

Representative CURTIS. Yes. But I am talking about, again—I am repeating myself—the central control, which means having the full inventory—that is the central. And that has to have accurate and complete figures on acquisition costs probably in the beginning, which through your computation, through the monthly reporting, is adjusted downward, so you know what your depreciated costs are, and also when some of this is generated as obsolete equipment it then becomes surplus. But you have got to have the inventory in the beginning. I don't think you have such an inventory.

DSA TO MAINTAIN INVENTORY CONTROL OF EQUIPMENT

Mr. MORRIS. It is the function of our DSA special agency to maintain central inventory, and this we are enhancing.

Representative CURTIS. Apparently it is not even set up. I cannot get a straightforward answer to that, as to whether you really have it. I don't think you have it. And this is a lot of your trouble. If you haven't got it, just say so. I hope I am not hypercritical.

Mr. MORRIS. We want you to have the facts, sir. I would like General Hedlund to comment on this.

General HEDLUND. Yes, sir. We have an inventory of items of industrial plant equipment valued over \$1,000 original cost reported to us by the military services and in DSA, and we are working toward its completion. At present this runs about \$4.3 billion.

Representative CURTIS. That is one of the things I asked yesterday of GAO—maybe I said you have got some inventory like I am talking about some of the components of the \$15 billion. And that is what it comes down to. What you are saying is one of these components you have.

DSA CENTRALLY MANAGES HIGH-VALUE ITEMS

General HEDLUND. Industrial plant equipment.

Representative CURTIS. Yes. But, I am talking about the whole ball of wax, the \$15 billion. And, also, even on yours—I don't know why you would—now that we have data processing—why you stay below a thousand dollars, unless you are saying that anything below a thousand dollars is not capital equipment. We are only talking about capital equipment.

General HEDLUND. I would like to say we manage, centrally, those items of industrial plant equipment over \$1,000 by design. These are the high-value items. We have those in our inventory records. But, this does not mean that we pay no attention to those under a thousand dollars, because in our contract administration program, we have a process by which contractors must have a property accountability system which we approve.

REVIEW ALL CONTRACTOR-HELD PROPERTY ONCE A YEAR

We go in, once a year, in all the contractor facilities which we administer, and review the extent to which they are complying with approved property accountability, for all items, of all value. This review is made by our Contract Administration Services property administrators. So, we do have a control on contractor's plant equipment or plant equipment in contractor facilities up and down the line.