

provided them with the alternative that, on the basis of cost data available at the time, about \$2.3 million could have been saved by installing the diesel engine and other M48A3 features in the used tanks during the rebuild process rather than converting the unused tanks. The objective of the Army's conversion and rebuild programs, that is, to have both M48A1 and M48A3 tanks available for use by the troops, could have been accomplished by issuing the unused tanks immediately and converting the used tanks at the time they were rebuilt. On the basis of costs actually incurred, about \$5.7 million would have been saved if used tanks had been converted during the rebuild process.

In commenting on our report, the Department of the Army took the position that all factors were considered. We were informed that (1) professional judgment dictated a need for the most reliable equipment with the least possible delay and, accordingly, the decision was made to retrofit unused tanks rather than used tanks and (2) "No other method of achieving this objective was known * * *."

It is our opinion that pertinent cost data was not considered at the time the modification program was approved and that there is a serious question as to whether any significant increase in effectiveness was gained through the conversion of unused tanks as compared to the conversion of used tanks during the rebuild process for several reasons outlined in our report. Further, it is impossible to tell what decision Army officials would have made if adequate cost data had been developed and considered. There appears to have been considerable feeling on the part of some of the Army personnel involved that only unused tanks should be converted in order to have the best equipment possible in the hands of the troop units. However, without being provided full information, the Chief of Staff and the Secretary of the Army had no means of judging the relative costs and military effectiveness of the alternatives available for accomplishing their objective.

We recommended that, when major equipment modifications are to be undertaken, the Secretary of the Army specifically provide that (1) if a normal overhaul program is also to be undertaken, Army personnel develop all pertinent cost and other factors concerning the alternative of accomplishing the modifications at the same time and (2) the data be furnished to top level Department of the Army personnel for consideration in connection with program approval.

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SAVINGS THAT CAN BE ATTAINED BY REBUILDING USED MOTOR VEHICLE TIRES, DEPARTMENT OF THE AIR FORCE

On the basis of our analysis of the tire-rebuilding statistics for 80 Air Force installations and our observations of tire inspection and rebuilding practices at 11 of the installations, we estimate that more extensive rebuilding of used motor vehicle tires by Air Force installations, instead of buying new replacement tires, would have resulted in savings of as much as \$2 million in one fiscal year and could likewise result in substantial savings in future years. At most of the installations included in our review, requirements for replacement tires were