



U.S. DEPARTMENT OF COMMERCE
Office of Inspector General



**PUBLIC
RELEASE**

***INTERNATIONAL
TRADE ADMINISTRATION***

*US&FCS American Business Center
Program Funding Decisions
Were Merit Based
CFDA No. 11.115*

Audit Report No. BTD-10957-9-0001 / March 1999

Office of Audits, Business and Trade Audits Division

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
INTRODUCTION	1
PURPOSE AND SCOPE	5
FINDINGS AND RECOMMENDATIONS	7
I. ABC Program Used Merit-Based Evaluation Criteria for Award Decisions	7
II. ABC Solicitation Process Adequately Notified Potential New Applicants	7
III. Procedures and Practices for Reviewing New ABC Applicants Were Adequate	8
IV. Procedures and Practices for Selecting New ABC Awardees Met Requirements	10
V. Procedures and Practices for Renewing ABC Awards Were Sufficient	11
VI. ABC Program Now Included in the CFDA	12
APPENDIX I - Procedures for Solicitation, Review, and Selection of American Business Centers	
APPENDIX II - Map of New Award Project Locations for Fiscal Year 1998	
APPENDIX III - US&FCS's Complete Response to the Draft Report	

EXECUTIVE SUMMARY

The Office of Inspector General has conducted an audit of the fiscal year 1997 and 1998 award criteria, procedures and practices for soliciting, reviewing, and selecting applications for financial assistance under the American Business Center (ABC) program, which the U.S. and Foreign Commercial Service (US&FCS), International Trade Administration, described in the *Catalog of Federal Domestic Assistance* (CFDA) as No. 11.115. The audit was conducted as part of a Department-wide review of Commerce's discretionary financial assistance programs initiated at the request of the Chairman of the Senate Committee on Commerce, Science, and Transportation.

Discretionary financial assistance programs are those programs for which federal agencies have the authority to independently determine the recipients and funding levels of awards. These programs involve a significant portion of the Commerce Department's budget and operations, approximately \$1 billion annually.

Through the ABC program, US&FCS assists U.S. firms in overcoming many of the obstacles to entry into the Russian/Newly Independent States market, including the lack of (1) commercial, economic, and legal information, (2) affordable office space, and (3) adequate transportation and telecommunications facilities. In fiscal year 1997, the ABC program renewed seven prior cooperative agreements, totaling \$649,998. In fiscal year 1998, the ABC program awarded seven new cooperative agreements, totaling \$1,757,078.

We examined US&FCS's criteria, procedures and practices for the solicitation, review, and selection of ABC awards and renewals. We found that they met the Department's requirements and were calculated to result in merit-based awards. Specifically, our audit disclosed that US&FCS:

- Developed and used merit-based award criteria, consistent with the objectives of the program, to evaluate applications for financial assistance (see page 7).
- Complied with requirements for soliciting applications for new ABC awards. Procedures used were sufficient to obtain a nationwide response from eligible applicants (see page 7).
- Followed established procedures in reviewing applications for new ABC awards. Engaged in practices which were sufficient to provide an independent and qualified competitive review of each application (see page 8).
- Followed established procedures for selecting applications for funding under the ABC program that were sufficient to satisfy minimum requirements (see page 10).

- Followed established procedures for renewing prior awards. Engaged in practices which were sufficient to provide an independent and qualified competitive review of each application (see page 11).
- Did not include the ABC program in the CFDA for fiscal year 1998, though US&FCS had requested its inclusion. The CFDA contains vital information on financial and nonfinancial assistance programs administered by federal departments, which is then used by applicants and in the federal budgeting and appropriations process. By not ensuring that the ABC program was included in the CFDA as required, US&FCS had not disclosed all ABC program details to the Congress and potential applicants in the most efficient manner (see page 12).

We commend US&FCS for its sound management of the ABC program. Our only recommendation for action in the draft report was for the Assistant Secretary and Director General to work with the General Services Administration to ensure that the ABC program is promptly included in the CFDA. In response to the draft report, US&FCS informed us that it resubmitted its announcement for a CFDA identification number and title, and the program was included in the December 8, 1998 issue of the CFDA under program number 11.115. Accordingly, the recommendation is resolved, and no further action by US&FCS is needed. US&FCS's complete response to the draft report is attached as Appendix III.

