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UNITED STATES GENERAL ACCOUNTING OFFICE
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B-205860

DECEMBER 30, 1981

The Honorable Robert S. Walker
House of Representatives

Dear Mr. Walker:

Subject: An Additional Federal Court Location in
the Eastern District of Pennsylvania Is
Not Needed (GGD-82-30)

In response to your request of July 6, 1981, we undertook a study to assess the practicality of establishing a Federal district court and bankruptcy court location in Lancaster, Pennsylvania. Two prior attempts to statutorily establish a district court location in Lancaster failed because the caseload involving Lancaster County was not sufficient to justify a separate location. Our examination showed that the same condition presently exists. The number of civil and criminal cases filed during the year ending June 30, 1981, involving Lancaster residents represented less than 2 percent of the total caseload of the eastern district of Pennsylvania during the same period. Thus, we believe the judiciary will not and probably should not at this time endorse legislation to designate Lancaster as a Federal district court location. With regard to bankruptcy court proceedings, Lancaster County court officials have agreed to provide courtroom facilities to Federal bankruptcy trustees so that the first hearing of a case can be conducted in Lancaster. This arrangement will significantly reduce travel by Lancaster County residents when litigating their cases in Federal bankruptcy court.

To assess the need for the two court locations, we addressed (1) the number of criminal, civil, and bankruptcy cases filed during the period July 1, 1980, through June 30, 1981, in the Federal eastern judicial district of Pennsylvania involving Lancaster County residents; (2) the accessibility of the present Federal court locations to Lancaster County residents; (3) the availability of courtroom facilities for Federal use in Lancaster



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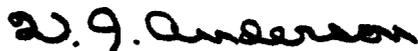
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County; and (4) the criteria and procedures used by the judiciary to justify the establishment of a new Federal district court location or Federal bankruptcy court. The information developed during our review is presented in detail in the enclosures.

We discussed the facts presented in this report with officials from the Administrative Office of the United States Courts and the chief judge from the eastern district of Pennsylvania. They agreed with the accuracy of the information presented.

As arranged with your office, unless you publicly announce the contents of the report earlier, we plan no further distribution until 10 days from the date of its issuance. At that time we will send copies to interested parties. We will also make copies available to others upon request.

Sincerely yours,



William J. Anderson
Director

Enclosures - 2

ASSESSING THE NEED FOR AN ADDITIONAL
FEDERAL COURT LOCATION IN THE EASTERN
DISTRICT OF PENNSYLVANIA

At the request of Congressman Robert S. Walker, we assessed the need for a Federal district court and bankruptcy court location in Lancaster, Pennsylvania, which is within the judicial jurisdiction of the eastern district of Pennsylvania. On the basis of the criteria used by the Federal judiciary, we believe the number of criminal and civil cases involving Lancaster County residents remains at such a level that the judiciary will not and probably should not at this time endorse legislation to establish a district court location in Lancaster.

With regard to a bankruptcy court location, the Congress will statutorily designate new court locations in 1984, pursuant to Public Law 95-598. In the interim, the Administrative Office of the United States Courts is gathering data which will identify the adequacy of the present locations and serve, if necessary, as the basis for the Judicial Conference's recommendations to the Congress for additional locations. Until the permanent locations are approved by the Congress, the Judicial Conference has the authority to designate new sites as the need arises for holding bankruptcy court. Lancaster County court officials have agreed to provide courtroom facilities to Federal bankruptcy trustees so that the first hearing of a bankruptcy case can be conducted in Lancaster, thus significantly reducing travel by litigants from Lancaster.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to assess the need for a Federal district court and bankruptcy court location in Lancaster, Pennsylvania. In light of the fact that an assessment of the need for bankruptcy courts is presently being undertaken by the Administrative Office and that arrangements have already been made to hold bankruptcy hearings in Lancaster, our efforts and resources were directed to assessing the need for a Federal district court location.

