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STATEMENT OF
ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES
BEFORE THE
O + R SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT
OF THE
H 201 COMMITTEE ON PUBLIC WORKS—HOUSE OF REPRESENTATIVES
ON
[POLICIES AND PRACTICES FOLLOWED BY THE POSTAL SERVICE
IN LEASING AND CONSTRUCTING FACILITIES]

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here, at your request, to discuss the policies
and practices followed by the Postal Service in leasing and constructing
facilities. The specific points raised in your letters to me of April 6
and June 2, 1971, Mr. Chairman, refer to, among other things, the
development of the Post Office Department (now the Postal Service)
(Department) facility acquisition authority; events leading to the 1966
delegation of authority by the General Services Administration (GSA) to
the Postmaster General for the design and construction of postal facilities;
certain aspects of the management of the leasing and construction of postal
facilities; the recent agreements entered into by the Department and the
Corps of Engineers (Corps) concerning postal facilities; the effect of
the agreements on GSA; and a comparison of land acquisition and lease
construction procedures followed by the Department, Corps, and GSA.

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We understand, however, that of primary interest to the Subcommittee this morning is information on certain issues relating to relationships between the Department and the GSA, and between the Department and the Corps. With this understanding, Mr. Chairman, my statement this morning will concentrate on certain aspects of the delegation of authority from GSA to the Department to construct buildings, and on certain aspects of the agreements between the Department and the Corps whereby certain responsibilities for the Department's facility acquisition program were transferred to the Corps.

On the other matters referred to in your letters, Mr. Chairman, we have prepared rather detailed comments. With your permission we will submit them at this time for the record. I will, however, comment briefly on some of the issues regarding the administration of the Department's facility acquisition program.

Since 1962 we have issued several reports which have dealt with the issue of leasing versus Government ownership of postal facilities. In these reports we pointed out the economies achievable through Government ownership of facilities and recommended that the Department determine on an individual facility basis whether to acquire postal space by leasing or through Government ownership, rather than follow a general policy of leasing.

The Department agreed with us some years ago that it was advantageous to construct major postal facilities for Government ownership. For smaller facilities, however, the Department stated that if construction funds were available and it was not required to construct postal facilities to GSA's design and construction standards, decisions to construct or lease would be based on economic evaluations of individual facilities. Because the Postal Reorganization Act vests the Postal Service with broad real property acquisition and financing authority, it is now practicable for the Service to make these evaluations. We believe that decisions made on that basis will result in a better managed facility acquisition program.

We have also reported on improvements that were needed in the Department's practices for acquiring control of sites for leased facilities, and in the course of our work at the Department in recent years, we have observed other areas in which management of its facilities acquisition program could be improved.

Delegation of construction authority
to the Post Office Department

Section 2 of the Public Buildings Act of 1959, as amended, provides that no Government-owned public building shall be constructed except by the Administrator of General Services. Under section 13 of the act, public buildings include Federal office buildings, post offices, and customhouses, but exclude specific projects, such as projects on military

reservations and hospitals. Section 15 provides that the Administrator, with certain exceptions, is authorized to delegate the authority vested in him by the act to an executive agency when the Administrator determines that such delegation will promote efficiency and economy.

The act provides also that no appropriation shall be made to construct any Government-owned public building involving an expenditure in excess of \$100,000 or to alter any such building involving an expenditure in excess of \$200,000 unless a prospectus has been approved by the Public Works Committees of the Congress.

In December 1964, the Postmaster General presented to the President a proposal that would have given the Department direct construction authority primarily because the characteristics of the buildings needed by the Department differed significantly from those of the office buildings needed by other civilian agencies. A committee of business executives, appointed by the President to advise the Postmaster General in this area, recommended that the Department have permanent authority to acquire, construct, and own buildings for postal purposes in addition to its authority to lease such facilities.

GSA did not concur with the recommendation on the premise that it had the experience and competency to design and construct postal facilities and that such work was foreign to the basic mission of the Department, i.e., receiving, handling, processing, and distributing mail.

In April 1966, a bill (S. 3256) was introduced in the Senate which would have authorized the Postmaster General to construct postal buildings. The Administrator of General Services by letter dated April 18, 1966, to the Postmaster General stated that the proposed legislation was unnecessary and ill-advised. Hearings on the bill were held, but it was not enacted.

