional offices would be eliminated. All would retain either district office or port-of-entry status. Furthermore, the importing and traveling public would benefit from additional resources available to meet day-to-day operations.

Customs' unwillingness to reduce the number of regions and districts was attributed by its officials to external congressional and public concern over such reductions, and most recently, Customs' concern with its impact on the possible consolidation of the Immigration and Naturalization Service and Customs border activities.

CHAPTER 5

SCOPE OF REVIEW

We summarized studies pertaining to Customs organizational structure performed over the last 14 years. Most of these were internal studies and were obtained during our previous review of the Customs organization. We did not verify the accuracy of the information contained in the studies. Except to clarify the issues discussed in these studies, no additional information was obtained from Customs. The following studies were reviewed:

Date

- 1964 "Stover Report"
- 1967 "Review of Stover Reorganization"
- 1970 "Wolfe Report"
"Survey of Organization"
- 1971 National Academy of Public
Administration study
- 1972 "Standard Federal Regions Proposal"
- 1972 Study of subregional structure under standard
Federal regional structure
- 1972 District consolidation study
- 1976 "Customs Organization I"
- 1976 "Customs Organization II"
- 1977 "Customs Field Organization III"
- 1977 "Webster Study"

Most of our work was performed in May and June 1978. At the conclusion of our work, we discussed our report with Customs' top management officials. Their views have been considered in preparing this report.

NINETY-FIFTH CONGRESS

AL ULLMAN, OREG., CHAIRMAN

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COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C. 20515

TELEPHONE (202) 225-3625

April 3, 1978

JOHN M. MARTIN, JR., CHIEF COUNSEL
 J. P. BAKER, ASSISTANT CHIEF COUNSEL
 JOHN K. MEASNER, MINORITY COUNSEL

Honorable Elmer B. Staats
 Comptroller General of the
 United States
 General Accounting Office
 441 G Street, N.W.
 Washington, D.C. 20548

Dear Mr. Staats:

The Subcommittee on Trade of the Committee on Ways and Means is continuing its study of the United States Customs Service. The scope of the Subcommittee's effort includes an assessment of the effectiveness of Customs utilization of personnel.

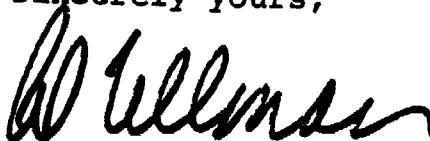
In October 1977, I requested that the General Accounting Office review Customs' organizational structure and specifically the responsibilities of the Service's regional and district offices; it is my understanding that a report of this examination will be issued shortly. On March 1, your staff presented a briefing to Customs Administration Task Force Chairman James R. Jones and staff of the Committee. The briefing indicated that there were opportunities to streamline the organizational structure by reducing the numbers of regions and districts. We concur that there may be opportunities and would like your office to pursue this matter further.

The Committee, therefore, requests GAO to summarize the various alternatives for reducing regions and districts proposed in the studies it reviewed, including the pros and cons of the alternatives, and to submit a report summarizing that information.

So as to be of maximum benefit to the Committee, we would appreciate your staff being in a position to brief the Committee in early June 1978, with a report to follow.

Thank you for your continued help in our on-going work in the Customs area.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Al Ullman". The signature is written in a cursive, flowing style.

