

12670
~~2153~~

BY THE U.S. GENERAL ACCOUNTING OFFICE

**Report To The Director, U.S. Arms Control
And Disarmament Agency**

**ACDA's Coordination Of Federal Arms Control
Research And Management Of Its External
Research Program Still Need Improvement**

ACDA is responsible for conducting, supporting, and coordinating arms control research throughout the Federal Government. Many problems that GAO found hindering ACDA's research activities more than 3 years ago are still present.

ACDA needs to improve the operation of its own dwindling research program and to fulfill, or seek relief from, its responsibilities for coordinating all Government arms control research.

GAO recommends that ACDA improve the management of its own research by, among other things, more comprehensively identifying research related to proposed projects and properly evaluating research contractors' work. Also, ACDA should determine the scope of effort and the amount of resources needed to perform its Federal coordination role and decide whether it will fulfill this role or seek relief from it. ACDA is initiating actions to address these matters.



GAO/NSIAD-83-67
SEPTEMBER 30, 1983

027016

Request for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20760**

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".



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

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

B-212009

The Honorable Kenneth L. Adelman
Director, Arms Control and
Disarmament Agency

Dear Mr. Adelman:

Following our testimony in March 1983 before the House Foreign Affairs Committee's Subcommittee on International Security and Scientific Affairs, the Chairman and Ranking Minority Member of the Subcommittee asked us to examine certain aspects of the Arms Control and Disarmament Agency (ACDA), including the adequacy of its research activities. This report, which discusses ACDA's performance of its research responsibilities, is one in a series of three reports addressing the issues raised by the Subcommittee.

The Arms Control and Disarmament Act of 1961, as amended, (22 U.S.C. 2551 et seq.), established the Director of ACDA as the principal advisor to the Secretary of State, the National Security Council, and the President on arms control and disarmament matters. The Congress recognized that ACDA would need the essential information on which to base realistic arms control and disarmament policy and, therefore, gave ACDA the responsibility for conducting, supporting, and coordinating research for formulating the policy. The Congress also authorized the President to establish procedures to ensure cooperation, consultation, and exchange of information between ACDA and other affected Government agencies in all significant aspects of U.S. arms control and disarmament policy and related matters. Based on this authority, the President issued Executive Order 11044 on August 20, 1962, which required the Director, ACDA, to assume primary responsibility for coordinating Government planning and programming of research for arms control and disarmament policy formulation. Consequently, ACDA is responsible for administering its own research program, as well as for coordinating Federal arms control research throughout the Government.

ACDA needs to improve the operation of its external research¹ program and to fulfill its responsibilities for coordinating all Federal arms control and disarmament research or seek relief from them. The same or similar problems which we found were hindering the research program's efficient operation more than 3 years ago are still present.² For example, ACDA's external research program has no formal project selection criteria, little internal coordination, no routine review of available research listings to help avoid project duplication, and inadequate use of contractor evaluations. In addition, ACDA is not meeting its legislated responsibilities for (1) planning a program of arms control research, (2) advising other agencies on their research roles, (3) maintaining a continuing inventory of Federal activities related to research, and (4) submitting periodic schedules of activities to the Office of Management and Budget (OMB). Appendix I provides more detail on these and other matters affecting ACDA's ability to fulfill its research mandate. The objectives and scope of our work and the methods we used are summarized in appendix II.

RECOMMENDATIONS

We recommend that the Director, ACDA, take several actions to better manage the external research program. Specifically, he should (1) establish criteria for developing and selecting proposed research projects, (2) require Project Officers to more comprehensively identify research related to proposed projects, (3) direct that contractor evaluations be properly completed and used, and (4) establish a system to determine the actual use made of ACDA research products. (See app. I, p. 11.)

The Director should address ACDA's difficulties in meeting its Government-wide coordination responsibilities by (1) defining the scope of arms control research conducted by or for the Federal Government, (2) estimating the resources needed for effective coordination, and (3) determining whether ACDA will fulfill its Federal coordination role or seek relief from the requirements. (See app. I, p. 15.)

¹External research involves projects done for ACDA by others and does not include research done by its own staff.

²"Coordination of Federal Arms Control Research Program to be Improved" (ID-80-6, March 17, 1980). Appendix V is the digest from the report.

AGENCY COMMENTS

We asked ACDA, OMB, and DOD to comment on a draft of this report. OMB told us that ACDA would respond for both agencies. ACDA's Director stated that our report will be useful in his review of ACDA's operating practices and procedures. He noted initiating two such reviews--one of external research planning and procedures; the other of coordination of Government-wide arms control research. The first review will consider formalizing criteria for budget preparation and project selection as well as the Agency coordination process. The second review will examine the need to further define the scope of Federal arms control research and the amount and type of coordination required. The Director, ACDA, said he will either institute new coordinating procedures, if necessary, or seek legislative relief to eliminate the coordination requirement. Also, ACDA will revise Agency instructions concerning identifying related research and will ensure that contractor evaluations are properly completed.

DOD informally told us that it would be useful for ACDA to reassess its Government-wide research coordination role. More details on these comments are in appendices I and VI.

- - - - -

As you know, 31 U.S.C. §720 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of this report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the requesters; the Director, Office of Management and Budget; the Secretary of Defense; the cognizant congressional appropriation and authorization committees; and others upon request.

