

COMPT 79-1332

23 August 1979

MEMORANDUM FOR THE RECORD

SUBJECT: OMB Bulletin No. 79-12, dated July 31, 1979, Subject: Voice Telecommunications Management (U)

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1. I called Mr. Hall on 23 August 1979 to ascertain whether the Agency would be required to submit a report to OMB (with a copy to GSA) as required by Bulletin No. 79-12. This was a follow-up to [redacted] telecon with Mr. Hall and the former's note of 15 August transmitting a copy of the subject bulletin to Mr. Hall. (A/IUO)

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2. Mr. Hall advised that he had not had time to look into this, but on the basis of our assurance that the Agency had already taken steps to reduce telephones and associated costs and since any such report from the Agency would be classified and could not be made available to GSA, he agreed that we need not submit the required report at this time. He indicated that he would get back to us at a later date if he decided that the information called for in the Bulletin must be submitted. (A/IUO)

[redacted signature box]

Chief, Administration Group
O/Comptroller

Distribution:

- Orig. - Compt; Compt Subj
- 1 - Compt Reading
- 1 - AG Chrono
- 1 - AG Subj

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O/Compt/AG [redacted] (23 Aug 79)

COMPT
RECORD COPY

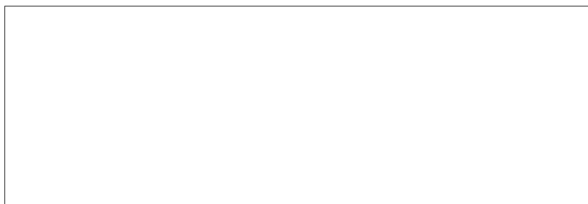
~~Administration - Internal Use Only~~

Mr. Keith Hall
Office of Management and Budget
8215 New Executive Office Building

Keith:

The OMB bulletin on telephones is attached.
We would appreciate a word by the end of next
week if possible.

STAT



8/15/79

STAT



Acting Comptroller

Distribution:

- Orig - addressee
- 1 - Compt w/oatt
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O/Compt  hr 8/15/79



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 79-12

July 31, 1979

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Voice Telecommunications Management

1. Purpose. This bulletin prescribes government-wide procedures for the procurement, management and utilization of voice telecommunications equipment and services by executive agencies.
2. Background. Telecommunications usage in the Federal Government has been increasing rapidly over recent years in direct support of new and expanding Federal programs. It has been demonstrated that good management and the effective use of information technology, such as voice communications, can assist in increasing productivity and mission performance without increasing the size of the Federal budget or work force.

Currently, annual obligations for voice telecommunications equipment and services by executive agencies exceed \$600 million. Telephone billing costs amount to \$260 million annually, with a growth averaging 12 percent per year. In order to assure that telecommunications services are being used effectively and efficiently, OMB Circular No. A-11, Section 43.3, prescribes a methodology for agencies to assess and report the requirements for their short- and long-term total telecommunications resource needs. This bulletin more narrowly focuses on the application of those resources toward more effective and efficient procurement, management and utilization of voice telecommunications equipment and services through the implementation of a voice telecommunications management program in the executive agencies. While new applications of information technology which increase productivity and mission performance are encouraged, an intended goal of this program is to reduce existing agency voice telecommunications obligations below current levels in consonance with the President's recent directive to reduce operating costs.

3. Coverage. These instructions apply to all executive departments and establishments that are subject to the General Services Administration's (GSA) Federal Property Management Regulations (FPMR), Part 101-37, dealing with policies and methods governing the acquisition and utilization of telecommunications services.
4. Agency Voice Telecommunications Management Program, Required Agency Actions. Each agency shall develop, within existing resources, a voice telecommunications management program suited to its size, organization, and mission which will provide for effective and efficient telephone service. GSA, as the Executive Branch's telecommunications manager, will provide assistance in developing these programs, and will review the results of agency programs to ensure that effective management is maintained.

-- Control of telephone costs. The following costs associated with voice telecommunications costs should be analyzed to assure that they are kept to the minimum level necessary to meet mission requirements. These charges are listed on every telephone bill submitted by the local telephone company or GSA on consolidated systems.

- Local service charges. These charges are for telephone lines (business, PBX, or CENTREX), terminal equipment (telephones, key systems, intercoms, speakerphones, etc.), and local message unit charges.
- Long-distance charges. These charges are for long-distance calls made on the public commercial telephone (i.e., non-FTS) network. The statement should identify, as a minimum, the calling and called telephone number, duration of call, cost of call and date.
- Other charges and credits. These charges include billing adjustments and work performed on the telephone system during the preceding month, i.e., moves, connects, and disconnects.

-- Management of Telephone Services. Management officials should determine the proper number and most effective arrangements of station lines to be installed, and the correct terminal equipment configurations.

- Line utilization surveys. Each agency shall conduct a systematic annual review of station lines to insure that the proper number of lines are installed. Instructions for conducting line utilization surveys should be contained in the agency's telecommunications management program.
- Management of station terminal equipment. Each agency shall make an annual inventory of all installed telephone station equipment and features, and shall certify the accuracy of their inventory when compared to their statement of charges. Agencies receiving services from GSA-operated telephone systems are provided by May 1 of each year a computerized inventory which is to be certified and returned to GSA by June 30. All unneeded equipment and features shall be removed based on an analysis of the annual review.
- Selection of station terminal equipment. Telephone station equipment requirements and service features shall be the minimum to meet agency mission needs.
 - a. Agencies shall establish and enforce internal regulations applicable to the use of auxiliary equipment, and features, such as automatic dialing equipment, speakerphones, call directors, hot lines, chimes, music on hold, etc.
 - b. Agencies shall control charges for station moves and system changes. When moves are required, every effort should be made to use existing telephone arrangements in order to curtail moving charges.

