Colonel REGAN. Yes, our office will negotiate that.

Mrs. HECKLER. Your office will negotiate the 339 installations plus the housing?

Colonel REGAN. Yes.

Mrs. HECKLER. You talked about releases to the French Government without compensation. Will you explain that?

Colonel REGAN. I can't talk about before MLS. We came into business on the 1st of March and the ones released were strictly leases in which we had no property of value to the U.S. Government, except Toul-Rosiere, which we turned over, and we have complete records of the property we did not sell, both U.S. and NATO, so we can compute the value NATO would ask for and the value of U.S. property.

Mrs. HECKLER. Do you have any figures on the cost of continuing the use of the pipeline?

Colonel REGAN. No, that is not in our section at all.

Mrs. HECKLER. We have heard about the suggested concept, maybe newly created, of negative residual value. Has this been considered in the negotiations so far?

Colonel REGAN. No, residual value is not a responsibility of MLS. This is the State Department. In the last week we have been working with the Embassy and NATO on this.

Mrs. HECKLER. Then this negotiation concept will only be considered in those cases where the French Government is not interested in property?

Colonel REGAN. I cannot address myself to that. I don't know

Mrs. HECKLER. Thank you.

Mr. MONAGAN. Thank you, Colonel.

Mr. Sidman, would you be kind enough to give us a summary of your activities?

STATEMENT OF ABRAHAM SIDMAN, CHIEF OF MERCHANDISING, MILITARY LIQUIDATION SECTION, FOREIGN EXCESS SALES OFFICE

Mr. SIDMAN. I will give you a brief outline of what the Foreign Excess Sales Office does.

The Foreign Excess Sales Office was created in February 1964. The purpose of FESO was to dispose of all foreign excess personal property in France by sale.

Mr. MONAGAN. This is in what department?

Mr. SIDMAN. This is under the Department of the Army for all services, which is Army and Air Force.

Mr. MONAGAN. It is in the Defense Department?

Mr. SIDMAN. Yes, DOD. Actually, the Foreign Excess Sales Office has a dual program. It disposes of U.S.-generated foreign excess personal property and the so-called MAP property.

Mr. MONAGAN. What is that?

Mr. SIDMAN. Military assistance pact property.

Mr. MONAGAN. Pact?

Mr. SIDMAN. Yes. This MAP property is the major part of our task. It represents, acquisition costwise, about 85 percent of our total program. This is acquisition costwise, I want to stress. This property is