



# *REPORT TO THE CONGRESS*

## Need To Improve Performance Standards For More Efficient Use Of Civilian Production Personnel In The Department Of Defense

B-167982

*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

DEC. 29, 1969

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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B- 167982

To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on the need to improve performance standards for more efficient **use** of civilian production personnel in the Department of **Defense**. Our review **was** made **pursuant** to the **Budget** and Accounting **Act**, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Bureau of the Budget; the Secretary of Defense; and the Secretaries of the Army, Navy, and **Air** Force.

Comptroller General  
of the United States

**D I G E S T**

WHY THE REVIEW WAS MADE

The General Accounting Office (GAO) reviewed the performance standards used to measure the work production of civilian personnel at three Defense industrial activities — one Army, one Navy and one Air Force activity. GAO's purpose was to evaluate the effectiveness of the development and utilization of the performance standards in contributing to economical and useful management of production labor.

FINDINGS AND CONCLUSIONS

Use of invalid standards resulted in significant amounts of idle time in operating a bomb-production line at the Yorktown Naval Weapons Station, Virginia. GAO estimated that, after giving recognition to the corrective action taken by the Navy, over \$280,000 a year is still being spent unnecessarily because of overstaffing. (See p. 5.)

GAO's review disclosed no conclusive evidence of overstaffing at the other two locations visited; however, GAO found weaknesses in the development and evaluation of performance standards at all three locations which limited their usefulness in controlling workloads and in ensuring economical and efficient management of labor. (See p. 6.)

The weaknesses were primarily attributable to shortages in staffing and incomplete training of certain specialists in performance standards at two locations and to an unsuitable plan of standards development at the third location. (See p. 5.)

RECOMMENDATIONS OR SUGGESTIONS

GAO proposed to the Secretary of Defense that action be taken to ensure that the military departments provide fully trained and qualified personnel for development of performance standards, that a satisfactory system of internal review of performance standards be implemented, and that standards for bomb-production work at the Yorktown Naval Weapons Station be reviewed to determine the most efficient procedures and economical use of manpower resources. (See p. 11.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Assistant Secretary of Defense (Installations and Logistics) summarized present training programs for the development of standards personnel which the Department of Defense considered adequate. GAO believes that these programs, although significant, have not provided adequate staffing of the standards functions at the industrial activities reviewed. Therefore, GAO is recommending that the Secretary of Defense take actions to ensure that the Army, Navy and Air Force reevaluate staffing requirements and place increased emphasis on training and staffing for their standards programs, (See p. 14.)

The Assistant Secretary agreed to take steps designed to strengthen the effectiveness of its internal review and evaluation of standards. If properly monitored, GAO believes this action should result in improvements.

In its draft report, GAO identified more than 60 excess employees on the bomb-production line at Yorktown and subsequently the Navy eliminated 13 positions. GAO believes, however, that substantial additional improvements in balancing the workload could result in reducing manpower requirements by more than 40 additional employees at a savings of about \$280,000 per year with no adverse effect on bomb production. (See p. 6.) Thus, GAO is recommending that the Secretary of the Navy initiate and monitor a review of the bomb-production functions at Yorktown to redefine jobs, establish new standards, balance the workload between sections and operators, and accordingly adjust the staffing. (See p. 14.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

GAO is bringing this report to the attention of the Congress because of its interest in the manner in which management controls are being applied by the Executive agencies to provide economical and efficient use of manpower resources.

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## ABBREVIATIONS

GAO	General Accounting Office
OSD	Office of the Secretary of Defense
SOP	Standard Operating Procedure
DOD	Department of Defense

D I G E S T

WHY THE REVIEW WAS MADE

The General Accounting Office (GAO) reviewed the performance standards used to measure the work production of civilian personnel at three Defense industrial activities--one Army, one Navy and one Air Force activity. GAO's purpose was to evaluate the effectiveness of the development and utilization of the performance standards in contributing to economical and useful management of production labor.

