

PREPARED STATEMENT OF PHILLIP S. HUGHES, DEPUTY DIRECTOR,
BUREAU OF THE BUDGET

Mr. Chairman and Members of the Subcommittee:

We are here at your request to discuss some of the key issues you have identified which are related to effective utilization of Federal laboratories.

The Bureau of the Budget shares your concern that the Government's research and development facilities be managed efficiently and effectively just as we want the most effective use of all Government sources. Efficient and effective utilization includes use of a laboratory's capabilities to meet the research needs of an agency other than its own when this is feasible.

Federal laboratories are one element of the Federal Government's broad involvement in research and development. In dealing with this and other issues in research and development the Bureau of the Budget obtains assistance and advice from the Office of Science and Technology.

Normally, the Bureau of the Budget depends upon the agencies to set policies for their research and development facilities and to take those steps needed to insure competent management. However, when major management issues do arise or when problems affecting laboratories cut across agency lines we, in cooperation with the Office of Science and Technology, can take the initiative to deal with them. Also during the past few years we have found it most advantageous to participate in the work of the Committee on Federal Laboratories of the Federal Council for Science and Technology.

The Bureau's own most recent comprehensive assessment of Federal laboratories occurred in connection with our study of the broader question of Government contracting for research and development, which was prepared with the participation of OST, DOD, NASA, AEC, NSF, and the Civil Service Commission. We presented our findings in 1962 under the title "Report to the President on Government Contracting for Research and Development." This study is popularly known as the Bell Report. Some of the questions you have raised about Federal laboratories were also considered in that report. Therefore, I would like to mention several of the Bell Report's conclusions about Federal laboratories which I believe bear directly upon the issues being examined in these hearings. These conclusions are:

Choices among the various means for conducting research and development work should be made on the basis of relative efficiency and effectiveness in accomplishing the desired work with due regard to the need to maintain and enlarge the long-term strength of the Nation's scientific resources, both public and private.

A strong base of technical knowledge should be continually maintained within the Government service and available for advice to top management. Federal laboratories provide a useful source for such knowledge as well as a source of technical management for the agencies.

Because the Government laboratory has a close and continuing relationship to its agency, it can provide maximum responsiveness to the needs of the agency and a maximum sense of sharing the agency mission.

Government agencies should maintain a strong internal competence in research and development. By doing so, the agencies will be able to make the difficult and extraordinarily important program decisions which rest on scientific and technical judgments.

Finally, it appears possible and desirable to make more use of existing governmental facilities and avoid creating duplicate facilities. However, there are certain problems which limit the extent to which it is possible to make the facilities of one agency available for the work of other agencies.

Mr. Chairman, the Bureau of the Budget believes that these statements are still valid and that they form essential guidelines for the effective use of Federal laboratories. Basically they assert that Federal agencies greatly benefit from having their own laboratories to work on mission-related problems, but that duplication of facilities should be avoided, and that a laboratory's services should be available to other than the parent agency to the extent practical. Further, new laboratories should not be created without the most careful consideration of alternatives; the basic consideration is getting the job done effectively and efficiently.

You have posed a number of questions which bear on two major aspects of Federal laboratory management: (1) keeping a laboratory responsive to new needs and opportunities which strongly relates to the quality of the laboratory,