

Naval Supply Depot, Guantanamo Bay, Cuba, where the trend is toward the ultimate elimination of all contracting out.

Mr. HÉBERT. It is difficult down in Guantanamo now to contract out, isn't it?

Secretary BELIEU. That is why the trend is in the opposite direction. [Laughter].

The Bureau of Yards and Docks.

It is the policy of the Bureau of Yards and Docks to utilize private industry for the accomplishment of maintenance for the following purposes:

- (1) Meeting seasonal and other peak workloads.
- (2) Specialized work.
- (3) When it could be demonstrated that the use of commercial facilities would result in a savings to the Government.

This Bureau maintains three construction battalion centers (at Davisville, R.I.; Gulfport, Miss., and Port Hueneme, Calif.) which accomplish depot type maintenance of facilities, automotive and construction equipment. The equipment is used by mobile construction battalions in the Atlantic and Pacific.

The Marine Corps operates two depot maintenance type establishments. They are: The Marine Corps Supply Center, Albany, Ga., and the Marine Corps Supply Center, Barstow, Calif. These activities are engaged in overhaul and repair of Marine Corps equipments such as tanks, automotive, components, weapons.

I have some charts, which are on the back of this presentation, prepared for the committee whenever it wishes, which indicate trends in the amount of work contracted out versus amount accomplished in-house. Percentagewise, I do not believe there is any noticeable effect which can be attributed to these directives, Bureau of the Budget Bulletin 60-2 and Department of Defense Directive 4151.1.

You may note that the Bureau of Ships chart is not projected very far into the future. These assignments are delicately balanced with the award of newly authorized construction to private shipyards and a consequent determination of the best allocation of repair load to maintain efficient operation of the inhouse activities.

Admiral James pointed out earlier this year in hearings before the Department of Defense Subcommittee of the Committee on Appropriations that an intensive study is being made in this area.

As I mentioned before, for brevity I have submitted for the record a more detailed review of the Bureau of the Budget Bulletin 60-2. (The material submitted for inclusion in the record is as follows:)

STATEMENT SUBMITTED FOR THE RECORD IN CONJUNCTION WITH A STATEMENT BY THE HONORABLE KENNETH E. BELIEU, ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND LOGISTICS) BEFORE THE SUBCOMMITTEE FOR SPECIAL INVESTIGATIONS OF THE COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before your committee today to report on the "contracting out" policies and practices of the Department of the Navy. First, I have given you a history of contracting out as it has been practiced by the Navy, which for brevity omitted some of the detailed descriptions of the different types of establishments that are concerned in this presentation, as well as historical details of the relationship of Bureau of the Budget Bulletin 60-2 to Navy's past and present policy and performance.

These additional background details are submitted for the record.