

GAO HAS RECOMMENDED THAT GOVERNMENT FURNISH MATERIAL

Mr. WEITZEL. Mrs. Griffiths, we completely agree with you that in some cases it would be better for the Government to furnish this material as Government-furnished material, and we have made strong recommendations to this effect to the Congress and to the Defense Department, and we feel that some progress has been made in this direction.

Representative GRIFFITHS. Tell me, how did Defense react?

REACTION OF DOD

Mr. WEITZEL. It was a mixed reaction. They had some problems on complex military items, in effect taking away some of the responsibility of the prime contractor, when he had to put together all of these very sophisticated and complex systems, but notwithstanding this concern, they have increased the amount of Government-furnished material in several of their weapons systems, or are in the process of doing it.

Representative GRIFFITHS. I understand they could reduce the price of computers perhaps 50 percent if they would do it that way.

Representative CURTIS. Would the gentlewoman yield?

Representative GRIFFITHS. Yes.

Representative CURTIS. Admiral Rickover testified that in the procurement of Polaris submarines I think that something around 70 or 80 percent of that was breakout contract. This is the answer to the Defense Department people who say a peculiar military item, et cetera, et cetera. I just thought we ought to be reminded of that.

TIME NEEDED TO INVENTORY CONTRACTOR-HELD PROPERTY

Representative GRIFFITHS. Thank you. The Director of DSA last spring indicated that it would take about 2 years to inventory contractor-held property.

In your judgment, is this realistic?

Mr. STAATS. I would have no personal basis for estimating one way or the other on this.

Representative GRIFFITHS. In your report you point out that one contractor said that it would take 20 years to inventory it in his plant.

Mr. STAATS. He said it would take 20 men for a year.

Representative GRIFFITHS. That would be 20 man-years?

Mr. STAATS. Yes.

GAO RECOMMENDATIONS ON NEEDED CONTROLS

Representative GRIFFITHS. Under your authority to prescribe, what do you think is needed in the way of inventory, use, maintenance, and other records to protect the public interest in the matter of this Government-owned equipment?

Mr. STAATS. We think we have spelled this out pretty carefully in our report. Obviously adequate property accounting records are not available in all of the plants. That is one thing, and this can be improved.