

Mr. ROMNEY. Mr. Waters, in the acquisition of these substantial quantities of excess property which are then brought to your rehabilitation centers, can you describe your procedures for ascertaining the continued justification in keeping property there which you have not been able to move? And what happens when you have to move this property?

Mr. WATERS. So far, we think our turnover has been very satisfactory. We, first, in the selection process, are trying to select articles or items we know are generally usable in our programs while not having a specific request for them. In many instances, we also have quantities and types that have been sent to us by missions. And much of the equipment in rehab is in effect on order.

If in fact we have property for which we do not have a use, or a use doesn't develop, why, we would excess it out and make it available for any other purpose.

Mr. BARASH. If I might interject. If I understood your testimony, Mr. Waters, you said that you had gathered from European sources approximately \$40.4 million acquisition cost in excess property, and you state your goal for shipping out in fiscal 1967 is \$16 million. Now, what has happened to the property represented by the difference between the \$16 million and the \$40 million?

Mr. WATERS. Mr. Barash, I said we requested the \$40 million. There is quite a long pipeline in the movement of this before it gets to the rehab site.

So in effect when we have requested it, made a claim on it, and when it starts the process of moving, it may be several months before it even gets to the rehab site. So we are having a backlog of material that is going to be moved into the rehab site. We will have a pickup program early in 1968. But we do not have that \$40 million on hand in our hands. It is still being moved to us from the military and from the military installations.

Mr. Woll informs me that actually at the site we have only received \$17 million worth of this amount. So there is a pipeline both in time and in value of equipment that runs several months—even more than a full quarter—in having some of this moved. Much of it has to be moved even at the convenience of the military when they are handling the movement for us.

Much of the equipment that we requested, for example, on the transfer of material from France has been part of the process of moving to Germany and down from Germany to Antwerp.

Mr. BARASH. Thank you.

Mr. ROMNEY. How large a staff do you have at your Antwerp site?

Mr. WATERS. Actually at Antwerp it is a one-man staff. It is a contract operation with our one man being inspector and supervisor of this equipment. The personnel work is done by contract.

In our Frankfurt office in Germany, there are eight on the staff. This includes not only the officer in charge, but from there are the screeners who go out and locate property as well.

Mr. ROMNEY. And what about the sites at Rota and Livorno?

Mr. WATERS. Rota and Livorno, I think, are only—Mr. Woll has put me up to date. We have one man of our own who is stationed at Rota, but covers Rota and Livorno to inspect the operations at the two smaller sites.