

October 2001

USER FEES

DOD Fees for Providing Information Not Current and Consistent



Report Documentation Page

Report Date 00OCT2001	Report Type N/A	Dates Covered (from... to) -
Title and Subtitle USER FEES: DOD Fees for Providing Information Not Current and Consistent	Contract Number	
	Grant Number	
	Program Element Number	
Author(s)	Project Number	
	Task Number	
	Work Unit Number	
Performing Organization Name(s) and Address(es) General Accounting Office, PO Box 37050, Washington, DC 20013	Performing Organization Report Number GAO-02-34	
Sponsoring/Monitoring Agency Name(s) and Address(es)	Sponsor/Monitor's Acronym(s)	
	Sponsor/Monitor's Report Number(s)	
Distribution/Availability Statement Approved for public release, distribution unlimited		
Supplementary Notes		
Abstract Section 1085 of the National Defense Authorization Act for Fiscal Year 2001 authorized the military department secretaries to (1) charge fees to persons requesting information from the primary military archives and (2) retain collected fees to help defray costs associated with providing the information. The military archives also have authority under the User Charge Statute (31 U.S.C. § 9701) and the Freedom of Information Act(FOIA) (5 U.S.C. § 552) to charge for general information provided to the public. A major distinction, however, is that the fees collected under these two provisions are to be deposited with the Department of the Treasury.		
Subject Terms		
Report Classification unclassified	Classification of this page unclassified	
Classification of Abstract unclassified	Limitation of Abstract SAR	
Number of Pages 21		



United States General Accounting Office
Washington, DC 20548

October 12, 2001

The Honorable Carl Levin
Chairman
The Honorable John Warner
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Bob Stump
Chairman
The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
House of Representatives

Section 1085 of the National Defense Authorization Act for Fiscal Year 2001 authorized the military department secretaries to (1) charge fees to persons requesting information from the primary military archives and (2) retain collected fees to help defray costs associated with providing the information. The military archives also have authority under the User Charge Statute (31 U.S.C. § 9701) and the Freedom of Information Act (FOIA) (5 U.S.C. § 552) to charge for general information provided to the public. A major distinction, however, is that the fees collected under these two provisions are to be deposited with the Department of the Treasury.

The Conference Report on the National Defense Authorization Act for Fiscal Year 2001 directs the Comptroller General to provide a report 1 year after implementation of Section 1085 of the act on the fees collected and the associated costs of providing historical information. In preliminary work directed to that reporting requirement, we identified Section 1085 implementation issues and other issues related to Department of Defense (DOD) fees under the User Charge Statute and FOIA. As requested, this report (1) presents the status of Section 1085 implementation by the primary military archives, (2) identifies the fees charged by the archives under existing authorities, and (3) discusses other issues relating to DOD fees for providing information to the public. As agreed with your offices, we plan to follow up on these matters about 1 year after the first archive implements Section 1085.

In meeting our objectives, we obtained information on the status of implementation of Section 1085 and on the fees being charged by the

archives under the User Charge Statute and FOIA. We compared the provisions of the Section 1085, User Charge Statute, and FOIA in such areas as basis for fees and retention of collected funds. We obtained information on when fee schedules for the User Charge Statute and FOIA were established and revised, and compared the User Charge Statute fee schedule with a fee schedule being developed by the Army Military History Institute to be used under Section 1085. We did not independently review the basis for any of the established or proposed fees. We obtained information by interviewing DOD officials in the Office of the Under Secretary of Defense (Comptroller); Directorate for Freedom of Information and Security Review; Legislative Reference Service, Office of General Counsel; four primary military archives; and other offices providing historical information. Also, we reviewed (1) laws, regulations, and documents related to DOD providing information to public requesters and (2) documentation from the military archives and their Web sites. We visited two of the four designated military archives.

Our work was performed from April through July 2001 in accordance with U.S. generally accepted government auditing standards. We requested comments on a draft of this report from the Secretary of Defense or his designated representative. Written comments from the Deputy Chief Financial Officer, Office of the Under Secretary of Defense (Comptroller), are discussed in the Agency Comments and Our Evaluation section of this report and are reprinted in the appendix. Technical suggestions have been incorporated in the report as appropriate.

