

The DOD/GSA agreement further provided for DSA to consider support of all civil agencies for the commodities of fuel, electronics, clothing, and textiles, medical and subsistence supplies, provided conditions of economies and support effectiveness are met. A DSA/GSA committee has completed its evaluation of the feasibility and economy of DSA support of all Federal civil agencies for fuel, electronics, and clothing and textiles and determined that: Support for fuels involving procurement, but little workload impact on inventory management and distribution, will produce cost savings of approximately \$2.5 million annually and will not adversely affect military service support.

There is a high degree of commonality in electronics supplies used by civil agencies and DSA. DSA already supports approximately one-half of the civil agencies' annual \$10 million electronics requirement. Savings from expansion of DSA support for all civil agency common item electronics requirements will approximate \$0.6 million, in addition to the \$0.6 million now being saved under current DSA support.

In the clothing and textiles areas, there is substantially less commonality of civil agency and DSA items; therefore, savings are less significant and workload impact greater. In view of already heavy commitments, DSA has proposed, and the Secretary of Defense has approved, limiting expansion of civil agency support to those specific instances where clear savings can be made without degrading military support capability. The clothing and textile area will be re-examined from time to time to identify any support which DSA might provide to civil agencies on a case by case basis; but at this time there is no plan for DSA to assume over-all support.

The Secretary of Defense has approved the DSA proposal to support civil agencies for fuel and electronics. Phase-in of fuel support over a ten-month period is scheduled to begin six months from the final Bureau of the Budget decision authorizing such support. The tentative scheduling for support of civil agencies for electronics provides for phase-in over a twelve-month period, beginning 1 July 1968, to assure civil agency support without adverse impact on DSA present heavy workload in the electronics area.

Studies of medical and nonperishable subsistence are in process. While final conclusions and recommendations have not been developed, the relatively heavy workload involved, without evidence of substantial economy, indicates that DSA support should be limited, similar, to that approved for clothing and textiles, with provisions for future reconsideration.

Progress is being made in perishable subsistence support of Veterans' Administration and Department of Health, Education, and Welfare hospitals by the regional subsistence offices of DSA. Sales have totaled \$654,000 for the period April-December 1966.

In conjunction with the Department of the Interior, consideration is being given to the extension of perishable subsistence support to the \$2 million school program of the Bureau of Indian Affairs.

Support of the Post Office Department for electronics, general and industrial supplies is also under review. Annual sales of these commodities to the Post Office Department would approximate \$2 million.