INTRODUCTION

The American Business Center (ABC) Program was authorized by the Freedom Support Act of 1992, with funding of \$12 million, to assist U. S. companies, especially small and medium-sized firms, in conducting trade and investment in Russia and the Newly Independent States (NIS)¹ of the former Soviet Union. The program, which is described in the *Catalog of Federal Domestic Assistance* (CFDA) as No. 11.115, is administered by the U.S. and Foreign Commercial Service (US&FCS), an agency of the International Trade Administration. The ABC program assists U.S. firms in overcoming many of the obstacles to entry into the Russian/NIS market, including the lack of (1) commercial, economic, and legal information, (2) affordable office space, and (3) adequate transportation and telecommunications facilities.

US&FCS's officials designed the program to include 14 ABC sites that would be either "solo" sites or collocated with established US&FCS commercial offices in Russia and the NIS. The selection of solo sites was intended to concentrate on commercial areas, beyond the network of existing US&FCS posts, that offer the potential for economic opportunity and an element of geographic diversity for the ABCs.

The ABCs are designed to provide such services as:

- Office space and conference facilities;
- Telephone, photocopy, and facsimile services;
- Computer and audio/visual equipment rental;
- Secretarial assistance;
- Translation and interpretation assistance; and
- Commercial market research and counseling.

During fiscal year 1997, the ABC program did not fund new agreements, but renewed seven cooperative agreements, totaling \$649,998. During fiscal year 1998, the program awarded seven new cooperative agreements, totaling \$1,757,078. A map of the locations of new awardees during fiscal year 1998 is provided as Appendix II.

¹ The Newly Independent States (NIS) are the countries that constituted the former Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan (in addition to Russia).

Discretionary assistance programs are those for which federal agency officials have the authority to decide (1) which eligible applicants will receive awards, and (2) how much will be awarded. Technically, all Commerce financial assistance programs are discretionary, as contrasted with entitlement, programs. However, the authorizing legislation for the programs provides for varying degrees of discretion in making awards.

The use of competitive selection procedures has been determined to be the most effective method of ensuring that financial assistance awards are made on the basis of merit. One of the primary purposes of the Federal Grant and Cooperative Agreement Act (31 U.S.C. §6301) is to encourage competition in the award of federal financial assistance to the maximum extent practicable in order to fairly and objectively identify and fund, based on merit, the best possible projects proposed by applicants, and thereby more effectively achieve program objectives.

The Office of Management and Budget (OMB) has issued regulations on administering competition-based financial assistance programs for use by federal agencies. An interagency study group, convened in 1979 by OMB to examine competition in financial assistance programs, determined that financial assistance award processes, to ensure effective competition, should include three basic elements. These elements, which were discussed in OMB's June 1980 report, *Managing Federal Assistance in the 1980's*, are:

- Widespread solicitation of eligible applicants and disclosure of essential application and program information in written solicitations;
- Independent application reviews that consistently apply written program evaluation criteria; and
- Written justifications for award decisions that deviate from recommendations made by application reviewers.

Also, OMB has issued the following guidelines of particular relevance to federal financial assistance programs:

- OMB Circular A-89, *Federal Domestic Program Information*, implements The Federal Program Information Act (P.L. 95-220) requiring agencies to systematically and periodically collect and distribute current information to the public on federal domestic assistance programs, which is accomplished through the semiannual publication of the *Catalog of Federal Domestic Assistance*.
- OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*, requires agencies to provide the public with advance notice in the *Federal Register*, or by other appropriate means, of their intended funding priorities for discretionary assistance programs unless such priorities are established by federal statute. Under A-102, when time permits, an agency must provide the public with an opportunity

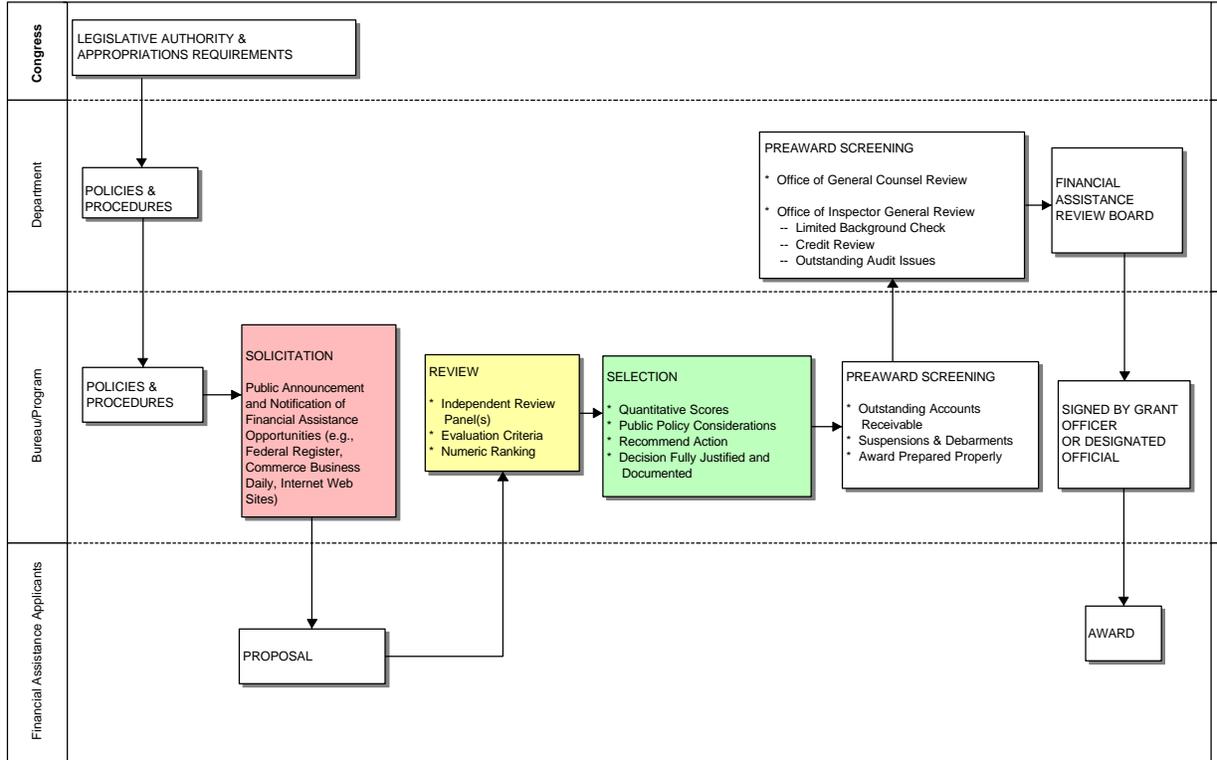
to comment on funding priorities. Finally, A-102 requires all grant awards over \$25,000 to be reviewed for consistency with agency priorities by a policy-level official.

- OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, requires agencies to provide the public with advance notice of their intended funding priorities for discretionary assistance programs unless such priorities are established by federal statute.
- OMB Circular A-123, *Management Accountability and Control*, implements The Federal Managers Financial Integrity Act (P.L. 97-255) requiring agencies to establish management controls for federal programs and operations, including financial assistance programs, that provide reasonable assurance that activities are effectively and efficiently managed to achieve agency goals.

Commerce has relied on these guidelines in developing and issuing policies and procedures for its discretionary funding programs. Department Administrative Order (DAO) 203-26, *Department of Commerce Grants Administration*, requires that (1) all Commerce discretionary grant program awards be made on the basis of competitive reviews unless a special waiver is obtained, (2) competitive review processes meet minimum standards outlined in the DAO, and (3) all Commerce agencies publish, at least annually, a notice in the *Federal Register* which includes basic information for each discretionary grant program. The chart presented on the next page depicts the basic process and controls for the solicitation, review, and selection of financial assistance awards as set forth in DAO 203-26. The processes we reviewed during our audit are color coded for this chart.

FIGURE 1

Department of Commerce Financial Assistance Awards Process



PURPOSE AND SCOPE

This audit was conducted as part of a comprehensive review of the Department of Commerce's discretionary funding programs initiated at the request of the Chairman, Committee on Commerce, Science, and Transportation. The Chairman requested that the Inspectors General of the Departments of Commerce and Transportation and the National Science Foundation review the discretionary funding programs of their respective agencies to assess the manner in which discretionary funding decisions are made. More specifically, the Chairman requested that each IG review and report on the criteria developed, either statutorily or administratively, to guide agency officials in making discretionary spending decisions, and on the extent to which the criteria are appropriately applied.

We are conducting our Department-wide review in two phases: a survey phase (completed) and an individual program audit phase (ongoing). During the survey phase, we identified and examined the body of laws, regulations, and other guidance applicable to the administration of federal financial assistance programs. We also examined the authorizing legislation for each Commerce financial assistance program and classified each program as either a "full discretion" program or a "limited discretion" program, based on the extent to which the legislation limits the agency's authority to independently determine the recipients and funding levels of the awards made under the program. Finally, we examined the fiscal year 1997 appropriations legislation to identify any earmarked projects.

During the second phase of our review, we are conducting individual audits of the award solicitation, review, and selection processes of each program we have classified as a "full discretion" program, including US&FCS's ABC program. We are evaluating the adequacy of each program's established award procedures and criteria for evaluating individual applications. For those programs with procedures deemed to be adequate, we are ascertaining whether they were followed in making awards in fiscal year 1997. For those programs with procedures considered to be inadequate or lacking, we are reviewing how the fiscal year 1997 award decisions were made. Finally, we are examining the legislatively mandated projects identified for each program and determining their significance and impact on fiscal year 1997 award decisions. In the event that a particular funding program made no new awards during fiscal year 1997, we are reviewing award decisions made during fiscal year 1998. We plan to issue individual reports, with any appropriate recommendations, on each program, followed by a capping report summarizing the results of the individual audits and providing recommendations for the Department and/or its bureaus.

On July 21, 1998, the Acting Inspector General and the Chief Financial Officer and Assistant Secretary for Administration testified before the Senate Commerce, Science, and Transportation Committee on the Department's discretionary funding programs. The Acting IG reported on the

results of the survey phase of the OIG's review, and discussed some of the preliminary observations from the individual program audits.

This performance audit focused on funding decisions made during fiscal years 1997 and 1998 under the ABC program. Specifically, we:

- Reviewed the authorizing legislation and information summarized in the CFDA to identify criteria for funding decisions.
- Reviewed policies and procedures for soliciting and reviewing new proposals during fiscal year 1998, and for renewing awards during fiscal year 1997, and selecting recipients for funding (see Appendix I for flowchart of process). We also reviewed the Competitive Application Package and *Federal Register* notice for the ABC program. We assessed whether the procedures were adequate and whether they were in compliance with DAO 203-26.
- Compared the procedures with US&FCS's fiscal year 1997 and 1998 award practices to determine if the process contained adequate internal controls to provide for competitive, merit-based awards.
- Examined pertinent documents in individual program award files to determine if departmental and US&FCS policies and procedures were followed.
- Interviewed ABC program office officials and personnel from the Department's Office of Executive Assistance Management (OEAM) concerning US&FCS's solicitation, review, and selection procedures.
- Examined fiscal year 1997 and 1998 appropriations legislation to identify legislatively mandated projects for this program. None were found.

We did not rely upon computer-based data supplied by US&FCS and OEAM, and cited in the report, during the audit. We therefore conducted neither tests of the reliability of the data, nor of the controls over the computer-based system that produced the data.

We performed the review at US&FCS's ABC office and OEAM in September and October 1998. We conducted the audit in accordance with generally accepted government auditing standards, under the authority of the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, dated May 22, 1980, as amended.

FINDINGS AND RECOMMENDATIONS

We found that US&FCS's criteria, procedures, and practices for soliciting, reviewing, and selecting new awards during fiscal year 1998 and renewals during fiscal year 1997 complied with statutory, departmental, and US&FCS requirements and were designed to result in merit-based awards. US&FCS's efforts to solicit applications for seven new ABC awards funded during fiscal year 1998 generated nationwide interest from numerous potential applicants. Applications were reviewed by US&FCS employees and outside reviewers applying the appropriate criteria, and their recommendations were accepted without deviation. In addition, we also found that US&FCS had procedures and practices for renewals of prior awards and properly followed them in fiscal year 1997. We also found that the ABC program was not included in the CFDA during fiscal year 1998. US&FCS informed us after we issued the draft report that the program was included in the December 8, 1998 issue of the CFDA.

I. ABC Program Used Merit-Based Evaluation Criteria for Award Decisions

ABC officials implemented technical and public policy evaluation criteria that were consistent with the objectives of the program and complied with statutory provisions for making awards. The applicable criteria for evaluating applications for new awards were published in four *Federal Register* notices titled, "Cooperative Agreement Program for an American Business Center in Russia and the Newly Independent States." The notices appeared in the September 15, 1997, November 3, 1997, January 9, 1998, and January 20, 1998 issues of the *Federal Register*. In fiscal year 1997, the ABC program allowed each of the existing seven ABC award recipients to compete for up to \$150,000 to operate for up to an additional 12 months. Proposals for renewals were processed in accordance with procedures outlined in a *Federal Register* Notice, "Competitive Application Review," dated January 15, 1997, which references a previous *Federal Register* notice (July 9, 1993). Based on our review, we concluded that the criteria, which are discussed in the following sections, were adequate and resulted in competitive merit-based award selections in fiscal years 1997 and 1998.

II. ABC Solicitation Process Adequately Notified Potential New Applicants

US&FCS's procedures and practices for the ABC program met the regulatory requirements for public notice of the intent to award. As a result, US&FCS received requests for application kits from 49 institutions from around the country for the new awards funded during fiscal year 1998. Widespread solicitation of eligible applicants helps ensure that federal programs receive multiple applications responsive to program objectives and provides potential applicants with an opportunity to apply for assistance.

DAO 203-26, Section 4.02, lists required solicitation procedures for competitive financial assistance programs. These procedures are designed to ensure widespread notification of the interested public. Section 4.02 provides the following solicitation criteria, in part:

- Annual Public Notice. To inform the interested public, each organization unit shall publish at least annually a notice in the *Federal Register* which includes basic information for each discretionary grant program.
- Other Solicitations of Applications. Further notice(s) in the *Federal Register* or other publications soliciting applications or preapplications must include information published in the Annual Public Notice.
- Minimum Notice. In order to provide the public reasonable notice, there must be a minimum of 30 days between the date of publication and the closing date for receipt of applications.

Section 4.02.(f.) of the DAO states, “To ensure widespread notification to the public, program officials are strongly encouraged to use publications in addition to the *Federal Register*, which, in their opinion, have a wide distribution among interested persons.” For large, undefined applicant pools, such as those businesses and nonprofit institutions with an interest in assisting U.S. companies in Russia and the NIS, broad-based solicitation media such as the annual *Federal Register* notice, coupled with an announcement on the World Wide Web, are likely to reach a significant portion of the eligible community.

US&FCS complied with the minimum requirement for widespread distribution of basic grant information. The four notices published in the *Federal Register* established application closing dates of October 15, 1997, December 3, 1997, February 9, 1998, and February 19, 1998, and set forth the criteria for evaluating applications. US&FCS further publicized the availability of the awards by posting the announcement on its Internet web site. By using the *Federal Register* and Internet web site, US&FCS effectively solicited a sufficient number of responsive applications.

III. Procedures and Practices for Reviewing New ABC Applicants Were Adequate

The ABC review panels used criteria which were consistent with the program objectives to evaluate applications for new merit-based awards. All of the applications were reviewed by a panel, as required by departmental and US&FCS procedures. The panel members also documented their evaluation as required by DAO 203-26, Section 4.05(b). US&FCS expanded the review process by inviting reviewers from outside US&FCS and the Department to participate, thus enhancing the objectivity of the award process.

The weighted criteria published in the notices and used to evaluate the applications were as follows:

- Quality of work plan (30 points);
- Qualification of applicant (30 points);
- Market knowledge of locations (20 points);
- Project timetable (10 points);
- U.S. small business utility (5 points); and
- Cost-effectiveness (5 points).

US&FCS further divided the criteria, with points given for each subcriterion, for use in assessing the merits of each applicant. For instance, the quality of the work plan would be determined by assessing the applicant's proposals for the core commercial activities, the marketing strategy, the center management and staffing, the plans for cooperating with US&FCS, and the outreach programs to NIS firms.

DAO 203-26, Section 4.02h.1, mandates that agency competitive review processes meet minimum requirements, such as the following:

- Applications are treated fairly under the review process;
- Each application receives an independent, objective review by one or more review panels qualified to evaluate the applications submitted under the program;
- Each review panel uses the selection criteria that apply to the program covered by the application notice.

In accordance with an agreement with US&FCS on the scope of the work, reviewers had to address the weighted criteria, verify that required standard forms and other elements of the application are present, and comment in writing on the applicant's qualifications. We found that reviewers applied the criteria published in the notice and the additional subcriteria to assess the applicants, and that they properly documented their reviews of each application on evaluation forms.

DAO 203-26, Section 4.02h.1.(d.) requires that each review panel include at least three persons. Under the order, panel members are expected to be professional employees of US&FCS and the Department. However, reviewers from outside US&FCS and the Department are permitted under the DAO. No other criteria for membership are listed; the ABC program deputy director has broad discretion in the choice of members.

US&FCS used individual panels, each with two ITA employees and one from the State Department, to review the applications for each set of awards. This procedure provided a measure of independence. A US&FCS official agreed with our position that the use of knowledgeable outside reviewers to evaluate applications provided an independent perspective and enhances the objectivity of the merit-based selection process.

IV. Procedures and Practices for Selecting New ABC Awardees Met Requirements

US&FCS received only nine applications for the awards: one application for each of six awards; two applications for another award; and one incomplete application for one award, which was judged unqualified for further review. Nevertheless, US&FCS complied with the Department's requirements for selecting the awardees. DAO 203-26, Section 4.02 h.1.(f)-(g), mandates the steps to be followed in ranking and selecting applications for funding:

- After the review panel has evaluated the applications, the organization unit prepares a rank ordering of the applications based solely on the evaluations by the review panel; and
- The organization unit determines the order in which applications will be selected for funding based on the following factors:
 - (1) Any priorities or other program requirements that have been published in the *Federal Register* and apply to the selection of applicants for new awards; and
 - (2) The rank order of the applications established by the review panel on the basis of the selection criteria.

US&FCS followed its procedures for selecting applicants, and the weighted criteria were properly applied. After the individual panel members completed their reviews and scoring of the applications, the rating sheets and applications were given to the program staff for compilation and summary. In one case, the panel requested additional information from the applicant before recommending the award. The program staff reviewed the top-ranked application for each award and met with the US&FCS deputy director of the European region for Russia and the NIS, who also serves as the ABC program director, to determine the competence of the applicant and the quality of the application. The program director agreed with the selections for the awards and appropriately documented her approvals on November 26, 1997, February 26, 1998, and March 5, 1998. Next, the Deputy Assistant Secretary for the Office of International Operations agreed with the panel and recommended approval. Finally, the Assistant Secretary and Director General approved the panels' recommendations, and the successful applications were sent to OEAM for processing through the Department's award approval system. There were no deviations from the criteria during the review and selection processes for the new awards. After completing the

preaward screening required under DAO 203-26, the Department approved seven new awards totaling \$1,757,078.

V. Procedures and Practices for Renewing ABC Awards Were Sufficient

We reviewed award renewal procedures and practices for the seven renewals in fiscal year 1997. The ABC review panels used criteria which were consistent with the program objectives to evaluate applications for renewals. We found that US&FCS had adequate procedures and practices for renewing awards and properly followed them in reviewing the awards we examined.

In fiscal year 1997, the ABC program allowed each of the existing seven ABC award recipients to compete for up to \$150,000 to operate for up to an additional 12 months. The program applied a set of weighted criteria for use in assessing the merits of each application, and US&FCS further divided the criteria into subcriteria during the evaluation process. The weighted criteria set forth in the notice and used to evaluate applications were as follow:

- Quality of work plan (30 points);
- U.S. trade and investment opportunities in ABC city/region (30 points);
- Plan for self-sustainability (10 points);
- Success in meeting program goals to date (15 points);
- U.S. small business utility (5 points);
- Qualifications of applicant (5 points); and
- Cost-effectiveness (5 points).

US&FCS personnel reviewed the renewal proposals for their past performance, justifications for all proposed costs, and any outstanding debt to the U.S. government. In accordance with procedures set forth in an agreement with US&FCS on the scope of the work, reviewers were to address the weighted criteria, verify that required standard forms and other elements of the application are present, and comment in writing on the applicant's qualifications. OEAM and the Department's Office of General Counsel would then review and approve each request. US&FCS followed these practices for all cases that we reviewed. In practice, each renewal proposal was assigned to a panel of two ITA employees and one State Department employee for review. We found that the panel members applied the published criteria to assess the applicants, and they properly documented their reviews of each application on US&FCS evaluation forms.

US&FCS renewed all applications by recipients to continue operations at their respective sites, with a total amount of \$649,998. There were no deviations from the criteria during the review and selection processes for the new awards. The panel decided that the top five scoring

proposals would receive an additional \$100,000 and the two lower-scoring proposals would receive an additional \$75,000.

VI. ABC Program Now Included in the CFDA

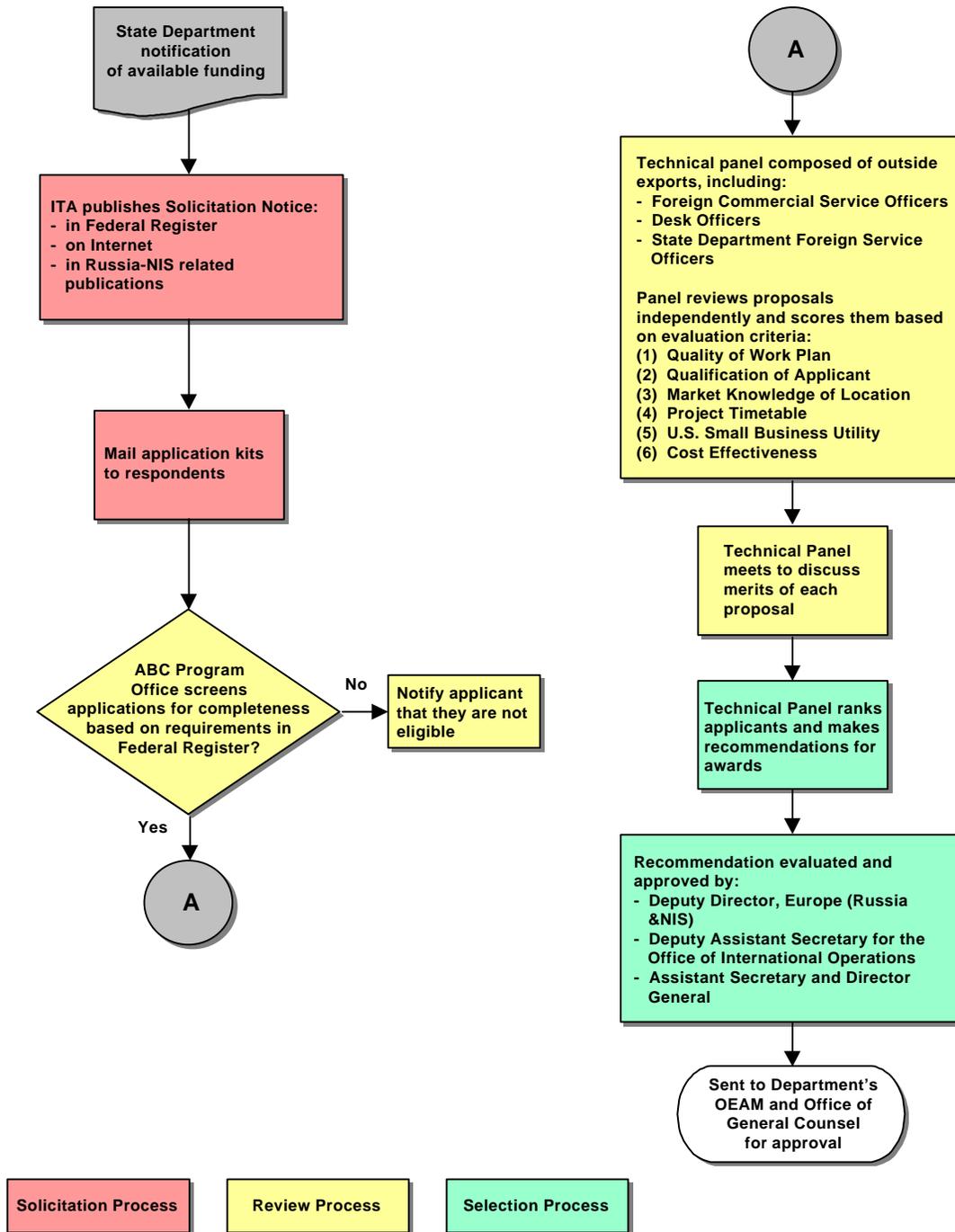
The ABC program was not included in the *Catalog of Federal Domestic Assistance* during FY 1998. US&FCS applied for a CFDA identification number and title, but did not receive it during the fiscal year. A US&FCS official said a delay at GSA caused the ABC program to not be included in the CFDA for fiscal year 1998. The ABC program used 11.115, the next available CFDA identification number, to identify the program until it could be published in the CFDA.

The CFDA is a government-wide compendium of federal programs, projects, services, and activities that provide assistance or benefits to the American public. It contains vital information on financial and nonfinancial assistance programs administered by federal departments, which is then used by applicants and in the federal budgeting and appropriations process. By not ensuring that the ABC program was included in the CFDA as required, US&FCS had not disclosed all ABC program details to the Congress and potential applicants in the most efficient manner.

Our only recommendation for action in the draft report was for the Assistant Secretary and Director General to work with GSA to ensure that the ABC program is promptly included in the CFDA. After we issued our draft report, US&FCS informed us that it resubmitted its announcement for a CFDA identification number and title on October 22, 1998, and the program was included in the December 8, 1998 issue of the CFDA under program number 11.115. Accordingly, the recommendation is resolved, and no further action by US&FCS is needed. US&FCS's complete response to the draft report is attached as Appendix III.