Sincerely yours,


Frank C. Conahan
Director

Contents

	Page
APPENDIX	
I ACDA'S COORDINATION OF FEDERAL ARMS CONTROL RESEARCH AND MANAGEMENT OF ITS EXTERNAL RESEARCH PROGRAM ARE STILL INADEQUATE	4
Management difficulties persist in ACDA's external research program	4
Corrective action terminated	5
Funding of research is limited and, sometimes, uncertain	6
ACDA lacks criteria for systematically selecting research projects	8
Little systematic coordination of research occurs	8
ACDA does not use available listings to identify related research	9
Preparation and use of contractor evaluations is inadequate	10
Conclusions	11
Recommendations	11
Agency Comments	12
ACDA is not fulfilling its Government-wide research role	12
ACDA is not complying with its research coordinating mandate	12
Constrained access to agencies' information impairs ACDA's planning for arms control research	14
ACDA did not follow through on its previous commitments	14
Conclusions	15
Recommendations	15
Agency Comments	16

		Page
APPENDIX		
II	OBJECTIVES, SCOPE, AND METHODOLOGY	17
III	EXTERNAL RESEARCH OBLIGATIONS BY RESEARCH CATEGORY FOR FISCAL YEARS 1980-1983	18
IV	GENERAL TRENDS OF ACDA'S OVERALL AND EXTERNAL RESEARCH FUNDING, FISCAL YEARS 1962-1984	19
V	DIGEST OF GAO REPORT ENTITLED, "COORDINATION OF FEDERAL ARMS CONTROL RESEARCH PROGRAM TO BE IMPROVED," MARCH 17, 1980 (ID-80-6)	20
VI	LETTER DATED SEPTEMBER 9, 1983, FROM THE ARMS CONTROL AND DISARMAMENT AGENCY	24

ABBREVIATIONS

ACDA	Arms Control and Disarmament Agency
DOD	Department of Defense
OMB	Office of Management and Budget

ACDA'S COORDINATION OF FEDERAL ARMS CONTROL RESEARCH
AND MANAGEMENT OF ITS EXTERNAL RESEARCH PROGRAM
ARE STILL INADEQUATE

The Arms Control and Disarmament Agency (ACDA) needs to improve the operation of its external research program and to fulfill its responsibilities for coordinating all Federal arms control research or seek relief from them.

Many of the problems hindering the research program's efficient operation over 3 years ago are still present.¹ At that time, ACDA had established an External Research Council to correct its research management problems. The Council, however, operated less than 2 years before being disbanded. Correcting the external research program's continuing management problems will help ACDA achieve the maximum use from its limited research funding.

In addition, ACDA still is not fulfilling its responsibilities for Government-wide arms control research. ACDA's commitment to resolve this matter, which was made in response to our 1980 report, was not implemented.

MANAGEMENT DIFFICULTIES PERSIST
IN ACDA'S EXTERNAL RESEARCH PROGRAM

ACDA's arms control research program has been funded for as much as \$6 million annually. For fiscal years 1980-82, ACDA obligated over \$8 million to support external research projects. Most of ACDA's major organizational units do some research funding, and projects in recent years have addressed such arms control areas as nuclear non-proliferation, conventional arms transfers, advanced technology weapons, and nuclear test limitations.

In 1980 we reported on ACDA's problems in managing its external research program, including the need to identify research related to proposed projects and to adequately evaluate research products. At that time, ACDA had just begun to direct its program through a central External Research Council. Since then, ACDA abolished the Council and the problems we identified persist. These problems can hamper ACDA's ability to effectively use its limited and, sometimes, uncertain research funding.

¹"Coordination of Federal Arms Control Research Program To Be Improved," (ID-80-6) March 17, 1980. Appendix V is the digest from the report.

Corrective action terminated

In a written response to our 1980 report, ACDA's Director generally agreed that problems existed. He stated that a new External Research Council had been established to improve the management and direction of the research program and to provide an effective mechanism to deal with such problems. The Council was to (1) provide coherence to the research program, (2) set ACDA-wide funding allocations and project priorities, and (3) coordinate ACDA research more effectively. ACDA's Counselor² headed the 14-member advisory body assisted by a Council Executive Director. ACDA's Deputy Director and Director made final decisions on the research program. From August 1979 to October 1981, the Council was ACDA's forum for all matters related to the external research program.

ACDA officials said that the Council was good in concept and, in actual operation, it improved intra-agency coordination and awareness of research projects. However, most attributed serious problems to the Council. It was described as "nitpicking," "highly inefficient," and "acrimonious." Officials believe the Council used excessive time and effort to select research projects and generated excess paperwork to support the program. Moreover, Council members were asked to decide on projects in areas where they had no expertise or basis for decision. Assistant Directors, who were designated Council members, eventually stopped attending meetings, according to an ACDA official, and sent subordinates to represent them. Ultimately, according to this same official, the Council ended up supporting the original allocations. After the current administration came into office, the Deputy Director-designate, believing that research programming should be a line bureau responsibility and that the Council was not working, abolished the Council.

The current process for selecting external research projects and for allocating funding involves the Assistant Directors, Deputy Director, and Administrative Director, acting as the selection committee. It is essentially the same process that existed prior to the Council, according to an Assistant Director. Using budget figures developed in negotiations with the Office of Management and Budget (OMB), either the Deputy Director or the Administrative Director instructs the Assistant Directors to prepare project justifications. Afterwards, the Deputy Director and Administrative Director meet with the Assistant Directors, both individually and collectively. Each Assistant Director lists his bureau's projects in a priority order and must then justify them to the Deputy Director, who makes final selections.

²The title of a staff position in the ACDA Director's office.

Funding of research is limited
and, sometimes, uncertain

Uncertainties over external research program funding levels have made planning and operating the program difficult. The overall decline has prevented the funding of some desirable, if not urgent projects, according to ACDA officials. Moreover, once a fiscal year authorization has been appropriated, research has been further affected by using research funds for other purposes and by holding funds in abeyance until late in the fiscal year.

