

IN THE SENATE OF THE UNITED STATES

Mr. Bellmon

introduced the following bill; which was read twice and referred to the Committee on

A BILL

To provide for legislative budget review by the General Accounting Office.

(Insert title of bill here)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of this Act--

(1) "Executive agency" has the same meaning given that term by section 105 of title 5, United States Code; and

(2) "Budget" means the Budget of the United States Government transmitted to Congress by the President under the Budget and Accounting Act, 1921.

SEC. 2. (a) There is established within the General Accounting Office a Division of Legislative Budget Review. The Division shall be headed by such individual as the Comptroller General of the United States may designate, and that individual shall be directly responsible to the Comptroller General.

(b) Within the Division there shall be a separate office for each Executive agency which shall--

(1) continuously observe and study the operation of the agency to determine the efficiency and effectiveness of the agency in the utilization of appropriated funds;

it EB / (2) review and analyze the budget estimates submitted by that agency for inclusion in the Budget and in supplemental and deficiency requests;

(3) review and analyze budget requests for that agency included in the Budget and in supplemental and deficiency budget requests submitted to Congress; and

? (4) ~~make~~ ^{may to approp etc / sub etc} its own present and future budget estimates with respect to that agency, based upon observations of the agency's operations, specifying the differences between its estimates and the estimates of that agency and those estimates and requests submitted to Congress with respect to that agency with the reasons for such differences;

(5) develop, establish and maintain an up-to-date inventory of executive branch fiscal, budgetary, and program related information; and

(6) review these agency operations on a continuing basis and ~~determine~~ ^{make avail to audit etc info indicator of the extent to which} whether the agency is satisfying Congressional intent and requirements. >

(c) The Comptroller General shall transmit to Congress, as soon as practicable, each review, analysis, and estimate of each such office.

? / SEC. 3. (a) ~~Substantially~~ ^{the} all of the personnel of ~~the~~ ^{each} office for an Executive agency shall be located in the main office building of that agency. That Executive agency shall provide to the office such space within its main building as the Comptroller General considers appropriate to enable the office to carry out its duties under this Act. ^{as agreed agency head / CG}

(b) Each office for an Executive agency is authorized to request and obtain such information, with respect to such agency, from any Executive agency as the Comptroller General considers necessary to carry out the duties of that office under this Act. Any information so requested shall be provided by any such agency.

Except prior info TT & matters & indic prior as elsewhere provided

SEC. 4. An officer or employee in ~~the~~ office for an Executive agency shall not serve in that office for more than 36 consecutive months. Upon termination of service in that office, such officer or employee shall not be appointed, detailed, assigned, or otherwise made available to perform duties with respect to that same agency unless at least 6 years have elapsed since the date of such termination of service.

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not more than 10% of the funds utilized by the various agencies of the Executive Branch in the formulation, presentation, and justification of agency estimates within the various agencies and departments; presentation and justification to the Office of Management and Budget; and presentation and justification to Congress.

& not more than 10% total funds GAO.

OFFICE OF TELECOMMUNICATIONS POLICY
WASHINGTON

July 7, 1972

Tom:

Last night after discussing the O'Mahoney situation with you, Mr. Smith suggested I call O'Mahoney and tell him that we had difficulty conveying the message to you as the phone connection was so bad. Also that because of the open lines, we were unable to discuss his situation freely and since you were out of the country would be unable to make phone calls to find out the circumstances. Also to suggest to O'Mahoney that he could send us any papers he might want to get to you and we would send them by pouch.

O'Mahoney told me that he had considered calling Flanigan -- that he had only talked to Kingsley (who seemed to indicate he had not heard of this prior to O'Mahoney's telling him about it on Saturday (7/1)).

On the basis of that possibility, I called Marge and gave her the background; then talked to Jon Rose. We have sent a set of the papers to Jon and he will talk to Kingsley and let us know what he has to say.

So here's your copy of the papers.
Have fun. We'll be talking to you.

Please see page two

Eva *Eva*

OFFICE OF TELECOMMUNICATIONS POLICY
WASHINGTON

-2-

P.S.