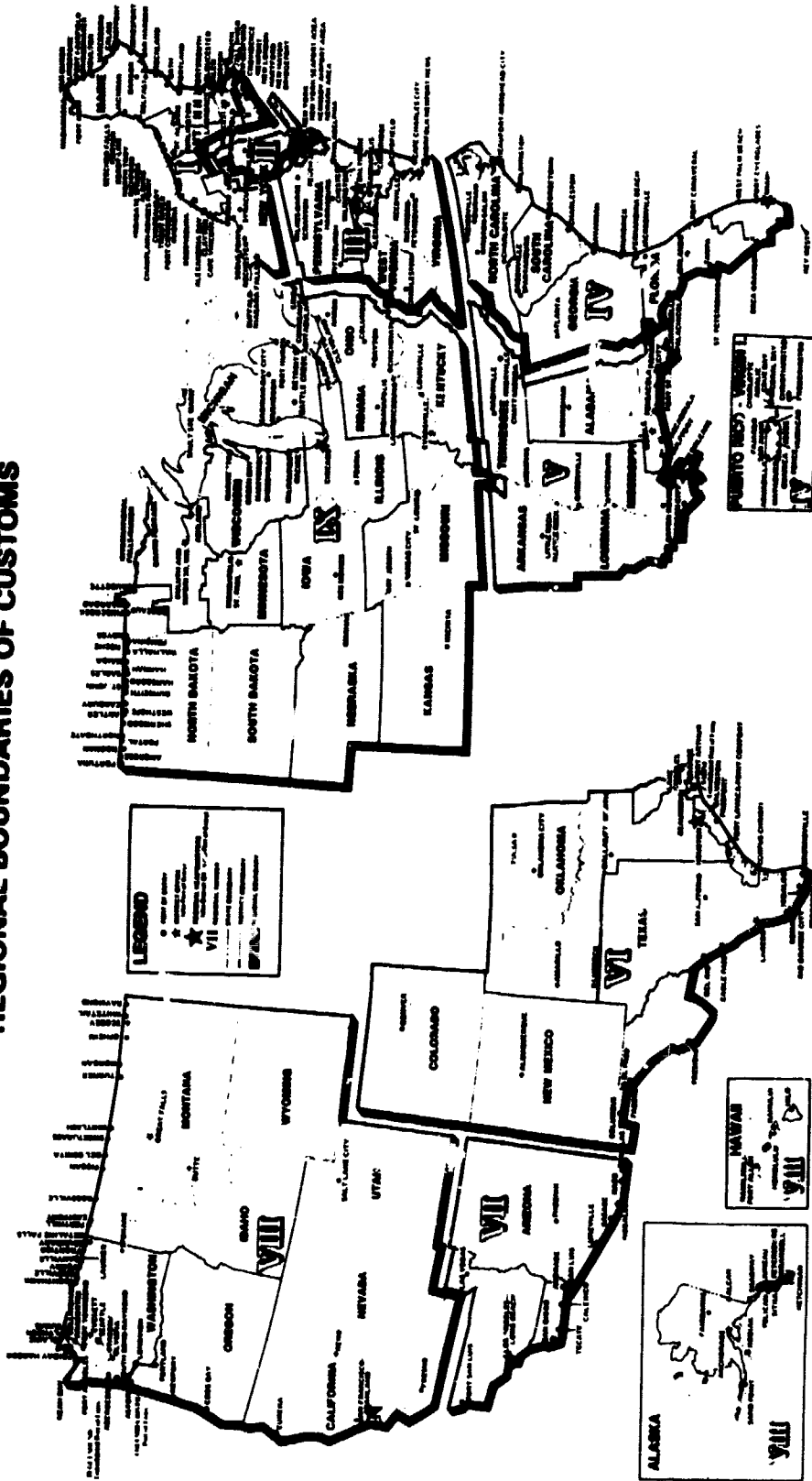
Al Ullman
Chairman

cc: Honorable Charles A. Vanik
Honorable James R. Jones

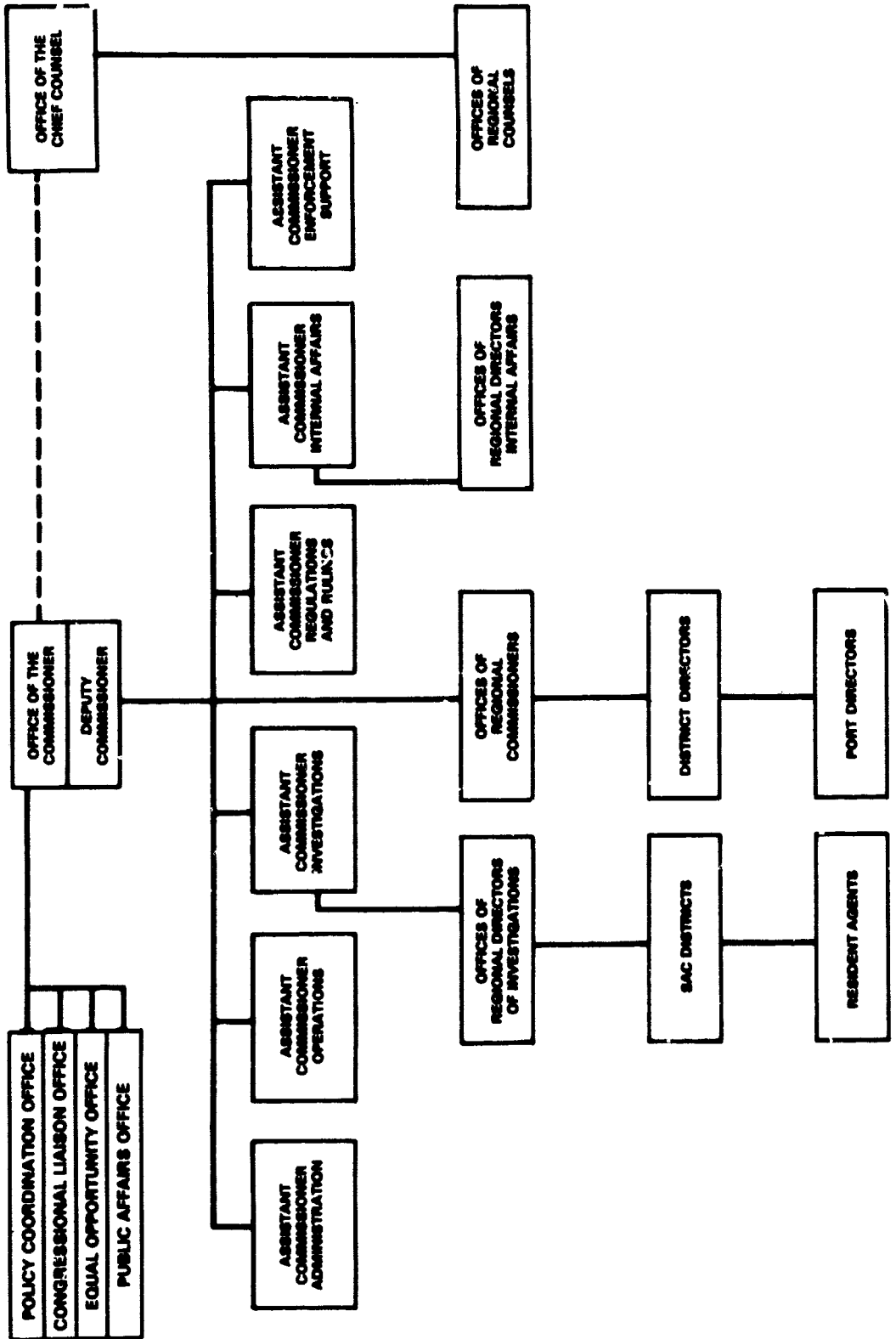
LISTING OF CUSTOMS FIELD OFFICES

| Regions | Districts | Ports |
|--------------------|------------------|------------------|
| I Boston | Portland | Alexandria Bay |
| | St. Albans | Providence |
| | Boston | Portsmouth |
| | Providence | Portsmouth |
| | | Ogdensburg |
| | | Highgate Spr. |
| | | Worcester |
| | | Gloucester |
| | | New Bedford |
| | | Cape Vincent |
| II New York | New York Seaport | Perth Amboy |
| | Kennedy Airport | Wilkes Barre |
| | | Washington, D.C. |
| | | Alexandria |
| | | Norfolk |
| | | Orlando |
| | | St. Petersburg |
| | | Port Canaveral |
| | | Aquidillo |
| | | Fernandina Beach |
| III Baltimore | Washington, D.C. | Cambridge |
| | | Alexandria |
| | | Norfolk |
| | | Orlando |
| | | St. Petersburg |
| | | Port Canaveral |
| | | Aquidillo |
| | | Fernandina Beach |
| | | Boca Grande |
| | | Guinica |
| IV Miami | Washington | Greenville |
| | Charleston | Brunswick |
| | Savannah | Atlanta |
| | Virgin Islands | Jacksonville |
| | | Reidville |
| | | Charlottesville |
| | | Georgetown |
| | | Beaufort |
| | | Winston Salem |
| | | Durham |
| V New Orleans | Mobile | Apalachicola |
| | New Orleans | Carabelle |
| | | Panama City |
| | | Port Laveca |
| | | Brownsville |
| | | Del Rio |
| | | Eagle Pass |
| | | Rio Grande City |
| | | Guilford |
| | | Pascopoula |
| VI Houston | Port Arthur | Port Laveca |
| | Galveston | Brownsville |
| | Laredo | Del Rio |
| | | Eagle Pass |
| | | Rio Grande City |
| | | Guilford |
| | | Pascopoula |
| | | Birmingham |
| | | Beaumont |
| | | Lake Charles |
| VII Los Angeles | San Diego | Andrade |
| | Los Angeles | Calenico |
| | | San Francisco |
| | | San Jose |
| | | San Juan |
| | | San Pedro |
| | | San Diego |
| | | Tecate |
| | | Mojave |
| | | Los Angeles |
| VIII San Francisco | San Francisco | San Francisco |
| | Portland | Portland |
| | Great Falls | Great Falls |
| | | San Francisco |
| | | San Francisco |
| | | San Francisco |
| | | San Francisco |
| | | San Francisco |
| | | San Francisco |
| | | San Francisco |
| IX Chicago | Cleveland | Cleveland |
| | Minneapolis | Minneapolis |
| | Milwaukee | Milwaukee |
| | St. Louis | St. Louis |
| | | Chicago |
| | | Chicago |
| | | Chicago |
| | | Chicago |
| | | Chicago |
| | | Chicago |

REGIONAL BOUNDARIES OF CUSTOMS



UNITED STATES CUSTOMS SERVICE ORGANIZATION CHART



DETAILED COSTS AND SAVINGSPRESENTED BY THE WEBSTER STUDYFOR PROPOSED SIX-REGION CONFIGURATIONPersonnel Savings and Relocations Costs
(Six-Region Configuration)

| | | |
|-----|---|----------------------------------|
| I. | Total personnel savings (recurring annually) | \$2,978,405 |
| | Accruing from the abolishment of the New Orleans region (details on p. 52.) | (\$938,940) |
| | Accruing from the abolishment of the Baltimore region (details on p. 53.) | (\$999,973) |
| | Accruing from the abolishment of either the Houston or Los Angeles regional office; this figure represents an average of the two possibilities (details on p. 54.) | (\$1,039,492) |
| II. | Total relocation costs (one-time expenses, including personnel and office location costs) | \$1,814,844 or \$2,458,868 |
| | Resulting from the abolishment of the New Orleans Region (details on p. 57.) | (\$511,630) |
| | Resulting from the abolishment of the Baltimore Region (details on p. 59.) | (\$515,030) |
| | Resulting from the merger of the Houston and Los Angeles regions; this figure represents an average cost assuming one of the present regional offices will be the regional office for the expanded region (details on pp. 61-64.) | (\$788,184) |
| | This figure is based on the premise that both Houston and Los Angeles would be closed and that a new regional office would be established somewhere in a central location; for these calculations, El Paso was arbitrarily chosen (details on p. 65.) | (\$1,432,208) |