Research funding
has been declining

The external research program's funding has been declining overall. ACDA's research budget reached a peak of about \$6 million in fiscal year 1966 and fell to a low of about \$1 million in fiscal year 1975. It also declined from about 58 percent of ACDA's total budget in fiscal year 1966 to a low of about 7 percent of the estimated budget--about \$1.1 million--for fiscal year 1984.³ Appendix III shows external research funding obligations by research category for recent fiscal years. Appendix IV shows the general trend of both ACDA's overall appropriations as initially approved for each year and external research funding levels since ACDA's creation. Because inflation causes the loss of purchasing power over time, the decreased levels of research funding are even more dramatic than shown in appendix IV. For example, the fiscal year 1983 research program's projected \$1.15 million had the purchasing power of less than \$950,000 expressed in 1980 dollars. In 1980 the program's size was about \$3.8 million.

The declining budget has caused some bureaus to scale back their research efforts. For example, the Multilateral Affairs Bureau had nearly \$1 million in its research budget four years ago, with over 75 percent devoted to seismic research for test ban verification, according to Bureau officials. The Bureau's fiscal year 1984 research budget is about \$150,000. An ACDA official acknowledged that seismic research is "way underfunded." The Bureau depends on other agencies to fund the needed research. In addition, other research areas which ACDA officials identified as desirable cannot be examined. For example, one official identified a need for more research on chemical weapons.

³An amended budget request, if approved, would increase research funding to 8 percent of the estimated budget--about \$1.5 million--for fiscal year 1984.

Research funds used
for other purposes

After research funds are appropriated, they can be transferred to meet other needs. For example, in fiscal year 1982, after 2 straight years of obligating nearly its full research budget, ACDA's obligations for research were \$248,000 (11.5 percent) less than funds available. ACDA used about \$127,000 of this amount to cover programmatic needs.

For some time now, ACDA has reduced its research budget and diverted research funds to avoid personnel reductions. ACDA's Director told a congressional committee in 1978 that ACDA diverted funds from research to meet personnel costs. More recently, the research budget was cut to avoid reductions-in-force. Because ACDA cannot afford to lose people when funding reductions are needed, external research is the first area to be considered for absorbing cutbacks, according to a former ACDA official.

In the past, the Contracting Officer stopped research contract negotiations and cancelled Requests for Proposals because funds were transferred from the research account. This is still an ongoing problem at ACDA, although no contract negotiations have had to be broken off during the past two years for this reason, according to the Contracting Officer.

Several officials approve of the flexibility to shuffle funds between accounts, particularly to provide for an unforeseen, immediate need, such as sending delegates to negotiations overseas on short notice.

Research funds committed
late in the fiscal year

ACDA still holds funds for research projects in reserve until late in the fiscal year. For the first two-thirds of fiscal year 1983, ACDA obligated only 31 percent of its research funds. In some cases, ACDA deliberately holds back research funding earlier in the year, while in others, late funding results from the timing of the projects involved, officials said. For example, in a planned study of nuclear fusion, there was a long period of contract negotiations which was not concluded until late in the fiscal year. Also, sometimes Project Officers have not done the necessary preliminary work in time for a contract to be let early in the fiscal year.

ACDA has institutionalized holding back funds for research and other needs in a Director's Reserve Fund. Established under a former Director, its primary use is for high priority, quick turn-around projects. If the fund is not used for such

projects, the Administrative Director notifies the Assistant Directors that the fund is available for lower priority projects or for projects needing more money than expected. The fund is not designated exclusively for research needs, however. The Budget and Accounting Officer anticipates using the \$200,000 fiscal year 1984 fund--excluding approximately \$30,000 set aside for the Hubert H. Humphrey Fellowship Program--along with a supplemental to meet ACDA's other needs. Historically, ACDA has obligated the Reserve Fund, according to the Budget Officer.

ACDA commented that external research is one of the Agency's few discretionary accounts available for adjustment as actual expenditures become known. Also, ACDA said the Congress, in recent years, has not acted on supplemented pay raise appropriation requests until late in the fiscal year. ACDA attributed delays in obligating research monies and the need to reprogram funds to this congressional action.

ACDA lacks criteria for systematically selecting research projects

Current participants in ACDA's research selection process say that either there are no criteria or they do not know what criteria the Director or Deputy Director uses to select projects. A former Deputy Director-designate identified his selection criteria as "what things could assist in the job; what would help ongoing or imminent negotiations." In view of such broad criteria, each bureau sets its own priorities.

One Division Chief agreed that criteria for selecting projects are probably based on the "feelings" of top management about the relative needs and past performance of the bureaus. However, there are few people in management now who have served at ACDA long enough to know the Agency's needs. At the time of our review, only one official had been in the Office of the Director for as long as 2 years and he noted having a limited perspective on the whole research program. This official has since left the Agency. It could be difficult for ACDA to develop sufficient high-level management experience for choosing projects effectively in the future, given ACDA's high turnover in Directors and, until recently, a 2-year absence of a confirmed Deputy Director.

Little systematic coordination of research occurs

Although ACDA is a small agency, a number of its organizational units are interested in the same research areas. Other than the Assistant Directors' project selection meetings, little formal coordination is required or occurs inside ACDA. Instead, research coordination is left to each organization.

Some systematic coordination occurs when the Contracts Office circulates the monthly "Status Reports" on research projects among the bureaus. Also, draft external research requests should be circulated pursuant to "A Guide for Preparing ACDA External Research Requests for External Research Projects." However, the Guide does not require that research requests be circulated to all the bureaus.

Although coordination to check ACDA research for duplication between bureaus is supposed to take place in the research selection and budget process, its effectiveness is uncertain. The Administrative Director, the Contracting Officer, an Assistant General Counsel, and the Budget and Accounting Officer were identified as "checks" in the system. But each official is limited in his or her review capabilities. When the research budget reaches the Administrative Director in final form, he admittedly stops only obvious overlaps. According to an attorney, the General Counsel's office would note a proposal that seemed similar to another proposal or project, but relies on the Contracts Office to catch duplication. The Budget and Accounting Officer has strictly budgetary concerns.

