

Beginning with fiscal year 1967, DSA budgeted and funded for CAS functions. During fiscal year 1965, DCAS operations were financed through reimbursement to DSA from military appropriations. Fiscal year 1966 financing was accomplished through transfers of funds from the military departments. Support of NASA and other non-DOD agencies will continue to be financed through reimbursement.

Some of the areas of major effort during the first year of operations were as follows:

(a) *Quality assurance.*—The SEA build up created a significant workload in suppliers' plants, particularly in the ammunition, weapons, clothing, and medical commodities. Through extensive training and some recruitment, the challenge has been successfully met. To meet changing industrial and defense technologies, and other factors impinging upon readiness to perform, DSA CAS is pursuing a quality assurance skills acquisition program. DSA CAS is currently training approximately 1,000 quality assurance personnel who are performing on NASA contracts. In addition, quality assurance personnel are attending service schools, non-Government schools, and colleges to become better equipped to accomplish the assigned mission.

(b) *Plant safety.*—Included in the initial CAS functional assignment from the military departments was responsibility for monitoring safety in contractors' facilities pertaining to nonhazardous materials and processes involved in Government contracts. Early in 1966 DCAS was assigned, for contracts administered, the additional responsibility for maintaining surveillance of flight safety and safety matters on hazardous and dangerous materials and processes. Since assignment of the function, a DSA representative has chaired a DOD committee to develop ASPR guidance on hazardous and otherwise dangerous material safety, uniform contract safety clauses, and a Department of Defense manual prescribing standards to be followed by manufacturers of hazardous and dangerous materials.

(c) *Delinquent contracts.*—Due to the urgency of the Southeast Asia situation, special management attention had to be given to the problem of reducing the number of contracts in a delinquent delivery status. Increased leadtimes for materials and overloaded plant conditions contributed to a rising trend in contract delinquencies. Top management personnel of selected delinquent contractors were visited by DCASR personnel to emphasize the importance of timely deliveries and to assist the contractors in attempting to reduce their delinquencies.

(d) *Defense materials and priorities assistance.*—Special emphasis was placed on accomplishment of the objectives of the Defense materials and priorities assistance program, which necessitated the reorienting, training, and indoctrination of Government employees and Defense contractors. DCAS participated with the Business Defense Services Administration, Department of Commerce, in nationwide briefings attended by approximately 25,000 Defense contractor representatives in 30 U.S. cities. Additionally, vigorous in-house training was conducted and a continuing program was developed for providing technical assistance to both Government and contractor personnel.

(e) *Industrial security.*—Immediately following consolidation of the industrial security function, action was taken to identify cleared facilities which had not been engaged in classified procurement for 18 or more months. Administrative termination of these "dormant"