

property to begin with and, therefore, there is a good supply of spare parts for their airplanes that are available in the normal excess surplus channels.

Mr. GRIFFIN. Let me add to that, Mr. Romney, that one of the critical factors in studying whether or not an exemption will be granted will be the impact on the donation program. It isn't strictly a matter of economics. It's also a question of evaluating the disposal by exchange or sale against the relative benefits to the donation program, the public health and educational uses of the property. So that it's just not simply a cost-benefit criteria. There are other elements in the review which would bear heavily on the decision whether or not to grant a one-time waiver or a continuing waiver.

Mr. ROMNEY. Would your continuing review of implementation of this waiver for 15 and 16 include consideration of the economic benefit or dollar saving to be obtained as opposed to mere administrative convenience which might make it feasible for Navy or Air Force activities to enter into a provisioning plan simply to avoid stocking parts?

Mr. TUTTLE. Mr. Romney, the reason the Navy plan was accepted by GSA after some consideration was that it was fairly unique. It offered, it seemed to us, an unusual opportunity for some real savings. We see in our program a steady and large flow of excess and surplus aircraft parts coming out of military supply systems. And here was a case where the military service was going to buy some aircraft and not set up a supply system with parts stored at a number of locations for immediate or instant provisioning wherever the aircraft happened to land and need repair. The Navy felt that it would be much more economical to do it that way than to buy a lot of parts and put them in inventory, and we agreed with them.

Mr. GRIFFIN. And, also, not too many of these aircraft parts are being requested for donation either. So that the donation factor was also reviewed in this judgment as well.

Mr. ROMNEY. Mr. Tuttle, could you comment on the application of this exemption to the type of aircraft which the donation program has frequently had available, namely the C-45?

Mr. TUTTLE. If I understand your question correctly, it certainly was not the intent in granting this limited exception to the Defense Department that it would have any application to any C-45 spare parts that would be generated as excess, or determined unneeded, by any of the military departments. That limited exception was not meant to apply to existing Government-owned inventories of parts.

Mr. ROMNEY. Is there a policy with which you regard requests for waivers from the restriction to limitation of part 101-46?

Mr. TUTTLE. I would say there are several criteria which come into play. Mr. Griffin has mentioned the relationship or effect that granting an exception might have on the donation program. There is the economic aspect; for example, there is a chance for the Government to go down a road which could produce some additional savings. There are cases of hardship. Actually this regulation has been tightened up a great deal, and there is sort of a built-in management aspect to it in that there are so many more ineligible items that if an agency does have a hardship as a result of these additional limitations, they can come in and have them evaluated.