According to ACDA officials, the Contracts Office should spot project redundancies. The Contracting Officer, however, no longer knows how the system for selecting projects works and becomes involved only when the program is approved. An ACDA official said that the Contracting Officer no longer has access to all research planning documents.

ACDA does not use available listings to identify related research

During the project planning stages, ACDA Project Officers still do not routinely use available listings to identify research related to their proposed projects. Many Project Officers use informal, ad hoc measures for identifying related research which consist largely of (1) talking to contacts in other agencies to ask what research has been done and (2) participating in interagency groups and committees.⁴ Some ACDA officials said they knew of no data base listings.

⁴Interagency groups, composed of officials from various executive branch agencies, meet to develop policy recommendations on specific issues, including arms control.

A number of data bases are available, most notably, the Commerce Department's National Technical Information Service, the Defense Technical Information Center (recently upgraded to include additional classified information), and the Department of Energy's Research in Progress. While none of these is comprehensive by itself, each could contribute toward a fuller understanding of the range of arms control-related research that has been or is being done.

ACDA Project Officers are concerned that checking data base listings would divert personnel and effort from other work.

Preparation and use of
contractor evaluations
is inadequate

ACDA's use of formal contractor evaluations is inadequate. Project Officers fill out evaluations to judge contractors' performance and to provide a record for negotiating future work. Since November 1979, Project Officers have been required to complete the two-page "Contractor Evaluation Statement" at the conclusion of each research contract, but to a large extent, the evaluations are either not being done at all or not being done properly.

Of the 74 evaluations which should be on file in the Contracts Office, about 23 percent are not. In the 7 cases where evaluations are indicated as "not yet received," 4 involve fiscal years 1979 and 1980 contracts. Moreover, only about 39 percent of the evaluations for completed reimbursable agreements⁵ for fiscal years 1980-1983 are on file. Reimbursable agreements have used about a third of the research funding from fiscal year 1980 to May 25, 1983.

Even when done, evaluations had obvious problems. In some cases, Project Officers

- used the same statement to describe the expected use of the research on more than one contractor evaluation;
- left out, in one case, a contract number; and
- provided no examples to detail the nature of problems which were noted.

⁵This is a type of payment arrangement when ACDA uses another agency's research resources, such as a Government-owned, contractor-operated laboratory.

In addition, the form does not require project titles or descriptions.

Also, it is not clear that Project Officers are effectively using completed evaluations to become aware of contractors' prior performances. For example, the Contracting Officer is not sure that Project Officers use the forms in planning projects. Apparently, only the Contracting Officer and an assistant routinely read the evaluations in order to prepare for contract negotiations.

Finally, although the evaluation requires the Project Officer to discuss anticipated value and use of the research results to the Government, it requires no followup to determine actual use.

CONCLUSIONS

ACDA's declining external research program results partly from decisions to reduce external research funding in order to help offset personnel costs and avoid staff reductions. This reduction has caused ACDA difficulty in planning its research program and some desirable research remains uninitiated.

ACDA disbanded the Agency-wide mechanism it had established in 1979 to direct its research activities, and management problems similar to those we noted in our 1980 report persist. ACDA may not need to resurrect the External Research Council, but it should establish a process which will help ensure that (1) its research proposals are developed with a clear understanding of Agency research goals; (2) external research activities are properly planned and thoroughly coordinated throughout the Agency; (3) duplication in research projects is identified and eliminated; and (4) research work and its results are adequately evaluated.

RECOMMENDATIONS

We recommend that the Director, ACDA:

- Establish criteria for use by bureaus in developing and selecting research projects.
- Require Project Officers to use available listings of Federal Government research in order to more comprehensively identify research related to proposed projects.

- Direct that contractor evaluations be properly completed, that they include specific discussions of any problems with the contractors, and that they be used to assess proposed contractors' prior performances.
- Establish a followup tracking system to determine the actual use made of ACDA research products over a designated period of time.

AGENCY COMMENTS

The Director, ACDA, stated that he is initiating two reviews. The first covers existing external research planning and procedures to determine if they can be improved. This review will include the need to formalize criteria for budget preparation and project selection. Specifically, the Director made a commitment to see that ACDA's external research Project Officers use all readily available means to identify research related to their projects. This includes amending ACDA's "Guide for External Research Requests" to instruct Project Officers to use existing data bases. ACDA also plans action to ensure that all required contractor evaluations are completed appropriately in the future. To ensure that research results are properly evaluated, ACDA will review the content of the evaluation statements to identify any needed revisions.

ACDA IS NOT FULFILLING ITS GOVERNMENT-WIDE RESEARCH ROLE

ACDA is not fulfilling its mandate to coordinate all arms control research within the Federal Government, as specified by the Arms Control and Disarmament Act of 1961 and Executive Order 11044. In addition, limited access to other agencies' information would hinder ACDA if it attempted to carry out its coordination responsibilities.

ACDA also has not followed through on commitments it made in response to our 1980 report on arms control research.

ACDA is not complying with its research coordinating mandate

ACDA is required by the Arms Control and Disarmament Act of 1961 and Executive Order 11044 to:

- develop and keep current a comprehensive and balanced program of arms control and disarmament research needed to be done throughout the Government;
- advise other agencies as to their respective participation in this arms control research program in order "to produce harmonious action" and prevent duplication of effort;
- maintain a continuing inventory of Federal activities related to the planned program of arms control research; and
- submit periodically a consolidated schedule and evaluation of such arms control research activities to OMB.

