

Mr. ROBACK. You have said, I believe, somewhere in your statement that the Navy is concerned largely with technical items; and the more common type of items, consumables and secondary supplies, are somebody else's responsibility—either the DSA or GSA.

Admiral COSGROVE. Yes.

Mr. ROBACK. Is that essentially true?

Admiral COSGROVE. The wholesale management is their responsibility. We do have Navy retail stocks, which we buy from them and position to support fleet and aviation units.

NAVY COOPERATION WITH DSA/GSA

Mr. ROBACK. You made a statement that "retail stocks of DSA and GSA materials are requisitioned directly from the appropriate DSA/GSA center."

They are requisitioned not by the consumer, however,

Admiral COSGROVE. In the continental United States, in many cases, they are requisitioned by the consumer. Overseas, they are not. They are requisitioned from the Naval Supply Center, Oakland. We have a special arrangement with DSA, where they have their own stocks position at Oakland as part of its DSA system of stocks.

Mr. ROBACK. The extent to which you use the GSA as against the DSA is determined by policy guidance, which is made at another level; is that right? I mean, you are guided by general supply classifications?

Admiral COSGROVE. Yes.

Mr. ROBACK. As to what types of supplies you will draw upon GSA; or is it a matter of convenience?

Admiral COSGROVE. Generally, policy direction from the Chief of Naval Operations and the Chief of Navy Materiel. As you know, the General Accounting Office went into this subject some time ago, and it is now under review within DOD.

Mr. ROBACK. I wanted to ask you a question about that, because the General Accounting Office in B146828, which was a report which represented that there were duplicate inventories in the GSA and in the Navy, by virtue of the fact that you acted as a sort of middleman—

Admiral COSGROVE. Yes.

Mr. ROBACK. Requisitioning the GSA supplies, putting them in your own depots, and so in effect there were GSA supplies in the Navy and GSA supplies in the GSA centers, as I understand it.

Admiral COSGROVE. Yes, sir.

Mr. ROBACK. And that these were, in the view of the GAO, unnecessary duplications of stocks. So if, for example, the using Navy element, whether it was a ship, let us say, or a shore station, if they requisitioned directly from the GSA, that might create some other kind of problems about types of forms you use, and one thing and another. So, GSA recommended that there be a working group set up.

Now, what is the status of this problem subsequent to the GAO report?

Admiral COSGROVE. As you know, in June of last year, Mr. Baird, then Assistant Secretary, now Under Secretary of the Navy, responded directly to GAO. He did not agree with the direct requisitioning by all overseas activities, directly on GSA. He offered in lieu thereof the