

Mr. BELEN. Yes. I would class that as a specific category, rather than overall.

(Exhibits F and G follow:)

EXHIBIT F—SUMMARY OF GAO REPORT—COMPARISON OF FUND REQUIREMENTS FOR LEASE AND GOVERNMENT OWNERSHIP AND OTHER MATTERS RELATING TO LEASING OF SMALL-SIZE AND MEDIUM-SIZE POSTAL FACILITIES (B-145650, SEPT. 30, 1963)

Problem

GAO's comparison showed that the total costs of leasing 91 small-size and medium-size postal facilities for a basic 10-year period would be about \$610,000 less than the total estimated costs under Government ownership. Under Government ownership, however, the Department would have title to land originally costing \$745,000, and to buildings with remaining useful lives of 30 or 40 years which were estimated to cost about \$4.5 million to construct. If the Department exercised its renewal options for 5 or 10 years beyond the basic 10-year lease terms, the costs of leasing these facilities at the end of 15 and 20 years would exceed the costs of Government ownership by about \$2.1 million and \$4.9 million, respectively.

Recommendation

GAO recommended that the Department determine on an individual facility basis whether to acquire postal space by leasing or through Government ownership rather than follow a general policy of leasing.

Agency response

The Postmaster General disagreed with certain statements in our report and therefore disagreed with the specific amounts by which the costs of leasing would exceed, over certain periods of time, the costs of Government ownership.

Current status

This recommendation has not been adopted. GAO is currently making a followup review in this area.

EXHIBIT G—SUMMARY OF GAO REPORT—REVISED PRACTICES NEEDED FOR ACQUIRING CONTROL OF SITES FOR LEASED POSTAL FACILITIES (B-153129, MAY 1, 1968)

Problem 1

The Department had initiated actions to acquire facility sites earlier than it probably would have initiated such actions if the funds for site acquisition would have remained available after the end of the fiscal year. Some of these early actions had resulted in additional costs, and in a few cases the Department may not have made sufficient studies before initiating action to acquire facility sites.

Recommendation

GAO recommended that the Congress give consideration to amending existing legislation to (1) authorize, and provide the Post Office Department with, a revolving fund of an appropriate amount to finance the acquisition of sites and the planning of leased postal facilities and (2) require the Postmaster General to include, in his annual report to the Congress, data regarding the activities of the revolving fund, including the investment in sites for proposed new facilities.

Agency response

The Department wholeheartedly agreed with the recommendation for establishing a revolving fund but did not agree that legislation to require inclusion of data regarding the activities of the revolving fund in the Postmaster General's annual report was necessary because a request by any committee of the Congress would be sufficient to elicit the desired information.

Problem 2

The Department had not established criteria for studies of the feasibility and costs of facilities on alternative sites and had previously made only three such studies. GAO's review of one of these studies revealed several omissions and probable errors in the Department's computations, and its review of another of these studies revealed that the Department might not have given