Told Mr. O'Mahoney that we would be sending the papers to you by pouch.

He asked that I emphasize to you that if Sampson consulted with the White House and cleared it with them, that's O.K., but he doesn't believe he did.

Mr. O'Mahoney wanted you to know that he's a team player and, whether he likes it or not, he'll play the game -- just as long as the White House was aware of the reorganization, etc., and approved it.

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

Transportation and Communications Service

Washington, D.C. 20405



July 7, 1972

EYES ONLY

Mrs. Eva Daughtrey
Confidential Assistant to
the Director
Office of Telecommunications Policy
Executive Office of the President
Washington, DC 20504

Dear Mrs. Daughtrey:

Enclosed is an additional copy of the news release which I understand you already have, together with copies of the Administrator's order establishing a new service and abolishing the Transportation and Communications Service, and a copy of his order designating Trimmer as Acting Commissioner of the new service and his order designating me as Special Assistant.

As I told you, so far as I know the White House was not consulted prior to this decision. The decision was announced to me at 7 p.m. Friday, June 30, which as you also know, was the beginning of a 17-day Congressional recess. I was not consulted as to the advisability of the decision, nor was I given an opportunity to examine the Fry Study. I was given a copy of that Study on Monday, the day the public announcement was made.

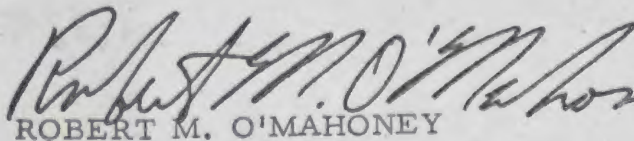
Totally aside from the brutality of the impact of the timing of this decision to me personally, it significantly affects the lives of a number of other people. The new organization would downgrade the role of communications by reducing GSA staffing in this area. Whereas the present organization has a Deputy Commissioner for Communications at a GS-17 level and three GS-16 Assistant Commissioners with a supporting staff of approximately 205 (this excludes ten engaged in public utilities procurement), the new communications organization would consist of one Assistant Commissioner at a GS-17 level, no Deputy, no other Assistants and a staff of approximately 154. (There would be two other Assistant Commissioners in the new service, one for Automated Data Management Services and one for Agency Assistance Planning and Policy.)

This downgrading is relatively minor in terms of numbers since some of the differences can be accounted for because of the transfer of functions to the new Office of Executive Director and to the new Office of Agency Assistance. The principal impact is the loss of rank of staff.

I suggested to the Acting Administrator, through an aide since I could not reach him personally, that this decision should have been deferred at least until November, i.e., after the election. The Acting Administrator has been on leave since our Friday night meeting.


I continue to believe that regardless of the merits of the proposed reorganization, a decision of this kind should not have been made without full consultation with those affected, including myself and the Director of the Office of Telecommunications Policy.

Sincerely,



ROBERT M. O'MAHONEY
Commissioner, Transportation
and Communications Service

Enclosures





News Release

UNITED STATES GOVERNMENT
GENERAL SERVICES ADMINISTRATION

Office of Information - Room 6117 - 18th and F Streets, NW. - Washington, D.C. 20405 - (202) 343-4511

July 3, 1972
FOR IMMEDIATE RELEASE

GSA #5802

GSA Modernizes Government-Wide

Computer Operation

Arthur F. Sampson, Acting Administrator of General Services, today announced a major organizational realignment of GSA's government-wide computer (automated data processing) and telecommunications operations.

Sampson said the reorganization which establishes in GSA an Automated Data Processing and Communications Service (ADPACS), is in line with President Nixon's management improvement program. He assigned Ted Trimmer, Assistant Administrator of GSA, responsibility for organizing the new service and named him Acting Commissioner of the new ADPACS.

The reorganization implements in part a report prepared by Fry Consultants of Chicago, recommending improvements in the management of GSA's government-wide computer hardware, software and related services. The report cites a five-fold increase in the number of computers in Federal government use over the past 10 years and stresses the need for more effective management in the procurement and use of these resources. The General Accounting Office estimates that the total cost of ADP related activities presently ranges as high as \$6 to \$8 billion.