In assessing the need for a district court location, we used the criteria and procedures employed by the Federal judiciary when making such a determination. More specifically, we determined (1) the total number of civil and criminal cases filed in the eastern district of Pennsylvania during the year ending June 30, 1981, and the number originating from Lancaster County, (2) the accessibility of the present Federal court locations to Lancaster County residents, and (3) the availability of courtroom facilities for Federal use in Lancaster County.

In addition, we examined various statistical publications of the Administrative Office; interviewed eastern district of

Pennsylvania court officials and judges, Administrative Office officials, and officials and the chief judge from the Lancaster County government and court; performed an onsite inspection of the Lancaster County court facilities that might be available for Federal use; and reviewed prior congressional testimony relating to previous attempts to establish a permanent court location in Lancaster.

Even though an assessment of the need for bankruptcy courts is presently being conducted by the Administrative Office, we did perform limited work regarding the need for a bankruptcy court in Lancaster. As part of this effort we interviewed Lancaster County officials and a Federal bankruptcy judge from the eastern district. In addition, we determined the total number of bankruptcy cases filed in the eastern district of Pennsylvania and, of those, the number originating from Lancaster County during the year ending June 30, 1981.

ORGANIZATIONAL ENTITIES OF THE FEDERAL JUDICIAL SYSTEM

The organization of the Federal court system and the responsibilities and authority of court personnel are clearly delineated through statutes and policies and procedures of the judiciary. Although the United States Code is the foundation of the judicial system, policies and internal procedures established by the Judicial Conference of the United States, the circuit judicial councils, the Administrative Office, and the Federal district courts serve as the framework supporting the day-to-day operation of the Federal district court system.

The Judicial Conference is a policymaking body for the Federal judicial system. Its areas of interest include court administration, assignment of judges, general rules of practice and procedures, promotion of simplicity in procedures, fairness in administration, and elimination of unjustifiable expense and delay. Accordingly, the Judicial Conference and its Committee on Court Administration are responsible for assessing the need for additional court districts or additional locations within a court district.

The Federal court system is divided into 12 judicial circuits. Each circuit has a judicial council consisting of both circuit court and district court judges. The councils are required to meet at least twice each year. At these meetings each judicial council considers the quarterly reports on district court activities prepared by the Administrative Office and takes such action as may be appropriate. Additionally, the councils promulgate orders to promote the effective and expeditious administration of the courts within their circuits.

Under the supervision and direction of the Judicial Conference, the Administrative Office supervises the day-to-day administration of the Federal court system. In this regard, the Administrative Office is responsible for gathering statistical data pertaining to the courts' caseload and the utilization of facilities provided to the courts. The Administrative Office also plays a vital role in assessing the need for additional district court locations. The Administrative Office performs this function by gathering the data necessary to determine whether a new court location is justified.

PROCEDURES AND CRITERIA USED
FOR ASSESSING THE NEED FOR
DISTRICT COURT LOCATIONS

The authority to create or change districts, create or alter locations, and statutorily designate places of holding regular sessions of Federal district court proceedings is vested with the Congress (28 U.S.C. 81-131,142). The Judicial Conference and the Administrative Office play vital roles in determining when and where new court locations should be established, and both organizations have attempted to ensure the practicality of establishing new court locations. Because the creation of new court locations affects the overall operation of a Federal judicial district, both the judiciary and the Congress review every request to create additional locations.

The initiation of a new court location can begin with the Congress, a district court, or the citizens that a district court serves. The feasibility of establishing a new court location is determined primarily according to the number of cases originating from the particular locale and the number of special court sessions that were held in that locale over a period of time. Special court sessions are authorized under 28 U.S.C. 141 which states in part that: "Special sessions of the district court may be held at such places in the district as the nature of the business may require, and upon such notice as the court orders." Using the caseload of the locale to be affected and the number of special court sessions as a basis, the district court submits its proposal to the circuit council for review. If the circuit council endorses the proposal, it forwards the proposal to the Administrative Office for further study.

At a minimum the Administrative Office considers the following factors in assessing the need for a new court location:

- The district's civil and criminal caseload generated by each geographical area.
- The probable costs of creating a new court location.