Results in Brief

With Section 1085 authorizing, but not requiring, action by the four primary military archives, the archives have responded differently. Although none of the primary military archives has yet implemented a fee system pursuant to Section 1085, the Army Military History Institute plans to implement the Section by October 2001. The Air Force Historical Research Agency is studying possible fee structures, and officials of the Naval Historical Center and the Marine Corps Historical Center told us that they have not taken any implementation actions and are undecided about implementing Section 1085.

DOD's archives and other offices are also authorized under both the User Charge Statute and FOIA to charge for information provided to the public. However, neither of these statutes authorizes an agency to retain the fees collected for providing general information to the public. The authority to retain such collected fees to defray costs is a significant distinction between Section 1085 and the other two statutes.

The four designated archives are charging fees to public requesters but are not using the fee schedule mandated by the DOD regulation implementing the User Charge Statute. The fees vary significantly among the archives and rarely are research fees and minimum charges, which are key elements of the fees under DOD's regulation, imposed. Even if the archives were using the mandated fee schedule, they would not be recovering full cost (both direct and indirect costs) required under the User Charge Statute and regulations because DOD has not updated the fees to reflect current costs since the fee schedule was established in 1986.

The \$81,000 that the four primary archives reported collecting in fiscal year 2000 is likely much less than would be collected if an updated fee schedule were to be effectively implemented. For example, based on an early draft of the Army Military History Institute's fee schedule planned to be used under Section 1085, recovery of full costs could require fees, in some cases, that are three to four times those in the DOD schedule. DOD Comptroller officials said that they had no basis to estimate the increased collections that could result from the use of an updated fee schedule by the numerous DOD offices and organizations responding to public requests to search for and copy records.

Similarly, DOD's fee schedules for charges under FOIA are outdated. The FOIA fee schedule for general information, which is to be based on direct costs, and the FOIA fee schedule for technical information, which is to be based on full cost (both direct and indirect costs), have not been updated since 1986. DOD's reported \$670,000 of FOIA collections in fiscal year 2000 is likely much less than could be collected under updated schedules.

DOD's inconsistent use of the authority to charge fees and the use of outdated DOD fee schedules could have resulted in uncollected fees of a million dollars or more annually and inconsistent handling of public requests for historical information. As the four primary military archives consider implementing Section 1085, DOD needs to ensure that fees charged to public requesters for information throughout DOD are current and consistently applied. Accordingly, we are recommending actions to update fee schedules and ensure that such schedules are consistently implemented throughout DOD.

DOD concurred with the recommendations in this report and commented on actions that have been or are to be taken. These actions substantially address our recommendations; however, we believe that additional efforts are necessary to ensure that involved DOD organizations are aware of and properly use updated fee schedules.

Background

In the mid-1990s, the Army Military History Institute began developing proposed legislation for charging and retaining fees to defray costs of providing historical information to the public. The Institute, whose mission is to preserve the Army's history and ensure access to historical research material, was experiencing a significant increase in requests from the public while resources available to respond were decreasing. For example, the Institute reported that the annual number of requests increased from about 13,000 in 1987 to 20,600 in 1995 and to 35,800 in 2000. During the same period, the number of staff members decreased from over 40 to 33. As a result, backlogs and waiting times increased. The Institute developed and submitted legislative proposals that authorized it to charge and retain fees.

In response, Congress enacted Section 1085 of the National Defense Authorization Act for Fiscal Year 2001, which authorizes the charging and retaining of fees by one designated primary archive in each of the four military departments. The four designated archives are the

- Air Force Historical Research Agency¹ at Maxwell AFB, Alabama;
- Army Military History Institute at Carlisle Barracks, Pennsylvania;
- Marine Corps Historical Center at Washington Navy Yard, D.C.; and
- Naval Historical Center at Washington Navy Yard, D.C.

Section 1085 does not specify a fee structure or the fees that are to be charged, but states that fees are not to exceed the costs of providing the information. The Section also states that fees are not to be charged for information that is requested (1) to carry out a duty as a member of the armed forces or employee of the United States or (2) under FOIA, which has a separate fee structure.

Prior to the authority granted under Section 1085, DOD, including the military archives, was authorized to charge fees for responding to requests for information under the User Charge Statute and FOIA. Because Section 1085 does not apply to the DOD offices, organizations, museums, and archives other than the four designated archives, the User Charge Statute and FOIA will continue to be the basic authority for these activities to charge fees for providing information.

¹Section 1085 refers to this as the Air Force Military History Institute.

The User Charge Statute is implemented by Office of Management and Budget (OMB) Circular No. A-25, and DOD Financial Management Regulation (FMR), Volume 11A, Chapter 4. DOD's policy, as stated in Chapter 4, is that when a service is provided that conveys special benefits to recipients, above and beyond those accruing to the public at large, a reasonable charge shall be made to each identifiable recipient. The policy provides that a charge shall be imposed to recover the full cost to the federal government of rendering a service or the fair market value of such service, whichever is higher. Appendix 1 of Chapter 4 lists benefits for which no charge is to be made such as services requested by members of the U.S. Armed Forces in their capacity as service members. Appendix 2, "Schedule of Fees and Rates for Copying, Certifying, and Searching Records Rendered to the Public," is mandated for use throughout DOD. The Under Secretary of Defense (Comptroller) is responsible for additions or revisions to Chapter 4.

FOIA, which specifies processes and procedures for making information available to the public, is implemented in DOD by DOD Regulation 5400.7-R. In accordance with FOIA, DOD Regulation 5400.7-R contains a fee schedule for responding to FOIA requests. For general information, the fees for search, review, and duplication of documents are to be based on direct costs. For technical information,² the fees are to be based on all reasonable costs, which is defined as the full costs to the federal government of rendering the service, or fair market value of the service, whichever is higher. The regulation also provides that

- the first 2 hours of search time and the first 100 pages of duplication shall be provided without charge unless requesters are seeking documents for commercial use,
- fees will be waived or reduced when the information is likely to contribute significantly to public understanding of DOD, and
- fees shall be automatically waived when assessable fees total \$15 or less.

The Directorate for Freedom of Information and Security Review is responsible for the FOIA regulation.

²Provisions for technical information were added in response to 10 U.S.C. § 2328, which requires requesters to pay the costs of search, review, and duplication. FOIA officials said that the term "technical information" has only been generally defined and that technical information fees are rarely used.

FOIA requests are specifically excluded under Section 1085 and the DOD regulations implementing the User Charge Statute. Accordingly, the provisions of Regulation 5400.7-R would determine fees for any FOIA request. However, if a request is not identified as a FOIA request, the fees should be determined under the User Charge Statute as specified in FMR, Volume 11A, Chapter 4.

Status of Section 1085 Implementation

None of the four designated archives has changed its fee structure pursuant to Section 1085. At the time of our work, two of the four archives were taking actions to implement the Section. Officials at the Army Military History Institute were developing fee schedules and planning to implement the Section by October 2001. Officials at the Air Force Historical Research Agency had tasked key stakeholders with determining a fee structure. However, they have not established a target date for implementing the Section. Section 1085 permits each of the four archives to develop its own fee schedule provided that the fees charged do not exceed the costs of providing the information.

Officials at the Naval Historical Center and the Marine Corps Historical Center have not decided whether to implement a fee system based on Section 1085 provisions. They have taken no specific actions toward implementation and have received no implementation guidance from their headquarters.

One of the factors affecting Section 1085 implementation decisions by the four archives is that they were already authorized under both the User Charge Statute and FOIA to charge for information provided to the public. Based on the statute and regulations, the archives should charge for information provided to public requesters under the User Charge Statute unless the request is identified as a FOIA request. If identified as a FOIA request, any charges should be based on FOIA implementing regulations.

However, neither of these statutes authorizes the military archives to retain fees collected in providing general information to the public to defray costs. Fees collected under both the User Charge Statute and FOIA for general information must be deposited in the Treasury as Miscellaneous Receipts. Accordingly, the authority to retain collected fees to defray incurred costs is one significant distinction between Section 1085 and the other two statutes. The Army Military History Institute identified the ability to use collected fees to improve service to the public as the primary reason it developed the legislative proposals that led to Section 1085.

