

The second step is to secure advisory reports from the Administrative Contracting Officer and the Defense Contract Audit Agency on the information submitted by the contractor. Their general responsibilities are as follows:

- ACO 1. Need for the quantities and kinds of materials included in the proposal.
 2. Need for the number and kind of man-hours.
 3. Need for special tooling and facilities.
 4. Reasonableness of scrap and spoilage factors.

- Auditor 1. Performing that portion of the review which requires access to the contractor's books and financial records supporting proposed cost or pricing data.

The third step is the review and evaluation of the contractor's proposal, the advisory ACO and audit reports and the formulation of a Government position as to what the performance of the contract should cost.

Mr. ROBACK. We will ask the Navy witness to stand by, and I think we will ask the Air Force, Mr. Chairman, to present a statement and then the Army and then we can have a discussion which any of them will participate in as required.

Mr. HOLIFIELD. Thank you, Captain.

Thank you, gentlemen.

Captain McMorries. Thank you, gentlemen.

Mr. HOLIFIELD. Mr. Secretary, you may proceed with your statement. We will include your biographical data in the record.

TESTIMONY OF HUGH E. WITT, DEPUTY TO ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGISTICS); ACCOMPANIED BY COL. WILLIAM R. MANNING, OFFICE OF THE ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGISTICS); LT. COL. JOHN W. DICKENS, AFSDC, OFFICE OF DIRECTOR OF SUPPLIES AND SERVICES, DEPUTY CHIEF OF STAFF (SYSTEMS AND LOGISTICS); AND LT. COL. STANLEY V. SCHARLING, PRODUCTION AND PROGRAMING DIRECTORATE, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR SYSTEMS AND LOGISTICS

(Biographical sketch follows:)

BIOGRAPHY OF HUGH E. WITT, DEPUTY FOR SUPPLY AND MAINTENANCE TO THE ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGISTICS)

Hugh E. Witt was born 46 years ago in Winchester, Ky. He graduated from Winchester High School in 1939 and attended Transylvania College on a scholarship for 2 years before transferring to the University of Kentucky. He was an active member of the Kappa Alpha Order at the University of Kentucky and Transylvania. He graduated from the University of Kentucky in 1943 with a bachelor of science degree in commerce. While at the university he was a member of the U.S. Army Enlisted Reserve.

After graduation, Mr. Witt spent 3 years in production control work at the Curtiss-Wright Corp. plant in Cincinnati, Ohio, one of the Nation's largest producers of aircraft engines during World War II. After the war, he went into sales promotion work, primarily with the Genesco Corp. of Nashville, Tenn.

At the outbreak of the Korean war, Mr. Witt joined the Air Force Headquarters staff at the Pentagon, working in Industrial Resources and Materials Requirements. He moved up to the Office of the Secretary of the Air Force 3 years later where his work centered around weapon system programing and procurement policy. In 1961 he was promoted to his present position of Deputy to the Assistant Secretary of the Air Force (Installations and Logistics).

As a reflection of his continuing interest in education, Mr. Witt performed graduate work at the George Washington University, Washington, D.C., and in 1956 was selected for an Alfred P. Sloan Fellowship at the Massachusetts Insti-