PERSONNEL SAVINGS--NEW ORLEANS

The following salary savings would accrue as a result of the abolishment of the present Customs New Orleans region:

| | |
|---|------------------|
| Regional commissioner | \$ 44,913 |
| Secretary/steno | 13,059 |
| Public information officer | 22,485 |
| Clerk steno | 11,523 |
| Assistant regional commissioner (administration) | 42,797 |
| Secretary | 13,138 |
| Equal opportunity officer | 21,804 |
| Personnel officer | 25,209 |
| Office services manager | 25,209 |
| Financial manager | 25,118 |
| Secretary typing | 9,923 |
| Budget officer | 21,804 |
| Assistant regional commissioner (operations) | 39,419 |
| Secretary | 13,484 |
| Supervisory operations officer (I&C) | 29,683 |
| Supervisory operations officer (C&V) | 35,431 |
| Secretary | 9,613 |
| Secretary | 11,473 |
| Special assistant for enforcement support | 30,641 |
| Clerk typing | 8,316 |
| Regional counsel | 33,789 |
| Regional director of investigations | 37,167 |
| Supervisory criminal investigator | 32,557 |
| Secretary | 10,716 |
| Regional director of internal affairs | 36,041 |
| Secretary | 12,093 |
| Supervisory patrol officer | 31,599 |
| Supervisory patrol officer | 26,738 |
| Secretary | <u>9,613</u> |
| Total salaries | <u>\$685,355</u> |

Total salaries X 137% = Total cost to Customs of salaries and benefits for employees: \$685,355 X 1.37 = \$938,940 in total cost savings.

PERSONNEL SAVINGS--BALTIMORE

The following salary savings would accrue as a result of the abolishment of the present Customs Baltimore region:

| | |
|---|------------------|
| Regional commissioner | \$ 47,500 |
| Secretary/steno | 16,917 |
| Public information officer | 25,118 |
| Clerk steno | 12,291 |
| Assistant regional commissioner (administration) | 42,797 |
| Secretary | 14,211 |
| Equal opportunity officer | 21,123 |
| Personnel officer | 25,118 |
| Office services manager | 29,683 |
| Financial manager | 33,515 |
| Secretary typing | 11,062 |
| Budget officer | 25,118 |
| Assistant regional commissioner (operations) | 39,419 |
| Secretary | 13,827 |
| Supervisory operations officer (I&C) | 32,557 |
| Supervisory operations officer (C&V) | 31,599 |
| Secretary | 9,923 |
| Secretary | 9,613 |
| Special assistant for enforcement support | 32,557 |
| Clerk typing | 11,907 |
| Regional counsel | 41,671 |
| Regional director of investigations | 39,419 |
| Supervisory criminal investigator | 32,557 |
| Secretary | 12,675 |
| Regional director of internal affairs | 39,419 |
| Secretary | 12,291 |
| Supervisory patrol officer | 31,599 |
| Patrol officer | 25,118 |
| Clerk steno | <u>9,303</u> |
| Total salaries | <u>\$729,907</u> |

Total salaries X 137% = Total cost to Customs of salaries and benefits for employees: \$729,907 X 1.37 = \$999,973 in total cost savings.

PERSONNEL SAVINGS--SOUTHWEST REGION

The six-region configuration requires that the Houston and Los Angeles regions be merged. Either of the present regional headquarters could remain and become the headquarters for the enlarged region, or both could be closed and a new headquarters established somewhere else in the region. Whichever possibility is chosen, the personnel savings would be approximately the average of the savings resulting from the closing of either present regional office. Therefore, the estimated savings would be \$1,039,492.

However, a decision to establish the regional headquarters in a new city would have a profound effect on relocation expenses. In fact, the cost would almost double from \$788,184 to \$1,432,208.

Los Angeles

The following salary savings would accrue as a result of the abolishment of the present Customs Los Angeles region:

| | |
|---|-------------------------|
| Regional commissioner | \$ 47,500 |
| Secretary/steno | 13,613 |
| Public information officer | 23,166 |
| Clerk steno | 12,093 |
| Assistant regional commissioner (administration) | 39,419 |
| Secretary | 13,827 |
| Equal opportunity officer | 26,571 |
| Management analysis officer | 29,168 |
| Personnel officer | 32,557 |
| Office services manager | 30,641 |
| Financial manager | 25,928 |
| Secretary typing | 11,408 |
| Budget officer | 29,168 |
| Assistant regional commissioner (operations) | 37,167 |
| Secretary | 12,675 |
| Supervisory operations officer (I&C) | 34,473 |
| Supervisory operations officer (C&V) | 37,347 |
| Secretary | 12,100 |
| Secretary | 12,093 |
| Special assistant for enforcement support | 32,557 |
| Clerk typing | 9,303 |
| Regional counsel | 40,545 |
| Regional director of investigations | 36,041 |
| Supervisory criminal investigator | 33,789 |
| Secretary | 13,484 |
| Regional director of internal affairs | 36,041 |
| Secretary | 13,059 |
| Supervisory patrol officer | 30,641 |
| Supervisory patrol officer | 24,308 |
| Secretary | <u>10,233</u> |
| Total salaries | <u>\$760,915</u> |

Total salaries X 137% = Total cost to Customs of salaries and benefits for employees: \$760,915 X 1.37 = \$1,042,454 in total cost savings.

Houston

The following salary savings would accrue as a result of the abolishment of the present Customs Houston region:

| | |
|---|------------------|
| Regional commissioner | \$ 40,950 |
| Secretary/steno | 14,979 |
| Public information officer | 28,254 |
| Clerk steno | 11,523 |
| Assistant regional commissioner (administration) | 38,293 |
| Secretary | 12,446 |
| Equal opportunity officer | 21,804 |
| Management analysis officer | 28,358 |
| Personnel officer | 34,473 |
| Office services manager | 29,683 |
| Financial manager | 32,557 |
| Secretary typing | 12,093 |
| Budget officer | 29,168 |
| Assistant regional commissioner (operations) | 37,167 |
| Secretary | 12,675 |
| Supervisory operations officer (I&C) | 33,515 |
| Supervisory operations officer (C&V) | 32,557 |
| Secretary | 12,100 |
| Secretary | 11,473 |
| Special assistant for enforcement support | 31,599 |
| Clerk typing | 9,424 |
| Regional counsel | 36,041 |
| Regional director of investigations | 39,419 |
| Supervisory criminal investigator | 33,515 |
| Secretary | 13,138 |
| Regional director of internal affairs | 39,419 |
| Secretary | 13,443 |
| Supervisory patrol officer | 30,641 |
| Supervisory patrol officer | 26,738 |
| Secretary | <u>9,147</u> |
| Total salaries | <u>\$756,592</u> |

Total salaries X 137% = Total cost to Customs of salaries and benefits for employees: \$756,592 X 1.37 = \$1,036,531 in total cost savings.

ESTIMATED RELOCATION COSTS--NEW ORLEANS TO MIAMII. Distribution of Affected Personnel by Grade

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 113 | 55 | 18 | 14 | 26 |

II. Estimated Number of Personnel Who Would Relocate

Persons in professional Customs career fields would most likely be willing to relocate while persons in administrative or other types of positions common to many Government agencies would more likely prefer to seek employment in their present locations rather than to relocate. It is anticipated that the following percentages of employees in each category of position would relocate to the new headquarters cities:

--For professional positions, GS-12 and above, 85 percent.

--For professional positions, GS-5-11, 50 percent.

--For all technician positions, 25 percent.

--For all clerical positions, 10 percent.