Increasing numbers of public requests at a time when budgetary resources were decreasing resulted in the archives developing arrangements to minimize the cost impact of public requests on the archives' budgets. For example, the Army Military History Institute arranged for a contract, through a nonappropriated fund account, to reproduce requested photographs with fees collected for the photographs reimbursing the fund. The Naval Historical Center refers those requesting its photographs to the Naval Historical Foundation, a nonprofit foundation, which reproduces the photographs and charges the customer. Without such arrangements, the costs of reproducing photographs and responding to requesters would come from the archive's budget, and the fees collected from the customer would be deposited in Treasury's Miscellaneous Receipts and would not be available to offset the costs.³ These arrangements, by reducing budgetary pressures, have lessened the benefits that an archive could achieve from implementing Section 1085.

Archives' Fees Not in Accordance With DOD Mandated Fees

All of the four primary archives charge fees for providing historical information to requesters. However, none of the fees were in accordance with the mandated DOD user fee schedule specified in Appendix 2 of DOD FMR, Volume 11A, Chapter 4. In fact, archive officials told us that they were unaware of the mandated fee schedule.

The "Schedule of Fees and Rates for Copying, Certifying, and Searching Records Rendered to the Public" in Appendix 2 establishes a minimum fee of \$3.50 for any chargeable case and additional fees for searching and providing copies of various records, photographs, forms, etc. For office copy reproductions, a minimum fee of \$3.50 per request (six pages or less) is specified with a charge of \$0.10 for each additional page. For photography, the Appendix's schedule of prices per print is based on the size, type, and quantity ordered. For example, the price per print for an 8-by 10-inch print ranges from \$4.50 for one to nine prints to \$1.75 for each print in quantities of over 50. The specified charge for clerical search and processing is \$13.25 per hour with a minimum charge of \$8.30.

³We have approved arrangements under which agencies contract with private firms for processing, storing, and retrieving information and those firms charge and retain the fees for providing the information. See 61 Comp. Gen. 285 (1982) and B-166506, October 20, 1975. We have not reviewed whether the archives' arrangements would meet the approval requirements or raise other issues.

Existing fees vary significantly among the archives. For example, the charges for a paper copy made by archive staff ranged from

- no charge by the Air Force Historical Research Agency, to
- no charge by the Marine Corps Historical Center for the first 100 pages and a charge of \$0.15 for each page thereafter, to
- a charge by the Army Military History Institute of \$0.25 per page, to
- a charge by the Naval Historical Center of \$0.30 per page.

In general, the archives do not impose a minimum charge for providing information. This could result in requesters receiving copies of documents free or for less than a dollar as opposed to the \$3.50 minimum specified in the DOD's User Charge fee schedule. The Marine Corps fees, which are based on FOIA, resulted in any requester receiving up to 2 hours of search time and 100 pages without a charge. With the exception of the Marine Corps, the archives did not have a clearly identified basis for their fee schedules.

The archives also appear to have different practices regarding which requesters are charged and under what circumstances fees will be waived. Archives officials told us that, in many cases, fees are not charged when the request is from military personnel, veterans, or government employees. Under the User Charge regulation, only members of the U.S. Armed Forces, in their capacity as Service members, are exempt from charges. Archive officials also said that fee waivers were used extensively for FOIA requests. DOD's FOIA regulations provide that the first 100 reproduced images and 2 hours of research are free per request and that fees shall be waived for all requesters when assessable costs for a FOIA request total \$15 or less. Further, the regulations provide that documents shall be provided without charge or at reduced charge when a DOD component determines that a waiver or reduction of fees is in the public interest and likely to contribute significantly to public understanding of DOD.

DOD User Charge and FOIA Fees Not Current

DOD last revised its User Charge Statute fee schedule for copying, certifying, and searching records in March 1986. At that time, DOD revised its user fees instruction and added a schedule of fees and rates for services related to copying, certifying, and searching records. The instruction stated that this schedule was to be used for such services throughout DOD. The same fees were included in the DOD FMR, Volume 11A, Chapter 4, Appendix 2, issued in March 1997. Although the Chief Financial Officers Act of 1990 and OMB Circular A-25 require a biennial review of charges for services, DOD Comptroller officials were not aware of any reviews having

been done and had no documentation of reviews of the fee schedule for copying, certifying, and searching records.

Fees being developed by the Army Military History Institute indicate that the fees mandated in Appendix 2 might be significantly understated. For example, the Institute's early proposal, based on total direct and indirect costs, shows a total fee of \$10.50 for mailing a requester 10 paper copies of an item, itemized as follows.

Pull-fee per item	\$5.00
\$0.25 per page for paper to paper copies by staff times 10 pages	2.50
Minimum charge for mailing 10 copies or less	3.00

The total fee under Appendix 2 for the same order would be \$3.90, itemized as follows.

Minimum fee including 6 pages or less	\$3.50
4 additional pages at \$0.10 per page for paper to paper copies by staff	.40

In this case, the fee under Appendix 2 appears to be about one-third of the Institute's proposal. Comptroller officials noted that Appendix 2 provided for a minimum clerical search and processing charge of \$8.30 and that including this minimum clerical charge in the above comparison would result in a higher fee under Appendix 2 than under the Army Military History Institute's proposal. However, the officials had no information as to whether the minimum clerical charge had been or would be included in a fee involving a request for paper copies of an item. Further, if a search charge is appropriate, the Institute's proposal includes a \$25 hourly research charge as opposed to the \$13.25 hourly charge for clerical search and processing under Appendix 2.

The Institute's proposal for five copies of an 8- x 10-inch photograph shows a total fee of \$105 (pull fee per item of \$5 and \$20 for each copy). The total fee under Appendix 2 would be \$22.50 (\$4.50 per copy) or less than one-fourth of the Institute's proposal.

As with User Charges, DOD fee schedules for charges under FOIA are not current. The FOIA fee schedule for general information, which is to be based on direct cost, has not been updated since 1986. The FOIA fee schedule for technical information, which is to be based on full cost (both

direct and indirect costs), was last issued in 1998, but is the same as the schedule first issued in 1986.

Benefits of Updated Schedules and Consistent Implementation Would Be Significant

The collections reported by the four primary military archives are not indicative of potential future collections under updated fee schedules. Military archive officials reported collecting about \$81,000 during fiscal year 2000 with the Air Force reporting the most collections (about \$46,000) and the Marine Corps reporting the least (about \$2,000). However, these amounts are probably much less than amounts that should be collected if updated fee schedules are established and effectively implemented because of the following.

- Fees charged by the archives are generally less than those in DOD fee schedules even though the fees in the DOD schedules are outdated and could be understated by a factor of three or four.
- Archives officials said that fees are often waived for military personnel, veterans, government employees, and others although such waivers are not addressed by DOD's regulations implementing the User Charge Statute.
- Archive officials state that search fees are not usually charged, which can be a significant element of cost that should be recovered.
- Arrangements that the archives have used to lessen budgetary impacts, such as the Naval Historical Foundation collecting fees for Naval Historical Center photographs, have reduced reported collections.

Further, there are many additional organizations that would have increased collections resulting from updated fee schedules under the User Charge Statute and FOIA. DOD Comptroller officials had no information as to the amount of funds collected throughout DOD using the fee structure mandated in the DOD FMR, Volume 11A, Chapter 4, Appendix 2. They agreed that numerous offices and organizations throughout DOD—some of which have significant numbers of requesters— should use the fee schedule.

With regard to FOIA, DOD reported that about \$670,000 was recovered through assessed fees in fiscal year 2000, less than 2 percent of the reported \$36.5 million in costs associated with providing information under FOIA. If FOIA fees are understated by a significant amount, as appears possible, increases in collections from updated FOIA fee schedules could be significant.

Conclusions

Because of DOD's inconsistent use of authority to charge fees and use of outdated fees schedules, the archives and other providers of public information throughout DOD have not collected a million dollars or more annually in user fees and have treated public requesters inconsistently.

DOD, in conjunction with considering implementation of Section 1085, needs to ensure that fees charged to public requesters for information throughout DOD are current and consistent. This is not the situation now because (1) DOD has not revised its fee schedules under the User Charge Statute and FOIA since 1986, (2) the primary military archives are not using the mandated fee schedules, and (3) fees being charged to public requesters vary significantly across these archives. Accordingly, a first step that would precede implementation of Section 1085 is updating the User Charge Statute and FOIA fee schedules. This would assist archives in determining whether to implement Section 1085 and whether an archive that implements Section 1085 needs a separate fee schedule. To provide consistency throughout DOD, an archive implementing Section 1085 could use DOD's user fee schedule in lieu of establishing a new fee schedule unless specific justification exists for the new schedule.

Further, after fee schedules are updated for the User Charge Statute and FOIA, they need to be implemented consistently throughout DOD by all offices and organizations responding to public requesters. Such implementation is necessary for the fair and equitable treatment of the public.

Recommendations for Executive Action

We recommend that the Under Secretary of Defense (Comptroller), and the Director, Freedom of Information and Security Review, in conjunction with the secretaries of the military departments and other DOD officials, as appropriate,

- review and update fee schedules under the User Charge Statute and FOIA;
- for each archive implementing Section 1085, establish fee schedules that are consistent with the updated fee schedules unless a determination is made that a different fee schedule is justified; and
- undertake a notification, training, and follow-up effort to ensure that all DOD offices and organizations responding to requesters for information are properly using the updated fee schedules.

Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD concurred with the recommendations and commented on actions that have been or are to be taken.

With regard to the recommendation to review and update fee schedules under the User Charge Statute, DOD commented that the Office of the Under Secretary of Defense (Comptroller) will work with other organizations to update, as appropriate, and publish a revised fee schedule periodically. With regard to FOIA fee schedules, DOD commented that the Directorate for Freedom of Information and Security Review, which is responsible for those schedules, did not provide comments on the recommendations.

With regard to the recommendation that the fee schedule for each archive implementing Section 1085 be consistent with updated user charge fee schedule, DOD commented that fee schedules authorized by Section 1085 are optional. DOD said that the Army Military History Institute, the only archive developing a schedule of charges under Section 1085, would consider, where appropriate, the changes in a revised user charge schedule.

With regard to the recommendation to undertake a notification, training, and follow-up effort, DOD commented that the Office of the Under Secretary of Defense (Comptroller) has an established process for making changes to the DOD FMR. It added that DOD audit organizations will be requested to include user fee schedule compliance as a part of their standard reviews, where applicable. Because archive officials were unaware of the FMR fee schedule, we continue to believe that the more substantive actions that we recommended are warranted.

We are sending copies of this report to the Office of the Under Secretary of Defense (Comptroller); the Director, Freedom of Information and Security Review; and interested congressional committees. Copies of this report will also be made available to others upon request.

Please contact me at (202) 512-9505 if you have any questions. Major contributors to this report were David Childress, Mary Jo Lewnard, and Edda Emmanuelli-Perez.

A handwritten signature in black ink that reads "Gregory D. Kutz". The signature is written in a cursive style with a large, looped initial 'G'.

Gregory D. Kutz
Director
Financial Management and Assurance

Appendix I: Comments From the Department of Defense



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

SEP 28 2001

Mr. Gregory D. Kutz
Director, Financial Management and Assurance
National Security and International
Affairs Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Kutz:

This refers to the General Accounting Office draft report, "USER FEES: Department of Defense Fees for Providing Information Not Current and Consistent," August 9, 2001, (General Accounting Office Code 192016/Case number GAO-01-xxx). The Department of Defense concurs with the recommendations contained in the draft report.

Detailed comments on the draft report recommendation are included in the enclosure. The Department of Defense appreciates the opportunity to comment on the draft report. My point of contact for this matter is Mr. John Bunnell. He can be reached via e-mail at: bunnellj@osd.pentagon.mil, or by telephone at (703) 602-0449.

Sincerely,

A handwritten signature in cursive script that reads "Nelson Toy".

Nelson Toy
Deputy Chief Financial Officer

Enclosure

GENERAL ACCOUNTING OFFICE DRAFT REPORT DATED AUGUST 9, 2001
(GENERAL ACCOUNTING OFFICE CODE 192016)

"USER FEES: DEPARTMENT OF DEFENSE FEES FOR PROVIDING INFORMATION
NOT CURRENT AND CONSISTENT "

DEPARTMENT OF DEFENSE COMMENTS
TO THE GENERAL ACCOUNTING OFFICE RECOMMENDATION

RECOMMENDATION: The General Accounting Office recommended that the Under Secretary of Defense (Comptroller), and the Director, Freedom of Information and Security Review, in conjunction with the secretaries of the military departments and other Department of Defense officials, as appropriate,

- Review and update fee schedules under the "User Charge Statute" and the "Freedom of Information Act,"
- Establish fee schedules for each archive implementing Section 1085 that are consistent with the updated (user charge) fee schedules unless a determination is made that a different fee schedule is justified, and
- Undertake a notification, training, and follow-up effort to ensure that all DoD offices and organizations responding to requesters for information are aware of and properly using the updated fee schedules.

