

Mr. STAATS. No; I was a little surprised to read that in the press, also. We did not revise our opinion.

We understood that the House had taken some action. Defense has apparently withdrawn any plans it had to convert to purchasing its requirements from the commercial market. But, we have no studies which would indicate any alteration in the conclusion which we reached in our report. (See hearings, 1967, pt. 1, p. 32.)

Chairman PROXMIRE. And there are just two other requests here. One, will you provide copies of relevant regulations and so forth on 87-653, and based upon the past year's experience, what are the priority areas that you believe should be worked on in this next year. Either indicate that now or for the record.

Mr. STAATS. I think I would prefer, Mr. Chairman, to do it for the record. We outlined, as I have indicated, a considerable part of our program before the House Armed Services Committee. There have been some revisions in our program since that time.

In fact, we are in the midst of reviewing our program for the next 6 months period and just beyond at the moment so that I believe in another week or 10 days we could supply you a more useful and a more up-to-date picture as to our program and the priority items in the program in the area of procurement and supply management. I assume that those are the two areas that you are particularly interested in.

(Following letter covers work program. See p. 162 for regulations on 87-653, inserted by Sec. Morris.)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., January 4, 1968.

[SEAL]

B-163175

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on Economy in Government,
Joint Economic Committee,
Congress of the United States.

DEAR MR. CHAIRMAN: You requested, when we appeared before your Subcommittee on November 27, 1967, that we inform you as to areas we believe should be given priority in planning our work programs for the coming year. The economy and effectiveness with which the military departments procure and control Government-owned facilities, equipment, and materials continue, in our opinion, to warrant close attention by this office and your Subcommittee.

Following is a listing of examinations into subject areas we believe are of prime importance and for that reason are included in our work program for 1968.

SUPPLY MANAGEMENT

1. Continuation of the study of receipt and storage procedures and practices in each of the military services and the Defense Supply Agency for purposes of identifying opportunities for improving the accuracy of inventory records.

2. Inquiry into the effectiveness of Department of Defense procedures for improving interservice utilization of materials either in long supply or excess to a military service's needs.

3. Appraisal of the progress being made by the Department of the Army to improve supply management activities in Vietnam, including correction of inventory records and identification and disposal of excesses.

4. Analysis of the military standard requisitioning and issuing procedures to identify causes for delays in processing requisitions from users.

5. Continuation of a study of the application of the Federal Catalog Program and the Defense Standardization Program in each of the military services and the Defense Supply Agency.

6. Examination into the controls exercised in each of the military services to obtain the maximum return of repairable equipment by using units to depot