

Mr. CRAMER. Do you think that would cause a serious problem?

Mr. MULLIGAN. Again, sir, may I put it to you this way: We would not plan to go out and construct a new station if we were not going to turn over the present station to you. We might possibly close portions of it surplus to the need and reduce the cost of operation to a level consistent with actual use in a railroad operation, but there has been no contemplation on the part of the Terminal Co. to build a new station unless it disposes of the old.

Mr. CRAMER. Would the gentleman have any objection to lifting the taxation on existing facilities if the Government takes over?

Mr. MULLIGAN. Well, subject to the advice of tax counsel I think that might be a possible solution.

Mr. CRAMER. It is something we could consider.

Mr. GRAY. I would like to see this stay on the tax rolls. I would not like to ask Congress to exclude taxes. But, as the gentleman said a moment ago, if we put in additional taxes on these government improvements, then the annual rental the government will have to pay will be increased. We could exclude the facility used by the Government and tax the new facility.

Mr. CRAMER. I gather from the discussion, in order to accomplish what the gentleman has said, this would require some amendments.

Mr. GRAY. I appreciate the gentleman's observation.

Mr. CRAMER. I do not know whether I would agree with the policy or not. Obviously, it would require some amendment.

The other question I had relates to the \$5 million for improvement in the station itself, and the \$10 million or \$11 million for parking space. What contract-letting procedure will be used? I gather from the manner in which the bill is drafted that the actual contract-letting for the improvements is not a function of the Department of the Interior or GSA; is that correct? It would be a private enterprise function.

Mr. MULLIGAN. We would be willing to do it. We had assumed that we would be expected to do it. We would be very happy if the Government chose to do it.

Mr. CRAMER. What contract-letting procedure would you contemplate if the bill remained in its present status, that is, private enterprise letting the contract? The Federal Government's interest would be to achieve the lowest possible cost basis, by competitive bid or otherwise.

Mr. MULLIGAN. Frankly, sir, I had not reached that point in my thinking. I had assumed two things, of course. First, as far as alterations to the station, we will carry out whatever you tell us you want done. Coming to the parking facilities and a new station incorporated in it, obviously there must be complete agreement between our engineers and the Government's engineers as to design and specifications. I would expect to consult the authorities in the executive branch—I guess it is GSA and the Secretary of the Interior—relative to their procedures for letting contracts of this kind.

Mr. GRAY. Putting the question simply, since we are pressed for time here, would it not be your purpose, if the delegation of authority were given to you, to advertise on a competitive bid basis for the construction works?

Mr. MULLIGAN. Answering the question today, "Yes."