DEPARTMENT OF DEFENSE RESPONSE TO RECOMMENDATION: Concur. The following additional comments are offered.

Review and Update Fee Schedules

User charges are addressed in Volume 11A, Chapter 4, of the Department of Defense Financial Management Regulation. The General Accounting Office report states that the amounts contained in the fee schedule have remained unchanged since 1986. These amounts were reviewed, coordinated, and reissued in March 1997. None of the organizations coordinating on the revision identified a need to change any of the amounts published. The Office of the Under Secretary of Defense (Comptroller) will undertake another review of the fee schedule in Chapter 4 and work with other organizations in the Department, where appropriate, to update as appropriate, and publish a revised fee schedule on a periodic basis.

The Directorate for Freedom of Information and Security Review is responsible for setting the fees for Freedom of Information Act requests. The Directorate did not provide comment on any of the recommendations presented in the draft report.

Establish Fee Schedules For Each Archive Implementing Section 1085

Section 1085 of the National Defense Authorization Act for fiscal year 2001 authorized the military department secretaries to: (1) charge fees to persons requesting information from the primary military archives and (2) retain collected fees to help defray costs associated with providing the information. Fee schedules authorized by Section 1085 are optional. The four historical centers addressed have the option of implementing their own schedule, or assessing fees, where applicable. The four historical centers addressed in the Act are: (1) the United States Army Military History Institute, (2) the United States Naval Historical Center, (3) the Marine Corps Historical Center, and (4) the United States Air Force Military History Institute.

The Army Military History Institute advises that it is developing a schedule of charges for the services and products provided. Where appropriate, the Institute will consider the charges contained in Volume 11A, Chapter 4 of the Department of Defense Financial Management Regulation when establishing this fee schedule.

The Navy Historical Center believes that implementing such charges under Section 1085 for conducting research for letters will not benefit the Center. They say that requesters are given the information for easy requests, directed to other repositories or publications, or invited to come to the Archives to do their own work if their research is extensive. The Center staff only undertakes extensive research for official requests.

The Marine Corps Historical Center and the Air Force Military History Institute have not indicated whether they will establish their own fee schedule under Section 1085.

Undertake Notification, Training, and Follow-Up

The Office of the Under Secretary of Defense (Comptroller) has an established process for making changes to the Department of Defense Financial Management Regulation and will request that all Department of Defense audit organizations include user fee schedule compliance as a part of their standard reviews, where applicable.

TECHNICAL CORRECTIONS:

Page 4: The number of requests for the Army Military History Institute is incorrect. Requests have increased from about 13,000 in 1987 to 20,600 in 1995 and to 35,800 in 2000. During the same period the staff was reduced from over 40 to 33.

Page 9: On this page there is a summary of charges assessed for a paper copy made by archive staff. Add "a charge by the Naval Historical Center of \$.30 per page for copies."

GAO's Mission

The General Accounting Office, the investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO E-mail this list to you every afternoon, go to our home page and complete the easy-to-use electronic order form found under "To Order GAO Products."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
P.O. Box 37050
Washington, D.C. 20013

To order by phone: Voice: (202) 512-6000
 TDD: (301) 413-0006
 Fax: (202) 258-4066

Visit GAO's Document Distribution Center

GAO Building
Room 1100, 700 4th Street, NW (corner of 4th and G Streets, NW)
Washington, D.C. 20013

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm,
E-mail: fraudnet@gao.gov, or
1-800-424-5454 (automated answering system).

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G. Street NW, Room 7149,
Washington, D.C. 20548

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

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

**Presorted Standard
Postage & Fees Paid
GAO
Permit No. GI00**

