

Colonel REGAN. The next function is:

Support and assistance to the U.S. Embassy, Paris, in residual value negotiations.

We have recently been sitting down with the Embassy and NATO to see how best MLS could contribute to the negotiations, what type of computations we can make to help them in residual value negotiations.

Mr. MONAGAN. Residual value means determining the present value of an unexpired term of lease or other agreement, is that correct?

Colonel REGAN. That is correct. In the case of Toul, for example, the total U.S. investment in Toul was \$23 million. We sold Toul for \$795,000, but that was only the related personal property, it did not include the brick and mortar. They were left but that benefited the Government of France by our leaving them here so we would have a claim against the Government of France for that.

Mr. MONAGAN. That would not be based on a lease but on the remaining expected life of the buildings?

Colonel REGAN. Yes, 20-year life, built in 1962, good until 1982.

Mr. MONAGAN. Does this negotiation apply to all the 311 properties?

Colonel REGAN. Yes.

Mr. MONAGAN. Realizing that some of them would be very small.

Colonel REGAN. Yes. It will either be multilateral, which would be NATO residual value, or bilateral, which would be United States. One that is multilateral is Brienne.

The next function of MLS is:

Transfer of facilities and installations, held in custody, to appropriate authorities of the Government of France.

This [indicating] is our progress report of April 1967.

Mr. MONAGAN. Thank you. We will receive that for the file.

Colonel REGAN. Sir, we have released to the Government of France 93 Army and seven Air Force installations. Most of these were small and a lot of them were just leases. The only large facility we released to France was Toul.

Mr. MONAGAN. When you say "released" you mean without any compensation?

Colonel REGAN. Yes. The leases were released without compensation but we still have not put in our claims for termination of the contract.

Mr. MONAGAN. They are still subject to negotiation?

Colonel REGAN. Yes, sir; they still are.

I hopefully will return four major installations to the Government of France next week: Laon, Chaumont, Etain, and Jeanne d'Arc.

Mr. BARASH. I might ask what the sale price has been on the bases you just mentioned.

Colonel REGAN. I have it on all of them if you like.

Mr. MONAGAN. You go ahead and finish your statement and then we will go into that afterward.

Colonel REGAN. The next function of MLS is:

Acceptance of surplus commodity housing records and custody, concurrently with the transfer of the parent base. Surplus commodity housing real estate records and responsibility for custody of physical assets will remain with the accountable officer until transfer to MLS.

Sir, I am really not competent to discuss the surplus commodity housing. This is run by my other deputy. Except I can say we have taken over 392 housing units throughout France and we have made