

and intraservice reutilization resulting from this process, conducted centrally at the Defense Logistics Services Center (DLSC), and from direct interrogations between ICPs, total \$434 million for FY 1967 (\$348 million interservice reutilization and \$86 million intraservice reutilization). For the first half of Fiscal Year 1968, reutilization totalled \$119 million (\$87 million interservice and \$32 million intraservice).

Utilization of Military Service Declared Excess, which is screened primarily through manual rather than mechanized procedures, amounted to \$1.106 billion in FY 1967 and \$393 million in the first half of FY 1968. However, progress has been made in the establishment of mechanized procedures to the extent that the need for detailed description by reporting activities of items having a Federal Stock Number has, to a considerable extent been eliminated. Mechanized processes now provide the means for the Defense Logistics Services Center to develop descriptions of the property for utilization screening within DoD, as well as for screening by the General Services Administration.

A program providing for special handling of excess and potential excess items of comparatively high value (exceeding \$10,000) continued to operate in FY 1967 and FY 1968. The program centers around the publication of special utilization "Flyers" containing full data on an item, including photographs, tailoring the description of these "Flyers" to selected potential users, and making a special effort toward utilization through telephone contact, as well as through research, to determine substitute an interchangeable uses for an item. In FY 1967, \$55.1 million in utilization was realized from this program and \$41.3 million in the first half of FY 1968.

Weapon Systems Materiel Utilization Program

Administered by the Defense Supply Agency in cooperation with the Military Services, the **Weapon Systems Materiel Utilization Program** promotes Defense-wide redistribution and utilization of military weapon systems assets and other large aggregations of special high-cost materiel generating from phaseouts, tactical withdrawals and program terminations.

The major objective of this DoD program is the achievement of maximum reutilization of materiel by the Military Services and other Federal Agencies through: close working relationships and liaison between DSA and all echelons of the Military, Defense Agencies and other Federal Agencies; the development of early planning intelligence regarding military systems to be phased out or otherwise discontinued; and the development of new or alternate uses and applications of the materiel. Total utilization during FY 1967 on the missile phase-out program amounted to \$257.6 million.

Industrial Plant Equipment (IPE)

As a follow-on action to a 1961 GAO Review of the Management of Idle Production Equipment within the Department of Defense, OSD approved a joint study project, which resulted in a 1962 Report on the Management of Capital Plant Equipment by DSA. OSD approval of this report early in 1963 resulted in the establishment of the Defense Industrial Plant Equipment Center (DIPEC). The Center receives reports on idle equipment which it may allocate to fill an immediate need in lieu of new procurement; it may direct the equipment to be held in storage against an anticipated need; or it may direct disposal if the equipment does not warrant retention. In FY 1967 equipment with an acquisition cost of \$192.7 million was redistributed to meet Defense needs. During the first half of FY 1968, this effort amounted to \$63.6 million, with the largest part going to Defense contractors in support of high urgency Southeast Asia requirements. DIPEC also maintains a central inventory record of Service-owned, high-value items of plant equipment and provides a variety of reports to meet Service needs such as equipment by type, who made it and when it was made, its present location by military or contractor activity, and other details necessary to such functions as production planning. As of 31 December 1967, 424,849 units of equipment with an acquisition cost of \$4.23 billion were recorded in the central inventory. Substantial improvement has been made in IPE management since DIPEC was established and progress is being made toward accomplishment of the actions required by the 1966 GAO Survey on the Adequacy of Controls over Government-owned Property in Possession of Contractors.

Subsidiary Programs

Subsidiary Materiel Utilization programs, operated in addition to the basic mechanized and manual screening programs, include: