

percent—a rate significantly higher than that experienced in the Defense supply system as a whole.

We are equally dedicated to working with GSA in achieving the maximum benefit of integrated management for the Government as a whole. Plans have now been established which provide for the following:

GSA will support DOD on 65 Federal supply classes. These include paint and handtools, office equipment, furniture and supplies, cleaning materials, and paper products. To date, 51,000 items have been transferred to GSA, and 15,000 additional items are scheduled to be transferred by June 30, 1968.

DOD has plans in process, by agreement with GSA, to provide direct support of civil agencies in certain classes where the Defense supply expertise is predominant. These include fuel, electronic items, medical and subsistence items. It is estimated that these arrangements will save the Government well in excess of \$3 million annually. A supplementary statement on the status of these arrangements appears below as attachment D to this statement.

(The statement follows:)

ATTACHMENT D

NATIONAL SUPPLY SYSTEM

We are working very closely with the General Services Administration to coordinate the development of our respective supply systems so as to insure the most effective and economical supply support for all Departments and Agencies of the Federal Government. To date we have reached agreement with GSA for the transfer to GSA of the primary management of 65 Federal Supply Classes. Approximately 51,000 items have been transferred to GSA to date and 15,000 additional items are scheduled to be transferred through June 30, 1968, for a total of 66,000 items. Ninety-nine Federal Supply Classes have now been designated as "Primary Defense Supply Agency" classes. For the 65 "Primary FSS" classes all functions such as mobilization reserve management, procurement and supply will be transferred to GSA and we are now working with GSA on arrangements for the assumption of these functions.

Under the other major aspect of the DoD/GSA agreement, DSA is considering support to all Government agencies for electronics, medical, fuel, clothing and textiles, and subsistence supplies wherever there would be no adverse effect on support of the military services. Progress is being made in the various commodity areas as follows:

1. Fuel

Planning actions have already begun for DSA assumption of fuel support. A time-phased schedule for implementation of DSA fuel support of civil agencies, based on a DSA mission assignment date of 1 July 1968, has been developed and staffed with GSA. Target dates for completion of the phase-in are January 1969 for packaged fuel items and November 1969 for bulk fuel/coal items.

2. Electronics

DSA is reviewing its capability to implement civil agency support of electronics without risking impairment of military support requirements. Based on findings, a time-phased plan will be developed and implementation action directed accordingly. Indications at this time are that a 12-month, phased implementation will begin in July 1968.

3. Medical and Nonperishable Subsistence

The Defense Personnel Support Center has been directed to undertake a technical review of these commodities for the purpose of identifying areas in which there exists a potential for increased commonality in DSA and civil agency items sufficient to warrant reconsideration of present limited DSA mission support.