During the summer of 1966, GSA, at the suggestion of the Bureau of the Budget (now the Office of Management and Budget) proposed to delegate to the Postmaster General the authority to design and construct postal facilities. In November 1966 the Postmaster General agreed to the delegation of authority, subject to working out specific language of the delegation.

On December 1, 1966, the Administrator of General Services delegated to the Postmaster General, with authority to redelegate, the authority to acquire sites, design, construct, and alter public buildings to be devoted primarily to postal purposes. The delegation of authority required that prospectuses be submitted by the Department to GSA for submission to the Office of Management and Budget and the Congress, and that funds for the approved projects be obtained from the Department's appropriations.

Although the delegation required that the facility design, construction, and alteration conform with GSA standards, GSA recognized that in view of the trend toward mechanized mail processing plants, modification of the GSA standards might be necessary when applied to postal facilities.

As of April 30, 1971, 77 postal projects to be constructed under the delegation of authority at an estimated cost of about \$1.2 billion had been approved by the Committees on Public Works. Based on data supplied by the Department, we identified 38 of these projects, valued at about \$468 million (Government-owned) that had either been completed or were in various phases of completion.

The Department's latest estimates for 13 of the 38 projects exceeded the estimates shown on the approved prospectuses by about \$38 million. The estimates for seven of the 13 exceeded the amounts in the related prospectuses by more than 10 percent, the point at which a revised prospectus would have to be submitted to the Committees. Department officials informed us that they advised the Appropriation Committees of the revised cost estimates; and, therefore, in their opinion, submission of revised prospectuses to the Public Works Committees was not required.

The Postal Reorganization Act approved August 12, 1970--the provisions of which became fully effective on July 1, 1971--established the Postal Service and authorized it to construct, operate, lease, and maintain buildings and facilities without regard to the Public Buildings Act of 1959.

AGREEMENTS BETWEEN THE DEPARTMENT
AND THE CORPS

In early 1969, the Postmaster General began to evaluate the problems facing the Department and concluded that a fairly substantial investment in new plant and equipment was needed. The Postmaster General was of the opinion that the Department did not have an organization capable of completing, within a reasonable span of time, the large scale modernization program needed. Accordingly, he began discussing his problem with the Corps and GSA.

In March 1969, the Corps furnished the Department a brochure outlining its capability to provide design, construction and real estate services. The brochure referred to the Corps' past experience in providing services to other agencies in the execution of large construction programs, such as its work for the National Aeronautics and Space Administration and its design and construction of hospitals for the Veterans Administration. In transmitting the brochure, the Acting Chief of Engineers stated that, subject to the approval of the Secretary of the Army, the Corps would be pleased to support the Department's requirements for construction and the related services to whatever extent its future programs might demand.

In April 1969, the Administrator of GSA advised the Postmaster General that it might be easier and cheaper to use GSA but that since it was felt the Corps would best be able to handle specialized new post office construction, there was nothing to stop the Department from using the Corps at once.

The Department's decision not to use GSA was made on the basis that it did not have the size or experience to manage the postal facility construction program. The Postmaster General was of the opinion that a postal construction program of \$250 to \$500 million a year could be better handled by the Corps, which had a construction program averaging about \$2 billion a year, rather than by GSA which had a program averaging about \$115 million a year with a projected fiscal year 1972 workload of about \$180 million. In addition, the Postmaster General noted that the highly mechanized special purpose facilities needed for postal use bore little resemblance to the facilities GSA builds--a factor that led to the 1966 delegation of authority from GSA to the Postmaster General.

The Postmaster General believed that the Corps had the size and geographical distribution of work force, and expertise in constructing complex buildings needed to manage the construction of postal facilities.

The Postmaster General decided to defer entering into a formal agreement with the Corps until after passage of the Postal Reorganization Act.

On September 26, 1970, after passage of the Postal Reorganization Act, the Postmaster General formally requested the Secretary of Defense to authorize the Corps to provide support in connection with an accelerated postal building program. At that time, he anticipated utilizing the Corps for a \$750 million program over a 2-1/2 to 3-year period. On October 8, 1970, the Secretary of Defense informed the Postmaster General that he was authorizing the Secretary of the Army to proceed with the negotiation of a definite agreement covering the services which the Department desired.

