

requirements against DoD inventories and FAA releasable assets against DoD requirements. Agreement also has been reached with the National Aeronautics and Space Administration for an operational test and evaluation of NASA's full participation in the Defense Logistics Services Center's central mechanized screening of NASA requirements against DoD assets. Needless to say these two agreements have not been in force long enough for their full benefits to be felt, but we are hopeful that economies will be forthcoming which will prove the advantages of the screening process for these two agencies.

In recognition of the potential savings inherent in a central mechanized screening of the Government's releasable assets against requirements prior to initiation of new procurement, we have embodied in the planning of a new Defense integrated data system, to be installed at the Defense Logistics Services Center during the fiscal year 1970-71 time frame, the capability to perform such screening for agencies outside DoD more effectively and efficiently. It should be noted, however, that the real success of centralized mechanized screening depends on more than computer capacity at the Defense Logistics Services Center. It requires civil agency completion of catalogs, mechanization of their supply procedures, and most important of all, the capability to interface with the Defense Logistics Services Center's mechanized system either through the General Services Administration or central control points in the civil agency segment of the Government. Anything short of this will produce second-rate results and the full potential of centralized screening will not be attained.

DSA is administrator of the Department of Defense program to reutilize automatic data processing equipment within the Department and for coordination with the General Services Administration for the exchange of excess automatic data processing equipment between DoD and the other Federal agencies. This program too has shown encouraging improvement during the past year. From July 1, 1964 through March 31, 1967, automatic data processing equipment, both leased and owned, valued at \$204 million had been reutilized through this Department of Defense program, including transfers coordinated with the General Services Administration.

Improved management of Government-owned industrial plant equipment is being approached from three directions:

One, applicable provisions of the Armed Services Procurement Regulation have been given additional emphasis to assure that procuring contracting officers critically examine the contractors' need for industrial plant equipment and provide such equipment only when it is in the best interests of the Government to do so. This requirement is in keeping with the Government's policy that the contractor provide all equipment, except when there is no alternate means of obtaining contract performance and the use of Government-owned industrial plant equipment is less costly.

Two, requests for procurement of industrial plant equipment are screened by the Defense Industrial Plant Equipment Center to determine whether equipment, available for use, can be obtained from industrial nonmilitary sources or from the Defense Industrial Plant Equipment Center's inventory of idle equipment. Only when equipment is found unavailable are certificates issued permitting procurement.