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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

RELEASED

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The Honorable James B. Pearson
Committee on Foreign Relations
United States Senate

Dear Senator Pearson:

This is in response to your letter of April 17, 1973, in which you requested information on the availability of data concerning excess defense articles provided under the Military Assistance Program (MAP).

As requested, we reviewed the correspondence you forwarded to us including your earlier request to the Under Secretary of State for information on the excess defense article program and his reply to you. We noted that the Under Secretary furnished data on the category and acquisition cost of excess defense articles provided in fiscal years 1972 and 1973 as you requested. But for the other items of information you asked for, he responded in more general terms or stated that the information was not available.

We have considered these other information items based on work previously performed by us in relation to our report on "The Use of Excess Defense Articles and Other Resources to Supplement the Military Assistance Program," dated March 21, 1973, and we believe that the Under Secretary could have, as discussed below, provided more specific information.

Average Age of Equipment in Each Category of Excess Defense Articles

The age of many items transferred to the MAP cannot be readily determined. This is particularly true for items such as weapons, vehicles, and smaller items which are handled in large quantities in the supply system. However, larger, lower-density items such as ships, aircraft, and missile systems are accounted for in such a way that the age of these items can be ascertained. Where the precise age of an item is not available, it is possible to determine its approximate age from procurement records which would show the period during which the particular model of equipment was manufactured.

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Another relative indication of age is the type classification of the particular item; i.e., whether the same type of item is carried in the U.S. inventory as "standard" or whether it is obsolete and is being, or has been, phased out of the supply system.

We believe, therefore, that the average age of aircraft, larger naval vessels, and missile systems can be provided, and that the average age-range of most of the other categories of items can also be furnished with some difficulty. It follows that the oldest and the newest equipment in each category could also be identified within these parameters.

Average Original Acquisition Cost
of Items in Each Category

The acquisition cost of major items transferred to MAP is readily available. We noted that the Under Secretary included the total acquisition cost for each type of item in the category listings under the column heading of "Value." For example, the total value of the 64 F-100C aircraft listed for fiscal year 1972 is shown as \$42,444,000. This is consistent with pricing data we reviewed which shows that the original acquisition cost of one F-100C aircraft is approximately \$663,000. From the data available, the dollar amount of the least expensive and the most expensive items in most of the categories could have been provided as you requested.

Average Value of Equipment at the
Time it Was Declared Excess

The value of excess defense articles, as opposed to the original acquisition cost, cannot be readily identified. Equipment included within the classification of excess defense articles may be transferred without cost to meet the needs of the military services and MAP. This policy also specifies that MAP will be charged for any repair or accessorial (handling and transportation) costs associated with such transfers.

This is consistent with section 644(m) of the Foreign Assistance Act which defines the value of excess defense articles as the cost of repair and rehabilitation. In a 1971 amendment to the Foreign Assistance Act, the value of excess defense articles is defined as not less than one-third of acquisition cost for the purpose of limiting the amount of such articles which can be provided at no cost to MAP.

In his reply to you the Under Secretary cited this latter value as the average value for accounting purposes, but indicated that actual value would range from 5 percent to 50 percent of the acquisition cost. This range is apparently based on the condition of the items at the time of

transfer. Since MAP is not charged for grants of excess defense articles, except for repair and accessorial cost, we would agree that the actual cost in terms of the 5 to 50 percent range is not ascertainable for items which have been transferred to MAP.

Except in the context of the definitions and the DOD policy for establishing charges to MAP as discussed above, we know of no precise method of determining the value of excess defense articles. For example, the value of the items to the United States may be quite different than the value to the MAP recipient.

Inventory Listings of Current Availability
of All Excess Defense Articles

Listings of the current availability of excess defense articles are available. The Defense Supply Agency, an element of the Department of Defense (DOD), maintains an electronic data file on all such assets in the supply system based on reports from the military services. In our opinion, a listing of these items could be produced but its magnitude would be staggering. For example, at the end of March 1973, more than 200,000 line items were listed in this file. Moreover, the items are listed only by stock number and could only be identified in more descriptive terms by cross-reference to supply catalogs. Since this file is maintained from reports by the services, however, detailed information could be obtained from the services.