March 11, 1971, agreements

On March 11, 1971, the Department executed two agreements with the Department of the Army to continue in effect for a 3-year period. One agreement was a "broad umbrella type" between the Postmaster General and the Secretary of the Army covering basic principles and policies. The other agreement, signed by the Postmaster General and the Chief of Engineers, was more specific and established the responsibilities, terms, and conditions under which the Corps would furnish the services required.

The latter agreement also provided that the Corps would establish controls over its operations to ensure that its costs would not exceed 5.5 percent of the total design, construction, and mechanization costs. This rate was based on the assumption of a continuing program of not less than \$250 million annually and the scheduling of postal projects at least 6 months in advance of dates on which services are required.

On March 19, 1971, the Corps advised its field offices of the new mission to provide support to the Department and pointed out that they would be assigned those major postal projects over \$2 million or 50,000 square feet and that projects falling below this criteria would generally be managed by the Department's regional offices.

Information furnished House Post Office
and Civil Service Committee

On March 11, 1971, the Postmaster General briefed the House Post Office and Civil Service Committee on his facility construction plans. In presenting his rationale for using the Corps, the Postmaster General stated that he anticipated a construction program of two to three times

that previously experienced and that this level of effort would last for only a few years. It was estimated that an approximately 100 percent temporary staff expansion would be required for the Department if the needed facilities were to be placed in operation within any reasonable period of time. Rather than undertaking this temporary staff build-up within the Department he decided to use the services of the Corps. The Postmaster General further informed the Committee that the agreement would necessitate transfer of personnel from the Department to the Corps but the details had yet to be worked out.

Effect of agreements on GSA

On March 27, 1971, the Director, Office of Management and Budget wrote to the Secretary of Defense and the Postmaster General requesting that they suspend all activities pursuant to the agreement until his office completed a review of the desirability of using the Corps for this purpose. The Director stated that in view of the size and nature of the Department's construction program, the agreement would result in a major change in the role and mission of the Corps; and that it had implications effecting the role of GSA as the primary agent for the construction of buildings to house the civilian agencies of the Federal Government. To facilitate his review, the Director requested the three agencies to comment on the agreement.

In response to the Director's request, the Postmaster General by letter dated April 2, 1971, outlined the options that were available to him at the time he signed the agreement. He stated that it would

be wasteful, inefficient, and time consuming to try to develop the necessary construction capability in-house and that basically, the Corps already had precisely the kind of work force needed.

On April 12, 1971, the Secretary of Defense responded to the Director's request describing the several benefits from a national security standpoint to be derived from this course of action. For example, he pointed out that the Department is devoting considerable effort toward advancing the state of the art in automated and computerized materials handling equipment. The Corps' participation in this program will equip it to take advantage of these advances in modernizing existing plants and arsenals.

On April 15, 1971, the Acting Administrator of GSA commented on the agreement and stated that "We strongly feel that the role of the General Services Administration in the construction of buildings to house civilian agencies of the Federal Government would be seriously weakened if this agreement is implemented." Some of the reasons he gave were:

(1) Implementation of the agreement would further proliferate authority to construct public buildings within the Executive Branch contrary to the intent and purpose of the Public Buildings Act of 1959.

(2) Involvement by the Corps would contribute to further confusion on GSA's role in planning, building and managing public buildings, including the acquisition and management of leased space.

(3) GSA's work force would have to be curtailed substantially if the Corps undertook construction activities which GSA heretofore performed.

On May 4, 1971, the Postmaster General and the Deputy Secretary of Defense sent a joint letter to the Director, Office of Management and Budget stating that "Since we have received no further questions from you concerning our replies to your letter of March 27, we assume that you have no problem with our proceeding to implement the March 11 agreement whereunder the Corps of Engineers will serve as a construction agency for the Post Office Department. Accordingly, we are moving forward under that agreement."

On May 5, 1971, Office of Management and Budget informed the Department that its review of the agreement was completed, and there was no objection to it becoming operative.

We noted that during the period of suspension requested by the Director, Office of Management and Budget--March 27 to May 5, 1971--the Corps field offices which were performing postal work were not notified of the suspension and seven new postal projects were assigned to the Corps for services.

May 20 and June 28, 1971, agreements

On May 20, 1971, a third agreement between the Department and the Corps transferred the responsibility for the total postal facilities acquisition, design and construction program, including lease construction, to the Corps for an indefinite period. In addition, the agreement also provided for the transfer by July 1, 1971, of approximately 600 postal headquarters and regional personnel to the Corps. As a result of this agreement, the Department, for all practical purposes, did not have an in-house capability to acquire facilities.