FINDINGS AND CONCLUSIONS

Use of invalid standards resulted in significant amounts of idle time in operating a bomb-production line at the Yorktown Naval Weapons Station, Virginia. GAO estimated that, after giving recognition to the corrective action taken by the Navy, over \$280,000 a year is still being spent unnecessarily because of overstaffing. (See p. 5.)

GAO's review disclosed no conclusive evidence of overstaffing at the other two locations visited; however, GAO found weaknesses in the development and evaluation of performance standards at all three locations which limited their usefulness in controlling workloads and in ensuring economical and efficient management of labor. (See p. 6.)

The weaknesses were primarily attributable to shortages in staffing and incomplete training of certain specialists in performance standards at two locations and to an unsuitable plan of standards development at the third location. (See p. 5.)

RECOMMENDATIONS OR SUGGESTIONS

GAO proposed to the Secretary of Defense that action be taken to ensure that the military departments provide fully trained and qualified personnel for development of performance standards, that a satisfactory system of internal review of performance standards be implemented, and that standards for bomb-production work at the Yorktown Naval Weapons Station be reviewed to determine the most efficient procedures and economical use of manpower resources. (See p. 11.)

## AGENCY ACTIONS AND UNRESOLVED ISSUES

The Assistant Secretary of Defense (Installations and **Logistics**) **summarized** present training **programs** for the development of standards personnel which the Department of Defense considered adequate. GAO believes that these programs, **although** significant, have not provided adequate staffing of the **standards** functions at the **industrial** activities reviewed. Therefore, GAO is **recommending** that the **Secretary** of Defense take actions to ensure that the **Army, Navy** and Air Force reevaluate staffing requirements and place increased **emphasis** on training and staffing for their standards programs. (See p. 14.)

The **Assistant Secretary** **agreed** to take steps **designed** to strengthen **the** effectiveness of its internal review and evaluation of standards. If properly monitored, GAO believes this action should **result in** improvements.

In its draft report, **GAO** identified more **than** 60 excess employees on the bomb-production line at **Yorktown** and subsequently the **Navy** eliminated 13 positions. GAO believes, however, that substantial additional improvements in balancing **the** workload could result in reducing manpower **requirements** by more **than** 40 additional **employees** at a savings of about \$280,000 per year with no adverse effect on **bomb** production. (See p. 6.) Thus, GAO is **recommending** that the **Secretary of the Navy** initiate and monitor a review of the **bomb-production** functions at Yorktown to redefine jobs, establish **new** standards, balance the **workload** between sections and operators, and accordingly adjust the staffing. (See p. 14.)

## MATTERS FOR CONSIDERATION BY THE CONGRESS

**GAO** is bringing this report to the attention of **the** Congress because of its interest in **the** manner in which management controls are being **applied** by the Executive agencies to provide **economical** and **efficient** use of manpower resources.

## CHAPTER I

### DE ANDARI

The objective of this review was to evaluate the effectiveness of the development and utilization of performance standards in ensuring economical and useful management of civilian production labor in military industrial activities. There were approximately 26,000 civilian employees at the three industrial activities we reviewed. (See p. 15 for details on scope of our review.)

A performance standard is a criterion or bench mark for evaluating actual performance. It is generally expressed in terms of an established number of man-hours for accomplishment of a unit of work of acceptable quality. Although each of the military departments has classified standards in a different manner, the following three basic types of standards have been applied:

Engineered standard--derived from a complete analysis and measurement of the task.

Statistical standard--based upon statistical analysis of past performance data.

Estimated standard--based upon an estimate of time required to complete the task.

The basic objectives of the military performance standard systems which are applied to industrial operations throughout the Department of Defense (DOD) are to promote economical operations and efficient utilization of manpower resources.

In meeting these objectives performance standards are used in a variety of ways, including (1) assigning workload to industrial activities, (2) funding and scheduling workload within an activity, (3) providing criteria for measurement of performance, (4) determining and evaluating manpower requirements, and (5) identifying activities in need of management attention. Generally each installation we

visited assigned workload in accordance with the size and capabilities of the existing work force and facilities. Performance standards played a role in this assignment only insofar as they provided a broad measure of the capabilities of the available work force, We found little connection, however, between performance standards and **the** determination of authorized strength.

