

Mr. TIERNEY. Mr. Chairman, I am having trouble with terminology, but if you are talking about a program budgeting system—

Mr. BROOKS. In other words, what you do related to the amount of money you spend and what the yield is in that particular area, in that program, what that effort is.

Mr. TIERNEY. That is related to the budget, sir.

Mr. BROOKS. Under the current regulations from the Bureau of the Budget?

Mr. TIERNEY. No, sir; it is not. We have not instituted the programming and planning budget system which the Bureau of the Budget has recommended. We are in the process of negotiations and implementation of it to a degree which we think will be suitable to the Interstate Commerce Commission. That is our situation right now.

Mr. BROOKS. How does that differ from the programs as outlined in the record that we have already gone over? You say you are now negotiating with them. Essentially, you have six programs, you have your support broken into two, and you have four other programs. Do they recommend any change in that?

Mr. TIERNEY. They haven't made any recommendations now that I know of.

Mr. SCHMID. Mr. Chairman, the PPBS system was not made mandatory as far as our Commission was concerned until January 1 of this year. We have been budgeting and managing the Commission under the old activities schedule concept which was approved in 1962 and which I agree needs some changes. We have had two meetings with the Budget Bureau representatives to develop our present system to conform to the Budget Bureau's directions on the new PPBS system. We think we have a very good solid base on which to build modern refinements to come into full accord with the PPBS system. We expect to be completely aboard in 3 or 4 months.

Mr. BROOKS. You don't anticipate any major problem at all?

Mr. SCHMID. No, sir.

Mr. BROOKS. You are trying to reexamine this one, to determine whether it is best meeting the needs of your agency, and then adapt that without major problems to the existing directives from the Bureau of the Budget?

Mr. SCHMID. That is correct, sir.

#### C. ACCOUNTING SYSTEM DEVELOPMENT

Mr. BROOKS. Mr. Chairman, I want you to meet a very distinguished member from Pennsylvania, Mr. Moorhead.

Mr. Moorhead, this is Chairman Tierney of the ICC and, of course, Bernard Schmid, who has been there for some years as the Managing Director.

Mr. Chairman, I wanted to ask you, what is your agency doing regarding the accounting system development?

Mr. TIERNEY. Our system, Mr. Chairman, was developed with the assistance of the General Accounting Office, and we have a manual describing the operations of the system which we submitted to the Comptroller in March of this year requesting approval. We are still awaiting that approval. That manual sets forth the Commission's accounting objectives and policy. Compliance with that is mandatory.