

to the attainment of optimum military standard coverage for FSG 53 (hardware) and FSG 59 (electronics) during the next 3-year period and coverage for other high growth Federal supply classes within 5 years.

DSA, at its Defense Logistics Services Center (DLSC), continues to provide a mechanical screen of manufacturers' part numbers. This service is made available to all DOD provisioning activities to ascertain whether an item has previously been assigned a Federal stock number.

A net increase of 128,377 DOD items was recorded in the Federal catalog during calendar year 1966. This increase reflects a significant reversal of the reduction reported for calendar year 1965. In the first half of 1966, 199,631 items were added to the Defense catalog and 132,871 items deleted—a net increase of 66,760 items. This trend continued during the second half of the year. In the period July–December 1966, 175,019 items were added and 113,402 items deleted—an increase of 61,617 items. As of December 31, 1966, there were 3,907,703 DOD items in the Federal catalog, as compared to 3,779,326 on December 31, 1965.

The net increase in catalog items can be attributed in part to the introduction of repair parts for new major end items, and fewer deletions due to retention of older equipments for possible use in southeast Asia. Extended use of these older equipments in the unfavorable terrain of southeast Asia has created repair parts demands not previously experienced.

MATERIEL UTILIZATION

Efforts are continuing toward improvement and refinement of mechanized procedures for screening releasable assets of military service inventory control points against military service inventory control point requirements. Interservice and intraservice reutilization resulting from this process, conducted centrally at the Defense Logistics Services Center, and from direct interrogations between inventory control points, totaled \$403 million for fiscal year 1966 (\$231 million interservice reutilization and \$172 million intraservice reutilization).

Utilization of military service declared excess, which is screened primarily through manual rather than mechanized procedures, amounted to \$1.456 billion in fiscal year 1966. However, progress has been made in the establishment of mechanized procedures to the extent that the need for detailed description by reporting activities of items having a Federal stock number has, to a considerable extent, been eliminated. Mechanized processes now provide the means for the Defense Logistics Services Center to develop descriptions of the property for utilization screening within DOD, as well as for screening by the General Services Administration.

A program providing for special handling of excess and potential excess items of comparatively high value (exceeding \$10,000) was fully operational in fiscal year 1966. The program centers around the publication of special utilization "flyers" containing full data on an item, including photographs, tailoring the description of these "flyers" to selected potential users, and making a special effort toward utilization through telephone contact, as well as through research, to determine substitute and interchangeable uses for an item. In fiscal year 1966, \$57.4 million in utilization was realized from this program.