Therefore, it is estimated that the following numbers of personnel would relocate:

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 63 | 47 | 9 | 4 | 3 |

III. Costs

Based on the above numbers of personnel relocating, the following costs are estimated:

Personnel Relocation Costs

| <u>Number of employees moving</u> | <u>Nonhomeowner per person cost</u> | <u>Homeowner per person cost (note a)</u> | <u>Total cost</u> |
|-----------------------------------|-------------------------------------|---|-------------------|
| 63 | \$2,900 (28) | \$10,300 (35) | \$441,700 |

Office Relocation Costs

| <u>Amount of space (sq. ft.)</u> | <u>Cost of moving and special requirements (note b)</u> |
|----------------------------------|---|
| 25,429 | \$69,930 |

Total

| | |
|----------------------------|------------------|
| Personnel relocation costs | \$441,700 |
| Office relocation costs | <u>69,930</u> |
| | <u>\$511,630</u> |

a/It is estimated that 75 percent of employees are married and that 75 percent of married employees are homeowners.

b/Costs are estimated at \$1.75 per square foot for all moving costs and telephone installation and \$1.00 per square foot for special requirements; i.e., special conference rooms, computer space, etc.

ESTIMATED RELOCATION COSTS--BALTIMORE TO BOSTONI. Distribution of Affected Personnel by Grade

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 116 | 50 | 24 | 20 | 22 |

II. Estimated Number of Personnel Who Would Relocate

Persons in professional Customs career fields would most likely be willing to relocate while persons in administrative or other types of positions common to many Government agencies would more likely prefer to seek employment in their present locations rather than to relocate. It is anticipated that the following percentages of employees in each category of position would relocate to the new headquarters cities:

--For professional positions, GS-12 and above, 85 percent.

--For professional positions, GS-5-11, 50 percent.

--For all technician positions, 25 percent.

--For all clerical positions, 10 percent.

Therefore, it is estimated that the following numbers of personnel would relocate:

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 62 | 43 | 12 | 5 | 2 |

III. Costs

Based on the above numbers of personnel relocating, the following costs are estimated:

Personnel Relocation Costs

| <u>Number of employees moving</u> | <u>Nonhomeowner per person cost</u> | <u>Homeowner per person cost (note a)</u> | <u>Total cost</u> |
|-----------------------------------|-------------------------------------|---|-------------------|
| 62 | \$2,640 (27) | \$9,850 (35) | \$416,030 |

Office Relocation Costs

| <u>Amount of space (sq. ft.)</u> | <u>Cost of moving and special requirements (note b)</u> |
|----------------------------------|---|
| 36,000 | \$99,000 |

Total

| | |
|----------------------------|------------------|
| Personnel relocation costs | \$416,030 |
| Office relocation costs | <u>99,000</u> |
| | <u>\$515,030</u> |

a/It is estimated that 75 percent of employees are married and that 75 percent of married employees are homeowners.

b/Costs are estimated at \$1.75 per square foot for all moving costs and telephone installation and \$1.00 per square foot for special requirements; i.e., special conference rooms, computer space, etc.

ESTIMATED RELOCATION COSTS--HOUSTON TO LOS ANGELESI. Distribution of Affected Personnel by Grade

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 134 | 62 | 20 | 24 | 28 |

II. Estimated Number of Personnel Who Would Relocate

Persons in professional Customs career fields would most likely be willing to relocate while persons in administrative or other types of positions common to many Government agencies would more likely prefer to seek employment in their present locations rather than to relocate. It is anticipated that the following percentages of employees in each category of position would relocate to the new headquarters cities:

--For professional positions, GS-12 and above, 85 percent.

--For professional positions, GS-5-11, 50 percent.

--For all technician positions, 25 percent.

--For all clerical positions, 10 percent.

Therefore, it is estimated that the following numbers of personnel would relocate:

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 72 | 53 | 10 | 6 | 3 |

III. Costs

Based on the above numbers of personnel relocating, the following costs are estimated:

Personnel Relocation Costs

| <u>Number of employees moving</u> | <u>Nonhomeowner per person cost</u> | <u>Homeowner per person cost (note a)</u> | <u>Total cost</u> |
|-----------------------------------|-------------------------------------|---|-------------------|
| 72 | \$3,635 (32) | \$13,720 (40) | \$665,120 |

Office Relocation Costs

| <u>Amount of space (sq. ft.)</u> | <u>Cost of moving and special requirements (note b)</u> |
|----------------------------------|---|
| 38,398 | \$105,595 |

Total

| | |
|----------------------------|------------------|
| Personnel relocation costs | \$665,120 |
| Office relocation costs | <u>105,595</u> |
| | <u>\$770,715</u> |

a/It is estimated that 75 percent of employees are married and that 75 percent of married employees are homeowners.

b/Costs are estimated at \$1.75 per square foot for all moving costs and telephone installation and \$1.00 per square foot for special requirements; i.e., special conference rooms, computer space, etc.

ESTIMATED RELOCATION COSTS--LOS ANGELES TO HOUSTONI. Distribution of Affected Personnel by Grade

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 134 | 61 | 21 | 24 | 28 |

II. Estimated Number of Personnel Who Would Relocate

Persons in professional Customs career fields would most likely be willing to relocate while persons in administrative or other types of positions common to many Government agencies would more likely prefer to seek employment in their present locations rather than to relocate. It is anticipated that the following percentages of employees in each category of position would relocate to the new headquarters cities:

--For professional positions, GS-12 and above, 85 percent.

--For professional positions, GS-5-11, 50 percent.

--For all technician positions, 25 percent.

--For all clerical positions, 10 percent.

Therefore, it is estimated that the following numbers of personnel would relocate:

| <u>Total</u> | <u>Professional GS-12 & above</u> | <u>Professional GS-5-11</u> | <u>Technician GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------|---|---------------------------------|------------------------------|----------------------------|
| 72 | 52 | 11 | 6 | 3 |

III. Costs

Based on the above numbers of personnel relocating, the following costs are estimated:

Personnel Relocation Costs

| <u>Number of employees moving</u> | <u>Nonhomeowner per person cost</u> | <u>Homeowner per person cost (note a)</u> | <u>Total cost</u> |
|-----------------------------------|-------------------------------------|---|-------------------|
| 72 | \$3,635 (32) | \$13,720 (40) | \$665,120 |

Office Relocation Costs

| <u>Amount of space (sq. ft.)</u> | <u>Cost of moving and special requirements (note b)</u> |
|----------------------------------|---|
| 51,103 | \$140,533 |

Total

| | |
|----------------------------|------------------|
| Personnel relocation costs | \$665,120 |
| Office relocation costs | <u>140,533</u> |
| | <u>\$805,653</u> |

a/It is estimated that 75 percent of employees are married and that 75 percent of married employees are homeowners.

b/Costs are estimated at \$1.75 per square foot for all moving costs and telephone installation and \$1.00 per square foot for special requirements; i.e., special conference rooms, computer space, etc.

ESTIMATED RELOCATION COSTS--HOUSTON OR LOS ANGELES TO CITY XI. Distribution of Affected Personnel by Grade

| | <u>Total</u> | <u>Profes- sional GS-12 & above</u> | <u>Profes- sional GS-5-11</u> | <u>Techni- cian GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------------------|--------------|---|---------------------------------------|------------------------------------|----------------------------|
| Houston to City X | 134 | 62 | 20 | 24 | 28 |
| Los Angeles to City X | <u>134</u> | <u>61</u> | <u>21</u> | <u>24</u> | <u>28</u> |
| Total | <u>268</u> | <u>123</u> | <u>41</u> | <u>48</u> | <u>56</u> |

II. Estimated Number of Personnel Who Would Relocate

Persons in professional Customs career fields would most likely be willing to relocate while persons in administrative or other types of positions common to many Government agencies would more likely prefer to seek employment in their present locations rather than to relocate. It is anticipated that the following percentages of employees in each category of position would relocate to the new headquarters cities:

--For professional positions, GS-12 and above, 85 percent.

--For professional positions, GS-5-11, 50 percent.

--For all technician positions, 25 percent.

--For all clerical positions, 10 percent.

