

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., March 6, 1968.

HON. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on S. 2981, "To provide temporary authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for the operation of those projects, and for other purposes."

The proposed legislation is designed to implement the recommendations of the President to provide for the simplification of Federal assistance programs contained in his March 17, 1967 message on the Quality of American Government. The bill would provide authorities for the establishment of uniform technical or administrative requirements, the delegation of powers and responsibilities, and the establishment of joint management funds with respect to projects assisted under more than one Federal assistance program. The authorities would expire after three years. Federal assistance programs would be defined to include loan, loan guarantee, and loan insurance as well as grant programs.

For some time the Department has been encouraging the use of letters of credit for a wide range of domestic and international grant programs to achieve better cash management. The proposed legislation, by consolidating funds from several appropriations, would reduce the number of letters of credit for all grant programs, thereby simplifying funding procedures for the grantee, the agencies, the Treasury, and the Federal Reserve banks. It may achieve further benefits if relatively small grants now paid by check are brought under the letter-of-credit method by virtue of the pooling arrangements.

Consequently, the Treasury supports the objective of the bill.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your Committee and that enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

FRED B. SMITH, *General Counsel*.

THE POSTMASTER GENERAL,
Washington, D.C., March 8, 1968.

HON. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This Department has been requested to report on S. 2981, a bill "to provide temporary authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for the operation of those projects, and for other purposes."

The purpose of the bill is to enable States, local governments, and other public or private organizations to use Federal assistance more effectively and efficiently. Subject to regulations to be prescribed by the President the bill would authorize agency heads to cooperate in the identification of programs, development of guidelines, review of program requirements, establishment of common rules, and creation of common application processing and project supervision procedures. The bill would also require Federal agencies to assure that, in the processing of applications, reviews and approvals are expeditious, questions of timing affecting feasibility are considered, the number of Federal representatives involved is kept to a minimum, decisions on applications are communicated promptly to applicants, and applicants are not required by one agency to obtain assurance of the requirements of another agency where such requirements could better be determined through direct interagency communication.

Since the Post Office Department does not administer any Federal assistance programs, the bill would have no effect on the Department. Accordingly, we have no recommendations concerning the bill.

In advising with respect to H.R. 12631, an identical bill, the Bureau of the Budget has stated that there is no objection to the submission of that report to the Committee.

Sincerely yours,

LAWRENCE F. O'BRIEN.