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Released 12/17/76

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COMPTROLLER GENERAL OF THE UNITED STATES
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B-169972

OCT 4 1976

The Honorable John L. McClellan
Chairman, Committee on Appropriations
United States Senate



Dear Mr. Chairman:

On June 9, 1976, you requested us to update certain statistics which were included in our 1973 report (B-169972, Aug. 6, 1973) on the use of appropriated funds to procure transportation specifically for Armed Forces exchange goods.

To assist you in the markup of the fiscal year 1977 Defense Appropriations Bill, we furnished you on June 30, 1976, estimated figures obtained from the services. At that time, you asked that we develop and provide data on the actual amount of transportation paid for with appropriated funds.

We completed our analysis of pertinent billing records and found that during fiscal years 1973 through 1976 about \$233 million in appropriated funds was used to pay the cost of transporting exchange goods. Of this amount about \$225 million was spent to procure transportation specifically for exchanges; i.e., transportation which was not required to move Government cargo and for which the Government was not otherwise obligated to pay. Details of our analysis are shown in the following schedule.

<u>Fiscal year</u>	<u>Total payments for exchange shipments</u>	<u>Estimate of payments made to procure space specifically for exchange shipments</u>
	(000 omitted)	
1973	\$ 45,769	\$ 44,058
1974	49,793	47,877
1975	70,793	68,436
1976		
(note a)	<u>66,604</u>	<u>64,665</u>
	<u>\$232,959</u>	<u>\$225,036</u>

a/Month of June 1976 was projected based on average monthly payments for the preceding 11 months.

LCD-76-244

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If you have any questions concerning transportation provided to the exchanges, we will be glad to discuss the matter with you or members of your staff.

Sincerely yours,


DEPUTY Comptroller General.
of the United States