

level would be productive of beneficial results. We will continue to explore this matter with the Bureau.

Chairman PROXMIRE. In what way?

Mr. KNOTT. It simply puts people out on the frontline—our staff has been principally a staff located here in Washington. It would give us broader representation, particularly in some regions where we have a larger demand for utilities—for example the west coast, Chicago, and some of the larger regional areas, where there are a number of these transactions going on all the time. It will give us a greater opportunity to get the information at an early date, and get into negotiations at an early date, rather than sometimes rather tardily.

SAVINGS ON TELECOMMUNICATIONS

Chairman PROXMIRE. In your telecommunications network, have you computed how much you save per word, or minute, or other unit of usage?

Mr. KNOTT. Well, our rate now on long-distance telephone calls is down to 73 cents—the average call.

Chairman PROXMIRE. Does that mean our bill has been going down—or have the words increased so much?

Mr. KNOTT. Well, I don't think there are any fewer calls, Senator.

Chairman PROXMIRE. I am sure there are many more. I am just wondering if this works out to a reduction in overall cost, because your rates have been going down, but the number of calls have been increasing. What is the net effect?

Mr. KNOTT. The system now extends to some 435 cities.

The pro rata use of the system is distributed to the agencies.

This means, while we occasionally have to add additional lines, and in that way—

Chairman PROXMIRE. My question is whether or not you have made any computations as to the overall cost now of communications. Whether it has been diminishing or increasing. Do you know?

Mr. KNOTT. Our bill, I think, runs \$32 million a year. Do you have the figures on that, Mr. Williams?

Mr. WILLIAMS. \$38 million. And the going call rate is about 52 million calls per year.

Chairman PROXMIRE. How does that compare with what it has been over the past 4 or 5 years? Has it been going up?

Mr. WILLIAMS. The call rate is coming down.

Chairman PROXMIRE. Yes, but the bill.

Mr. WILLIAMS. The system cost is going up, but not in direct proportion to the increased call volume. We are making gains on the thing—through increased efficiency of the system. We get higher utilization. The cost per call comes down. But the corresponding increase in systems costs I think is the question that you are asking.

Chairman PROXMIRE. We have to make some assumptions about this, and one is that increased communication is desirable, and necessary, in a growing country, and increasingly complex government. And that while the overall cost is going up, on a per-unit basis it is going down, and you are confident the efficiency is increasing all the time; is that correct?