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29 July 1960

MEMORANDUM FOR THE RECORD

25X1A2g SUBJECT: [REDACTED] - Funding

1. A meeting was held at 0830, this date, concerning a WH Division request for dollar value information on [REDACTED] materiel. Attending were Messrs. [REDACTED] and [REDACTED] of the Supply Division, and Mr. [REDACTED] of the Planning Staff.

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2. For budget purposes, the Chief of Support, [REDACTED] requested identification of those items within the [REDACTED] pack which would be actually charged to the Division when expended vs. those items which could be considered excess to the Agency's requirements and for which funding would not be required. All present concurred in WH Division's need for this information, while aware that, under Project [REDACTED] the subject of funds for replacement of expended materiel is separate from the withdrawal of materiel for use. According to [REDACTED] procedures (see LI 45-100-1), when materiel is operationally expended, the Supply Division informs the CA Staff of the manner in which the materiel can be replaced and of the dollars which will be required to do so. Supply Division's determination is based upon replacement of these items from excess stock (no funding required) and/or non-excess stock and/or outside procurement.

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3. It is difficult to determine which items can be considered as excess stock unless stock levels have been established. To this end, Mr. [REDACTED] suggested that stock levels be established for [REDACTED] items, and that this level be placed at twice the [REDACTED] requirement for each item. If this plan is adopted, the user would not be charged for this materiel until the quantity on hand is reduced to the established stock level. When this point is reached, any customer expending such materiel will be required to provide funds for its replacement.

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4. If the above plan is put into effect, WH Division's request for information can be satisfied. The Division can be told which items are considered excess at this time, but it is emphasized that these same items may or may not be considered excess at some future time, depending on withdrawals by other users, which might reduce the quantity on hand below the established stock level. Mr. [REDACTED] will prepare an analysis of [REDACTED] items for a 3 August meeting. This meeting will be attended by representatives of the CA Staff, the WH Division, the Supply Division, and the Planning Staff, and will further clarify procedures for replacement of expended materiel.

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OL/PS/A-PB [REDACTED] blk/8487

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