In order to clarify your specific questions regarding the value of industrial plant equipment located at Olin Mathieson's Saltville, Virginia facility, I am attaching a fact sheet containing full details of this matter. The amounts of $3.3 million IPE and $1.4 million real property are correct as of the 30 November 1967 data transmitted to you in my letter of 21 December 1967.

I would also like to take this opportunity to clarify a matter covered during hearings before your committee pertaining to the number of industrial plants holding Government property. Approximately 5,500 plants were cited during the hearings. Actually as of 30 November 1967, under our criteria, there were 5,361 plants, of which 2,256 possessed IPE, and the balance of 3,105 possessed only other plant equipment, material, or special tools and test equipment.

Sincerely,

THOMAS D. MORRIS,
Assistant Secretary of Defense
(Installations and Logistics).

(See p. 197.)

FACT SHEET—GOVERNMENT INVESTMENT IN PLANT EQUIPMENT AND FACILITIES—OLIN MATHIESON CHEMICAL CORPORATION, SALTVILLE, VIRGINIA

1. The Olin Mathieson's Saltville, Virginia facility consists of two (2) separate plants: (a) the Air Force Plant No. 80 complex and (b) the contractor-owned plant, which is a chemical facility and contains only $6,100 in Government-owned machines tool inventory.

2. The amount of $15.6 million reported to Congress by the General Accounting Office included the Government's total investment at the two plants at Saltville. This $15.6 million investment includes the acquisition cost of Industrial Plant Equipment (IPE) as well as the following.

a. $1.4 million for Government-owned *real property* at Air Force Plant No. 80.

b. $3.3 million for Industrial Plant Equipment (includes above mentioned $6,100 of machine tools).

c. $1.3 million for equipment other than IPE. (Other than IPE items include equipment the acquisition cost of which is less than $1,000 and which is not centrally controlled by DIPEC but managed by the property administrators.)

d. $2.2 million investment for the *installation* of Industrial Facilities.

e. $2.7 million for Government-owned non-severable items located on contractor-owned property. These items were provided under a "buy back" agreement in the facilities contract and consist of such items as water mains, sewers, boiler house, and water treatment equipment. Such non-severable equipment (when it is not on Government-owned land) is not reportable as real property.

f. $4.7 million for indirect costs (such as A&E) related to the procurement of the industrial facilities.

3. Summary of the $15.6 million *investment:*

	Millions
(*a*) Real property	$1.4
(*b*) IPE	3.3
(*c*) Other than IPE	1.3
(*d*) Installation costs	2.2
(*e*) Nonseverable Government-owned facilities	2.7
(*f*) Indirect costs	4.7
Total investment	15.6

4. Summary of the $4.7 million *acquisition cost* of IPE and real property.

	Millions
(*a*) Real property	$1.4
(*b*) IPE	3.3
Total acquisition cost	4.7

Mrs. GRIFFITHS. Thank you. My time is up.