ACDA does none of these. ACDA's Assistant General Counsel believes that the Act and the Executive Order are not "being literally complied with." As far as he knows, agencies do not submit reports to ACDA on their arms control research. ACDA could provide us with evidence dated no more recently than 1974 in demonstrating its compliance with the requirements of the Act and Executive Order. Moreover, officials at both OMB and ACDA knew nothing of the periodic schedule required to be sent to OMB, even though ACDA continues to identify the schedule among its reporting requirements.

ACDA neither oversees other agencies' research, nor do other agencies routinely seek ACDA's advice on research they want to support. Some Department of Defense (DOD) officials responsible for coordinating DOD studies were unaware of ACDA's legislated coordination role for Federal arms control research and reported little, if any, contact with ACDA. Other DOD and some State Department officials say they have extensive contacts with ACDA, however.

ACDA officials said that they are not performing the required coordination because:

- OMB told ACDA 10 years ago that OMB no longer wanted the schedule prepared on arms control research.
- The scope of arms control research has not been adequately determined. (Most arms control research in DOD, for example, is embedded in projects serving multiple purposes.)

- Ad hoc, informal coordination arrangements with other agencies, especially through the interagency group process, keep everyone adequately informed.
- ACDA has never had sufficient resources or the "clout" to do any more than the current level of interagency coordination. ACDA does not and cannot tell other agencies what research they should do. To expect otherwise is unrealistic.

Constrained access to agencies' information impairs ACDA's planning for arms control research

Limited access to other agencies' information would hinder ACDA if it attempted to fulfill its responsibility to assure coordination of Government planning for arms control research. Some ACDA officials say they spend more effort and time than they like (1) searching unclassified literature for clues of classified research which other agencies might be doing and (2) attending interagency meetings to ensure not missing discussions of research issues which concern them.

Planning information on research is not shared between the agencies a great deal, said one DOD official who has never seen ACDA's lists of proposed projects nor shown ACDA his lists. Also, according to a former ACDA Deputy Director-designate, DOD often makes ACDA aware of plans for new weapons systems only after decisions are already made. However, a DOD official noted, DOD supplies information on new weapons systems to ACDA pursuant to Section 36 of the Arms Control and Disarmament Act, concerning arms control impact information and analysis.

In order to ensure access to other agencies' research information, ACDA sometimes contributes funds to other agencies' research. For example, ACDA's Verification and Intelligence Bureau has contributed \$30,000 to an Air Force contract and the Strategic Programs Bureau has contributed at least \$35,000 to a Defense Advanced Research Projects Agency project.

ACDA did not follow through on its previous commitments

In our 1980 report, we concluded that ACDA had not fulfilled its coordination responsibilities. We recommended that the Director should either fulfill his coordination responsibilities or urge the Congress to amend the Act and seek to have the Executive Order revised or rescinded.

The Director of ACDA at that time stated that coordination of arms control research existed by virtue of interactions and communications with other agencies. He said the Executive Order requirements envisaged a more prominent role for ACDA than had proven necessary and, to the extent adequate coordination may be lacking, a remedy would be sought. The Director stated that the affected agencies and OMB would meet to ensure that ACDA's legislated coordination requirements would be met in a practical and workable manner. However, ACDA, DOD, and OMB officials could not provide evidence that such a meeting ever occurred. One ACDA official commented that, if the meeting did take place, nothing came of it.

According to an official who helped prepare ACDA's response to our recommendations, there was no particular followup to the report. An Assistant General Counsel said that changing the Act is not a priority on his list of legislative actions. He was sure that he had drafted language for changing the Act, but ACDA could not find the document in its files.

CONCLUSIONS

ACDA still is not complying with the Arms Control and Disarmament Act of 1961 or Executive Order 11044 which detail ACDA's responsibilities for coordinating all Federal arms control research. ACDA recognizes that it has certain Government-wide research responsibilities. However, ACDA has been unconcerned about its inability to fulfill them and has not followed through on its previous commitment to resolve problems with its Federal arms control research role.

ACDA cannot unilaterally decide to relinquish its legislated responsibilities. ACDA should first determine the scope and cost to effectively implement its Federal research coordination role and, then, either implement its research mandate or ask the Congress for partial or complete relief from the responsibility.

RECOMMENDATIONS

We recommend that the Director, ACDA:

- Define the scope of arms control research being conducted by or for the Federal Government, after consulting with the Secretaries of State, Defense, Energy, and Commerce, and the Directors of the Central Intelligence Agency and other affected agencies.

- Estimate the resources ACDA needs to effectively coordinate Federal arms control research, based on the defined scope.
- Determine whether ACDA will carry out its Federal coordination role or seek relief from the requirements, after defining scope and estimating resources.

AGENCY COMMENTS

The Director, ACDA, said that his second review will assess and further define, if necessary, the scope of Federal arms control research coordination and determine the amount and type of arms control coordination appropriate under present circumstances. The Director said he will either institute new coordinating procedures, if necessary, or seek legislative relief to eliminate the coordination requirement. He also noted that ACDA has begun informal discussions with other agencies on possible additional mechanisms to coordinate arms control research.

DOD commented informally that it would be useful for ACDA to reassess its Federal arms control research coordination role. According to a DOD official, much arms control research relates to assessing the impact of arms control measures on force structures and that such assessment is a DOD function. In addition, a DOD official stated that DOD would oppose any reinterpretation of ACDA's coordination role which would allow ACDA to tell other agencies how to run their research programs.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to (1) assess the management of ACDA's external research program, (2) identify the causes of funding uncertainties in the program, (3) assess ACDA's compliance with its responsibilities to coordinate all Federal arms control research, and (4) follow up on our previous work on ACDA's research activities.