Weekly listings are also published of DOD excess assets in property disposal activities. These listings are sent to the various services for screening before the items are released to other federal agencies. These listings are available from the Defense Supply Agency and contain the following types of information for each item listed:

- Description
- Location
- Quantity available
- Acquisition cost
- Condition code

DOD also publishes an annual report of all assets in the supply system. This report shows the dollar value of these assets by category and also identifies those which fall within the classification of excess defense articles. Detailed listings showing quantities of the items included in each category can be obtained from the military services. Enclosure I is a portion of the most recent report, as of June 30, 1972.

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Beginning with the fiscal year 1975 programing cycle, DOD also prepares projected availability listings of excess defense articles which can be applied against military assistance program requirements. The current list was developed by the military services for planning the fiscal year 1975 MAP. It is our understanding that this is not a complete list of total excess defense articles, but rather a listing of such assets which can be applied against the tentative 1975 MAP.

As you can see, while all of the information requested may not be available in the form you requested, a great deal of data can be obtained which may be helpful to you. Most of the detailed information is maintained by elements of the military services which are responsible for managing the various categories of equipment. Most of these are located at installations throughout the United States. For DOD to accumulate and consolidate the information would probably require several weeks.

We believe that the best way to obtain it is to identify your requirements and submit your request directly to the Secretary of Defense. Since the information might not be readily available in the format you require, it would undoubtedly expedite matters to meet with knowledgeable Defense officials to discuss your specific needs.

I hope this information will be helpful to you. If you would like to discuss this matter with members of my staff or need further assistance, please let me know.

Sincerely yours,

A handwritten signature in cursive script that reads "James B. Adams".

Comptroller General
of the United States

Enclosure

DEPARTMENT OF DEFENSE
SUPPLY SYSTEM INVENTORIES

30 JUNE 1972

(Millions of Dollars)

Department of Defense Standard Categories 1/	Total	Unstrat- ified	Approved Force	Transferable/Disposable Stocks				
				Retention Stocks			Poten- tial DOD Excess	Subtotal T/D Stocks
				Approved Force Level	Eco- nomic	Contin- gency		
Principal Items								
1. Weapons	\$ 606	\$ 61	\$ 199	\$ 64	\$ 16	\$ 135	\$ 131	\$ 346
2. Ammunition	8,907	142	7,233	205	241	222	864	1,532
3. Non-Strategic Missile Systems & Equipment	2,368	141	1,580	40	459	89	59	647
4. Tanks, Combat & Tactical Vehicles	2,996	161	2,474	126	47	137	51	361
5. Support Vehicles	144	9	116	8	6	-	5	19
6. Electronics & Comm. Equipment	2,167	35	1,749	39	152	98	94	383
7. Other Support Equipment	1,655	6	1,076	64	312	114	83	573
8. Aircraft Engines	2,548	2	2,159	-	211	168	8	387
9. Major Shipboard Equipment	372	45	259	21	9	27	11	68
Secondary Items								
10. Aircraft Components & Parts	9,930	214	6,799	21	875	699	1,322	2,917
11. Missile Parts	1,072	13	706	*	167	57	129	353
12. Weapons Parts	864	33	336	5	188	75	227	495
13. Tank & Vehicle Parts	751	47	440	2	80	56	126	264
14. Ship & Submarine Parts	295	10	146	1	77	10	51	139
15. Ammo. Components	54	2	24	*	20	3	5	28
16. Other Repair Parts	623	95	326	3	71	18	110	202
17. POL	444	41	396	-	1	-	6	7
18. Clothing & Textiles	1,019	46	842	-	94	2	35	131
19. Subsistence	428	52	375	-	-	-	1	1
20. Medical-Dental Materiel	354	21	271	-	37	4	21	62
21. Construction, Industrial & General Supplies	1,273	83	723	*	184	7	276	467
22. Electronic Parts	1,462	38	814	3	246	82	279	610
23. Other Stock Funded Items	1,583	52	1,102	-	151	147	131	429
A. All Categories - Subtotal	41,915	1,349	30,145	602	3,644	2,150	4,025	10,421
B.1 Uncategorized	1,117	396	717	-	-	-	4	4
B.2 Shipboard Supplies	1,104	-	1,104	-	-	-	-	-
TOTAL INVENTORIES	\$44,136	\$1,745	\$31,966	\$ 602	\$3,644	\$2,150	\$4,029	\$10,425

* Less than \$500 thousand.

1/ These standard categories have been developed to facilitate the aggregation of the many service commodity categories into approximately comparable groupings at the Department of Defense level. Categories that are labeled "principal" items may, in addition to the systems or weapons of which they are primarily composed, contain some secondary items in support of them.

a/ Represents assets included in the classification of excess defense articles.