A list of the principal officials of the Department of Defense and the Departments of the **Army**, Navy, and Air **Force** responsible for administration of activities discussed in this report is included as appendix III.

## CHAPTER 2

### NEED FOR IMPROVED VALIDITY

#### OF PERFORMANCE STANDARDS

Our review of three military industrial activities showed that the weaknesses in the system for applying performance standards at each of these locations limited their usefulness in controlling workloads and in ensuring economical and efficient management of civilian production manpower. The validity of the system was significantly reduced by weaknesses in the development and evaluation of performance standards by the responsible officials. In our opinion these weaknesses were primarily attributable to shortages in the staffing and incomplete training of certain specialists in performance standards at the Anniston Army Depot and the Sacramento Air Materiel Area and to an unsuitable plan of standards development at the Yorktown Naval Weapons Station.

The consequences of an invalid application of standards are demonstrated by the inefficient utilization of personnel on a bomb-production line at the Yorktown Naval Weapons Station. **As** a result of unrealistic performance standards and imbalance among the staffing for various production sections, we estimated that, following limited corrective action by the Navy, the line was still overstaffed by more than **40** production workers. We estimated that the unnecessary cost of using excess employees was about \$280,000 a year. This matter is discussed in more detail below.

#### DEVELOPMENT OF STANDARDS

One of the primary methods of determining the reliability of a performance standard is to compare it with the actual performance, investigate significant differences, and adjust the performance standard if warranted. We found that these steps could not be adequately performed at the installations we reviewed. The functions used in the **de-**velopment of performance standards were not compatible with actual functions, variances for individual jobs were not

developed since only composite effectiveness percentages covering several jobs were computed, and numerous errors distorted the reliability of the performance standards.

Standard Operating Procedure not compatible with actual functions

The measurement program at each of the three installations we visited was not compatible with actual operations. Work steps included in performance standards for certain jobs either omitted, combined, or could not be related to the physical steps performed by the employees.

Although in our opinion this incompatibility constitutes unsatisfactory control over performance at each of the three installations, we encountered clear evidence of overstaffing as a result of the incompatibility only at Yorktown Naval Weapons Station.

Our review of the 500-pound low-drag-bomb-production line at Yorktown showed that the actual staffing was inconsistent with that prescribed by the Standard Operating Procedure (SOP). Although tasks were assigned on the basis of the staffing to workload relationship shown in the SOP, insufficient work was provided for full utilization of the employees actually on the line. In our draft report to the Secretary of Defense we identified more than 60 excess employees and subsequently the Navy eliminated 13 positions, leaving an excess of more than 40 employees receiving a total pay of about \$280,000 per year.

The key to the difficulty was that the rate of bomb production at Yorktown was controlled by the limiting operations of certain sections of the production line. The applicable SOP involved three production sections, (A) case preparation, (B) explosive loading, and (C) finishing or cooling. The bomb line was operated on a three-shift basis.

The SOP for bomb production per shift at Yorktown provided for the production of 597 units in section A, 480 units in section B, and 568 units in section C. The number of bombs actually produced per shift throughout the plant

was limited to section B since this section had less unit production capability than sections A and C.

We computed the standard time required in sections A and C to produce 480 units and found that 18 operators in section A and 11 operators in section C would be used only 56 percent of the time, after recognizing the need for personal and fatigue breaks.

We extended these calculations to sections A, B, and C for the actual production of 512 bombs per shift and estimated that the average bomb-line worker incurred 2.4 hours unproductive time in sections A and C and 2.1 hours in section B in each 8-hour shift after consideration of breaks.

