

maintenance facilities. The examination will also include an appraisal of the propriety of decisions to initiate new procurement in lieu of repairing items already in the supply system.

7. Examination into shipments of materials from Air Force bases to Air Force depots to determine whether items in long supply or excess to the bases' needs are unnecessarily being shipped and increased transportation costs incurred.

8. Inquiry into the General Service Administration's effectiveness in meeting the requirements of priority supply requisitions from overseas customers.

INDUSTRIAL FACILITIES

1. Examination into the bases on which rentals for commercial use of Government-owned facilities are computed, and consideration as to whether contractors who use Government equipment on commercial work have a decided advantage over competitors who use their own equipment on such work.

2. Consideration of the relative economy of the Government or contractors furnishing equipment for use on Government work. The possible need for tighter restrictions on contractors' use of Government equipment for commercial work is being considered also.

3. Review of the management of plant equipment located at Government-owned industrial facilities to determine if equipment, idle for extended periods of time, is being reported as being actively in service, thus preventing the Defense Industrial Plant Equipment Center from redistributing this equipment to meet valid requirements.

4. Review of defense contractors' practices in leasing land and buildings for extended use in the performance of Government contracts, and the relative cost to the Government under this procedure versus purchase of such facilities by contractors.

PROCUREMENT

1. Review the manner in which the Department of Defense is enforcing the new audit and documentation regulations concerning the requirements of Public Law 87-653. We plan to make this review after the Department has had sufficient time to implement the regulations at procurement offices.

2. Examination into the procurement of selected items of aerospace ground equipment for F-4 aircraft to determine whether savings could have been realized had the items been purchased from the equipment manufacturers rather than from the F-4 aircraft manufacturers.

OTHER PROGRAMS

1. Examination into the feasibility and economy of consolidating real property maintenance activities operated by the military services. For example, on the relatively small island of Oahu, Hawaii, the military services maintain eight separate engineer or public works organizations. Similarly in a 45 mile area around Norfolk, Virginia, the military services have 16 engineer or public works organizations.

2. Examination into the management of magnetic tape used in automatic data processing operations. The review will consider the benefits to be derived from greater centralization of control over the acquisition, use, and disposal of magnetic tape.

3. Inquiry into the Navy's management and control of its area coordinating system as it relates to the consolidation of station support service functions.

4. Review of costs and manpower involved in the maintenance of noncombat vehicles in the Army and Air Force.

We would be pleased to discuss any of the foregoing matters with you or members of your staff, should you so desire.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Chairman PROXMIRE. Tomorrow we have Mr. Morris. I understand you will be available for possible rebuttal questioning later.

Mr. STAATS. Yes, we would be very happy to come back and again I would like to refer particularly to the material which we have supplied.