

items for entry into the central supply system; evaluate items for retention or deletion from the system; develop essential characteristics for medical items and review resulting specifications for compliance with these characteristics; develop lists of suitable substitute items for medical materiel; monitor all materiel complaints; and maintain liaison with the Defense Supply Agency and all other governmental agencies on professional and technical matters involving medical materiel.

Each military department operates its respective retail or hospital level system. To facilitate and interface with the central or wholesale system each department has a field office which performs such functions as providing customer information and assistance; developing service peculiar requirements; and managing service unique materiel programs.. All major hospitals maintain and operate a medical materiel account consistent with the local requirements. These supply accounts are operated in accordance with the appropriate military department directives.

Mr. Chairman I would like to now direct my comments to the questions contained in your February 11, 1974 letter to the Secretary of Defense.

1. The efforts of the Department of Defense to reduce the