-- Management of Long-Distance Telephone Services.
The Federal Telecommunications System (FTS) Intercity Voice Network offers agencies an effective and economic alternative to the public commercial telephone network for long-distance calling. Agencies shall use the FTS whenever practical in order to reduce long-distance commercial toll costs. Existing commercial toll bills should be reviewed with this in mind.

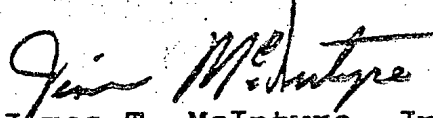
5. GSA Support. When requested, GSA, in cooperation with agency management, will survey agency requirements for voice telecommunications facilities and services. Advice and assistance will be provided regarding service improvements and cost-saving modifications.

6. Reporting Requirements. No later than September 15, 1979, agencies will report to OMB in the format of the attached exhibit, information on:

- The number of telephones currently in use by the agency in relation to the number of agency personnel.
- The obligations incurred for all voice telecommunications by cost component.
- Projected reductions in obligations for existing voice telecommunications.
- Management plans and initiatives for FY 1980 and FY 1981 to more effectively and efficiently use voice telecommunications.

A copy of this material will be provided concurrently to the Commissioner of the Automated Data and Telecommunications Service, General Services Administration, 18th and F Streets, N.W., Washington, D. C., 20405. Subsequent reports may be requested by the OMB staff responsible for reviewing the agency's budget following consultation with agency staff.

- 7. Inquiries. Questions regarding this bulletin should be directed to the OMB representative responsible for reviewing the agency's budget, or to the Information Systems Policy Division (395-4814).


James T. McIntyre, Jr.
Director

Attachment

Exhibit
Bulletin No. 79-12

Department of Government
Voice Telecommunications

	<u>1978</u> <u>Actual</u>	<u>1979</u> <u>Estimated</u>	<u>1980</u> <u>Estimated</u>	<u>1981</u> <u>Estimated</u>
1. Total agency personnel				
2. Total number of agency telephones				
3. Average number of personnel/telephone (line 1 divided by line 2). (See GSA FPMR 101-37.308-1.)				
4. Total obligations for voice telecommunications ..				
a. Local service charges (recurring and nonrecurring)				
b. Commercial toll charges				
c. Intercity charges (FTS)				
d. Total (4a + 4b + 4c)				
5. Average cost/telephone (line 4d divided by line 2)				
6. Total projected reductions in obligations for voice telecommunications from 1978 base year. (Specify actions in Item #7 narrative discussion)	XXX	XXX		
7. Discussion of management plans and initiatives for FY 1980 and FY 1981 to more effectively and efficiently utilize voice telecommunications. Include discussions as appropriate of any proposed organizational/programmatic changes which will impact expected obligations.				

UNCLASSIFIED CONFIDENTIAL SECRET

OFFICIAL ROUTING SLIP

STAT

TO	NAME AND ADDRESS	DATE	INITIALS
1	[Redacted]	14 Aug 79	JH
2	[Redacted]		
3	James Taylor		
4	[Redacted]		
5			
6			

STAT

<input type="checkbox"/>	ACTION	<input type="checkbox"/>	DIRECT REPLY	<input type="checkbox"/>	PREPARE REPLY
<input type="checkbox"/>	APPROVAL	<input type="checkbox"/>	DISPATCH	<input type="checkbox"/>	RECOMMENDATION
<input type="checkbox"/>	COMMENT	<input type="checkbox"/>	FILE	<input type="checkbox"/>	RETURN
<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	SIGNATURE

Remarks:

The attached bulletin requires a report to OMB (with a copy to GSA) on Agency telephone service and the cost thereof, along with a plan for increasing the efficiency of telephone usage. On the surface, the report (in the format of that attached ^{to the} bulletin) would appear to be simple but will require a good deal of effort to compile the data and will present Commo with some difficult problems. I wonder whether it would be possible for the Comptroller to seek an exemption for the Agency. If you feel this is not appropriate or if the exemption is sought and denied, I would urge we limit our report to the so-called black telephone service in the Headquarters area. To

(Over)

FOLD HERE TO RETURN TO SENDER

STAT

<i>[Signature]</i>	FROM: NAME, ADDRESS AND PHONE NO.	DATE
[Redacted]	Ch/Admin Group	8/13/79

do otherwise would require an inordinate investment of time on the part of Commo, Logistics, and those components having field offices, both in Headquarters and abroad in order to compile this information.

Do you wish to seek an exemption, and, if not, are you in agreement that we should lay this on with Commo and Logistics to include only the telephone services in the Headquarters area and the costs which are funded centrally by Commo?

DEY

*He will not want to try for exemption;
but, I think Keith Hull will want this
info at least in classified CIA report.*

JK



I have no difficulty in asking for a waiver whenever we have a reason. What is the basis here?

mf

STAT



Returned per your request. I sure in your discussions w/ K. Hall that you will emphasize that it's the formal report we would like to avoid -- that we fully support the effort to better manage telephone services & are constantly looking for way to cut costs.

~~Stts~~

14 Aug. 79

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UNCLASSIFIED USE OF CONFIDENTIAL SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)
OMB Bulletin No. 79-12, Dated: 31 July 1979, Subject: Voice Telecommunications Management

FROM: OMB	EXTENSION	NO.
	DATE 9 August 1979	

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

STAT

1.		8/9	<i>mn</i>
2.			
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15.			

This is a new OMB Bulletin. Please note suspense date of 15 September 1979.

Nine copies being held.

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OFFICE OF MANAGEMENT AND BUDGET

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