--The views of the local community including litigants, witnesses, jurors, attorneys, and geographical factors influencing the court's service to the community and the community's access to the existing court locations.

Upon completion of its assessment, the Administrative Office submits its recommendations to the Judicial Conference for consideration. If the Judicial Conference agrees with the proposal, legislation is submitted to Congress requesting the establishment of a new court location. Congress analyzes each request to realign judicial districts and reviews the supporting documentation from the affected district court, judicial council, the Administrative Office, and the Judicial Conference.

ASSESSING THE NEED FOR
ANOTHER DISTRICT COURT
LOCATION IN THE EASTERN
DISTRICT OF PENNSYLVANIA

In determining whether a Federal district court location was needed in Lancaster County, we used the judiciary's criteria of balancing the needs and convenience of litigants, the attorneys, and the public in that area against the impact upon the orderly administration of justice throughout the entire eastern judicial district of Pennsylvania. We analyzed the present organization and staffing of the eastern district of Pennsylvania. We also identified the number of criminal and civil cases filed in this district and the number of those that originated from Lancaster County. On the basis of our analysis, we believe the judiciary will not and probably should not at this time endorse legislation to designate Lancaster as a Federal district court location.

Organization of the
district court

The Administrative Office considers the eastern district of Pennsylvania one of the largest district courts in the Federal judicial system. The court is staffed by 19 active judges, 2 senior judges, 5 full-time magistrates, and 2 part-time magistrates. In addition, the court employs 164 personnel as support staff. The eastern district comprises the counties of Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery, Northampton, Philadelphia, and Schuylkill. (See enc. II, which illustrates the geographical layout of the eastern district of Pennsylvania.) To serve these counties, the Congress has designated Philadelphia, Allentown, Reading, and Easton as official court locations. With the exception of Easton, these locations are active in hearing litigation for the eastern district of Pennsylvania.

Court personnel refer to Berks, Lehigh, Northampton, Schuylkill, and Lancaster counties as the "northern" or "upper" counties. Although two of these counties contain permanent district court locations (Allentown and Reading), all five counties are geographically situated furthest from the eastern district's main court facility in Philadelphia. According to the clerk of court, the workload of the eastern district of Pennsylvania is distributed among the court locations in the following manner:

--All arraignments for criminal cases are held in Philadelphia, but the cases may be tried in Philadelphia, Reading, or Allentown, depending on the litigants' county of origin.

--All civil cases are filed in Philadelphia, but the cases may be tried in any of the three active court locations, depending on the litigants' county of origin.

Thus, depending on the type of case and litigants involved, Lancaster County litigants may be required to appear in any of the three active court locations when resolving their cases in Federal court. However, to reduce Lancaster County litigants' travel, the court tries to assign Lancaster County cases to the Reading court location whenever possible.

Workload of the district court

Before a new court location is endorsed by the Judicial Conference or approved by the Congress, a strong and compelling need for the additional location must be demonstrated. A major factor in determining the need for any new court location is the caseload of the court being considered for realignment.

Prior to July 1980, district courts were not required to submit data to the Administrative Office pertaining to litigants' county of origin. Thus, statistics pertaining to the number of civil and criminal cases involving Lancaster County residents prior to July 1980 were not available. However, available statistics showed that for the year ending June 30, 1981, Lancaster County residents were litigants in 96, or 1.8 percent, of the 5,308 total Federal civil cases, and 4, or 1 percent, of the 399 total Federal criminal cases filed in the eastern district of Pennsylvania.

Because of the extremely low volume of both civil and criminal cases involving litigants from Lancaster County, it is evident that a strong and compelling need for a new court location in Lancaster has not been demonstrated. These same conditions existed in 1978 and 1979 when legislation was introduced (H.R. 11829 and H.R. 4961) to designate Lancaster County as a Federal court

location. These two pieces of legislation failed primarily because the number of filings from the Lancaster County area did not justify designating Lancaster an official court location for the eastern district of Pennsylvania.