Trimmer, the third ranking officer of GSA, is a Phi Beta Kappa graduate of Wesleyan University and Harvard Law School. He was named Assistant Administrator of the agency in July 1970, after serving as Director of Congressional Affairs and Executive Assistant to the Administrator.

In November of 1970, Trimmer assumed responsibility for the government-wide consumer product information sharing effort assigned to GSA by President Nixon's Executive Order. Trimmer also served as Acting Administrator of the agency from March to June of this year.

Prior to coming to GSA, Trimmer was engaged in the general practice of law with McCutchen, Doyle, Brown & Enersen in San Francisco. He also practiced with the New York and Washington firm of Royall, Koegel, Rogers & Wells. He taught at UCLA Law School during 1963-64 and was a Congressional Fellow of the American Political Science Association in 1965. He is a trustee of Wesleyan University and the World Affairs Council of Northern California.

(MORE)

In making the announcement, Sampson said: "Ted Trimmer has been involved at the heart of special emphasis programs ever since he came to GSA. I attach the highest priority to the successful implementation of this reorganization. Trimmer has a record for making things work. That is why I have selected him for this critical assignment."

The new organization will combine the existing government-wide ADP component of GSA's Federal Supply Service with the telecommunications side of its Transportation and Communications Service, which will be abolished. GSA's transportation functions will be reassigned to its Federal Supply Service.

#

(4)

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

ADM 5440.63
June 30, 1972

GSA ORDER

SUBJECT: Changes in GSA organization

1. Purpose. This order announces changes in the Central Office and regional organization of GSA.
2. Background. The management consulting firm of Fry Consultants, Inc., has submitted a report covering its study of the organization and management of GSA's Government-wide and internal automatic data processing and related activities. This order implements certain recommendations contained in the study report.
3. Changes in organization. Effective July 15:
 - a. The Transportation and Communications Service and the Office of Automated Data Management Services, FSS, and their regional counterparts, are abolished.
 - b. The Automatic Data Processing and Communications Service is established. This new Service shall consist of an: (1) Office of Agency Assistance, Planning, and Policy; (2) Office of Automated Data Management Services; (3) Office of Telecommunications; and (4) Office of the Executive Director. The Government-wide automatic data processing responsibilities of the former Office of Automated Data Management Services, FSS, and the telecommunications responsibilities of the former Transportation and Communications Service are assigned to this new Service.
 - c. The GSA internal automatic data processing responsibilities of the former Office of Automated Data Management Services, FSS, are assigned to the Office of Administration.
 - d. The motor equipment, transportation, and public utilities responsibilities of the former Transportation and Communications Service are assigned to the Federal Supply Service.
 - e. A regional Automatic Data Processing and Communications Service is established in each regional office. Responsibilities of the

Distribution: A; B; C; F; G; H; I; plus OFA-33, Code 1

June 30, 1972

(1) former regional Automated Data Management Services Division, FSS, except the GSA internal ADP systems and programming responsibilities, and (2) applicable telecommunications responsibilities of the former regional Communications Division, TCS, are assigned to the new regional Automatic Data Processing and Communications Service.

f. The GSA internal ADP systems and programming responsibilities of the former regional Automated Data Management Services Division, FSS, are assigned to the Office of Administration, Central Office.

g. The applicable motor equipment, transportation, and public utilities responsibilities of the former regional Transportation and Communications Service are assigned to the regional Federal Supply Service.

4. Implementing actions. Within ³⁰~~60~~ calendar days the Commissioner, Automatic Data Processing and Communications Service, the Commissioner, Federal Supply Service, and the Assistant Administrator for Administration, shall take all actions necessary to implement this order, including the submission of proposals for the required changes in accordance with instructions contained in chap. 1-25 and 26 of the GSA Organization Manual, OFA P 5440.1. The Assistant Administrator for Administration is authorized to cancel this order upon implementation.