We reviewed records and interviewed officials of ACDA; the Departments of State, Defense, and Energy; the Office of Management and Budget; and the National Science Foundation. In order to identify sources of information on nuclear safeguards and other research, we also contacted officials of the Brookhaven National Laboratory, the Nuclear Regulatory Commission, and the National Technical Information Service of the Department of Commerce.

In addition to reviewing ACDA external research contracts, reports, and in-house data base listings, we reviewed a number of published reports, including the following:

- ACDA Annual Reports;
- National Science Foundation reports on Federal research and development funding;
- Department of State reports on research on foreign affairs;
- Our previous reports on related issues.

In reviewing ACDA's external research program, we were principally concerned with the policy and procedures implementing the program. We did not attempt to evaluate individual contracts or research projects. Research activities done by ACDA's own employees--so-called in-house research--were not addressed in our review.

Our work was done in accordance with generally accepted Government audit standards.

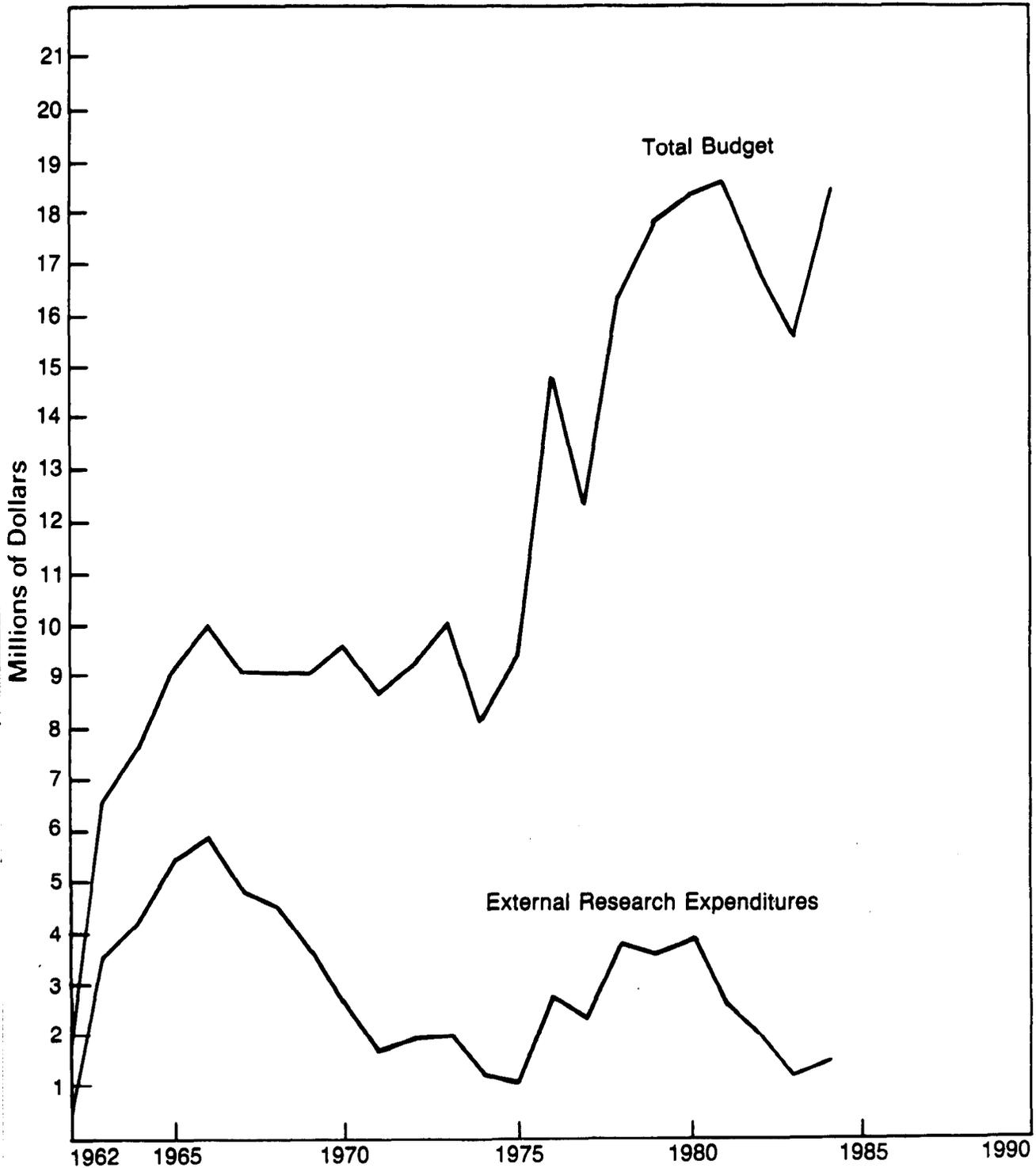
EXTERNAL RESEARCH OBLIGATIONS BY RESEARCH CATEGORY
FOR FISCAL YEARS 1980-1983

RESEARCH CATEGORY	1980	1981	1982	1983 (note a)
SALT/START	\$ 547,533	\$ 354,552	\$ 707,838	\$ 70,796
Nuclear Non-Pro- liferation	2,512,915	1,387,018	992,635	142,387
Soviet & Other Area Studies	50,000	30,000	- 0 -	- 0 -
Conventional Arms Control/Arms Transfers	69,246	24,253	- 0 -	- 0 -
Nuclear Test Limitations	719,163	492,509	171,777	- 0 -
Non-Nuclear Weapons of Mass Destruc- tion and Advanced Technology Weapons	33,108	53,282	- 0 -	- 0 -
Economic Studies	85,000	- 0 -	- 0 -	- 0 -
Other Research	95,898	102,468	30,062	- 0 -
TOTAL	<u>\$4,112,863</u> (note b)	<u>\$2,444,082</u>	<u>\$1,902,312</u>	<u>\$213,183</u>

a/Obligations for fiscal year 1983, as of May 25, 1983.

b/This figure includes approximately \$318,000 in funding contributed by other Government agencies.

