

This trend toward purchasing new ADP equipment and purchasing equipment currently leased, creates the necessity for designing procedures for utilizing Government-owned equipment when it is no longer suitable for use by the acquiring agency. However, the General Services Administration is making satisfactory progress within its present statutory authority in the development of regulations for the effective utilization of this ADP equipment as well as for taking advantage of the Government's equity in leased computers.

In the hope that it will be helpful to the committee, we plan to furnish to you in a few days a résumé of the ADP program of the executive branch, indicating its current status and future objectives. This résumé will also describe the wide range of activities, involving the GSA and other agencies, occasioned largely by the fact that the management of our ADP equipment resources is integral to program management in an agency and thus cannot be viewed in the same light as office space, typewriters, or automobiles.

In the circumstances, and for reasons outlined in the views letters of the Departments of Defense, Agriculture, Labor, and Post Office, and the Atomic Energy Commission, Federal Aviation Agency, and Tennessee Valley Authority transmitted herewith, the Bureau of the Budget does not favor enactment of H.R. 5171 in its present form. While we do not believe additional legislative authority is necessary, we will be glad to work with the committee and with other agencies concerned to develop amended or substitute legislation which might assist in the more effective use of automatic data-processing equipment without creating the problems which we believe are inherent in this bill.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

Enclosures.

(a) *Tennessee Valley Authority*

TENNESSEE VALLEY AUTHORITY,
OFFICE OF THE BOARD OF DIRECTORS,
Knoxville, Tenn., April 30, 1963.

MR. PHILLIP S. HUGHES,
*Assistant Director for Legislative Reference,
Bureau of the Budget,
Washington, D.C.*

DEAR MR. HUGHES: This is in response to your legislative referral memorandum of April 10, requesting our views with respect to H.R. 5171, a bill 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 bill would add a new section to the Federal Property and Administrative Services Act authorizing and directing the General Services Administration to coordinate and control the purchase, lease, maintenance, and use of electronic data-processing equipment by Federal agencies and to operate such equipment or provide for its operation by delegation of authority. The objectives of centralizing such control in GSA, according to the sponsor of the bill, are (1) greater economy in the acquisition of EDP equipment, mainly through purchase thereof in lieu of long-term rental arrangements, and (2) more effective use of such equipment through coordination among the various agencies of the Government.

These are worthwhile objectives with which we, of course, are in accord, but we do not believe additional legislation such as that proposed in H.R. 5171 is necessary to achieve them. In our opinion, the desired economy and efficiency can be obtained through voluntary action by the various Government agencies if the Congress and the administration provide the needed encouragement and funds. Moreover, we are concerned that such centralized control of EDP equipment in GSA might hinder Federal agencies in their use of what has been found to be an important tool in efficient administration and businesslike management.

It should be kept in mind that this equipment is not just another item of office equipment which falls within the recognized scope of GSA's Government house-keeping activities. More and more uses are being found for EDP equipment in carrying out Government programs, particularly in the case of an agency such