

when it established the Glasgow Air Force Station in Montana about which he was specifically concerned, did its own procuring. With respect to the \$4 billion annual cost estimate, we broke it down as follows; \$3 billion in communications costs—three-fourths is in communications costs and not in power costs. Approximately \$500 million is in electric costs, and \$500 million in gas, sewage, and steam costs.

Now, he later asked us for, and we gave him an explanation of our general procedures for attempting to negotiate satisfactory rates rather than litigating for such rates in regulatory proceedings, although we do intervene when negotiations do not produce satisfactory results and we are in several cases right now. But we attempt to negotiate first and see if we can handle it that way.

STAFF ON RATE CASE WORK

More than that—he asked us how much staff GSA had dedicated to this. We pointed out the number of people we had but also pointed out that, working with the Department of Defense, Atomic Energy Commission and other major procurers, we frequently will decide which agency has the major interest in a particular case and will delegate authority to that agency to represent the Government as a whole. So that in relating the eight people to \$4 billion worth of procurement, it does look as though we are understaffed. But when we said we thought we were adequately staffed, we meant simply that we believe that by and large, with the total available staff, we were meeting the needs under the procedures we were using. That is, by using the staff resources of GSA and other agencies, we were meeting adequately the needs of the Government.

REDUCTION IN UTILITY BILLS

We had also pointed out to him that in fiscal year 1966, as an example—through GSA representations, negotiations and rate reviews in fiscal 1966—we had secured a total reduction in utility bills of \$1,349,306. This represents to us a return of over \$11 for each \$1 spent in this activity.

We don't have that calculated out on a Government-wide basis nor cumulative. I think it would be interesting and we would be glad to see if we can bring that together as a total.

Representative GRIFFITHS. Thank you. I think it would be interesting to the committee.

(The information referred to follows:)

The cumulative utility savings beginning with the fiscal year 1963 and extending through May 15, 1967, are \$11.1 million composed of \$1.4 million having a single year effect and \$9.7 million which will accrue annually.

ROTATION OF MEDICAL STOCKS

Representative GRIFFITHS. You have referred to the Office of Emergency Planning and point out that you have developed a plan where under a 30-day inventory of certain medical items will be located at and rotated by community hospitals. The Office of Emergency Plan-