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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20541

B-169926

DEC 13 1971

R C Dear Senator Pell:

In accordance with your request of May 22, 1970, we began a review of the need for the proposed construction of 200 family housing units at Newport Naval Base, Newport, Rhode Island. We found it advisable, however, to suspend our work until completion of the 1971 family housing survey, which the base was making at the time. We discussed the proposed approach with your Office and it was found acceptable.

The new housing survey showed a continued need for housing. Early in June 1971, the Commander, Newport Naval Base, transmitted a copy of the survey results to the Rhode Island Builders Association which had written to you. The Association questioned the need to build the 200 units and requested an investigation.

The Association, in its reply to the base commander, endorsed the need for the 200 units but recommended that they be built for enlisted personnel. It acknowledged the existence of a tight housing market in Newport but did not accept the results of the Navy's survey of family housing requirements. The Association believed that the Navy survey requirements were excessive and disagreed with the methodology of the survey.

In view of the Association's endorsement of the 200-unit project, we agreed with your Office to meet with Association officials to ascertain what further work, if any, was expected of us.

At an October 8, 1971, meeting, Association officials stated that it would not be necessary for us to expend additional audit time since they had no objection to the planned Government-owned family housing program for Newport Naval Base. They felt, however, that formal market studies should be used by the Department of Defense in deciding whether additional on-base housing is needed at specific locations. They later furnished us with a copy of sections of a publication prepared by housing marketing consultants in conjunction with the Marketing Department of the National Association of Home Builders.

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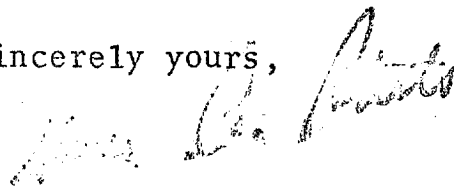
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We periodically review the policies, procedures, and practices followed by the Department of Defense in determining family housing requirements. The next such review is scheduled for 1972. At that time we plan to consider whether the type of market studies suggested by the Association might help the Department of Defense to improve the determination of housing needs.

Unless you deem otherwise, we plan no further action on this matter. We will be pleased to provide you with copies of any reports resulting from our next review of military family housing requirements.

Sincerely yours,


Comptroller General
of the United States

The Honorable Claiborne Pell
United States Senate