

To summarize, we believe each agency, and the Government as a whole, should continue to explore and adapt mechanized processes wherever possible in order to conserve personnel resources and otherwise improve the efficiency and economy of Government operations. The control procedures established to assure that the use of EDP equipment proceeds wisely and economically should be simplified wherever possible. We are convinced that H.R. 5171 would accomplish the opposite result.

There is involved in EDP much more than a simple procurement and property utilization problem. The state of the art in aviation, for example, is evolving very rapidly. The questions as to how, when, and where to utilize EDP in the performance of our mission are so intricate it would be virtually impossible for a central agency to compose a staff capable of supervising and second-guessing the decisions which must be made. Undoubtedly, this is true in many other agencies. If the existing controls over the acquisition and use of EDP equipment as exercised by the Bureau of the Budget and the General Accounting Office are found to be inadequate, a much less drastic remedy should be explored.

Sincerely,

N. E. HALABY, *Administrator.*

(c) *Atomic Energy Commission*

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., May 22, 1963.

HON. KERMIT GORDON,
Director, Bureau of the Budget.

DEAR MR. GORDON: Reference is made to Mr. Rommel's legislative referral memorandum of April 10, 1963, transmitting 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."

By amending the Federal Property and Administrative Services Act of 1949, as amended, this bill would authorize the Administrator of the General Services Administration to control the purchase, lease, maintenance, and use of electronic data processing equipment by Federal agencies with the proviso that the Administrator, in his discretion, may delegate this authority in three broadly defined classes of cases. In addition, the bill would establish on the books of the Treasury an electronic data processing fund for the various expenses involved in the coordination, operation, and utilization of such equipment by and for Federal agencies. The fund is to be credited with advances and reimbursements from available appropriations and funds of any agency in the amount of the cost, as determined by the Administrator, of the equipment and services rendered to the agency.

We recognize considerable merit in the bill's objectives of centralizing and simplifying the acquisition, maintenance, and use of electronic data processing equipment, with economies possibly resulting to the Government. Nevertheless, the Atomic Energy Commission considers H.R. 5171 unacceptable in its present form for the reasons stated below.

The Atomic Energy Commission now has electronic data processing equipment representing an investment of more than \$60 million. Such equipment is used by the Commission for the most part for scientific and technical purposes, particularly in connection with development, testing, and production of weapons and reactor research and development. In these areas electronic data processing equipment requirements are so inextricably linked to the intended use that only the user is able to develop the specifications for and determine the types and configurations of equipment needed. The use of this equipment is so tied in with the Commission's exercise of its statutory responsibilities that we firmly believe coordination and control of the use of such AEC equipment by another Government agency could seriously interfere with the functions of the Commission.

We note that the bill would authorize the Administration "to require joint utilization of such equipment by two or more Federal agencies, and to establish equipment pools and data processing centers for such joint use when necessary for its most efficient and effective utilization." Inasmuch as the Commission has specific statutory responsibility under the Atomic Energy Act of 1954, as amended, with respect to security of certain classes of information, which could