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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D C. 20548

CIVIL DIVISION

JUL 15 1969
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Dear General Graham:

This letter is to inform you that we have completed our survey of selected aspects of the administration of the Washington Metropolitan Area Transit Authority (WMATA) and that we believe WMATA can achieve savings by making changes in its telephone service.

PROCUREMENT OF TELEPHONE SERVICES

WMATA has been purchasing commercial telephone service from the Chesapeake and Potomac Telephone Company at an average monthly cost of \$2,508. We estimated that similar telephone service, supplied by the Federal Telecommunications System (FTS) would cost approximately \$1,052 a month. WMATA acted on our suggestion that it inquire into the availability of FTS service and, by letter dated March 24, 1969, GSA advised WMATA that FTS service could be provided by early 1970.

If the conversion of service to FTS is completed during January 1970, an estimated \$59,000 may be saved between then and June 14, 1973, when the lease for WMATA's present office space expires. This saving is estimated on the basis that the Chesapeake and Potomac Telephone Company will waive its contract rights to a termination penalty, which would have a balance of about \$11,000 as of January 1970. Without waiver of the penalty termination clause, the savings is reduced to about \$48,000.

On the basis of indicated savings through FTS telephone service at the present location, savings may also be realizable at the permanent quarters to be occupied in 1973 on Judiciary Square; we suggest that FTS service be continued at Judiciary Square, if savings can be realized.

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We wish to acknowledge the cooperation extended to us by WMATA representatives. We are available to discuss further the matter reported, if you so desire, and we shall appreciate being advised of such further action as you may take.

Sincerely yours,

V. L. Hill

V. L. Hill
Assistant Director

General Jackson Graham
General Manager
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