/s/ A. F. Sampson
ARTHUR F. SAMPSON
Acting Administrator

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

ADM 312
June 30, 1972

GSA NOTICE

SUBJECT: Designation

Effective July 15, 1972, the following official is designated to serve
in the position indicated:

Harold S. Trimmer, Jr.

Acting Commissioner, Automatic
Data Processing and
Communications Service

/s/ A. F. Sampson
ARTHUR F. SAMPSON
Acting Administrator

Distribution: A; B; C; F; G; H; I

76.
GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

ADM 313
June 30, 1972

GSA NOTICE

SUBJECT: Designation

Effective July 15, 1972, the following official is designated to serve
in the position indicated:

Robert M. O'Mahoney

Assistant to the Acting
Administrator

/s/ A. F. Sampson
ARTHUR F. SAMPSON
Acting Administrator

Distribution: A; B; C; F; G; H; I

3 MAR 1971

Honorable Elmer B. Staats
Comptroller General of the
United States
Washington, D. C. 20548

Dear Elmer:

I was informed on February 9, 1971, by Mr. E. H. Morse, Jr., Director of your Office of Policy and Special Studies, that the GAO is beginning a government-wide survey of the trend, development, and use of automated data processing and related telecommunications systems.

I am sure you are aware of my responsibilities to the President in this area as outlined in paragraph (k) of Executive Order 11556. As a first step in discharging these responsibilities, last October I asked my staff to review the various aspects of the subject and to develop for my approval a statement of objectives and time-phased action steps required to reach these objectives. The resulting program paper is still being refined in detail. I did, however, authorize my staff in January to proceed with the recommended initial action which was, in effect, a study similar to that being initiated by the GAO.

As in the case of the FTS/AUTOVON interconnection, also being studied separately by our organizations, it would appear to be mutually beneficial to reach agreement on the exchange of basic information so as to reduce the workload which will be necessarily placed upon the Federal agencies.

Mr. Charles C. Joyce, Jr., is responsible to me for the conduct of our studies, and is the primary point of contact for your staff. Unfortunately, Mr. Joyce has been injured and will be out of the office for a few weeks. Until his return, Mr. Charles H. Culpepper (telephone 395-5186) is available to work with the GAO team.

Sincerely,

SIGNED

CHCulpepper:avr:19Feb71

bcc: Dir. OTP (2)

CHCulpepper: Reading
Subject File

Clay T. Whitehead



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

OFFICE OF POLICY AND
SPECIAL STUDIES

B-115359

Dear Dr. Whitehead:

This is to advise you that the General Accounting Office is undertaking a governmentwide survey of the trend, development and use of automatic data processing and related telecommunications systems. Our objective is to identify present and planned uses of these combined technologies with particular emphasis on how management policies are affecting the planning, organization, control, and use of these interdependent systems.

In the interest of making this project a cooperative effort in identifying the emerging problems and developing possible solutions, we would appreciate your designating a member of your staff as liaison representative for this project. Officials at selected field locations will be notified of the expected starting date of our study by our appropriate regional offices.

Any questions in connection with this survey should be directed to Mr. Harry J. Mason, Jr., or Mr. Neal R. Wooden, members of my staff (telephone 386-3819 or 386-5796).

Sincerely,

E. H. Morse, Jr.

E. H. Morse, Jr.
Director, Office of Policy
and Special Studies

The Honorable Dr. Clay T. Whitehead
Director, Office of Telecommunications
Policy
Executive Office of the President

Geo -
Can we discuss?
SED

FEB 9 1971

Steve - I think the letter
is just what is needed.
Suggest Tom sign and forward
GPH

Office of Telecommunications Policy
Route Slip

10 FEB 1971

To

Clay T. Whitehead

George E. Mansur

~~William E. Mansur~~

Wilfrid Dean

Steve Doyle

Wall Hinchman

Charles Joyce

William Lyons

Phil Enslow

Eva Daughtrey

Timmie White

Judy Morton

REMARKS

Phil - comments:
Similar thing has
occurred with
FFS-autovon studies.
See Wall for info on
OTD approach to that
problem.

gm.