We found that the production work was not performed in accordance with the SOP since the nature of job assignments was revised and more personnel were utilized than were specified. For example, we found that, during a 17-day period, an average of 74.3 personnel were assigned to the production line for each shift, while the SOP specified 70 personnel for each shift. We found also that certain operations were performed by a worker other than the one required by the SOP to do the work, and the SOP allowances for fatigue, breaks, etc., were excessive in certain instances.

On the basis of the more than 2 hours per day unproductive time shown above for each worker, it appears that, after giving recognition to the 13 positions eliminated by the Navy, the staffing was still excessive by about 25 percent. We analyzed each operator's task and concluded that the bomb line could be satisfactorily operated by eliminating about 16 (24 percent) of the 68 operator positions utilized per shift and about 47 for the three-shift operation to produce 512 bombs per shift as shown below.

<u>Section</u>	Authorized by <u>original SOP</u>	Actually <u>utilized</u>	<u>GAO Estimate</u>	
			<u>Requirement</u>	<u>Excess</u>
A	18	18	14	4
B	41	38	30	8
C	<u>11</u>	<u>12</u>	<u>8</u>	<u>4</u>
Total per shift	<u>70</u>	<u>68</u>	<u>52</u>	<u>16</u>
Excess for three shifts				48
Less adjustment for Navy's use of 17 men instead of 18 on the third shift for removal of dunnage				<u>1</u>
Total estimated excess				<u>47</u>
Potential savings \$6,000 per employee x 47 employ- ees (total average cost provided by Yorktown)				\$282,000

Composite rates and errors

Variations in actual performance from the standards for individual jobs could not be identified because only composite effectiveness rates covering several jobs were computed.

The general problem is illustrated by the performance standard system at the Sacramento Air Materiel Area which required all jobs, where practicable, to have a standard for evaluating performance. As a job was completed, the work center "earned" the standard hours for that job. A comparison of the total earned hours for any work center with the total actual hours worked in that center was considered an index of the efficiency of the work center. However, the system did not accumulate or maintain the actual hours charged to a specific job where work centers performed more than one job. As a result, management was not put on notice when worker production lagged or when standards required revision.

In addition, numerous errors in calculating performance standards raised considerable doubt as to reliability of the standards. These errors apparently stemmed from undue reliance on the accuracy of the personnel who established the standards and on inadequate supervision during time studies and other phases of standards development.

At Yorktown, for example, the incorrect number of direct man-hours expended and an incorrect standard were applied in computing daily production efficiency for the 17-day period ended June 13, 1968. Part of the actual direct labor was reported as indirect labor and a standard of 1.160 hours per unit was used in the computation, although the established standard was .966 hours. As a result, the average daily efficiency rate for the period was erroneously reported by Yorktown as 115 percent instead of 86 percent.

#### EVALUATION OF STANDARDS

One purpose of a performance standard system is to provide management with an appraisal of actual operations so that action can be taken as necessary to improve performance. Determinations of corrective action depend upon analyses of variances between standards and actual performance and upon evaluations of the suitability of the standards. We encountered both insufficient and untimely evaluations of standards at the activities we reviewed.

Yorktown had not provided written instructions for a review of production, planning, and control reports by the Industrial Engineering Division. A Yorktown official informed us, however, that industrial engineering technicians had been given oral instructions to review these reports and investigate the reasons for efficiency below 85 percent and above 115 percent. Although the daily reports in May and June 1968 continuously showed efficiencies both below and above the stated tolerances, no investigations were made.

At the completion of our visit to Sacramento Air Materiel Area in July 1968, there had not been an evaluation of performance standards since June 1966, even though the Air Force Logistics Command required an annual evaluation.

These evaluations had not been performed because of personnel shortages within the Industrial Engineering Branch.

At the Anniston Army Depot, we reviewed performance effectiveness under standards for 14 cost centers for a 6-month period and found that 60 of 83 **were** not within the acceptable range of 80 to 120 percent. Performance standards were revised only when the revision was requested by the using organizations and no action was taken to determine the reliability of the standards.

