

Admiral HADDOCK. It is a net of the standardization reductions, which I think were 508,000; the item entry control program by which we have eliminated at source, which is a better time to do it, 294,000 items; and of our inactive items review program by which since our beginning we have eliminated 398,000 items by this route. So you can see the net figure would have been much larger, had we not had the standardization program, the item entry control program, and the inactive item review program.

Mr. ROBACK. So far as the physical transfer of supply items is concerned, you are not decreasing but you are increasing?

Admiral HADDOCK. Yes, sir.

Mr. ROBACK. Your responsibility?

Admiral HADDOCK. Yes, sir.

Mr. ROBACK. You are not becoming increasingly a service agency as against a commodity agency?

Admiral HADDOCK. Well, in 1965, we got a large increase in our service agency function because of getting the contract administration responsibility. But looking at our supply management responsibility alone, it has increased year by year since DSA was established.

TRAFFIC MANAGEMENT AGENCY

Mr. ROBACK. What was the rationale for the withdrawal of the traffic management function? Is that because there were physical assets required for operations that you did not have?

Admiral HADDOCK. We were not at that time in the terminal management business, and the new Army single manager took over terminal management and a good companion piece for that is traffic management. The Army had assets in the persons of individuals of the Army Transportation Corps, who were available to operate this single manager for them. I think the existence of the ocean terminals, themselves, the physical facilities, numbers of which were Army facilities, and the existence of the Army Transportation Corps, probably significantly urged this move.

STANDARDIZED PROCUREMENT PROCEDURES

Mr. ROBACK. What are the candidates for entry or withdrawal so far as functions go? Do you have a review board on these matters that considers what ought to come in, what ought to go out?

Admiral HADDOCK. Generally these kinds of things, studies, are initiated by the Office of Secretary of Defense, sometimes using our people. We are moving now into a new area, working with the services under OSD guidance in a brandnew area. This is attempting some standardization of internal services' and DSA's procedures related to certain supply functions. For example, the one we are looking at now concerns some standardization of the specific procedures by which procurement is initiated and finally consummated. Hopefully, someday we can develop a standard ADP program for this range of incremental functions involved in the purchase process. This is a new service area for us.

Mr. ROBACK. A new service area for standardization, did you say?

Admiral HADDOCK. For the purchase function.