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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

DEFENSE DIVISION

MAY 27 1971

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Dear Mr. Secretary:

At the request of Congressman Fred B. Rooney, the General Accounting Office has examined into the practices followed by the hometown news centers of the Departments of the Army, Navy, and Air Force. The hometown news centers are arms of the public information offices of the three military departments. They are responsible, in general, for the preparation and release to interested news media of stories concerning the accomplishments of individual servicemen. The Navy center is located at Great Lakes, Illinois, and the Army and Air Force centers are located in Kansas City, Missouri, and Oklahoma City, Oklahoma, respectively.

Although the Congressman's specific interest was in the news-release processing and mailing procedures of the three centers, we also examined into the services provided by, and the missions and the operating procedures of, the three centers. We are writing to you because our findings indicated that economies could be realized if the three centers were consolidated.

OBJECTIVES OF THE THREE CENTERS

All three centers process and release for publication by the interested news media stories concerning individual servicemen from their geographic area. The objectives are to increase the morale of individual servicemen through public recognition of their accomplishments and those of their military units and, at the same time, to keep the American public informed of the activities of American servicemen.

The stories released by the centers are of a personal nature, dealing with such events as citations, promotions, training-school graduations, and other achievements of individual members of the armed services. The centers normally are provided with stories, or story material, by public information officers of the various military commands, either in the form of a cover story about a military unit accompanied by biographical data on the members of that unit or in the form of a story concerning only one individual. We found the content of the stories released by each of the centers to be highly similar.

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At each center feature stories, photographs, and taped and filmed releases are evaluated and edited to ensure that each release is appropriate as to style and content. Since more than one location may be mentioned and since more than one publication may request coverage for a particular town or city, several releases of the same story may be made to accommodate interested media members.

SAVINGS AVAILABLE THROUGH CONSOLIDATION

In fiscal year 1970 the amounts expended for the operation of the three centers totaled about \$1.8 million. In addition, costs to the Government, which could not be readily quantified, were incurred for such items as building maintenance and utilities provided on a nonreimbursable basis by the host military base or, in the case of the Army, by the General Services Administration. Also, postage fees incurred in forwarding releases to members of the news media were funded at a higher level and thus were not reflected in the total operating expenses of the centers for fiscal year 1970.

A consolidated operation should permit a substantial reduction in the number of mailings to the news media. Consolidation also should make it possible to reduce administrative costs through a reduction of administrative personnel. Finally, duplicate investments for similar types of photographic and audio-visual recording equipment could be avoided, and some of the equipment on hand, as well as the office space of two of the centers, could be released for other uses.

Mailing operations

Generally each center mails more than 9,000 releases daily. Envelopes used for mailing daily releases averaged 2,800 and 3,000 by the Army and Air Force, respectively, but more than 6,400 by the Navy. The releases are sent by first-class mail to ensure timely delivery. For fiscal year 1970 the postage fees for the three centers were about \$184,000, of which the Army spent about \$42,000, the Navy \$97,000, and the Air Force \$45,000. This does not include the costs incurred for envelopes and printing.

We found that, with the exception of the news media located in large cities and receiving an unusually high number of releases, the Navy center mailed releases separately to each user. The Army and Air Force centers, on the other hand, accumulated releases before mailing them. As a result, the Army and the Air Force avoided the additional postage and envelope costs that the Navy incurred by mailing releases separately. The costs avoided, however, were partially offset by the additional manpower requirements of the Army and Air Force mailing operations.

We learned from our visit to the Navy center that officials of that activity were taking measures to reduce the number of separate mailings of news releases. These measures, when fully implemented, should reduce the costs of the center's news-release distribution operations.

Each center has at least 70 percent of the Nation's 11,400 newspapers and periodicals on its distribution list. As a result, many newspapers and periodicals receive news releases from more than one of the three centers. If the centers were consolidated, the news releases from all services would originate from one activity and those destined for a particular news media could be accumulated and released in a single mailing. Data were not available that would permit us to determine the extent to which the centers' mailings overlapped. Considering the fact that a large number of news media appear on the distribution list at each of the centers, however, we believe that there is duplication in costs associated with the distribution of information.

