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UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

ROOM 226, 870 NORTH MILITARY HIGHWAY
NORFOLK, VIRGINIA 23502

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October 6, 1975

Admiral Isaac C. Kidd, Jr., USN
Commander in Chief
U. S. Atlantic Fleet
Norfolk, Virginia 23511

Dear Admiral Kidd:

We are reviewing the management and use of bachelor and transient housing by the military services (code 945425) to determine whether enlisted bachelors are being paid basic allowance for quarters (BAQ) while Government quarters are vacant. We plan to issue a report to the Congress on the results of the assignment. In addition to the findings to be included in that report, we believe that annual savings of about \$160,000 in BAQ payments could be achieved if your Flag Administrative Unit (FAU) uses space available at the Norfolk Naval Station. We are bringing this matter to your attention because to date no action has been taken on our suggestion.

For the year ended March 31, 1975, FAU was unable to house all its enlisted bachelors in on-base quarters and paid an average of 142 persons nearly \$160,000 in housing allowances to live off base. During the same period, the Naval Station, located about 2 miles away, had an average of over 700 vacancies in its bachelor enlisted quarters. The lowest number of vacancies during any 1 week was 191.

The sharing of bachelor quarters by the Naval Station and the FAU is not a new concept. Currently, FAU bachelor and transient officers are housed in the Naval Station bachelor officers' quarters. In addition, some enlisted women assigned to FAU were housed at the Naval Station until November 1974 when the Naval Station reduced its capacity for housing women.

We have discussed this matter with the Deputy Chief of Staff, Fifth Naval District, and with officials of both the Naval Station and FAU. The Deputy Chief of Staff agreed that sharing of space by FAU and the Naval Station seems feasible and more economical than the present approach. The Naval Station Military Personnel Officer advised us that the station would provide space for permanent party or transient personnel assigned to other activities. He added that the Naval Station currently houses transient personnel from Naval Air Station, Norfolk on an as-needed basis. The Commanding Officer, FAU, questioned whether using Naval Station quarters would be more economical in view of increased transportation costs and indicated that he planned to take no action. Other factors which were mentioned as warranting additional consideration were morale and command authority.

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More recently, we discussed the FAU bachelor housing situation with your Flag Secretary. We briefed him on the results of our review and suggested that FAU could significantly reduce its BAQ costs by using the vacant quarters at the Naval Station. He agreed that the situation appeared to warrant further consideration. Consequently, we are bringing this matter to your attention for your information and appropriate action. We would appreciate being advised of any action taken or planned in response to this letter.

If you have any questions or would like additional information, we would be happy to discuss this matter with you further.

Sincerely yours,

~~Ernest W. Taylor~~

for
Walter H. Henson
Regional Manager

cc: COMFIVE
CO, FAU - CINCLANTFLT
CO, NAVSTA, NORVA
Comptroller of the Navy
Director, Naval Audit Service, Southeast Region

DS/jj