Our review of the revised **SOP** revealed that a time study was performed only on the limiting operation of pouring the explosive material into the bomb cases; and, although time checks were performed on the other operations, documentation was not retained to explain the changes. We discussed with Navy representatives the bomb-line operation section by section to identify reasons for the changes. We learned that the new **SOP** provided substantially increased standard times for many operations.

In our draft report we suggested that the Navy consider eliminating more than **60** employees from the bomb-line operation **and**, as a result, the Navy eliminated 13. Six of the 13 were not specified in the original **SOP**. Four of the 13 were dropped subsequent to revision of the **SOP** when the Navy removed all dunnage material for three shifts from the freight cars by assigning two workers on the first shift rather than employing two on each shift. Three of the **13** were dropped when the Navy in its revised **SOP** reduced the staffing by **33** (11 per shift) as we considered appropriate. However, it added back **24** operators (8 per shift) for relief and break purposes. On the basis of the actual manning for section B and the excessive amounts of unproductive time we observed during our review, we believe that the new **SOP** provides staffing for relief on unproductive time and that 30 operators per shift or **90** in total could perform the required work in that section and provide **ample** staffing to cover lunch time, other breaks, and personal time.

Of the remaining **47** employees that we still consider to be excess (see p. 8), 11 are in section **A**, **24** in section B, and 12 in section C. In sections **A** and C we believe the staffing should be reduced and the work redistributed among the remaining operators because our analysis of the old **SOP**, reaffirmed by our follow-up visit showed significant amounts of unproductive time per **employee** (see p. 7) in each eight-hour shift in addition to regular allowances for breaks and personal time,

#### RECOMMENDATIONS

DOD has made significant provisions for both formal and an-the-job training of personnel for standards functions. On the basis of our review, however, we believe

that these programs have not ensured the adequate staffing of standards functions at all Defense industrial activities. We recommend that the Secretary of Defense **take** actions to ensure that the Army, Navy, and Air Force reevaluate staffing requirements and place increased emphasis on training and staffing for their standards programs.

While reductions in staffing have been made in the **SOP** and in the operation of the bomb line at Yorktown since our fieldwork, we believe that substantial additional improvements in the balancing of tasks among operators could result in reducing the staff by as many as 47 additional employees with no adverse effect on bomb production.

We recommend that the Secretary of the Navy initiate and monitor a review of the bomb-line operation at Yorktown to redefine the various jobs, establish new standards, balance the workload between sections and operators, and accordingly adjust the staffing.

PROPOSALS, AGENCY COMMENTS, AND  
OUR EVALUATION

We reported our findings to the Secretary of Defense for comment. We proposed (1) that the Secretary of Defense take action to ensure that adequate steps are being taken by the military departments to provide fully trained and qualified personnel for the development of performance standards, (2) that a satisfactory system of internal review and evaluation of performance standards be implemented, and (3) that the standards for bomb production at Yorktown be reconsidered with a view toward determining the most efficient operational procedures as well as ensuring the most economical utilization of manpower resources.

The Assistant Secretary of Defense (Installations and Logistics) replied to our draft report by letters dated April 14, 1969, and May 12, 1969. (See apps. I and II.)

With regard to providing fully trained and qualified personnel for development of performance standards, the Assistant Secretary commented that:

"\*\*\* For the past four years the Department of Defense has supported an eight week classroom training program for Defense methods and standards technicians monitored by the Army Management Engineering Training Agency and the Methods Time Measurement Association as part of a six month on the job training effort. During this period of time from 900 to 1300 methods and standards technicians have been trained each year in this program to replace losses from attrition and the promotion of methods and standards technicians to mid-management positions of higher responsibility as well as to support the expansion of standards development and application."

In our opinion, the formal training and the on-the-job training provided by DOD, though significant, had not ensured adequate staffing of the standards function at the Defense industrial activities we observed. This is evidenced by the inadequate development and evaluation of standards that we found.