**General Trends of ACDA's Overall and
External Research Funding
Fiscal Years 1962 to 1984
(In Current Dollars)**



Note: For fiscal years 1983 and 1984, both the projected overall and research funding are shown without the amounts estimated for the Reduced Enrichment for Research and Test Reactors (RERTR) Program. In each of those years, the budget submission proposed the transfer of this Department of Energy program to ACDA. No transfer has yet been approved by the Congress.

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

COORDINATION OF FEDERAL
ARMS CONTROL RESEARCH
PROGRAM TO BE IMPROVED

D I G E S T

The Arms Control and Disarmament Agency has not been coordinating the Federal arms control research effort as required. Although tens of millions of dollars may be involved, the Agency cannot even accurately estimate the magnitude of such research. Moreover, in recent years the Agency's own research program has been beset by funding uncertainties and administrative problems.

THE AGENCY HAS NOT FULFILLED ITS
COORDINATION RESPONSIBILITIES

The Congress clearly intended that the Agency spearhead the Government's arms control research, both by conducting its own program and by coordinating the related research of other Federal agencies. However, the Agency has not carried out its coordination function as required by the Arms Control and Disarmament Act of 1961 and Executive Order 11044. (See p. 7.)

Specifically, the Agency, for at least the past 5 years, has not:

- Developed a comprehensive, balanced plan or program of research needed to be done throughout the Government on arms control and disarmament.
- Advised other agencies as to their roles in arms control research.
- Maintained a comprehensive inventory of arms control research performed or sponsored by other Federal agencies.
- Sought agencies' assessments of their arms control research programs.
- Evaluated arms control research done by or for other Government agencies.

ID-80-6

Agency officials admit that they are not performing the required coordination, but contend that there are mitigating circumstances.

They reason that:

- Their frequent interactions with other agencies, both informally and during the course of interagency committee proceedings, are sufficient to keep abreast of other research and to keep others informed of the Agency's research. (See p. 8.)
- Their ability to realistically accomplish the required coordination is questionable. Compliance would be very expensive and time-consuming, well beyond the Agency's capabilities. (See p. 7.)
- The scope of arms control research has not been firmly established; there are many "gray areas" where, depending on one's point of view, research may or may not be considered relevant to arms control. Other agencies tend to identify their research in terms of their own primary mission. These characterizations do not necessarily indicate the relevance of the research to arms control. (See p. 9.)
- It is doubtful whether all Federal research with arms control implications should be coordinated by the Agency. (See p. 11.)

Recommendation

It is inappropriate for an executive agency to disregard or ignore its mandated responsibilities. If an agency believes it cannot or should not perform a certain mandated function, it should seek relief. Therefore, GAO recommends that the Director, Arms Control and Disarmament Agency, coordinate all Federal arms control research in compliance with the Arms Control and Disarmament Act and Executive Order 11044. If such coordination is not feasible or appropriate,

the Director should urge the Congress to amend the act and seek to have the Executive order revised or rescinded.

THE AGENCY NEEDS TO BETTER MANAGE
ITS RESEARCH PROGRAM

The Agency's external research program is designed to advance U.S. arms control objectives by focusing on issues under active or imminent negotiation and by providing a base for policy planning.

In recent years, the Agency has been holding substantial portions of its research funds in reserve to meet potential shortfalls in operating funds. This practice may diminish the program's capacity to support ongoing negotiations, lessen staff reliance on the research program, limit the number of potential contractors, and create a substantial volume of yearend research contracting. (See pp. 16 and 17.)

The Agency's research program was compartmentalized among its bureaus and offices, and Agency personnel were not systematically (1) identifying past and ongoing research relevant to proposed projects, (2) disseminating research results, or (3) evaluating research products. (See pp. 18, 19 and 20.)

Subsequent to GAO's review, the Agency established a new External Research Council to develop research priorities; establish operational guidelines for the program; and assume responsibility for planning, budgeting, coordinating, evaluating, and disseminating research. GAO believes that the establishment of the External Research Council represents a genuine effort to address the problems noted and, therefore, is not making any recommendations at this time. (See p. 21.)

AGENCY COMMENTS AND GAO EVALUATION

The Director of the Arms Control and Disarmament Agency stated that coordination of arms control research as intended by the Congress and mandated in the Act did exist by

virtue of interactions and communications with other agencies. According to the Agency, while amending the Act is not necessary, some of the Executive order requirements did envisage a more prominent role for the Agency than has proven necessary. To the extent adequate coordination may be lacking, the Director said a remedy would be sought. He stated that the affected agencies and the Office of Management and Budget would meet to ensure that the Agency's legislated coordination requirements would be met in a practical and workable manner.

GAO believes that for the Agency to adequately fulfill its mandated coordination responsibilities, it must first work with the other involved agencies to establish a consensus as to the scope of research to be coordinated. In addition, the Agency should seek relief from those coordination requirements it believes to be unnecessary. (See pp. 12 and 13.)

Concerning the Agency's own research program, the Director generally agreed that problems did exist in the areas that GAO noted. He reiterated that a new External Research Council had been established to improve the management and direction of the Agency's research program and that certain corrective actions were being initiated. (See p. 21.)

UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTONOFFICE OF
THE DIRECTOR

September 9, 1983

The Honorable Charles A. Bowsher
Comptroller General
of the United States
Washington, D. C. 20548

Attention: Mr. Frank C. Conahan

Dear Mr. Bowsher:

The Arms Control and Disarmament Agency (ACDA) has reviewed the United States General Accounting Office draft report "ACDA's Coordination of Federal Arms Control Research and Management of Its External Research Program are Still Inadequate (GAO/NSIAD-83)" which was forwarded with your August 25 letter.

