

WEAPON SYSTEMS MATERIEL UTILIZATION PROGRAM

Administered by the Defense Supply Agency in cooperation with the military services, the weapon systems materiel utilization program promotes defensewide redistribution and utilization of military weapon systems assets and other large aggregations of special high-cost materiel generating from phaseouts, tactical withdrawals, and program terminations.

The major objective of this DOD program is the achievement of maximum reutilization of materiel by the military services and other Federal agencies through: close working relationships and liaison between DSA and all echelons of the military, defense agencies, and other Federal agencies; the development of early planning intelligence regarding military systems to be phased out or otherwise discontinued; the development of new or alternate uses and applications of the materiel; the distribution of illustrated brochures; and other promotional efforts by DSA personnel.

DOD reutilization of phased out weapon systems assets through intraservice and interservice transfers has been substantially improved under the weapon systems utilization program. Total utilization during fiscal year 1966 from the publication of brochures on the missile phaseout program amounted to \$127 million.

INDUSTRIAL PLANT EQUIPMENT (IPE)

As a follow-on action to a 1961 GAO review of the management of idle production equipment within the Department of Defense, OSD approved a joint study project, chaired by DSA, which resulted in the 1962 Report on the Management of Capital Plant Equipment. OSD approval of this report early in 1963 led directly to the establishment of the Defense Industrial Plant Equipment Center (DIPEC). DIPEC maintains a comprehensive record of service-owned, high-value items of plant equipment and provides a variety of reports to meet service needs such as equipment by type, who made it, and when it was made, its present location by military or contractor activity, and other details necessary to such functions as production planning. As of December 31, 1966, 365,729 units of equipment with an acquisition cost of \$3.68 billion were recorded in the central inventory. The Center also receives reports on idle equipment which it may allocate to fill an immediate need in lieu of new procurement; it may direct the equipment to be held in storage against an anticipated need; or it may direct disposal if the equipment does not warrant retention. In fiscal year 1966, equipment with an acquisition cost of \$185.8 million was allocated to meet defense needs. During the first half of fiscal year 1967, this effort amounted to \$94.8 million, with the largest part going to defense contractors in support of high urgency Southeast Asia requirements. Substantial improvement has been made in IPE management since DIPEC was established and progress is being made toward accomplishment of the actions required by the 1966 GAO survey on the adequacy of controls over Government-owned property in possession of contractors. (See table following.)