

approved by the Secretary of the Interior and that he shall be solely responsible for the management of the leased property, including the offering of transportation services for visitors to and from the center and points of intensive visitation and interest in the District of Columbia. It is therefore recommended that references to the Administrator of the General Services Administration and the Secretary of the Interior on lines 5 and 6, page 1, and lines 8 and 9, page 3 of the bill be changed to refer to the Secretary of the Interior after consulting with the Administrator of General Services.

GSA has undertaken, as a member of the Study Commission, a study of the station building and the proposed site of the parking facilities for the purpose of estimating a fair rental for these properties. However, pending a firm agreement as to the location of the proposed new terminal facilities and certain other details, we question whether it is advisable to fix the annual rental limitations as precisely as proposed in the bill. We suggest, alternatively, that the bill be revised to provide that the annual rental may not exceed the fair rental value determined by appraisal and in no event exceed \$3 million.

Mr. Chairman, this, in brief, is my statement concerning the bill. As you know, we had a relatively short time to comment on the bill. We have furnished the committee with a report which was cleared with the Bureau late yesterday. We hope that will be helpful. In essence, it provides much the same as my statement here.

We would be glad to answer any questions or to come back after the full report has been printed and published, as we had hoped would be done before this hearing, and supplement any statements at that time.

Mr. GRAY. Thank you, Mr. Knott, for a very fine and concise statement. We certainly will consider the suggestions you have made. As I understand your statement, you would rather be on a basis of consulting with the Secretary instead of having the authority to enter into agreements as Administrator of GSA. Is that not essentially your request?

Mr. KNOTT. Yes.

Mr. GRAY. You wish to be a consultant to the Secretary of the Interior rather than being a party to the contract.

Mr. KNOTT. These matters in the bill are joint enterprises, and I find it difficult to jointly carry out between two agencies the same function. I think it better to vest in the head of one agency the authority that this bill would provide.

Mr. GRAY. I think you are eminently correct, not only for that reason, but also by virtue of the fact that the Park Service would request in their annual budget request the funds with which to operate the center. If you had joint responsibility for entering into agreements, you might have joint responsibility for requesting the funds, and this would be a complicated procedure. We certainly will take that into consideration.

There is one question I would like to ask concerning the fair rental value. We will have the president of the Washington Terminal Co. here later this morning, but it is our understanding that on the existing facilities they have figured about a 5-percent return on investment and about 6-percent return on the capital they will have to borrow.

As General Services Administrator, you, of course, have jurisdiction over the Public Buildings Service which is constructing at the present