Therefore, it is estimated that the following numbers of personnel would relocate:

| | <u>Total</u> | <u>Profes- sional GS-12 & above</u> | <u>Profes- sional GS-5-11</u> | <u>Techni- cian GS-4-9</u> | <u>Clerical GS-1-8</u> |
|--------------------------|--------------|---|---------------------------------------|------------------------------------|----------------------------|
| Houston to City X | 72 | 53 | 10 | 6 | 3 |
| Los Angeles to City X | <u>72</u> | <u>52</u> | <u>11</u> | <u>6</u> | <u>3</u> |
| Total | <u>144</u> | <u>105</u> | <u>21</u> | <u>12</u> | <u>6</u> |

III. Costs

Based on the above numbers of personnel relocating, the following costs are estimated:

Personnel Relocation Costs

| | Number of employees <u>moving</u> | Nonhomeowner per person <u>cost</u> | Homeowner per person <u>cost (note a)</u> | Total <u>cost</u> |
|--------------------------|---|---|---|----------------------|
| Houston to City X | 72 | \$2,830 (32) | \$12,320 (40) | \$583,360 |
| Los Angeles to City X | <u>72</u> | \$2,860 (32) | \$12,780 (40) | <u>\$602,720</u> |
| Total | <u>144</u> | - | - | <u>\$1,186,080</u> |

Office Relocation Costs

| | Amount of space (<u>sq. ft.</u>) | Cost of moving and special requirements (<u>note b</u>) |
|--------------------------|--|--|
| Houston to City X | 38,398 | \$105,595 |
| Los Angeles to City X | <u>51,103</u> | <u>140,533</u> |
| Total | <u>89,501</u> | <u>\$246,128</u> |

Total

| | |
|----------------------------|--------------------|
| Personnel relocation costs | \$1,186,080 |
| Office relocation costs | <u>246,128</u> |
| | <u>\$1,432,208</u> |

a/It is estimated that 75 percent of employees are married and that 75 percent of married employees are homeowners.

b/Costs are estimated at \$1.75 per square foot for all moving costs and telephone installation and \$1.00 per square foot for special requirements; i.e., special conference rooms, computer space, etc.

DETAILED COSTS AND SAVINGSPRESENTED BY THE "REVIEW OF CUSTOMS FIELD ORGANIZATION I"FOR THE PROPOSED SEVEN-REGION CONFIGURATION

The following salary savings would accrue as a result of the consolidation of the present Customs Baltimore, New Orleans, and Miami regions into one region with headquarters in Atlanta, Georgia. (The New Orleans district would be transferred to the Houston region.)

| | <u>New Orleans</u> | <u>Baltimore</u> |
|---|--------------------|------------------|
| Regional commissioner | \$ 39,600 | \$ 39,600 |
| Secretary/steno | 13,050 | 16,917 |
| Public information officer | 21,804 | 31,598 |
| Clerk steno | 10,543 | 11,408 |
| Assistant regional commissioner (administration) | 39,600 | 39,600 |
| Secretary | 13,138 | 14,211 |
| Equal opportunity officer | 21,123 | 20,442 |
| Personnel officer | 25,209 | 23,847 |
| Officer services manager | 25,209 | 29,683 |
| Financial manager | 35,431 | 33,515 |
| Secretary typing | 8,870 | 10,716 |
| Budget officer | 21,123 | 25,118 |
| Assistant regional commissioner (operations) | 37,167 | 38,293 |
| Secretary | 12,792 | 13,443 |
| Supervisory operations officer (I&C) | 28,725 | 31,599 |
| Supervisory operations officer (C&V) | 36,389 | 31,599 |
| Secretary | 10,233 | 9,923 |
| Secretary | 12,093 | 9,613 |
| Special assistant for enforcement support | 30,641 | 32,557 |
| Clerk typing | 7,655 | 11,523 |
| Regional counsel | 36,041 | 39,600 |
| Regional director of investigations | 37,167 | 39,419 |
| Supervisory criminal investigator | 32,557 | 30,614 |
| Secretary | 10,716 | 11,907 |
| Regional director of internal affairs | 36,041 | 38,293 |
| Secretary | <u>12,446</u> | <u>11,907</u> |
| Total salaries | <u>\$615,372</u> | <u>\$646,945</u> |

Total salaries X 137% = Total cost to Customs of salaries and benefits for employees: \$1,262,317 X 1.37 = \$1,729,374 in total cost savings.

ESTIMATED RELOCATION COSTSI. Distribution of Affected Personnel by Grade

| | <u>Total</u> | <u>Profes- sional GS-12 & above</u> | <u>Profes- sional GS-5-11</u> | <u>Techni- cian GS-4-9</u> | <u>Clerical GS-1-8</u> |
|-------------|--------------|---|---------------------------------------|------------------------------------|----------------------------|
| Baltimore | 114 | 50 | 22 | 19 | 23 |
| Miami | 122 | 55 | 15 | 24 | 28 |
| New Orleans | <u>40</u> | <u>20</u> | <u>6</u> | <u>5</u> | <u>9</u> |
| Total | <u>276</u> | <u>125</u> | <u>43</u> | <u>48</u> | <u>60</u> |

II. Estimated Number of Personnel Who Would Relocate

Persons in professional Customs career fields would most likely be willing to relocate while persons in administrative or other types of positions common to many Government agencies would more likely prefer to seek employment in their present locations rather than to relocate. It is anticipated that the following percentages of employees in each category of position would relocate to the new headquarters cities:

--For professional position, GS-12 and above, 85 percent.

--For professional positions, GS-5-11, 50 percent.

--For all technician positions, 25 percent.

--For all clerical positions, 10 percent.

Therefore, it is estimated that the following numbers of personnel would relocate:

| | <u>Total</u> | <u>Profes- sional GS-12 & above</u> | <u>Profes- sional GS-5-11</u> | <u>Techni- cian GS-4-9</u> | <u>Clerical GS-1-8</u> |
|-------------|--------------|---|---------------------------------------|------------------------------------|----------------------------|
| Baltimore | 60 | 42 | 11 | 5 | 2 |
| Miami | 57 | 41 | 7 | 6 | 3 |
| New Orleans | <u>22</u> | <u>17</u> | <u>3</u> | <u>1</u> | <u>1</u> |
| Total | <u>139</u> | <u>100</u> | <u>21</u> | <u>12</u> | <u>6</u> |

III. Costs

Based on the above numbers of personnel relocating, the following costs are estimated:

Personnel Relocation Costs

| | <u>Number of employees moving</u> | <u>Nonhomeowner per person cost</u> | <u>Homeowner per person cost (note a)</u> | <u>Total cost</u> |
|---------------------------|---|---|---|-----------------------|
| New Orleans to Houston | 44 | 2,200 | 8,600 | \$ 250,400 |
| New Orleans to Atlanta | 22 | 2,600 | 9,400 | 138,800 |
| Miami to Atlanta | 57 | 2,300 | 8,970 | 345,100 |
| Baltimore to Atlanta | <u>60</u> | 2,400 | 8,950 | <u>360,150</u> |
| Total | <u>183</u> | - | - | <u>\$1,094,450</u> |

Office Relocation Costs

| | <u>Amount of space (sq. ft.)</u> | <u>Cost of moving and special requirements (note b)</u> |
|---------------------------|--|---|
| New Orleans to Houston | 16,953 | \$46,621 |
| New Orleans to Atlanta | 8,476 | 23,309 |
| Miami to Atlanta | 50,000 | 137,500 |
| Baltimore to Atlanta | <u>39,990</u> | <u>109,970</u> |
| Total | <u>115,419</u> | <u>\$317,400</u> |

Total

| | |
|----------------------------|--------------------|
| Personnel relocation costs | \$1,094,450 |
| Office relocation costs | <u>317,400</u> |
| | <u>\$1,411,850</u> |

a/It is estimated that 75 percent of employees are married and that 75 percent of married employees are homeowners.

b/Costs are estimated at \$1.75 per square foot for all moving costs and telephone installation and \$1.00 per square foot for special requirements; i.e., special conference rooms, computer space, etc.

