



COMPTROLLER OF THE ARMY AND AIR FORCE

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B-163500

JUN 18 1974

The Honorable George H. Mahon  
Chairman, Committee on Appropriations, House of Representatives



Dear Mr. Chairman:

In your letter dated May 23, 1974, you requested us to clarify whether our report (B-163500, June 28, 1973), supported the actions of the Army in (1) excluding amounts for minor construction and alteration and other engineering support from funds requested for maintenance and repair of real property in fiscal year 1975 and (2) excluding these amounts from the statutory floor for real property maintenance. You asked also whether we had advised officials in the Department of Defense (DOD) that funds for these accounts should be excluded from the floor.

BACKGROUND

As stated in our report, in March 1972 a DOD official told us DOD planned to (1) redefine the backlog of essential maintenance and repair to eliminate the exclusion of projects under \$10,000, (2) redefine the floor to delete minor construction as a floor account, and (3) require reporting of unconstrained maintenance requirements.

We concluded that the annual maintenance floor was consistently set too low to insure spending an adequate amount to prevent excessive deterioration of real property. We concluded also that the reported backlog of essential maintenance and repair understated the actual level of real property deterioration. Accordingly, we recommended that DOD should:

"Base all real property maintenance requirements indicators, including the floor and the backlog, on the same criteria; i.e., they should have a direct relationship in definition, budgeting, and accounting. This may require redefining the floor."

In September 1973 the Assistant Secretary of Defense (Installations and Logistics) responded to this recommendation by stating that:

"Your recommendation related to the Backlog of Essential Maintenance and Repair also causes us no specific problem since the backlog has been redefined in the new DOD instruction. The new definition is: 'The Backlog of Maintenance and Repair (BMAR) is the end of fiscal year measurement of maintenance and repair work remaining as a firm requirement of the installation work plans prescribed by DOD Directive 4165.2 but which lack of resources prohibit accomplishment in that fiscal year.'"

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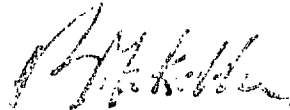
The foregoing DOD action, dated August 9, 1973, did not redefine the floor so as to eliminate the minor construction and for other engineering support accounts.

REDEFINING THE FLOOR

On May 21, 1973, we discussed our proposed report with DOD officials. At that time one of them suggested redefining the floor to provide a more specific relationship of the floor to the backlog of essential maintenance and repair by eliminating minor construction. He then asked for our position on redefining the floor to one category, and we told him that we had no recommendation on that specific point.

For best disclosure and ease of analysis, and as recommended in our report, indicators of real property condition should be directly related to floor expenditures. This could be done either by limiting the floor to the maintenance and repair of real property account or by expanding the indicators of the backlog of real property maintenance to include all the floor accounts. Some combination of these alternatives also could be used. In view of the use to be made of these data, we believe a definition is an administrative and budget decision to be made by DOD subject to the concurrence of your Committee.

Sincerely yours,



Acting Comptroller General  
of the United States

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