

seeable use, expenditures of as much as \$2.5 million could have been avoided. Further, we believe that such timely action could have released scientific and technical manpower in both Government and industry to meet other, and possibly more pressing, demands at a time when the demand for scientists and engineers exceeded the supply.

The Space Administration did not agree with our finding. Its comments are recognized in the report.

We are reporting this matter to the Congress because of the interest expressed in the Surveyor project, as indicated by the Subcommittee on NASA Oversight, Committee on Science and Astronautics, House of Representatives, which issued a report dated October 8, 1965, entitled "Project Surveyor," and in the belief that the results of our review will be of value to the Congress in its surveillance over the space programs. We believe also that our report, by pointing out a specific area where, in our view, management was not fully effective, will be of assistance to the Space Administration in its management of future space programs.

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RECOVERY OF NEEDED PARTS FROM EXCESS AIRCRAFT ENGINES, DEPARTMENT OF THE AIR FORCE

The Air Force has placed considerable emphasis on the importance of recovering needed parts from excess aircraft engines being processed for disposal, and this emphasis has resulted in significant savings each year. We found, however, that in the reclamation of J57 and R4360 engines in fiscal year 1964, parts costing about \$872,000, for which the Air Force had requirements, had not been listed for recovery when the engines were processed for disposal. Many of these parts were omitted from the lists due to errors, oversights, and misunderstandings on the part of commodity managers at the San Antonio Air Materiel Area, Texas, and because supervisory reviews did not detect these omissions. In some instances, published lists of parts to be recovered were not provided to the commodity managers for review for accuracy and completeness, and, in other instances, heavy workloads delayed revision and updating of these lists to reflect latest requirements. In addition, at the Oklahoma City Air Materiel Area, Oklahoma, engines were disposed of before an appropriate list of parts to be saved had been issued by the engine manager at San Antonio.

We brought our finding to the attention of Air Force officials during our review, and the Air Force took action to recover any needed parts which had not yet been disposed of. By that time, however, it was possible to recover only parts costing \$213,400; the remainder had already been disposed of. After allowing for condemnations and reclamation and repair costs, we estimate that this action resulted in savings of about \$137,000. We estimated that, if provision had been made initially for the recovery of the entire \$872,000 worth of parts, it would have resulted in additional savings of about \$443,000.

The Air Force commented on our finding in a letter dated August 25, 1965. The Air Force acknowledged that deficiencies had existed in the reclamation process in fiscal year 1964 and agreed that errors and untimely reclamation had caused the loss of needed parts. We