

Another effort which has been pursued aggressively since our previous report to you has also changed DSA's management role to a significant degree. In keeping with the desires of Congress, the Department of Defense and the General Services Administration entered into an agreement in 1964 which embodied the concept that, consistent with its Defense mission, DOD should use GSA support to the degree practicable and that DOD should support other Federal agencies with the commodities in which DOD was the principle Government user when significant economies to the Government would result.

As a result of this agreement, DSA will have transferred to GSA management, by July 1, of this year, a total of 63,000 items including the transfer of paints and handtools back in 1963. Under terms of a more recent agreement between the Administrator of General Services and the Assistant Secretary of Defense for Installations and Logistics, GSA will also assume additional functions for those GSA items in which GSA supports DOD. These functions include maintenance of mobilization reserve stocks, coordinated procurement, and provisioning support to the military services.

The DOD/GSA agreement provides that DSA will support civil agencies when significant economies would accrue to the Government and there would be no degradation of support to the military services. We made a careful review of the commodity areas of fuel, electronics, clothing and textiles, medical, and subsistence supplies.

With GSA we found that significant economies would result from DSA support in fuel and electronics and that such support could be provided without adverse effect on our support to the military services. Accordingly, we will begin moving into support to civil agency users of these commodities on July 1. We will have assumed complete civil agency support for packaged fuels in January 1969, for electronics in June 1969, and for bulk liquid fuels and coal items in November 1969.

Our review concluded that DSA should not at this time undertake support of civil agencies in clothing and textiles, except on a case-by-case basis, because of our already heavy workload in supporting the military services with this commodity. Periodic reviews of this area will continue, however, with the view toward full support by DSA at some future date.

Medical and nonperishable subsistence support across the board did not offer sufficient economies. This is due principally to the lack of commonality between the items used by Defense and those used by the civil agencies. Limited support in a select number and type of items is being provided on a case-by-case basis, however, through individual interagency agreements. In addition, a technical review of medical and subsistence items is underway with the affected agencies to determine whether there is a substantial basis for increasing commonality among the items used by Defense and the civil agencies through a standardization effort. Expansion of our support in these areas will depend on the outcome of that review.

In addition to the adjustments which have been made to the DSA organization as a result of these and other additions and deletions to our mission and responsibilities, we have continued to seek to refine and improve our operations. We have made some notable accomplish-