



COMPTROLLER

UNDER SECRETARY OF DEFENSE
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MAY 21 1997

MEMORANDUM FOR UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
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DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

INFO COPY: SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SUBJECT: Management Reform Memorandum #5 -- Disposal of Excess Government-owned
Property

In conjunction with the Secretary's efforts to undertake a revolution in business practices, I am asking the Commander of the Defense Contract Management Command (DCMC) to develop a plan to eliminate excess government-owned property under the stewardship control of defense contractors. The Under Secretary of Defense (Acquisition and Technology) has established an integrated process team to assess what changes need to be made in DoD acquisition policies regarding government property. To parallel that effort, I am asking the Commander, DCMC, to develop, in conjunction with the Military Departments and Defense Agencies, a method to determine what equipment currently in storage is no longer needed and how best to eliminate equipment/stocks for which the inherent economic value does not match ongoing storage/maintenance costs.

The Commander, DCMC, is authorized to initiate such research (to include data calls inside the Department) as necessary to develop a disposal plan. I have asked the Commander to submit a coordinated plan to my office by September 1, with a goal of disposing of all excess property by January 1, 2000.