At the present time Lancaster County residents primarily travel either to the Reading or Philadelphia Federal court locations to have their cases heard. Lancaster is approximately 32 miles from Reading and is primarily accessible only by car because adequate public transportation is lacking. Philadelphia is approximately 65 miles from Lancaster and is accessible by either car or public transportation. Even though both locations may be inconvenient for Lancaster County residents, the low number of cases involving Lancaster County residents does not justify the cost of establishing a Federal court location in Lancaster. Due to the low number of filings involving Lancaster County residents, we did not explore the cost of procuring facilities to hold Federal court sessions. However, we did explore with Lancaster County officials the possibility of using local courtroom facilities for Federal court sessions.

Views of judicial personnel and local officials

We discussed the need for a Federal court location in Lancaster with Federal court judges, officials from the Administrative Office, and the Lancaster County government and court. The Director of the Administrative Office and the chief judge of the eastern district of Pennsylvania said they would not endorse legislation that would designate Lancaster as an official court location because of the low number of cases involving litigants from Lancaster County. In addition, Lancaster County officials expressed differing opinions regarding the use of county courthouse space for Federal court proceedings.

Lancaster County government and court officials told us that they could envision difficulties in scheduling courtrooms for use by both local and Federal judges. They said that this was primarily due to the steady increase in the workload of the local court in addition to the recent appointment of two new judges and the possible appointment of additional judges. Therefore, these conditions would limit the availability of courtroom space for Federal use. Further, the Lancaster County commissioners told us that priority would be given to county judges and court personnel when assigning courthouse space or scheduling courtroom proceedings. The commissioners also told us that, if the space was available and the Federal court wanted or needed the space on a regular basis, they would require a lease arrangement.

The chief judge of the eastern district of Pennsylvania and the Director of the Administrative Office told us that the low number of cases involving residents of Lancaster County does not

justify the establishment of a permanent court location in Lancaster. Even though the caseload does not justify a court location, the court, even though it has not done so in the past, could hold special court sessions in Lancaster pursuant to 28 U.S.C. 141. In fact, the Director of the Administrative Office told us that the court could hold such special sessions if and when the need should arise. Further, an Administrative Office official explained that such action could be initiated by the district court and would not require congressional approval. However, the chief judge of the district, while not entirely opposed to such an arrangement, is not in favor of conducting special sessions because of the lack of guaranteed courtroom facilities. He told us that the Federal court calendar cannot be governed by the local court calendar. For example, if the Federal court had a case scheduled in one of the Lancaster County courtrooms and a local emergency arose whereby that particular courtroom was needed, the Federal trial would have to be delayed. The chief judge said such an action would be unacceptable.

