Subsidiary programs

Subsidiary materiel utilization programs, operated in addition to the basic mechanized and manual screening programs, include:

A final asset screening of surplus items immediately prior to these items being offered for final disposal by sale; $3.2 million of utilization was realized from this effort in fiscal year 1966.

The identification of interchangeable and substitutable items to permit use of materiel for other than the purpose originally intended. An additional quantity of items worth $143.5 million were offered as a result of this procedure.

A program to mechanically screen releasable assets and requirements of conventional ammunition throughout the Department of Defense. The program became operational July 1, 1966, providing asset availability listings for review by requiring departments.

Retail Interservice Logistic Support to promote greater exchange of supplies and services at the local level through development of interservice support agreements. Growth of the program is reflected in the reported dollar value of retail interservicing on a worldwide DOD basis which increased from $229 million in fiscal year 1965 to $335 million in fiscal year 1966. In the same period, support agreements increased some 200 to 3,199.

MATERIEL DISPOSAL

DSA is responsible for the administration of the DOD disposal program worldwide. This responsibility includes the development of systems, techniques and procedures for disposable personal property in accordance with OSD policy guidance, supervision of resource programs for DOD disposal activities, elimination of disposal holding activities when practical and economical, and operation of defense surplus sales offices in CONUS. The disposal program involves several subprograms, i.e., utilization of DOD excess, donation, sales, demilitarization, and scrap preparation. Under authority of the annual Department of Defense Appropriations Act, the costs incurred by all DOD elements engaged in the disposal of excess, surplus and foreign excess personal property are reimbursed from the proceeds derived from the sale of surplus and foreign excess personal property. The remainder is transferred to the U.S. Treasury.

The dollar value of property processed for disposal during fiscal year 1966 totaled $6.035 billion, of which $2.345 billion was reutilized within DOD, transferred to other Federal agencies and MAP, or donated to authorized recipients. Value of property sold, scrapped, abandoned, or destroyed during fiscal year 1966 was $3.690 billion. Gross proceeds received from sales during fiscal year 1966 were $118.5 million. A return of 6.5 percent of acquisition value was realized for property sold, other than scrap. Disposal expenses for fiscal year 1966 were $80.2 million. Expenses include costs incurred in excess and surplus inventory accountability, utilization screening of DOD excess, handling of excess and surplus property at holding activities, preparation of sales descriptions and displays, demilitarization, reclamation, scrap preparation, lumber and timber operations, and support costs related thereto.