On our second proposal, the Assistant Secretary of Defense commented that, although internal review and evaluation of standards were currently being monitored at the installation and Command levels and were subject to review by departmental audit teams, the quality and consistency of these reviews were revealed by GAO's report to require re-emphasis. He stated that DOD Directive 5010.15 (December 22, 1965) would be reissued with the objective of strengthening the effectiveness of these internal reviews. In our opinion, revising the DOD Directive should result in strengthening internal reviews of standards programs at Defense industrial activities, if given appropriate surveillance.

On our third proposal the Assistant Secretary of Defense commented that:

"At the time of the audit at Yorktown the auditors were informed that the referenced bomb line was under study because of technological changes in the process, and that consequently non-standard work was being performed that required extra manpower. Since the date of the audit and following the completion of a comprehensive reengineering of the line, the line was restudied with a reduction in the SOP manpower requirements of one person and an increase in productivity in the pouring function and a decrease in the preparation and finishing functions."

We carefully inquired into these comments and included another visit to the Yorktown site and a meeting with officials at Headquarters, Department of the Navy.

We could not corroborate that, during the time of our original review, nonstandard work was being performed. In our recent meeting Navy officials advised us that the study mentioned in the Assistant Secretary's comments was a normal continuous effort to improve the bomb line.

Our original visit to Yorktown and the follow-up visit provided staffing information that accounted for all the work on the bomb line and showed no appreciable change in its operation.

## CHAPTER 3

### SCOPE OF REVIEW

Our review covered the development and evaluation of performance standards for utilization of civilian production personnel at Anniston Army Depot, Anniston, Alabama; Sacramento Air Materiel Area, McClellan Air Force Base, California; and Yorktown Naval Weapons Station, Yorktown, Virginia. Our initial fieldwork was completed in September 1968 and additional fieldwork was completed in August 1969 to deal with the Navy comments to our draft report.

In performing this review, we examined the performance standards system used by each installation and the effect the system had upon the management of manpower resources and production. We held discussions with responsible Army, Navy, and Air Force officials and identified the procedures used in applying performance standards to gauge effectiveness of operations, to assist in decisionmaking, and to aid in developing future plans and operations.

**APPENDIXES**



ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

Apr 14 1969

INSTALLATIONS AND LOGISTICS

Mr. C. M. Bailey  
Director, Defense Division  
General Accounting Office  
Washington, D.C. 20548

Dear Mr. Bailey:

This is in response to your letter of 5 February 1969, to the Secretary of Defense, which requested comments on the draft GAO report to the Congress entitled "Need to Improve Performance Standards for Civilian Personnel at Defense Industrial Activities", (OSD Case 2891). The report has been reviewed by this office and directed to the attention of the concerned Military Departments.

The report recommends that:

- (1) OSD take action to insure that adequate steps are being taken by the Military Departments to provide fully trained and qualified personnel for the development of performance standards,
- (2) a satisfactory system of internal review and evaluation be implemented, and
- (3) specifically, that the standards and SOP for the bomb line at the Navy Weapons Station, Yorktown be reestablished to provide the most efficient procedure and economical use of manpower resources.

With respect to the first recommendation, for the past four years the Department of Defense has supported an eight week classroom training program for Defense methods and standards technicians monitored by the Army Management Engineering Training Agency and the Methods Time Measurement Association as part of a six month on the job training effort. During this period of time from 900 to 1300 methods and standards technicians have been trained each year in this program to replace losses from attrition and the promotion of methods and standards technicians to mid-management positions of higher responsibility as well as to support the expansion of standards development and application.

Internal review and evaluation of standards are currently being monitored at the installation level by local supervision, at the Command level by periodic review by qualified Command personnel, as well as being a subject of review by departmental audit teams. The quality and consistency of these reviews *are* revealed by this report to require reemphasis. DOD Directive 5010.15 (December 22, 1965) **will** be reissued with the objective of strengthening the effectiveness of this review.

At the *time* of the audit at Yorktown the auditors were informed that the referenced bomb line was under study because of technological changes in the process, and that consequently non-standard **work** was being performed that required extra manpower. Since the date of the audit and following the completion of a comprehensive reengineering of the line, the line was restudied with a reduction in the SOP manpower requirements of one **person** and an increase in productivity in **the** pouring function and a decrease in the preparation and finishing functions.