DETAILED COSTS AND SAVINGS PRESENTED
BY THE "PROPOSAL FOR CUSTOMS CONFORMANCE
WITH THE STANDARD FEDERAL REGION STRUCTURE"
FOR PROPOSED EIGHT-REGION CONFIGURATION

SAVINGS

The following salary savings would accrue as a result of the abolishment of the present Customs New Orleans Region:

| | |
|--|------------------|
| Regional commissioner | \$ 34,623 |
| Secretary/stenographer | 11,015 |
| Assistant regional commissioner for operations | 30,701 |
| Secretary/stenographer | 8,969 |
| Supervisory operations officer-- classification and value | 27,084 |
| Supervisory operations officer-- inspections and control | 24,888 |
| Assistant regional commissioner for administration | 29,848 |
| Secretary/stenographer | 10,261 |
| Financial manager | 26,352 |
| Budget officer | 21,862 |
| Office services manager | 17,305 |
| Deputy assistant regional commissioner for personnel | 18,511 |
| Regional counsel <u>1/</u> | 23,424 |
| Regional director of security and audit <u>1/</u> | <u>26,436</u> |
| Total | <u>\$311,279</u> |

1/Positions programmed to be established in the region.

ESTIMATED RELOCATION COSTSI. Distribution of Affected Personnel by Grade

| | <u>Total</u> | Profes- sional GS-12 & above | Profes- sional GS-5-11 | Techni- cian GS-4-9 | Clerical GS-1-8 |
|-------------|--------------|---------------------------------------|------------------------------|---------------------------|--------------------|
| New Orleans | 58 | 14 | 12 | 13 | 19 |
| Los Angeles | <u>39</u> | <u>29</u> | <u>12</u> | <u>27</u> | <u>21</u> |
| Total | <u>147</u> | <u>43</u> | <u>24</u> | <u>40</u> | <u>40</u> |

II. Estimated Number of Personnel Who Would Relocate

Persons in professional Customs career fields would most likely be willing to relocate while persons in administrative or other types of positions common to many Government agencies would more likely prefer to seek employment in their present locations rather than to relocate. It is anticipated that the following percentages of employees in each category of position would relocate at the new headquarters cities:

--For professional positions, GS-12 and above, 85 percent.

--For professional positions, GS-5-11, 50 percent.

--For all technician positions, 25 percent.

--For all clerical positions, 10 percent.

Therefore, it is estimated that the following numbers of personnel would relocate:

| | <u>Total</u> | Profes- sional GS-12 & above | Profes- sional GS-5-11 | Techni- cian GS-4-9 | Clerical GS-1-8 |
|-------------|--------------|---------------------------------------|------------------------------|---------------------------|--------------------|
| New Orleans | 25 | 12 | 6 | 3 | 2 |
| Los Angeles | <u>38</u> | <u>25</u> | <u>6</u> | <u>7</u> | <u>2</u> |
| Total | <u>63</u> | <u>37</u> | <u>12</u> | <u>10</u> | <u>4</u> |

III. Costs

Based on the above numbers of personnel relocating, the following costs are estimated:

Personnel Relocation Costs

| | <u>Number of employees moving</u> | <u>Nonhomeowners per person cost</u> | <u>Homeowner per person cost (note a)</u> | <u>Total cost</u> |
|---------------------------|---|--|---|-----------------------|
| New Orleans to Miami | 13 | 1,300 | 4,700 | \$ 40,700 |
| New Orleans to Houston | 12 | 1,100 | 4,300 | 35,600 |
| Los Angeles to Seattle | <u>38</u> | 2,100 | 5,500 | <u>151,200</u> |
| Totals | <u>63</u> | - | - | <u>\$227,500</u> |

Office Relocation Costs

| | <u>Amount of space (sq. ft.)</u> | <u>Cost of moving and special requirements (note b)</u> |
|---------------------------|--|---|
| New Orleans to Miami | 9,305 | \$13,958 |
| New Orleans to Houston | 9,305 | 13,958 |
| Los Angeles to Seattle | <u>22,490</u> | <u>33,735</u> |
| Totals | <u>41,100</u> | <u>\$61,651</u> |

Total

| | |
|----------------------------|------------------|
| Personnel relocation costs | \$227,500 |
| Office relocation costs | <u>61,651</u> |
| | <u>\$289,151</u> |

a/It is estimated that 75 percent of employees are married and that 75 percent of married employees are homeowners.

b/Costs are estimated at \$1.00 per square foot for all moving costs and telephone installation and \$.50 per square foot for special requirements; i.e., special conference rooms, computer space, etc.

COSTS AND SAVINGS PRESENTED BY
THE "WOLFE STUDY" FOR THE
PROPOSED 6-REGION AND 25-DISTRICT CONFIGURATION
Tentative Staffing Structure for Proposed Districts
(Grades GS-11 and Above)

| <u>Region</u> | <u>District</u> | <u>District director</u> | <u>Assistant district director</u> | <u>A.D.D. I&C</u> | <u>A.D.D. C&V</u> | <u>Operations officer</u> | <u>Admin. officer</u> |
|------------------------|------------------|--------------------------|------------------------------------|-----------------------|-----------------------|---------------------------|-------------------------|
| ----- (GS grade) ----- | | | | | | | |
| I | Bangor | 14 | 13 | - | - | 12 | 12 |
| | Boston | 15 | - | 14 | 14 | 12 | 12 |
| | Champlain | 15 | - | 14 | 14 | 12 | 12 |
| | Philadelphia | 15 | 14 | - | - | 12 | 12 |
| III | Baltimore | 15 | - | 14 | 13 | 12 | 12 |
| | Charleston | 15 | - | 14 | 14 | 12 | 12 |
| | Miami | 15 | 14 | - | - | 12 | 12 |
| | San Juan | 15 | - | 13 | 13 | - | 11 |
| | Charlotte-Amalie | 14 | - | 13 | 13 | - | 11 |
| IV | New Orleans | 15 | - | 14 | 14 | 12 | 12 |
| | Houston | 15 | - | 14 | 14 | 12 | 12 |
| | Laredo | 15 | - | 14 | 14 | 12 | 11 |
| | El Paso | 15 | 14 | - | - | 12 | 11 |
| | San Ysidro | 15 | 14 | - | - | 12 | 12 |
| V | Los Angeles | 15 | 14 | - | - | - | 12 |
| | San Francisco | 15 | 14 | - | - | - | 12 |
| | Seattle | 15 | - | 14 | 14 | 12 | 12 |
| | Honolulu | 15 | - | 14 | 13 | - | 11 |
| | Anchorage | 14 | 13 | - | - | 12 | 12 |
| | Great Falls | 14 | 13 | - | - | 12 | 12 |
| VI | Minneapolis | 15 | - | 14 | 13 | 12 | 12 |
| | Chicago | 15 | - | 14 | 14 | 12 | 12 |
| | Detroit | 15 | - | 14 | 14 | - | 12 |
| | Buffalo | 15 | - | 14 | 14 | - | 12 |
| Totals | | 20 GS-15s 4 GS-14s | 6 GS-14s 3 GS-13s | 13 GS-14s 2 GS-13s | 10 GS-14s 5 GS-13s | 17 GS-12s | a/15 GS-12s 9 GS-11s |

a/Totals appear to be added incorrectly in study. Our computations yield 19 GS-12s and 5 GS-11s.

Staffing Reconciliation

Page 74, "Comparative Staffing (GS-11 and above)," analyzes the tentative staffing requirements of the new organization; it also shows the staff available for reallocation from the elimination of three regions with a net saving in positions; GS-11 and above, totaling 44.

Page 75, "Staffing Cost Reconciliation," details the tentative position requirements by grade, GS-11 and above, for the proposed organization compared with the present structure.

