

ods during the period. We have consistently found in our studies that when price competition is introduced for the first time, a price reduction on the order of 25 percent results. Thus, we feel confident in concluding that the Government has saved substantial sums during this period because of the intensive efforts made at the urging of this committee, other Members of Congress and the GAO to obtain maximum price competition. I hope that you will continue to support our efforts and to find gratification in the results which have been achieved thus far.

2. PUBLIC LAW 87-653—TRUTH IN NEGOTIATIONS ACT

During our appearance on May 9, questions were raised regarding the GAO's January 1967 report which indicated that there had been inadequate documentation by Defense buyers and prime contractors of the cost or pricing data submitted in connection with negotiated contracts. We immediately began an intensive analysis of this matter and found that our field personnel had not, in fact, been documenting their actions to the degree of completeness required by the ASPR; and that considerable improvement in our training was essential. To overcome these problems, we have taken two steps:

(a) *Training*.—A comprehensive training film and seminar were developed to inform our personnel more fully. To date over 3,000 field procurement officials have attended the seminar. In addition, we developed, with the assistance of the GAO, a self-help kit containing a complete case example, with questions and answers. This has been distributed to 54,000 individuals, including 8,000 contractor personnel. We are laying major stress on the importance of full compliance with Public Law 87-653 in speeches of top-level DOD officials and through the activities of the Defense Contract Audit Agency and our procurement review teams. We would be pleased, Mr. Chairman, to furnish to the committee copies of the various training materials and the training film which are being employed.

Chairman PROXMIRE. Yes, we would like to have those—a transcript of the film and copies of the material.

Mr. MORSE. Fine, sir.