Although we understand that all details pertaining to the agreement have not yet been worked out, it is quite possible that the Corps' organization and staffing for the postal work will be significantly affected by the new agreement. Also, if the 5.5 percent rate contained in the March 11, 1971, agreement is to be applied to design and construction work under the May 20 agreement, the Corps may have difficulty in staying within the rate inasmuch as it was predicated upon facility projects of major size.

A further agreement between the Department and Corps, effective as of June 28, 1971, assigns specific responsibilities and establishes funding procedures for the leasing and lease servicing functions involved in the execution of the Department's facilities program transferred to the Corps by the May 20, 1971, agreement. The agreement provides that the Department will fund the costs incurred by the Corps in executing the Department's leasing program, to include costs for leasehold improvements, alterations and repairs.

IMPLEMENTATION OF AGREEMENTS
BY THE CORPS

The Corps has an existing nationwide organization of over 42,800 employees experienced in planning and executing large scale and diversified engineering, construction and real estate operations. To carry out its mission, the Corps is organized into three basic components: the Office of the Chief of Engineers located in Washington, D.C.; 13 division offices, two of which are located overseas; and 40 district offices, three of which are located overseas. The district offices comprise the primary or operational center of the Corps organization.

Organization of the Corps

The Corps prepared a brochure, dated February 12, 1971, to answer the questions raised by the Department concerning (1) the organizational arrangement by which the Corps would accomplish the postal building program and (2) the estimated in-house cost of the Corps to execute the program.

With respect to organization, the Corps stated that the one feature which distinguishes the postal program from all other major programs, which the Corps has administered or was administering, is that there is a single interface with the customer, and this interface occurs at the Washington level. Accordingly, the Corps' Postal Construction Support Office has been established within the Office of the Chief of Engineers to manage the real estate, design and construction services associated with the postal program. Construction responsibility for each project

would be assigned to the division whose district is considered to be best able to accomplish the task "in terms of location, capabilities, etc."

The brochure noted that only a few selected districts should be involved in the design program in view of the learning curve advantage that could be achieved. Accordingly, the Sacramento, Kansas City, Fort Worth, Savannah, Norfolk, and New York district offices were named to manage the architect-engineer design contracts for postal facilities. The number of district offices will be increased or decreased if experience so indicates.

Corps in-house cost

There are three basic in-house costs that will be incurred by the Corps in providing design and construction services for the postal building program. These costs are for supervision and review of contract design activities, supervision and inspection of construction activities, and district, division, and Washington headquarters support costs.

In its brochure of February 12, the Corps stated that the costs for the fiscal year 1970 military construction program were 8.51 percent.

In view of the fact that much information concerning the postal program was not available at the time the brochure was prepared such as the Corps' experience in working with the Department, the composition and number of projects and their construction periods, the Corps

was of the opinion that the only practicable approach was to establish a range of values for its in-house costs to administer the postal program. Based on an analysis, the Corps concluded that its program cost for providing design and construction services in support of the postal program would fall within a range of 5.5 to 6.98 percent of the total value of construction contracts.

The brochure also included statements about the legal aspects of the Corps establishing a program percentage rate as a firm cost for accomplishment of the postal program. The Corps concluded that it may not provide a predetermined unadjustable rate or amount for performing postal work because, if such rate or amount should prove to be less than actual costs, it had no appropriation or fund which could legally be charged with the deficit.

The March 11, 1971, agreement between the Department and Corps provided that the Corps would establish controls over its operations to ensure that its costs for supervision of design, engineering, construction and mechanization services will not exceed 5.5 percent of the total program payments to contractors for design, construction and mechanization and for any Corps in-house design. The agreement also provides for an annual review of the costs comprising the 5.5 percent rate with consideration given to the need for any adjustments.

Because the Corps had, prior to the agreement, estimated that its in-house costs would range between 5.5 and 6.98 percent of the construction contract, we asked the Corps why the 5.5 percent rate

was placed in the agreement. The Corps, by memorandum dated May 5, 1971, presented the following explanation:

"***the Postmaster General insisted upon a ceiling figure. The 5.5% ceiling was arrived at based upon:

- "(1) Historical cost data * * *.
- "(2) Considerations of the specific nature of the Postal Public Building Program to include the fact that these are large projects near District offices, the construction schedules are relatively short, etc., and
- "(3) The following assumptions contained in the 11 March 1971 Agreement signed by the Postmaster General and the Chief of Engineers:
 - "(a) a continuing program of not less than \$250 million annually and
 - "(b) a schedule of projects at least six months in advance of dates on which services are required."