In order to estimate the total net savings in clerical positions under the proposed organization (excluding region II) the following assumptions are made:

1. For each regional office abolished, seven clerical positions can be saved (secretary and/or stenographer, Regional Commissioner--one GS-7, Assistant Regional Commissioners--two GS-6s; DARCs, operations officers liquidating section--four GS-5s).
2. In each of the present 42 districts there is at least one miscellaneous document clerk (average salary GS-7) and one secretary (normally GS-5). These 84 positions would be available for redistribution among the proposed 24 districts.
3. Of the proposed 24 districts, 10 would require a miscellaneous document clerk (GS-7) and three secretaries/stenographers (GS-5). The remaining 14 would require a miscellaneous document clerk (GS-7) and two GS-5 clerical positions.
4. Because of a higher turnover rate among clerical personnel, step 2 of the appropriate grade provides for the best estimates of personnel cost.

Page 76 shows the resulting tentative clerical position requirements of the proposed district structure.

Comparative Staffing (GS-11 and above):

Present and Proposed Organization

(Excluding present New York region II)

Present (42 districts)

Proposed (24 districts)

District directors and Assistant district directors

Proposed district directors and Assistant district directors

GS-15 26
 GS-14 45
 GS-13 32
 GS-12 15
 GS-11 1

GS-15 20
 GS-14 33
 GS-13 10
 63

132

Reallocable staffing of three regions

District administrative officer requirements

GS-16 3
 GS-15 6
 GS-14 10
 GS-13 24
 GS-12 7
 GS-11 21

GS-12 19
 GS-11 5
 24

71

District operations officer requirements

GS-12 17

Total staffing (GS-11 and above) reallocable to proposed district headquarters level

Additional requirements for port directors

190

GS-14 14
 GS-13 17
 GS-12 11

42

Total proposed staffing requirements

146

Note: 44 positions (GS-11 and above) reallocable to remaining five regions.

Staffing Cost Reconciliation
for Current and Proposed Organization

GS-11 and Above

| <u>Grade</u> | <u>Reallocable positions</u> | <u>Proposed staffing</u> | <u>Net difference</u> |
|--------------|------------------------------|--------------------------|-----------------------|
| GS-16 | 3 | - | -3 |
| GS-15 | 32 | 20 | -12 |
| GS-14 | 55 | 47 | -8 |
| GS-13 | 56 | 27 | -29 |
| GS-12 | 22 | 47 | +25 |
| GS-11 | <u>22</u> | <u>5</u> | <u>-17</u> |
| Totals | <u>190</u> | <u>146</u> | <u>-44</u> |

| <u>Grade</u> | <u>Net difference using step 4 in pay scale for each grade</u> | | |
|--------------|--|----------|--------------|
| GS-16 | -3 @ | \$29,202 | = -\$ 87,606 |
| GS-15 | -12 @ | 25,174 | = -302,088 |
| GS-14 | -8 @ | 21,608 | = -172,864 |
| GS-13 | -29 @ | 18,437 | = -534,673 |
| GS-12 | 25 @ | 15,611 | = 390,275 |
| GS-11 | -17 @ | 13,096 | = -\$222,632 |

Total net savings: \$929,588 (GS-11 and above).

Clerical Positions

| <u>Grade</u> | <u>Reallocable staffing</u> | <u>Proposed staffing</u> | <u>Net difference</u> |
|--------------|-----------------------------|--------------------------|-----------------------|
| GS-7 | 45 | 24 | -21 |
| GS-6 | 5 | - | -6 |
| GS-5 | <u>54</u> | <u>58</u> | <u>+4</u> |
| Total | <u>105</u> | <u>82</u> | <u>-23</u> |

| <u>Grade</u> | <u>Positions</u> | <u>Annual salary at step 2</u> | <u>Savings (-) or added cost (+)</u> |
|------------------------------|------------------|--------------------------------|--------------------------------------|
| GS-7 | -21 @ | \$8,368 | = -\$175,728 |
| GS-6 | -6 @ | 7,537 | = - 45,222 |
| GS-5 | 4 @ | 6,766 | = 27,064 |
| Total net savings (clerical) | | | = \$193,886 |

Conclusion

If the proposed organizational changes are adopted, the Bureau of Customs would realize net annual savings in salary costs of over \$1 million from the elimination of 67 surplus positions, 44 GS-11 and above and 23 GS-10 and below. This survey has not determined the savings from related reductions in office space, furnishings, and equipment, nor has it attempted to estimate the one-time costs involved in establishing the proposed structure.

COST DATA PRESENTED
BY THE STCOVER REPORT FOR
THE PROPOSED SIX-REGION CONFIGURATION

Estimated Total and New Positions for
Proposed Customs Regional Offices

| <u>Regions I, III, IV,</u> <u>V, and VI</u> | <u>Estimated</u> <u>Average Total</u> <u>Positions</u> | <u>Estimated</u> <u>New Positions</u> <u>Required</u> |
|--|--|---|
| Office of regional commissioner | 3 | 3 |
| Regional counsel | 2 | 2 |
| Assistant regional commissioner (operations) | 75 | 10 |
| Assistant regional commissioner (administration) | 15 | 10 |
| Assistant regional commissioner (audit) | <u>a/15</u> | 0 |
| Assistant regional commissioner (enforcement) | <u>7</u> | <u>0</u> |
| | 117 | 25 |
| | <u>x5</u> | <u>x5</u> |
| Total, 5 regions | <u>585</u> | <u>125</u> |
| <u>Region II</u> | | |
| Office of regional commissioner | 5 | 5 |
| Regional counsel | 30 | 0 |
| Assistant regional commissioner (operations) | 310 | 10 |
| Assistant regional commissioner (administration) | 50 | 20 |
| Assistant regional commissioner (audit) | <u>a/28</u> | 0 |
| Assistant regional commissioner (enforcement) | <u>12</u> | <u>0</u> |
| | <u>435</u> | <u>35</u> |
| Total, all regions | <u>1,020</u> | <u>160</u> |

a/Those staffs will be reduced by elimination of comptrollers, and the Philadelphia office, but staffs will need to be increased for increased audit work, brokers records, drawback, etc.

Estimated Staffing CostsProposed Customs Regional Offices

| <u>Regions I, III, IV, V, and VI</u> | <u>Approximate cost of total staffing</u> | <u>Estimated amount in excess of present field staffing</u> |
|--|---|---|
| Office of regional commissioner | \$ 175,000 | \$ 175,000 |
| Regional counsel | 110,000 | 110,000 |
| Assistant regional commissioner (operations) | 3,300,000 | 550,000 |
| Assistant regional commissioner (audit) | 800,000 | - |
| Assistant regional commissioner (administration) | 775,000 | 525,000 |
| Assistant regional commissioner (enforcement) | <u>415,000</u> | <u>15,000</u> |
| Total | <u>\$5,575,000</u> | <u>\$1,375,000</u> |
| <u>Region II</u> | | |
| Office of regional commissioner | \$ 60,000 | \$ 60,000 |
| Regional counsel | 265,000 | 5,000 |
| Assistant regional commissioner (operations) | 2,510,000 | 110,000 |
| Assistant regional commissioner (audit) | 300,000 | - |
| Assistant regional commissioner (administration) | 470,000 | 220,000 |
| Assistant regional commissioner (enforcement) | <u>125,000</u> | <u>5,000</u> |
| | <u>\$3,730,000</u> | <u>\$ 400,000</u> |
| Total, all regions | <u>\$9,305,000</u> | <u>a/\$1,775,000</u> |

a/Note offsetting savings on the following page.

