

This Department would not be opposed to the establishment of an electronic data processing fund provided such fund is available for the purchase of electronic data processing equipment if an economic evaluation of the relative costs of lease against purchase indicates that it is to the best advantages of the Government to purchase equipment and further, that the fund is available to support extraordinary one-time expenses for data processing services which may from time to time occur.

Sincerely yours,

FREDERICK C. BELEN,
Acting Postmaster General.

(c) *Department of Labor*

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, May 17, 1968.

HON. KERMIT GORDON,
*Director, Bureau of the Budget,
Executive Office of the President,
Washington, D.C.*

DEAR MR. GORDON: This is in response to your request for the views of the Department of Labor on 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."

This Department is keenly interested in the efficient utilization of automatic data processing equipment. However, we doubt that this will be best achieved by the enactment of H.R. 5171.

Much progress has been made in dealing with ADP problems in recent years. The establishment of a unit in the management office of the Bureau of the Budget has provided leadership for an overall Federal program. Over the past 2 years, the development of a departmentwide ADP program in the Department of Labor has begun to show results. Not only have internal central ADP services been set up, but the Department is performing work for other agencies and has utilized other Federal agency systems for its own ADP needs.

Representatives of this Department have also participated in an interagency committee sponsored by the Bureau of the Budget. As you know, the express purpose of this committee is to develop more agency expertise in ADP and create a greater awareness of the need for intragovernmental cooperation, including the sharing of equipment and the exchanging of technical assistance.

It is our position that the objectives of H.R. 5171 would be best effected through the continued improvement of our internal ADP program and through the continued leadership of the Bureau of the Budget's ADP staff, with special emphasis on interagency sharing possibilities and a careful analysis of rental-purchase arrangements.

In our opinion, the continuance of the procedures we are now following involve less cost to the Government and to the individual agencies than would the establishment of a new organizational unit to perform essentially the same functions. The creation of such a new unit would not only be expensive, but would also create many complex administrative problems and possibly adversely affect agency operations. It would be virtually an impossible task for GSA or any agency to maintain objective control over the scheduling, arrange for the joint use of systems including all of its administrative ramifications, make decisions on the transfer of equipment in and out of agencies, allocate funds and/or make charges for ADP personnel, supplies and equipment usage, and at the same time satisfy the basic requirements of each agency.

For the foregoing reasons, we would not favor the enactment of H.R. 5171.

Yours sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.