Supervisory and administrative costs

The staff members at the three centers numbered 197, of which 79 were assigned to the Air Force, 60 to the Army, and 58 to the Navy. Of the 197 staff members, 43 were engaged solely in supervisory and administrative functions at the three centers at a salary cost of \$365,000 for fiscal year 1970. These positions included the commander and executive officer of each of the centers, editorial and administrative supervisors, and other personnel not engaged directly in the processing of story material into the news releases. It is likely that fewer supervisory and administrative personnel would be required to operate

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a consolidated activity, and we feel that an opportunity exists to reduce costs related to these functions through consolidation.

Equipment and office space requirements

At the time of our review, the three centers had inventories of equipment costing more than \$560,000. We believe that a consolidated operation should result in the release of some of this equipment to meet other defense needs.

For example, each center has its own photographic laboratory and audio-visual recording facility. The total value of equipment used for photographic and audio-visual recording purposes is approximately \$330,000. We believe that under a consolidated operation, some of the equipment from two of the laboratories and recording facilities could be made available for other uses.

In view of the potential for reducing both the amount of equipment and the number of administrative positions under a consolidated operation, we believe that overall office space requirements also could be reduced. Although the expanded operations resulting from consolidation may require additional office space at one of the centers, we believe the cost of providing this space should be less than that currently incurred for the maintenance of the office space of three separate centers. Also the office space at the two vacated centers would be released for other Government work.

POTENTIAL FOR AUTOMATED OPERATION

On July 20, 1970, the Army Home Town News Center converted from a manual operation to a partially automated operation using data processing support provided by the General Services Administration. The estimated annual cost for this support is \$102,000.

Sufficient data have not yet been accumulated to give a firm indication of the annual savings in operating expenses which will result

from the Army center's conversion to an automated system. A General Services Administration feasibility study made prior to the changeover indicated that the automated system would permit faster and improved operations, better releases, more accuracy throughout the operation, and a savings of between \$5,000 and \$20,000 a year over manual-operation costs, depending on the number of releases processed.

Another benefit of this automated system indicated by the study was the ease of its implementation. The center was not required to purchase new equipment, hire specially trained personnel, or conduct a major reorganization or retraining program. In addition, fewer personnel would be required under the automated system. Although not considered by the General Services Administration study, the automated system may lend itself to implementation of the self-mailer technique which has been used successfully by other Government agencies for distribution of releases to news media. This technique eliminates the need for the use of envelopes by printing the postage indicia and addresses directly on the releases. Releases could be sorted, accumulated, and printed out by the computer to form release packages according to each news media.

Under the system currently in use by the Army, the operations pertaining to written news releases have been automated. The principal functions of the computer, which were formerly manual, are selecting the media to which each release is to be sent, printing the releases in sufficient quantities to provide a copy for each interested hometown media, printing the addresses of these media on the releases, and checking the Vietnam casualty list to preclude mailing stories concerning individuals who have become casualties. When funds become available, the computer will be programmed for the additional function of compiling statistical information and reports.

On the basis of the conclusions of the study conducted by the General Services Administration, the Army's experience with its partially automated system, and the potential to expand the functions provided by this system, it seems reasonable to assume that similar benefits should arise from automation of a consolidated hometown news center operation.

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RECOMMENDATIONS

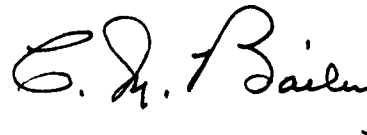
We recommend that:

1. A study be initiated to determine the feasibility of consolidating the activities presently carried out at the hometown news centers operated by the three military departments.
2. A determination be made of the economies that may be realized through utilization of an automated system similar to that currently used by the Army.
3. Consideration be given to converting the method of release distribution from the use of window envelopes to the self-mailer.

Your attention is invited to section 236 of the Legislative Reorganization Act of 1970 which requires that you submit written statements of the action taken with respect to the recommendations. The statements are to be sent to the House and Senate Committees on Government Operations not later than 60 days after the date of this report and to the House and Senate Committees on Appropriations in connection with the first request for appropriations submitted by your agency more than 60 days after the date of this report.

We would appreciate your comments and advice regarding the actions taken on the recommendations discussed in this letter.

Sincerely yours,



Director, Defense Division

The Honorable
The Secretary of Defense