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

OFFICE OF POLICY AND
SPECIAL STUDIES

FEB 9 1971

B-115369

Dear Dr. Whitehead:

This is to advise you that the General Accounting Office is undertaking a governmentwide survey of the trend, development and use of automatic data processing and related telecommunications systems. Our objective is to identify present and planned uses of these combined technologies with particular emphasis on how management policies are affecting the planning, organization, control, and use of these interdependent systems.

In the interest of making this project a cooperative effort in identifying the emerging problems and developing possible solutions, we would appreciate your designating a member of your staff as liaison representative for this project. Officials at selected field locations will be notified of the expected starting date of our study by our appropriate regional offices.

Any questions in connection with this survey should be directed to Mr. Harry J. Mason, Jr., or Mr. Neal R. Wooden, members of my staff (telephone 386-3819 or 386-5796).

Sincerely,

E. H. Morse, Jr.

E. H. Morse, Jr.
Director, Office of Policy
and Special Studies

The Honorable Dr. Clay T. Whitehead
Director, Office of Telecommunications
Policy
Executive Office of the President

GAO

February 5, 1971

Honorable Elmer B. Staats
Comptroller General of the
United States
Washington, D.C. 20548

Dear Elmer:

I was advised by Mr. R. G. Rothwell, your Associate Director, Defense Division, on December 18, 1970, that the GAO planned to initiate a review of the feasibility and benefits of consolidating the Automatic Voice Network (AUTOVON) and the Federal Telecommunications System (FTS). Prior to receipt of your letter, my staff had undertaken a similar review. To that end, a steering committee comprising representatives of DOD, GSA and my office has been appointed; a draft work program has been developed; and representatives of the respective agencies designated to constitute a working group.

I can understand, after reading your "Review of Status of Development Toward Establishment Of A Unified National Communications System (B166655)", your reasons for addressing specifically the interconnection of these two systems. I am sure that you understand that I have a responsibility to the President to ensure that the Executive Branch has the most efficient communications at the most economical cost which can be obtained. I therefore intend to continue with our study and expect that you will also elect to continue with yours. It would appear however, to be of mutual benefit if some agreement were reached on the exchange of basic information which would both reduce the workload on the personnel of our respective offices and would eliminate duplication of effort and expenses on the part of the agencies and the private industrial concerns who must provide much of the information which will be needed in the course of this study.

Your representatives have contacted our office and indicate that they will make their first visit during the week of February 18th. At that

Honorable Elmer B. Staats

2


time, I think it would be well for representatives of our respective offices to discuss the ground rules under which our coincident studies are to be conducted.

Sincerely,



Clay T. Whitehead

DBHall:avr:5Feb71

bcc: Dir OTP - 2 

DBHall Reading

" Subject

Dr. Mansur

Mr. Joyce

Mr. Hall

Mr. McCrudden

6AD
18 NOV 1970

Honorable Elmer B. Staats
Comptroller General of
the United States
Washington, D. C. 20548

Dear Mr. Staats:

Since our meeting last year I have noted your continued interest in telecommunications matters, including your studies of the National Communications System and of the management of Defense Communications. As you undoubtedly know, the Office of Telecommunications Policy has recently been established with broad responsibilities for policy formulation with respect to U.S. Government use of telecommunications, and also with respect to broader telecommunications issues of national importance. It is my intention to seek improvement in the management of Federal Government telecommunications activities to the greatest extent possible as a matter of early priority for the Office.

I thought it might be useful for you and me, and a few of our key staff, to meet for an informal discussion of problems of mutual interest. Perhaps we could do this over lunch. If you find this suitable, my secretary can make the necessary arrangements.

