

and (2) the utilization of existing laboratory resources to meet such pressing national problems as transportation, pollution, housing and crime.

With respect to upgrading the quality of Federal laboratories, the Bureau of the Budget feels that such matters are the prime responsibility of the agencies having jurisdiction over them. The mission of the agency prescribes its research needs. When particular research needs have been met, a laboratory should be appraised with respect to its capacity to undertake new research efforts. Good management dictates that constant attention be given to a laboratory's effectiveness and adaptability or capacity for redirection. The Bureau has no ready solutions to the problem of redirection. We do feel, however, that basically, agency management must consider the future of its laboratories in terms of their capacity to serve the research needs of the funding agency.

One suggestion advanced for keeping a laboratory responsive to new opportunities is to provide the laboratory director with some discretionary funds to undertake new projects of his own choosing. This Bell Report recommendation has been implemented to some degree by the agencies. We fully agree that some discretionary funds are needed if a laboratory is to respond promptly to new opportunities within the area of its research competence.

Earlier I indicated that the Bureau of the Budget concurs in the Bell Report conclusion that maximum use be made of existing research and development facilities to avoid needless duplication. While there is no doubt that laboratory services should be available across agency lines, Federal laboratories must support the mission of the agency which provides the major source of its funds. Thus, the sponsoring agency has first call on the services of its laboratories and sets the priorities of their efforts. The availability of any particular laboratory to serve the needs of any other Government agency depends largely upon the workload imposed by its own.

Whether or not the work of Federal laboratories should deliberately be redirected to meet the needs of other agencies is a difficult question. There should be no hard and fast rules on this because there is no simple answer. Conceptually and technically speaking, we know of no formal barriers preventing one Government agency drawing on the capabilities existing in a laboratory funded by another agency. However, a number of considerations or factors are relevant: current and anticipated workload in support of the parent agency's mission; the compatibility of existing laboratory skills for work on other agency problems; the amount of retraining of staff which is necessary; whether or not new leadership can be obtained expeditiously from the private sector or other Government laboratories; and the requirement for additional equipment and facility modification.

And of course Federal statutes, regulations, and procedures must be sufficiently flexible to make redirection of an existing laboratory a truly practical alternative to the establishment of a new Federal laboratory.

The Economy Act of 1932 provided the authority for agencies to place orders with other agencies for materials, supplies, equipment, work or services they can provide if funds are available and if this is in the interest of the Government. However, a major limitation on the use of this authority for any large-scale redirection of a laboratory's efforts is the Comptroller General's ruling that the performing agency should be in a position to supply what is necessary without adding new plant and equipment. The full implications of this interpretation must be examined case by case to determine the extent to which laboratories are prevented from doing work for other agencies.

Present funding arrangements do not inhibit agencies performing work for each other. A transfer of funds for services rendered is all that is required.

Where problems exist, they relate to Government laws and procedures for dealing with such matters as personnel, new construction and use of facilities as I mentioned earlier.

This Subcommittee has expressed concern about the capacity of mission oriented laboratories to respond to certain national problems—transportation, housing and crime. In short, the essential issue is the timely adaptability on existing Federal laboratories to do research in these areas.

The Bureau's basic position is that of the Bell Report. If there is a pool of talent in a Federal laboratory and it is available to work on such problems, the pertinent agencies should work out the necessary arrangements, subject to the basic interest and mission of the agency having jurisdiction over the laboratory.

By itself, this arrangement may not produce a large-scale assault on the national problem. In the absence of tight arrangements, the Department of Trans-