

b. *Coverage.* The report will include the following :

- (1) Summary of actions which have been taken during the fiscal year to comply with the provisions of this Circular. A copy of new or revised instructions or criteria developed and issued by the agency should be included.
- (2) A statement that all properties under the custody of the agency are needed or, as appropriate, that action is being taken to screen, report excess, or otherwise dispose of unneeded properties. A separate summary will be included for each of the following categories showing the number and cost of properties, acreage and number of buildings, structures and facilities: (a) properties, reported excess for disposition under the Federal Property and Administrative Services Act of 1949, as amended; (b) properties returned to the public domain (see paragraph 3); (c) properties made available by permit to another agency as provided in paragraph 6; (d) leases canceled as a result of the annual agency review; and (e) properties for which other disposition has been made.
- (3) In those cases where recommendations have been made to obtain appropriate financing or new authorizing legislation to obtain substitute facilities in accordance with the policy guidelines of this Circular, a reference to such recommendations should be included in the report.

The General Services Administration will transmit the above described report for all agencies accountable for real property to the Bureau of the Budget no later than November 1, of each year.

CHARLES L. SCHULTZE,
Director.

Circular A-2, as now revised, requires Federal agencies to develop criteria to achieve effective and economical use of real property holdings consistent with program requirements. It also provides that agencies are to identify real property, or any separable unit thereof, as unneeded when—

It is not being used by the agency for program purposes, or
There are no approved current plans for future use of the property, or

Substantial net savings to the Government would result if properties used for essential purposes could be sold at their current market values and other suitable properties of substantially lower current values substituted for them, or

The costs of operation and maintenance are substantially higher than for other suitable properties of equal or less value which could be made available by transfer, permit, purchase, or lease.

In addition to the guidelines enumerated in Circular A-2, Circular A-76, on which I commented previously concerning the Government's general policy of relying on the private enterprise system, bears on the problem. Circular A-76 establishes guidance for agencies for reviewing industrial and commercial type activities which may result in real property becoming excess incident to discontinuance of such Government activities.

Circular A-2 provides that all unneeded real property as defined in the Federal Property and Administrative Services Act is to be reported as excess to GSA or, in the case of public domain which is no longer required for the program for which withdrawn, reported to the Bureau of Land Management, Department of the Interior, or, if covered by other statutes, disposed of as provided by applicable law.

We share the committee's concern relative to the growth of Federal real property holdings which totaled \$69.4 billion as of June 30, 1966. To assure that acquisitions are kept to an absolute minimum as to area, A-2 instructs Federal agencies to acquire only those amounts of real property necessary for effective program operation. Also, before an