The memorandum also noted that inclusion in the agreement of the architect-engineering design cost as a part of the total program cost would result in a decrease in the percentage of such costs that would be needed to recover the Corps in-house costs.

Corps district officials stated that they believe the Corps can serve the Department and stay within the 5.5 percent rate on the total major facilities program, as contemplated by the March 11, 1971, agreement. They predicted that costs on small projects would be higher and on larger projects lower than the 5.5 percent rate. Further, the district officials stated that as a means of controlling costs, they

expect to place greater reliance on the "performance of work" clause in architect-engineering contracts for the design of postal facilities and provide less technical review of the design than furnished past projects in military construction.

I will comment further on the 5.5 percent rate in a moment.

Slippage in fiscal year 1971 postal building program

A Department monthly summary report as of May 28, 1971, shows that its fiscal year 1971 major postal facilities construction program consists of 36 active projects and that the Department has been unable to meet many of its target objectives. For example, the Department planned to start construction on 33 projects by May 28, 1971; however, only four projects were under construction by that date. The information available to us did not show all reasons contributing to delays; however, information on recent critical developments which have affected the schedules for nine postal projects showed that the reasons stated for changing the schedules were generally of a nature which required resolution by the Department and involved such matters as need for further economic analysis and changes in operational concepts.

As of May 28, 1971, 20 of the 36 fiscal year 1971 projects and two fiscal year 1972 projects had been transferred to the Corps for services. Corps officials at two of the three design offices informed us that all fiscal year 1971 projects for which they had anticipated to perform services had not been received. Corps officials also advised us that the construction period assigned to the projects received were optimistic.

Many of the fiscal year 1971 projects have estimated construction periods of 12 months. In this regard, the Jacksonville District of the Corps made an evaluation concerning the 12-month construction period required for the Jacksonville postal facility estimated to cost \$7 million and concluded that if construction was completed in 12 months it would cost an additional \$2.6 million. The district recommended a construction period of 18 months. At the time of our review, an agreement concerning the construction time for the Jacksonville facility had not been reached. Similar situations have also developed on the Fort Lauderdale, Florida, and Roanoke, Virginia, postal projects.

Corps construction time on
comparable projects

One of the reasons the Department approached the Corps to undertake the major construction program was the belief the Corps could deliver the completed projects on schedule. In order to obtain some insight as to the Corps performance in completing projects in a timely manner, we obtained from the Corps' Washington office a list of projects the Corps had constructed during the past 5 years that are comparable, in type, magnitude and complexity, to those they will construct for the Department, in accordance with the March 11, 1971, agreements. From this list we reviewed 12 projects and found overruns in construction time ranging from 30 to 542 days, and averaging 227 days. The overruns were due primarily to design changes and work stoppages caused by strikes and inclement weather.

LEGAL ASPECTS OF ARRANGEMENTS BETWEEN
THE POST OFFICE DEPARTMENT AND
THE CORPS OF ENGINEERS

Legality of agreements

Certain doubts have been expressed concerning the legality of the March 11 and May 20, 1971, agreements between the Department and the Corps under which the Corps performs certain real estate, design, and construction services in the acquisition of postal facilities as requested by the Department and its successor the United States Postal Service. Section 219, Public Law 89-298, authorizes the Corps to perform work or services for other Government agencies, including the performance of such work or services by contract. We understand the Corps considers that its authority permits it to increase its staff by outside hiring when needed to accomplish a specific project. We do not disagree with that view. The Corps hired, by transfer, employees of the Department who apparently were to be separated because the Department was discontinuing design, construction and real estate functions. The Corps traditionally performs such functions. Thus the hiring of the former postal employees and the undertaking of certain design, construction and real estate work for the Department was not in our view unauthorized.

