

the basis of an oral instruction from Washington. Did you know that this local activity had been directed by the Washington—

Colonel DAVID. I was not aware of it, but throughout the implementation of the exchange/sale authority we have had situations whereby people in the field had received verbal information and have taken it upon themselves to invoke restrictions on ineligible property and to refuse State agencies property that had previously been spoken for. I am not aware of the specific case. I was not aware of it at the time. I became aware of it since you had brought the subject matter up, but not in detail. I don't know of any details.

Mr. ROMNEY. It was my understanding that the departments and DSA were to wait until their implementing instructions had been issued before such action would occur.

Colonel DAVID. That is right.

Mr. ROMNEY. And the implementing instructions issued by the Navy did not appear until June 18.

Colonel DAVID. It is my understanding that the Oakland Supply Office jumped the gun based upon an authorized test procedure or test plan by the Navy here in Washington. That was the only facility that I know of that was given any type of authority to execute the program in advance of published instructions.

Mr. ROMNEY. Turning to the matter of exemption grant for aircraft components, When did you first learn that this change had been requested?

Colonel DAVID. I first learned of the change officially through a letter from GSA to the Department of Defense indicating that representatives of the Navy had gone to their offices, to GSA's office, and requested relief or an exemption to these two classes of ineligible items. And GSA in their letter to the secretary indicated that there may be a similar situation in the Air Force and in the Army. In response to this, we queried the Army and the Air Force and found that there were or anticipated similar situations in these two services in that they also had commercial aircraft, and were relying upon contractors for supply support.

We, in turn, went back to GSA and requested a waiver not only for the Navy, which by the way, their exemption was to expire in August of 1968, but we went back in turn and asked for an exemption, for the Navy, Air Force, and the Army, and it was subsequently granted.

Mr. ROMNEY. You were not aware of a speed letter which the Naval Air Systems Command sent to GSA dated February 21, asking for this special exemption?

Colonel DAVID. The speed letter was attached to the correspondence from GSA to us.

Mr. ROMNEY. At the time the speed letter went out you were not aware of it?

Colonel DAVID. I was not aware of it.

Mr. ROMNEY. The contact which the Navy made with the GSA was not cleared through your office?

Colonel DAVID. It is quite unusual that something like this would happen.

Mr. ROMNEY. I would like to call to your attention, Colonel, that in the Navy's implementing instructions of June 17, 1968, they have a provision, and I will read it, in paragraph 96, which says, "unless specific authority is obtained from GSA through the Office of Assistant Secre-