The $5 million revolving fund was invaded, of course, to get the 608 program underway during FY 63 and FY 64, but gains of $1.2 million in each of FY 65 and FY 66 more than offset this initial investment, so that at the end of FY 65 (despite one EPRO being still cumulatively in the red), the revolving fund registered a surplus of more than $8 million, for a 16 percent "profit" over the two-year period.

MR/GPR has been able to record gains to the revolving fund because its average of all costs expended, per excess item, has been something less than its 15 percent accessorial charge. Numerous rehabilitated items, in fact, cost more—sometimes very much more—than the 15 percent charged; but many other items, particularly those that require no rehabilitation whatsoever, cost substantially less. Without exception, each EPRO must secure "non-rehab" items to support its operation (a factor which aggravates the domestic EPRO's otherwise difficult role vis-a-vis the GSA). Moreover, the same compulsion occasionally discourages the EPRO's from acquiring low-value lots, irrespective of their condition and of their utility, because of the relatively high cost of handling them as measured against their original acquisition cost (OAC). Indeed, the MR Program Guidance Manual discourages EPRO acquisition of line items having an OAC of less than $1,000.

e. *Sales and Service.*—As with any organization moving large volumes of used equipment from one user to another, MR/GPR considers itself something of a "sales and service" organization. Notwithstanding the high personal dedication which characterizes the individuals in the MR/GPR organization—personal dedication to the service of their country and to the service of AID-assisted underdeveloped nations—*it would appear MR/GPR personnel are much more "sales-*

of AID excess property acquisitions, it is clear that [illegible]
utilization by the missions consists of mechanical equipments. Data obtained via analyses of recently published MR/GPR information reveal that as of 30 April 1966, more than three-quarters of the dollar value of the inventory was in equipments ($7.7 million out of a total inventory of $10 million). Likewise, it is clear that a few high-dollar equipments account for most of the dollar value of this inventory. An analysis of the composition of the domestic Advance Acquisition inventory is presented in Exhibit VII. Analysis of this exhibit reveals that equipments with original acquisiton costs of $5,000 or more accounted for only 14.7 percent of all items of equipment inventory, but that these same items accounted for nearly 80 percent of all inventory investment equipments.

EXHIBIT VII.—EXCESS EQUIPMENTS, ITEMS AND DOLLARS[1]

Original acquisition costs	Number of items	Items		Amount (in thousands)	Dollars	
		Percent	Cumulative percent		Percent	Cumulative percent
$40,000 or over	14	0.5	0.5	$889	11.5	11.5
$20,000 to $39,999	65	2.5	3.0	1,950	25.4	36.9
$10,000 to $19,999	135	5.2	8.2	2,025	26.3	63.2
$5,000 to $9,999	167	6.4	14.6	1,253	16.3	79.5
$3,000 to $4,999	193	7.4	22.0	77	1.0	80.5
$1,000 to $2,999	483	18.6	40.6	966	12.5	93.0
$500 to $999	398	15.4	56.0	299	3.9	96.9
$100 to $499	870	33.4	89.4	218	2.8	99.7
$1 to $99	276	10.6	100.0	13	.3	100.0
Total	2,601	100.0		7,690	100.0	