APPENDIX I

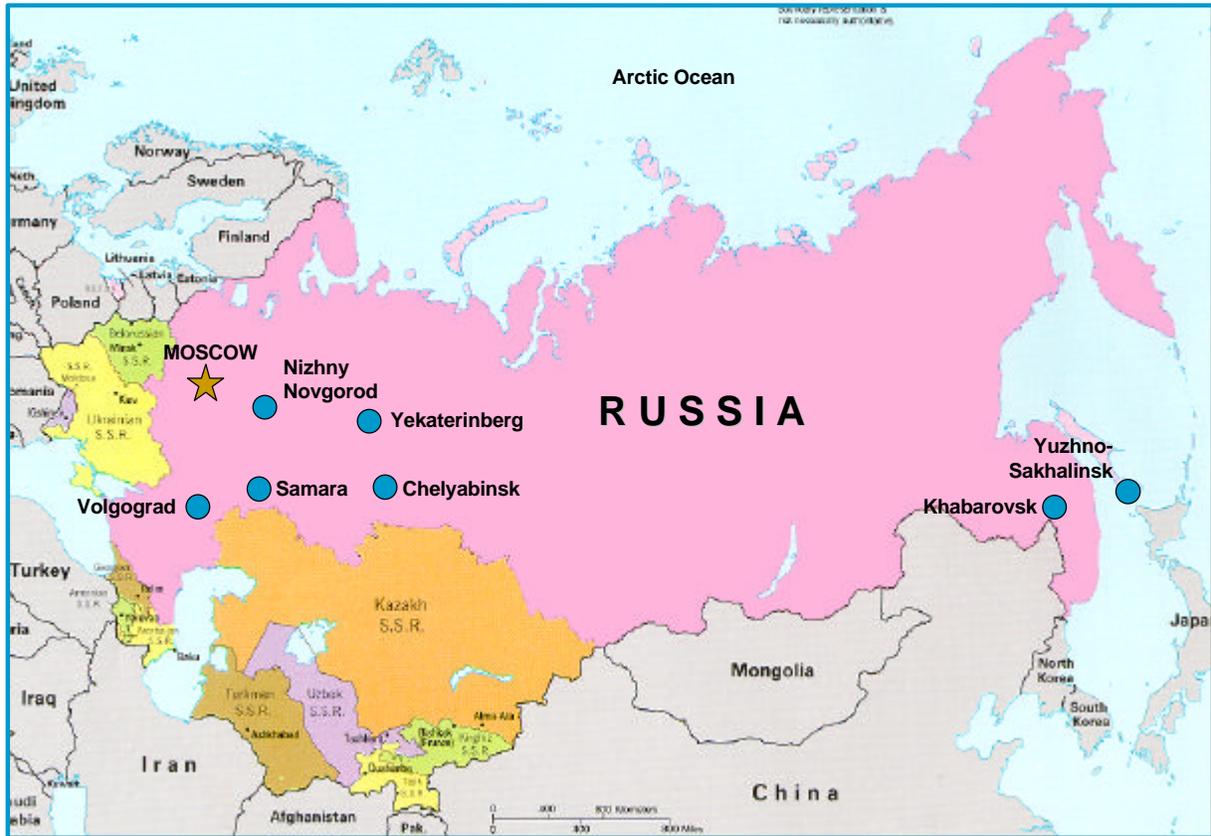
Procedures for Solicitation, Review, and Selection of American Business Centers



APPENDIX II

AMERICAN BUSINESS CENTER PROGRAM

Map of New Award Project Locations Fiscal Year 1998



● American Business Centers (ABCs) awarded in fiscal year 1998



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230
DIRECTOR GENERAL OF THE U.S. AND
FOREIGN COMMERCIAL SERVICE

FEB 26 1999

MEMORANDUM FOR: George E. Ross
Assistant Inspector General for Auditing

FROM: Awilda R. Marquez *ARM*

SUBJECT: US&FCS American Business Center
Program Used Merit-Based Criteria
CFDA No. 11.115 (requested)
Draft Audit Report No. BTD-10957-9-XXXX

In response to your audit report, which, as its only recommendation to improving our American Business Center (ABC) operation, urged that an announcement of the ABC program be placed in the *Catalog of Federal Domestic Assistance* (CFDA), I am pleased to report that the announcement was published in the December 8, 1998 issue. You may view the announcement (11.115) on the web site at WWW.GSA.GOV/FDAC.

For your information and background, the American Business Center Program Office staff submitted an announcement to CFDA on September 9, 1997, but it was not included in the publication. They resubmitted the announcement on October 22, 1998, and it was published in the December issue.

Thank you for the excellent report on the American Business Center program.

cc: David L. Aaron, Under Secretary for International Trade
Dolores F. Harrod, Deputy Assistant Secretary for International Operations
U.S. and Foreign Commercial Service
Linda J. Bilmes, Acting Chief Financial Officer and
Assistant Secretary for Administration
Sonya G. Stewart, Director, Office of Executive Budgeting and
Assistance Management
Mary Ann McFate, ITA Office of Administration