Sincerely,

Clay T. Whitehead

cc: Mr. Joyce - 2
Mr. Whitehead

CCJoyce:hmn/jm (11/13/70)

DAB

2 2 JAN 1971

MEMORANDUM FOR THE RECORD

David Acheson called on Monday, January 11, concerning addition of a chapter on "Remedies" to the Comsat response to the GAO Report on INTELSAT launch costs. After discussion with Mr. Whitehead, I called Milt Nomkin and conveyed the message that Mr. Whitehead hoped that Mr. Acheson would fully consider the potentially counter-productive effect adding such a chapter would have. Mr. Whitehead considers the draft response a balanced, objective appraisal and feels that a chapter on "Remedies" could add an undesirable emotional dimension to consideration of the question. I told Milt that Mr. Whitehead suggested that the potential of arbitration and resort to the Court of Appeals could be discussed informally with appropriate people in GAO but that a written statement to that effect could well generate undesirable results in terms of an impression of intimidation and an overly emotional response.

Signed

Stephen E. Doyle

cc: Mr. Whitehead ←
Mr. Doyle

SEDoyle/ec/19Jan1971

GAO
Wednesday 11/18/70

MEETING
11/23/70
10:00

1:00 We have scheduled a meeting for Mr. Whitehead with Dr. Charyk and Mr. Acheson of Comsat to discuss the GAO report on the use of Cape Kennedy Facilities at 10:00 on Monday (11/23). (Steve is getting a copy of the report from GAO.)

Do you want anyone to sit in on the meeting?

Who knows anything about it?

Probably Steve

*We have a copy —
copy given to Bruce Owen*

Report filed in "Comsat" with note of meeting of 11/23/70.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY
WASHINGTON, D.C. 20504

Date: November 20, 1970

Subject: GAO Study of Comsat Launch Bills

To: Mr. Whitehead

The "Draft Report"* which GAO did at the request of Senator Gravel deals with the manner in which the Air Force charges NASA for Comsat launches. NASA passes these costs along to Comsat under various launch contracts. GAO did not investigate aspects of the NASA-Comsat relationship other than these Air Force charges.

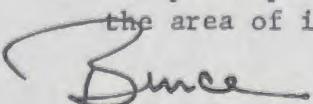
The GAO investigation revealed that Comsat has been undercharged about \$3 million for pre-F.Y.'69 flights of Intelsat I and II. However, GAO feels that these undercharges are not legally collectible from Comsat.

Similar undercharges of at least \$3.7 million were found for the first four flights of Intelsat III. GAO believes that these costs should be paid by Comsat, and that future launches should bear similar costs. If depreciation costs are added to the undercharges which GAO identifies, the underpayment during F.Y. 1969 may range up to \$4.5 million.

The principal basis for GAO's argument is that overhead expenses of the launch facilities were not apportioned correctly (or, in some cases, at all) to Comsat launches. The Air Force has not yet replied to this charge, and there is a possibility that a legitimate question about proper accounting procedure is present. There is, however, little doubt that some undercharge was made.

On the basis of our in-house analysis of Comsat's financial structure, it is unlikely that full payment by Comsat of the amounts involved now and in the future would significantly affect their overall cost and revenue requirement position. The order of magnitude of the impact would be between 2% and 5% of cost per circuit. This is well within the range of uncertainty of our estimates of costs.

The principal import of the issue would thus appear to be in the area of international politics.


Bruce M. Owen

* "Draft Report to the Congress...Review of Launch Charges for Launch Support Services Provided to the Communications Satellite Corporation..." November, 1970.

DRAFT

FS-92

**DRAFT OF REPORT TO
THE CONGRESS OF THE UNITED STATES**

**REVIEW OF CHARGES FOR LAUNCH
SUPPORT SERVICES PROVIDED TO THE
COMMUNICATIONS SATELLITE CORPORATION**

**DEPARTMENT OF THE AIR FORCE
AND
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

NOTICE -- THIS DRAFT RESTRICTED TO OFFICIAL USE

This document is a *draft* of a proposed report of the General Accounting Office. It is subject to revision and is being made available solely to those having responsibilities concerning the subjects discussed for their review and comment to the General Accounting Office.

Recipients of this draft must not show or release its contents for purposes other than official review and comment under any circumstances. At all times it must be safeguarded to prevent premature publication or similar improper disclosure of the information contained therein.

**BY
THE COMPTROLLER GENERAL
OF THE UNITED STATES**

NOVEMBER 1970

DRAFT