Conclusion

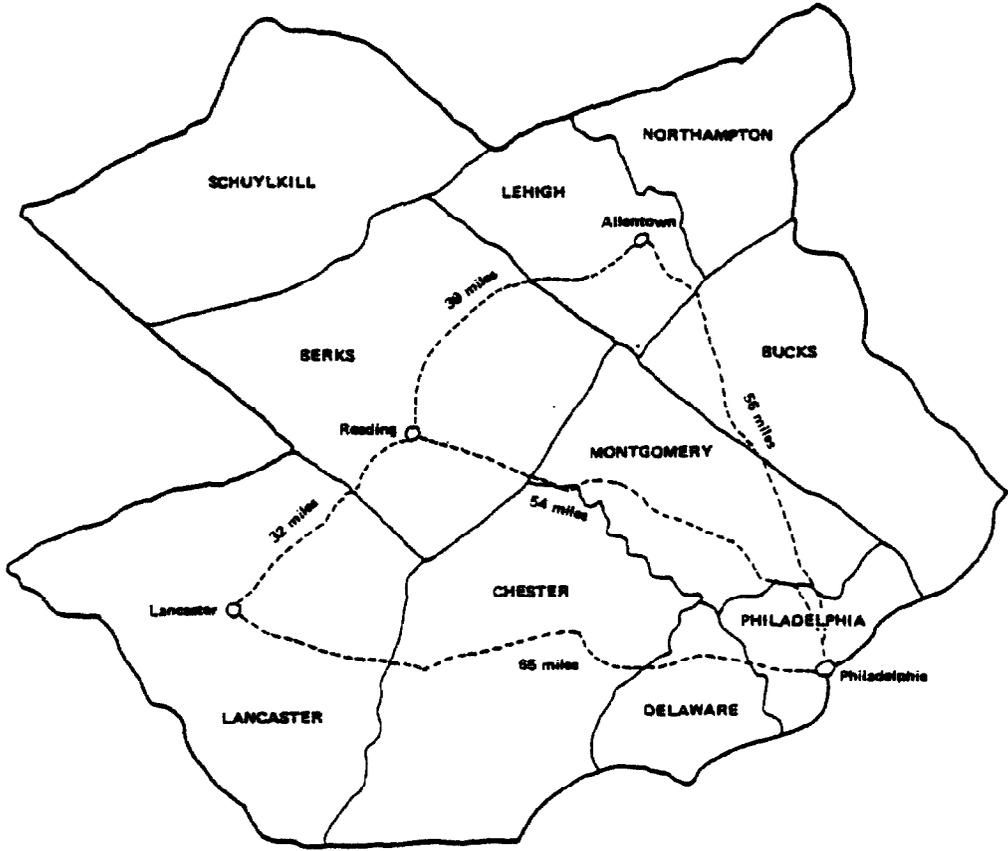
On the basis of our analysis of caseload statistics for Lancaster County and the eastern district of Pennsylvania, we believe the judiciary will not and should not at this time endorse legislation to designate Lancaster as a Federal district court location. Therefore, unless the number of cases involving Lancaster County litigants increases significantly, the residents of Lancaster County will have to continue using the Federal court facilities in either Reading or Philadelphia.

FEDERAL BANKRUPTCY COURT OPERATIONS

The Bankruptcy Reform Act of 1978 (P.L. 95-598) severed bankruptcy cases from the Federal district courts' jurisdiction and established separate bankruptcy courts. Although the act became effective on October 1, 1979, the Federal bankruptcy court system remains in a period of administrative transition. The Congress mandated that the judiciary maintain careful supervision over the implementation of the bankruptcy court system and analyze the adequacy of the authorized judgeship positions and court locations. Section 406 of the Bankruptcy Reform Act stipulates that the Administrative Office is to analyze the adequacy of the bankruptcy court locations and, by January 1983, report its findings and recommendations for bankruptcy court locations to the Judicial Conference. The Congress is required to act on the Conference's recommendations for new court locations in 1984. During the interim period, the Judicial Conference has the authority to designate additional locations for holding bankruptcy court.

Until recently Lancaster County residents involved in bankruptcy proceedings were required to appear at the bankruptcy court located in Reading, 32 miles from Lancaster, to have their cases heard. Bankruptcy proceedings normally entail two hearings--the first is a meeting of creditors and the second is a discharge hearing. For the year ending June 30, 1981, Lancaster County residents were involved in 484 cases, or 7 percent, of the 6,350 total bankruptcy filings for the eastern district of Pennsylvania. As a result, Lancaster residents had to make at least two trips to Reading in these bankruptcy proceedings. This necessitated at a minimum a total of 968 trips to Reading. However, on September 24, 1981, Lancaster County court officials agreed to provide, without cost to the Federal Government, a courtroom to Federal bankruptcy trustees so that the first meeting of creditors could be conducted in Lancaster. Thus, the number of trips from Lancaster to Reading will be reduced by half because Lancaster County residents will be able to attend the first bankruptcy proceeding in Lancaster. This new procedure should substantially reduce the inconvenience to Lancaster County litigants.

EASTERN JUDICIAL DISTRICT OF PENNSYLVANIA



Legend: - - - Major routes connecting Lancaster to present Federal court locations
Not Drawn To Scale