The response to this draft report by the Department of the Navy and the Department of the Air Force of this report are attached *for* your further information. The Department of Army response is being prepared and **will** be forwarded when received.

The interest and evaluation of the GAO auditors in this particular area is greatly appreciated and very helpful.

Sincerely,



Attachments: a/s

Glenn T. Gibson  
Deputy Assistant Secretary of Defense

GAO note: **The attachments were deleted because they were too lengthy for inclusion in this report, but the pertinent comments have been recognized and dealt with in the body of the report to the extent considered appropriate.**



ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

INSTALLATIONS AND LOGISTICS

12 MAY 1969

Mr. C. M. Bailey  
Director, Defense Division  
General Accounting Office  
Washington, D.C. 20548

Dear Mr. Bailey:

In our letter of 14 April forwarding comments on the draft GAO report, "Need to Improve Performance Standards for Civilian Personnel at Defense Industrial Activities," (OSD Case 2891), we reported that *the* Army response *was* being prepared and would be forwarded when *it* was received. The Army response is now forwarded for your information.

You will note that the Army has made a rather detailed analysis of the questions raised by the audit team when they were at Anniston and that significant corrective steps in the direction of tightening up standard maintenance have been undertaken.

Sincerely,

BARRY J. DUNLAP  
Assistant Secretary of Defense  
(Installations and Logistics)

Attachment; : a/s

GAO note: The attachment was deleted because it was too lengthy for inclusion in this report, but the pertinent comments have been recognized and dealt with in the body of the report to the extent considered appropriate.

PRINCIPAL OFFICIALS OF THE  
 DEPARTMENT OF DEFENSE  
 AND THE DEPARTMENTS OF THE ARMY, NAVY, AND AIR FORCE  
 RESPONSIBLE FOR ADMINISTRATION OF **THE** ACTIVITIES  
 DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE:		
Melvin R. Laird	Jan. 1969	Present
Clark Clifford	Mar. 1968	Jan. 1969
Robert S. McNamara	Jan. 1961	Feb. 1968
ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS):		
Barry J. Shillito	Jan. 1969	Present
Thomas D. Morris	Sept. 1967	Jan. 1969
Paul R. Ignatius	Dec. 1964	Aug. 1967
<u>DEPARTMENT OF THE ARMY</u>		
SECRETARY OF THE ARMY:		
Stanley R. Resor	July 1965	Present
ASSISTANT SECRETARY OF <b>THE</b> ARMY (INSTALLATIONS AND LOGISTICS):		
J. Ronald Fox	June 1969	Present
Dr. Robert A. Brooks	Oct. 1965	June 1969

PRINCIPAL OFFICIALS OF THE  
DEPARTMENT OF DEFENSE  
AND THE DEPARTMENTS OF THE ARMY, NAVY, AND AIR FORCE  
RESPONSIBLE FOR ADMINISTRATION OF THE ACTIVITIES  
DISCUSSED IN THIS REPORT (continued)

	Tenure of office	
	From	To
<u>DEPARTMENT OF THE NAVY</u>		
SECRETARY OF THE NAVY:		
John H. Chafee	Jan. 1969	Present
Paul R. Ignatius	Aug. 1967	Jan. 1969
Paul H. Nitze	Nov. 1963	June 1967
ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND LOGISTICS):		
Frank Sanders	Feb. 1969	Present
Barry J. Shillito	Apr. 1968	Feb. 1969
Graeme C. Bannerman	Feb. 1965	Feb. 1968
<u>DEPARTMENT OF THE AIR FORCE</u>		
SECRETARY OF THE AIR FORCE:		
Dr. Robert C. Seamans, Jr.	Jan. 1969	Present
Dr. Harold Brown	Oct. 1965	Jan. 1969
ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGIS- TICS):		
Philip N. Whittaker	May 1969	Present
Robert H. Charles	Nov. 1963	May 1969