are used in the establishment of profits and fees, would be possible after sufficient data had been obtained under a Department of Defense Profit Review Study.

We recommended to the Department of Defense that, in its review of the rental cost principle, it consider the alternatives discussed in this report; that is, either to consider the costs of rented buildings and land used by defense contractors to be allowable to the extent that they do not exceed the costs of ownership or to provide a clear distinction between owned and rented facilities in establishing profits or fees. We recommended also that, in conjunction with consideration of these alternatives, the Department review the matter of a requirement for disclosure of contemplated actions involving special or unusual costs to be incurred by defense contractors.

[Index No. 70—B-132989, Sept. 30, 1966]

Follow-Up Review of the Management of Aircraft Engines Used in Ground Training Programs, Department of the Air Force

The General Accounting Office made a follow-up review of management of aircraft engines used in ground training programs. The review was made for the purpose of evaluating the effectiveness of actions taken by the Air Force to correct the deficiencies cited in our November 1962 report to the Congress titled "Management of Jet Aircraft Engines by the Air Training Command in its ground training programs for the Department of the Air Force" (B-132989).

Our follow-up review showed that the Air Training Command had made significant improvements in its procedures for establishing requirements for engines and for controlling the use and disposition of engines acquired for training purposes. We found, however, that certain of the improved procedures had not been adequately implemented at the Command's technical training centers. As a result, the maximum benefits attainable from the improved procedures were not being realized.

In our earlier report we noted that, in its training courses, the Air Training Command was using engines that were needed by other commands for operational use, although older series engines, suitable for training purposes, were available from long supply in the Air Force inventory. In commenting on our report, the Air Force informed us that it had established procedures for the exchange of supply-status information between the Air Training Command and the Air Force Logistics Command which, in conjunction with other changes in Air Force management programs, were expected to result in a significant improvement in engine management. As a result of the various improvements, such as the consolidation of training courses so that engines and related equipment could be used in more than one course, the Air Training Command during fiscal years 1963 and 1964 took action to release or eliminate requirements for engines and equipment valued at about $12,400,000 that, in many cases, were needed for operational use by other commands.

We found, however, that the technical training centers were not making proper use of the engine supply-status information furnished