Turning to the 5.5 percentage rate of reimbursement authorized in the agreements for Corps in-house design and construction costs, the record shows that it was predicated upon the conclusion by the Corps that it will have no difficulty meeting such a cost limitation. While the wording of the agreements is not entirely clear that this limitation

is an absolute one, the Corps and the Department both appear to consider it to be. With respect to the period before July 1, 1971, section 601 of the Economy Act, 31 U.S.C. 686, covering services between departments provides for estimated costs to be adjusted "on the basis of the actual cost" as agreed upon between departments or agencies concerned. 33 U.S.C. 576 authorizes the use of the Corps revolving fund for furnishing services to other Government agencies as authorized by law. In construing the Economy Act our Office has held that the methods of ascertaining the amount of "actual cost" are primarily for determination between the agencies concerned. As long as the amount agreed upon results from a bona fide attempt to determine the actual cost and, in fact, reasonably approximates the actual cost, no objection to the amount agreed upon is made by us. Also, we have recognized that when the "actual cost" may be determined in advance with a reasonable degree of certainty, section 601 would not preclude the submission of a firm bid by the performing agency.

We understand that both the Corps and the Department construed their agreements as providing for reimbursement of Corps in-house design and construction costs to a maximum of 5.5 percent of total program payments. We are inclined to agree that such construction of the terms of the agreements is a reasonable one. However, in light of legal requirements and problems which would arise should the Corps' costs exceed the 5.5 percent limitation, we believe that another interpretation

to which the agreements are susceptible would be preferable, namely, that the Department was responsible for reimbursement of all costs recognizing that the Corps is obligated to utilize its best efforts to hold such costs to the 5.5 percent stipulated.

So long as the Corps stays within the 5.5 percent there would of course be no problem under either interpretation. However, should Corps costs significantly exceed the 5.5 percent figure, it will be faced with the situation of having improperly used its appropriations for Postal purposes. However, we are not inclined to attempt to forecast such a result or to hold that such a possibility renders use of the 5.5 percentage rate, even as a ceiling, as being contrary to law.

We found that the Department was relying in executing the agreements of March 11 and May 20 upon the redelegation authority given to the Postmaster General in the 1966 delegation to him from GSA to design and construct public buildings devoted primarily to postal purposes. We understand that the Department's proposal to have the Corps perform these services was, at least informally, cleared with GSA. The 1966 agreement seems to us to authorize a redelegation by the Postmaster General only within his Department. However, since it does not by its terms specifically so limit it, and GSA apparently concurred in an interpretation permitting a redelegation to the Corps we would not be warranted as a matter of law in requiring the more restrictive view.

We note in that regard that under the Public Building Act of 1959, GSA could have delegated such construction authority direct to the Corps. GSA seems to have accomplished the same result, though indirectly, by giving a liberal interpretation to the redelegation authority in the 1966 agreement.

In any event, irrespective of the delegation and/or redelegation issue, the agreements in question are within the purview of the Economy Act discussed above.

With regard to the period following July 1, 1971, section 411 of the new title 39, United States Code, provides that executive agencies are authorized to furnish personal and nonpersonal services to the Postal Service under such terms and conditions, including reimbursability, as the Postal Service and the head of the agency concerned shall deem appropriate. Also, section 401 of the new title 39 authorizes the Postal Service to construct, operate, lease and maintain buildings and facilities on property owned or controlled by it. In view of such authority our opinion is that the Corps may continue to render services to the Postal Service in the construction of postal facilities as generally set out in the agreements.

Contracts in name of the United States

A question has been raised regarding the authority of the Postal Service or the Corps as agent of the Postal Service to enter into construction contracts in the name of the United States. Regarding this matter section 401 of the new title 39, U.S. Code, provides that the

Postal Service may sue and be sued in its official name and may enter into and perform contracts and determine the nature of its expenditures. However, it should be noted that section 201 provides that "There is established as an independent establishment of the executive branch of the Government of the United States the United States Postal Service."

The contract authority of the Postal Service does not specifically require such contracts to be entered into in the name of the Postal Service. It has been held that where an agent of the United States under an act of Congress might sue and be sued such provision does not strip from the United States the right to sue in its own name. The United States itself is the real party in interest in suits involving contracts and property of its wholly owned instrumentalities and it is not necessary that such agency bring suit in its own name.

Also, section 6(1) of the Postal Reorganization Act provides that judgments against the United States arising out of activities of the United States Postal Service shall be paid by the Postal Service out of any funds available to it.

Considering the above, it cannot be clearly said that contracts by the Postal Service or the Corps as agent for the Postal Service may not be in the name of the United States.