

(g) *Department of Defense*

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., May 21, 1963.

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

DEAR MR. GORDON: Reference is made to your request for the views of the Department of Defense 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."

H.R. 5171 would add a new section 111 to title I of the Federal Property and Administrative Services Act of 1949. The new section would authorize and direct the Administrator of General Services to coordinate and control the purchase, lease, maintenance, and use of electronic data processing equipment by Federal agencies and to operate or authorize the operation of such equipment. The Administrator would be authorized to transfer such equipment between agencies, to require joint utilization by two or more agencies, and to establish equipment pools and data processing centers for joint use. In his discretion, the Administrator could delegate authority to lease, purchase, maintain, or operate (1) general classes of equipment; (2) equipment of special design needed to fulfill some unique requirement or special purpose of a particular agency; and (3) equipment necessary for national defense and security.

The legislation would establish on the books of the Treasury an electronic data processing fund to be available for the above purposes. Such fund would be credited with advances and reimbursements from available appropriations and funds of any agency utilizing equipment and services furnished it, and with refunds or recoveries resulting from operations of the fund. Advances and reimbursements would be based on rates determined by the Administrator which would approximate the costs thereof met by the fund.

The Department of Defense is strongly opposed to H.R. 5171. One of its effects would be to place the Administrator of General Services in the position of determining the requirements of the Department of Defense for electronic data processing equipment. Further, it would place him in control over the use of such equipment by the Department, including authority to direct its transfer to other Federal agencies in his discretion.

Electronic data processing equipment performs vital functions in connection with the defense mission. It is employed in intelligence, scientific and engineering fields, weapons fire control systems, tactical military field operations, war gaming, damage assessment, communications, and logistics operations. These systems are designed and installed to be responsive to the operational needs of commanders responsible for functions essential to the defense mission. For example, in the operation of the base supply account at most Air Force bases, electronic data processing systems are used to permit the immediate satisfaction of priority requests for repair parts. Any delay in such supply action may result in the grounding of weapon systems. In this case, the management and operation of the supply functions on a computer have become as integral a part of base operations as procedures on the flight line and in the maintenance hangar.

In the operation of the military supply system at the wholesale level, electronic data processing systems are being used extensively to furnish data necessary for making decisions at inventory control points. Such data are used in determining requirements for repair parts and components to support weapon systems, procuring materiel, scheduling and managing the rebuild of weapon systems, and filling demands for supplies on a worldwide basis. Responsibility for the design of such data systems and the requisite computer capabilities, together with the accumulation of source data and operation within established performance standards and priorities, cannot be assigned to an agency outside the Department of Defense. This management responsibility is necessary for effective control of operating Defense programs.

Similarly, programing and operation of computers installed to support intelligence and war gaming activities require the collection and storage of masses of classified information. Responsibility for the collection of data and timely operation of these electronic data processing systems is inextricably associated