This report will be useful to me as I continue the review of ACDA's operating practices and procedures. However, some sections require comment to clarify ACDA's position on several aspects of the Agency's external research policies, and those comments are enclosed. In this regard, I would particularly note that I am initiating two reviews. The first covers our existing external research planning and procedures to see if they can be improved; the second deals with steps, working with other agencies, to determine how coordination of Federal arms control research can be effectively pursued.

Sincerely,



Kenneth L. Adelman

Enclosure

Arms Control and Disarmament AgencyComments on "ACDA's Coordination of Federal Arms Control Research and Management of Its External Research Program are Still Inadequate (GAO/NSIAD-83-67)"Management of ACDA's External Research Program

Procedures which are presently in use for review of ACDA's external research provide for the intimate involvement of the Deputy Director, Assistant Directors, Counselor and Administrative Director. Because of this direct involvement, the Agency's senior line management personnel are aware of the proposed projects in the entire program and Assistant Directors are provided an opportunity to justify their individual programs in light of needs of the other bureaus. The Agency believes that the present system of planning external research budgets is suitable for an external research program of ACDA's type and size; however, these procedures are being reviewed to see if changes would be beneficial.

Research funding has been declining

The \$5.8 million peak for external research funding which occurred in 1966 was early in the formation of the Agency. At that time the research needs of the Agency were different from those which exist after ACDA has been in operation for 17 years. The Agency's in-house technical and research capabilities are much stronger now than they were in ACDA's formative years. The Agency does not believe that any essential research has been sacrificed because of lower funding levels. If currently budgeted levels prove to be inadequate ACDA will take appropriate action to have them increased. This has been the case in FY-84, a year for which ACDA has requested an appropriation amendment which will result in an increase in the external research budget from the present \$1 million to approximately \$1.5 million.

Research funds used for other purposes

Reprogramming funds within the restrictions imposed by the Appropriation Committees is a common and accepted practice. For small agencies this flexibility is essential to the prudent management of the agency's resources. Budget restrictions by line item would prevent any redirection of ACDA efforts to meet unpredictable changing conditions and force the Agency to work to a budget plan that was established many months in the past.

Budgets which are prepared for submission to the Congress well in advance of the fiscal years in which they will be obligated are subject to revision because of changing internal and external conditions. It is not possible to predict precisely so far into the future the amount of funds which will actually be expended for each budget category. ACDA is a small agency with over 50% of the Agency's appropriation used for personnel expenses. Many of the remaining object classes are fixed in nature with few discretionary accounts available for adjustment as actual expenditures become known. External research is one of the budget categories that can be adjusted to meet changing demands. In spite of these factors downward revisions of ACDA's originally budgeted research expenditures have been nominal.

Meeting payroll expenses is the Agency's first budgetary priority. In recent years the Congress has not acted on supplemental pay raise appropriation requests until late in the fiscal year. This has required delays in the obligation of research monies and reprogramming of funds. In FY-83, as an example, the Congress did not pass ACDA's supplemental pay raise request until the eleventh month of the fiscal year.

Criteria for systematically selecting research projects

ACDA's senior officials have considerable experience in Government, management and arms control policy. Although some senior officials have been in their current positions for relatively short periods, their backgrounds qualify them to make informed decisions on the research needs of their bureaus. The bureaus themselves are staffed with senior professionals who are long term ACDA employees. Their expertise is at the immediate disposal of the Agency's top management during the planning of research programs.

The review which ACDA's Director is initiating on the Agency's procedures for preparing external research programs and the methodology for selection of individual research projects will include consideration of formalizing criteria for budget preparation and project selection.

Coordination of ACDA research

The Agency's external research budget planning documents are circulated to all bureau heads as the budget progresses through the Agency's top management decision-making process. After the external research budget has been approved, the Contracting Officer is informed and instructed to implement the plan. Monthly Status Reports are prepared on external research contract progress

and made available to a number of staff members in each bureau. This process provides the bureaus with up-to-date information on the Agency's external research activities and identifies areas where cooperation and coordination are useful. We are not aware of any significant duplication in ACDA's research program. The number of projects in a typical year's research program (\$1 million to \$3 million) is relatively small and coordination problems that are found in large agencies with much bigger programs do not exist in the same magnitude. As noted above, the review of the Agency's external research procedures will address the establishment of a more formal coordination process that is appropriate to ACDA's operations.

Use of available listings

Action necessary to ensure that ACDA's external research project officers use all readily available means to identify research that is related to their projects will be taken. The Agency will amend ACDA's "Guide for External Research Requests" to instruct project officers to access existing data bases such as the National Technical Information Service, the Defense Technical Information Center and other similar data bases.

Contractor evaluations

ACDA management agrees that contractor evaluation statements are important to the effective management of our contracting resources. The Agency's staff has made a best efforts attempt to have these evaluations completed. The draft report states that the Agency has only 77% of the required evaluations on file. The Agency plans to take appropriate action to ensure that all required evaluations are completed in the future in an appropriate manner. The Agency will also review the content of the evaluation statements to identify any needed revisions to ensure that research results are properly evaluated.

ACDA's Research Coordinating Mandate

ACDA has been carrying out its Federal arms control research mandate through participation in the interagency process. The Director is taking steps to review and further define, if necessary, the scope of Federal arms control research coordination, including review to determine the amount and type of arms control coordination that is appropriate under present circumstances. ACDA has already begun informal discussions with other agencies on possible additional mechanisms for the coordination of arms control research. If necessary, new coordinating procedures will be instituted or legislative relief sought to eliminate this coordinating requirement.

AN EQUAL OPPORTUNITY EMPLOYER

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

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

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



THIRD CLASS