

Central Office in Washington has given this matter considerable attention over the past several years. However, we believe that there have been unnecessary delays in effecting economies because some regional offices have been reluctant to make changes in their title evidence requirements.

We proposed to the Administrator of Veterans' Affairs that the practice of purchasing title insurance on properties acquired in Florida be discontinued. We proposed also that the Central Office make more penetrating evaluations of the reasons offered by regional offices for continuing the purchase of costly title evidence and direct regional offices to confine purchases of title evidence to that which is absolutely essential.

The Deputy Administrator of Veterans' Affairs advised us that in November 1965 procedures were revised to eliminate the purchase of title insurance on properties acquired in Florida. Under the revised procedures, the Veterans' Administration accepts or rejects titles to properties tendered by mortgage holders in Florida on the basis of title binders (commitments to insure title) issued by title insurance companies at substantially less cost than title insurance. We estimate that the new procedures will result in savings of about \$180,000 a year on properties acquired in Florida. However, we believe that an opportunity exists to save an additional amount of about \$75,000 a year in Florida by not purchasing title binders. It is our view that the title binders are also unnecessary for the same reasons we believe that the title insurance was unnecessary, and we are therefore recommending that the purchase of title binders be discontinued.

The Deputy Administrator informed us that at present four regional offices were still purchasing title insurance because of valid extenuating circumstances but that appropriate plans were being developed to resolve the problems at these offices in the immediate future.

Because additional savings may be available on a Government-wide basis, we plan to make examinations into the title insurance practices of other Federal agencies involved in the acquisition of real property.

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SAVINGS AVAILABLE BY USE OF CONVENTIONALLY DESIGNED AIRPORT TRAFFIC CONTROL TOWERS AT LOW-ACTIVITY AIRPORTS, FEDERAL AVIATION AGENCY

Our review disclosed the need for improved controls to ensure that structures being financed by the Agency are the most economical design available for the effective control of air traffic. We found that the Federal Aviation Agency approved the construction of control towers without first having analyzed the relative benefits and costs of the tower design. As a result, the Agency will incur additional costs of about \$2,250,000 for the construction of 28 control towers of a new design at low-activity airports. The Agency proceeded with the construction of these towers even though available cost information showed that their cost would significantly exceed the cost of conventionally designed towers previously constructed at other low-activity airports. The Agency had planned to construct, in addition