

were being instructed that funds would be made available only on the basis of current cash needs.

In our opinion, the new procedures initiated by Maritime to make funds available to the general agents only on the basis of adequately supported current needs after agency review and approval, if properly implemented, should achieve the objective of Treasury Department Circular 1075 and result in significant savings in Government interest costs.

[Index No. 20—B-161415, July 31, 1967]

REVIEW OF POLICIES AND PROCEDURES FOR REBUILDING USED MOTOR VEHICLE TIRES BY SELECTED CIVIL AGENCIES

In July 1967, we reported to the Congress on our findings on the policies and practices for rebuilding used motor vehicle tires by the Soil Conservation Service, Department of Agriculture; the National Park Service, Department of the Interior; the Post Office Department; and the General Services Administration. We estimated that savings of about \$500,000 would have been realized by these four agencies during fiscal year 1965 through more extensive rebuilding of used tires.

We found that the tire-rebuilding policies and practices of the four agencies varied among the agencies and among installations within certain of these agencies and that, with the exception of the Post Office Department, these inconsistencies existed because of the lack of specific tire removal and rebuilding criteria and of conclusive determinations as to the reliability of rebuilt tires. GSA is responsible for prescribing policies and procedures, in respect of rebuilt tires, for implementation by the executive agencies.

Information obtained from tire manufacturers, tire rebuilders, users of rebuilt tires, and various organizations representing the tire industry indicated that, when tires are rebuilt according to recommended criteria, they are safe, serviceable, and more economical than new tires. Our review disclosed, however, that no adequate tests or studies had been made and that available evidence was not sufficiently decisive to permit a conclusive judgment as to the reliability of rebuilt tires under all driving conditions.

We believe that, if rebuilt motor vehicle tires are considered unsafe under certain specified conditions, they should not be used under such conditions by any agency but that, to the extent that they are safe, they should be used by all agencies to achieve maximum savings.

We proposed that GSA keep in close touch with the program of the National Traffic Safety Agency for tire research, testing, and development so that it may be in a position to promulgate standards for the use of rebuilt tires on Government vehicles on the basis of the standards established for the driving public, pursuant to the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 (Public Law 89-562). We proposed also that GSA provide specific guidance for the removal and processing of used tires to prevent excessive wear and damage that would make them unsuitable for rebuilding.

GSA agreed with our proposal to keep in close touch with the National Traffic Safety Agency's program for tire research, testing, and development and advised us of its own plans for testing rebuilt tires and for issuing revised specifications for new tires, which will preclude carcass damage from excess tread wear.