Estimated SavingsResulting From Phase I Organizational Changes

| <u>Source</u> | <u>Continuing annual savings</u> |
|---|----------------------------------|
| Elimination of Philadelphia comptroller's office | \$ 110,000 |
| Elimination of 7 comptrollers of customs | 110,000 |
| Fiscal savings | 100,000 |
| Liquidation savings | \$1,500,000 |

ESTIMATED SALARY SAVINGS
FOR DISTRICT CONSOLIDATIONS
PROPOSED IN THE "WEBSTER STUDY"

| <u>Districts to be abolished</u> | <u>Present management staff salaries</u> | | <u>Proposed management staff salaries</u> | | <u>Savings</u> | | |
|----------------------------------|--|----------|---|----------|----------------|----------------|--------|
| St. Albans | DD | \$34,473 | Port director | \$23,166 | \$94,867 | | |
| | ADD (I&C) | 27,548 | | | | | |
| | ADD (C&V) | 28,358 | | | | | |
| | Misc. doc. ex. | 14,979 | | | | | |
| | Secretary | 12,675 | | | | | |
| Providence | DD | 32,557 | Port director | 27,548 | a/35,987 | | |
| | Cust. appraiser | 29,978 | | | | | |
| Bridgeport | DD | 32,557 | Port director | 23,166 | 9,391 | | |
| Ogdensburg | DD | 40,545 | Port director | 23,166 | 116,786 | | |
| | ADD (I&C) | 31,599 | | | | | |
| | ADD (C&V) | 34,473 | | | | | |
| | Misc. doc. ex. | 12,100 | | | | | |
| | Secretary | 13,827 | | | | | |
| | Supply clk. | 7,408 | | | | | |
| Champlain (note b) | Port director | 29,683 | DD | 40,545 | c/-110,269 | | |
| | | | | | | ADD (I&C) | 34,473 |
| | | | | | | ADD (C&V) | 31,599 |
| | | | | | | Misc. doc. ex. | 12,100 |
| | | | | | | Secretary | 13,827 |
| | | | | | | Supply clk. | 7,408 |
| Wilmington | DD | 32,557 | Port director | 27,548 | 88,029 | | |
| | ADD (I&C) | 27,548 | | | | | |
| | ADD (C&V) | 29,168 | | | | | |
| | Secretary | 14,211 | | | | | |
| | Steno | 12,093 | | | | | |
| | ADD (C&V) | 34,473 | | | | | |
| Washington, D.C. | DD | 34,473 | Port director | 27,548 | d/124,773 | | |
| | ADD (I&C) | 26,738 | | | | | |
| | ADD (C&V) | 29,168 | | | | | |
| | Admin. Off. | 17,056 | | | | | |
| | | | | | | | |

a/This figure appears to be added incorrectly in the study.
Our computation yields savings of \$34,987.

b/To be established.

c/Cost.

d/This figure appears to be added incorrectly in the study.
Our computation yields savings of \$124,723.

APPENDIX X

APPENDIX X

| <u>Districts to be abolished</u> | <u>Present management staff salaries</u> | <u>Proposed management Staff salaries</u> | <u>Savings</u> |
|----------------------------------|--|---|-----------------------------|
| | Misc. doc. ex. 12,675 Secretary 12,625 Steno 10,233 Steno 9,303 | | |
| Savannah | DD 35,431 ADD (I&C) 28,358 ADD (C&V) 27,548 Secretary 12,291 Steno 12,093 Steno 11,163 | Port director 27,548 | 99,336 |
| Mobile | DD 31,599 ADD (I&C) 31,598 ADD (C&V) 31,598 Supvy. C.P.O. 25,188 Secretary 14,595 | Port director 27,548 | <u>a</u> /106,960 |
| Pt. Arthur | DD 26,738 | Port director 19,332 | 7,406 |
| Galveston | DD 31,599 | Port director 23,166 | 8,433 |
| Poland, Oregon | DD 34,473 ADD (I&C) 29,978 ADD (C&V) 29,168 Misc. doc. ex. 15,738 Secretary 13,443 | Port director 27,540 | <u>b</u> /95,252 |
| Duluth | DD 35,431 ADD (I&C) 27,548 ADD (C&V) 28,358 Admin. off. 14,038 Misc. doc. ex. 13,059 Secretary 11,754 | Port director 27,548 | 102,640 |
| Milwaukee | DD 32,557 ADD (I&C) 28,358 ADD (C&V) 25,118 Admin. off. 14,463 Secretary 12,291 | Port director 27,548 | <u>85,239</u> |
| Total net savings | | | <u>c</u> / <u>\$864,830</u> |

a/This figure appears to be added incorrectly in the study.
Our computation yields savings of \$107,030.

b/This figure appears to be added incorrectly in the study.
Our computation yields savings of \$95,260.

c/Because of apparent addition errors in the study, "Total net savings" should be shown as \$863,858.

COST DATA PRESENTED IN THE 1972 "PROPOSAL
FOR CUSTOMS SUBREGIONAL STRUCTURE UNDER A
COMBINED STANDARD FEDERAL REGION STRUCTURE"

| <u>Districts to be abolished</u> | <u>Present management staff salaries</u> | | <u>Proposed management staff salaries</u> | <u>Savings</u> |
|--------------------------------------|--|--------------------|---|----------------|
| Milwaukee | DD | \$22,692 | Port director | \$ 45,213 |
| | ADD (C&V) | 19,362 | | |
| | ADD (I&C) | 20,612 | | |
| Minneapolis | DD | 26,352 | Port director | 54,498 |
| | ADD (C&V) | 23,112 | | |
| | ADD (I&C) | 22,487 | | |
| St. Louis | DD | 24,156 | Port director | 52,614 |
| | ADD (C&V) | 21,237 | | |
| | ADD (I&C) | 21,862 | | |
| Galveston | DL | 32,407 | Port director | 14,954 |
| Port Arthur | DD | 16,417 | Port director | 1,776 |
| Portland, Ore. | DD | 24,156 | Port director | 50,427 |
| | ADD (C&V) | 22,487 | | |
| | ADD (I&C) | 21,237 | | |
| Pembina | DD | 26,352 | Port director | 52,623 |
| | ADD (C&V) | 20,612 | | |
| | ADD (I&C) | 23,112 | | |
| St. Albans | DD | 24,156 | Port director | 48,552 |
| | ADD (C&V) | 19,987 | | |
| | ADD (I&C) | 21,862 | | |
| Bridgeport | DD <u>a/</u> Appraiser | \$20,612 22,487 | Port director | 25,646 |
| Providence | DD Appraiser | 24,362 21,862 | Port director | 28,771 |
| Ogdensburg | DD | 28,995 | Port director | 58,185 |
| | ADD (C&V) <u>b/</u> | 24,156 | | |
| | ADD (I&C) <u>c/</u> | 22,487 | | |

a/District director.

b/Assistant district director for classification and value.

c/Assistant district director for inspection and control.

APPENDIX XI

APPENDIX XI

| <u>Districts to be abolished</u> | <u>Present management staff salaries</u> | | <u>Proposed management staff salaries</u> | | <u>Savings</u> |
|--------------------------------------|--|--------|---|--------|------------------|
| Washington | DD | 24,888 | Port director | 14,641 | 50,221 |
| | ADD (C&V) | 21,237 | | | |
| | ADD (I&C) | 18,737 | | | |
| Wilmington, N.C. | DD | 23,424 | Port director | 14,641 | 46,757 |
| | ADD (C&V) | 20,612 | | | |
| | ADD (I&C) | 19,362 | | | |
| Savannah | DD | 25,620 | Port director | 17,453 | 47,516 |
| | ADD (C&V) | 19,362 | | | |
| | ADD (I&C) | 19,987 | | | |
| Cleveland | DD | 30,701 | Port director | 20,612 | <u>60,597</u> |
| | ADD (C&V) | 26,352 | | | |
| | ADD (I&C) | 24,156 | | | |
| | | | Total savings | | <u>\$640,350</u> |

(961063)