

15. Are there any outstanding GAO reports on this program? If so, what is the status of the GAO recommendations the report contains?

There are none outstanding.

16. What significant problems, if any, are you facing in accomplishing the program objectives?

The basic objective of the research, development, and engineering program is to decrease postal costs, improve service and improve employee working conditions through the application of modern technology. The problems we face here are mostly of resolve and commitment. There is no question that we can overcome many, if not all of the technical problems involved in modernizing the postal service if we do not become disenchanted by a lack of quick solutions. We must realize that the objective of this category is a difficult one that will take time and money.

17. Do you administer any grants, loans or other disbursed funds related to this program? If so, is the size of your administrative staff commensurate with the magnitude of the outlays?

We have approximately 80 active research and development contracts. The major portion of these are with private industry. The administrative staff responsible for these contracts is now effectively handling the workload but should be increased. Accordingly, the fiscal year 1969 budget submission includes 12 new positions which if approved, will be assigned to this activity.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction or by cutting or curtailing certain activities?

In the case of research, development and engineering, the cut would primarily be made by curtailing industrial engineering and research and development projects. The construction engineering effort is necessary to secure the physical facilities required to house postal operations and to secure the equipment needed to process the mail. We have little discretion in this area.

19. If additional funds are available, what would you do with the new money? Additional funds provided for the research, development, and engineering category would be used to expand the research and development portion of the program. Within the research and development area additional funds would be allocated to equipment development in the culling and flat mail processing areas followed by evaluations of new concepts for application to other postal functions.

G. Program Category VII—Administrative Postal Support

1. What is the nature of and authority for this program?

This program category covers the executive direction and administration of the Post Office Department. (1) The Postmaster General and Deputy Postmaster General, the functions of their offices and headquarters services. (2) The technical direction and functions of the Bureaus of Operations, Transportation, Finance and Administration, Facilities, Personnel and Chief Inspector and the Office of General Counsel. (3) The administrative functions of the Bureau of Research and Engineering. (4) The functional responsibilities of the 15 regional offices. (5) The administrative functions of the Field Inspection Service. (6) The operation of the six Postal Data Centers. (7) The conduct of the Postal Service Institute. (8) The operation of the two automatic data processing centers and four teleconcentrator sites of the Postal Source Data System. (9) The operation of area supply centers, mail bag depositories and repair centers, and envelope agency, and work performed by area equipment specialists. (10) The executive direction and administrative support functions of WMS post offices.

The authority for this program is sections 301-309 and 501 of title 39 of the United States Code. Sections 301-309 concern "Organization" of the postal service. Section 501 concerns the "General duties of the Postmaster General."

2. Who is the person primarily in charge of this program at the operative level (name and title)?

The Assistant Postmaster General for Finance and Administration, Mr. Ralph W. Nicholson, coordinates for the Postmaster General and the Deputy Postmaster General the activities of developing plans for this program.

3. How much money and capital equipment is available under this program for fiscal 1968?

In fiscal year 1968, \$326,808,000 is available in this program. Under our current appropriation structure these funds are included in the following appropriations: