

by GSA would, as previously pointed out, be consistent with the purposes for which GSA was created.

We suggest that the word "electronic" wherever it appears in the bill be changed to read "automatic." This change is regarded as desirable to make it absolutely clear that the authority of GSA would extend to complete data-processing systems which may include electronic computers as well as such related items as punchcard equipment and tabulating machines, which, while a part of the system, may not technically be within the term "electronic."

We recommend, also, elimination of the following language which appears to have been adopted in the proposed bill from the provisions of section 110 of the act and which has no application to automatic data-processing equipment:

Page 3, line 10, "less any liabilities assumed";

Page 3, lines 18 and 19, "where appropriate for terminal liability changes".

We construe the authority which would be vested in the Administrator by the first sentence of proposed new section 111 to "control the purchase, lease, maintenance, and use" of automatic data-processing equipment by Federal agencies as broad enough to authorize the exercise of such coordination and control through issuance of appropriate regulations applicable not only to such equipment owned or leased by and in the possession of Federal agencies but also to use or services of such equipment in the possession of others and obtained by contract or other arrangement. Costs incurred by cost-type contractors for acquisition by purchase, lease, contract, or otherwise of automatic data-processing equipment or the use thereof required for the performance of such contracts, are costs which are reimbursable by Federal agencies under the terms of such contracts. This constitutes an area of indirect Government utilization of such equipment involving, so we understand, substantial cost to the United States. To remove any question as to whether the proposed authority of the Administrator to coordinate and control the purchase, lease, maintenance, and use of automatic data-processing equipment encompasses such actions by cost-type contractors where the expense is passed to the United States through reimbursement, it is recommended that the words "or at the expense of" be inserted in line 8, page 1, between the words "by" and "Federal."

The budgetary requirements of GSA resulting from enactment of this legislation would be increased to the extent of capital appropriations to the revolving fund for the purchase and lease of automatic data-processing equipment and services. Administrative and staff costs would be recovered through rental charges from the agencies using equipment owned by or leased through the fund.

Accordingly, GSA wholeheartedly endorses H.R. 5171 and urges its early enactment by the Congress.

The Bureau of the Budget has advised that, while there is no objection to the presentation to your committee of such report as we deem appropriate on H.R. 5171, other affected agencies have expressed serious concern about certain effects of the bill. Further, that the Bureau of the Budget generally shares these concerns and, accordingly, in its separate report on the legislation, opposes the bill's favorable consideration in its present form.

Sincerely yours,

BERNARD L. BOUTIN, *Administrator.*

3. Treasury Department

TREASURY DEPARTMENT,
Washington, D.C., May 27, 1963.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Government Operations,
House of Representatives,
Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 5171, to authorize the Administrator of the General Services Administration to coordinate and otherwise provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of electronic data processing equipment by Federal departments and agencies.

The proposed legislation would vest in the Administrator of General Services all authority to coordinate and control the purchase, lease, maintenance, and use of all electronic data processing equipment by Federal agencies, and to operate or provide for the operation of such equipment.