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DEPARTMENT OF THE ARMY
OFFICE OF THE ADJUTANT GENERAL
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IN REPLY REFER TO

AGAM-P (M) (25 Jun 68) FOR OT RD 682287

28 June 1968

SUBJECT: Operational Report - Lessons Learned, Headquarters, 14th
Inventory Control Center, Period Ending 30 April 1968 (U)

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JUN 28 1968

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DEPARTMENT OF THE ARMY
HEADQUARTERS, 14TH INVENTORY CONTROL CENTER
APO US FORCES 96384

AVCA ICC-30

15 May 1968

SUBJECT: Operational Report for Quarterly Period Ending 30 April 1968
(RCS CSFOR-65)

Commanding General
1st Logistical Command
ATTN: AVCA GO-0
APO 96384

OPERATIONAL REPORT - LESSONS LEARNED

SECTION I - SIGNIFICANT ORGANIZATION OR UNIT ACTIVITIES

1. Completing the first six month's operation on the automated supply management system, the 14th ICC continues to expand and refine the system and improve the procedures and techniques of the complementing manual operations. This report will consider these areas in depth and discuss other pertinent projects of the reporting period. Of particular interest in this report is the comments pertaining to the impact of the Tet Attacks on the theater supply system.

2. The automated supply management system was further expanded this period when on 1 April the processing of passed Red Ball requisitions was integrated into the complete system. Previously this process was a manual and ADP operation. The new system provides for the automatic machine referral of the requisitions as determined by matching each requisition to the latest asset balances reported by the depots. All outstanding Red Ball requisitions are maintained in an open tape file and when a receipt notice is received, the record automatically becomes a tape history record. This system has resulted in a reduction in processing time, a more efficient operation, and a reduction in errors which had occurred during routine manual processing. Other subsystems which were implemented during the period are:

a. Last status report. Provides a list of the last four status cards received on the outstanding dues in.

b. Selected stockage list code report. Provides an inquiry capability of listing all the FSN's of a particular stockage list code.

c. Demand Inquiry. This subsystem allows the manager to extract the demand history of a single item from the demand history file.

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d. Excess statistics. Develops statistics pertaining to the number of authorized stockage list items that are in a long supply or excess position.

e. Stockage List Code balance. Lists the items of a selected stockage list code that are at zero on hand balance with dues in and dues out.

f. Verification of Redistribution and referrals. In this subsystem, a suspense file of all redistribution and referral orders are maintained with the ability to provide management information on depot reaction times.

g. Excess data. Provides a list of items at each depot which have excess stocks on hand in one of the categories of the Command Excess Program as discussed in the preceding report.

3. The IBM 7010/1460 computer system continues to be utilized at maximum capacity. Although this system is considered sufficient to meet present requirements, the advent of installing the Standard Supply System - 14th ICC (3S-14), with its inherent expansion of processing and managerial output, requires significant expansion of disk storage capacity. A detailed study of this matter resulted in a request for two additional IBM 2302 Disk Files for the presently installed IBM 7010 system. The documented request for these disks was submitted on 27 March 1968. The IBM 1403 (Model III) printer, mentioned in previous reports as a necessity to meet ever increasing output requirements, was installed during mid February and has since relieved somewhat the bottleneck experienced in the output operation of the system. However, the demand for printed output continues to mount, and, with the new 3S-14 supply system under development, managerial requirements for more detailed and timely output will overburden the output capability of the presently installed system. Implementation of the USARPAC Micromation Project at this site, presently awaiting DA approval, will significantly alleviate known output problems expected during the next quarter. A tape oriented data communications system, planned for installation during May 1968, will replace the present card-oriented communications system which is operating from two vans located outside the center buildings. Construction estimates for the new system facilities along with the final engineering plans were completed at the close of the current report period.

4. The center staffing with Department of the Army Civilians (DACs) increased this period by 20 to a total of 140 but the remaining difficulties in recruiting permanent hire personnel continues to present a serious problem to the future effective operation of this organization.

a. This problem is effectively illustrated by considering the type of additional personnel received during the period, i.e., of the 20 additional received, 13 were TDY. This staffing problem will be further

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aggravated in the next reporting period by the commencement of the rotation cycle of those personnel assigned. Based on a survey conducted during the month of February, it was estimated that the center would lose 62% of its permanently assigned and trained civilians during the period June-December 1968. Although a more recent study based on the Career Plan letters of those personnel with rotation dates of June-September, reflect a higher retention rate than originally anticipated, the following loss chart emphasizes the gravity of the situation:

	<u>GS-9</u>	<u>GS-11</u>	<u>GS-12</u>	<u>GS-13</u>	<u>Total</u>
June		4	1	1	6
July			3		3
August	2	3	3	1	9
September	<u>1</u>	<u>6</u>	<u>3</u>	<u>2</u>	<u>12</u>
	3	13	10	4	30

b. The purpose of using TDY personnel has been to fill shortages on the TOE/TDA until permanent hire personnel could be recruited. Although their abbreviated tour has placed some restrictions on their position assignment, they are being well utilized and are contributing immeasurably to the operational effectiveness of the ICC.

5. A question arose during this reporting period concerning the authority for DAC's to own or rent a private vehicle. A letter dated 17 March was received from the CG, 1st Log Command in which 27 personnel were listed as having privately owned vehicles (POVs). Six of the personnel were Computer Science Corporation employees (programming contractors). The letter requested information as to the action being taken by the 14th ICC to obtain approval of Headquarters, USARV for the continued utilization of POV's by civilian personnel. As a result of this correspondence, each person owning or renting a POV wrote a letter to the CO, 14th ICC requesting authority to retain the vehicle currently in his possession in accordance with the requirements of USARV Regulation 58-5. Each letter was forwarded to the CG, 1st Log Command with a recommendation for approval. Additionally, a letter initiated by the 14th ICC to the CG, 1st Log Command provided background and recommended that favorable consideration be given to this matter.

6. As stated in the previous report, the proposed TDA for the 14th ICC was approved by USARV during January and handcarried to DA on 30 January. Several presentations were made in DA on 1 and 2 February providing the background and justification for the proposal. Problems pertaining to the long recruiting lead time were pointed out and emphasized. As of the writing of the report, approval has not been received although a go ahead to initiate recruitment for the additional DAC's authorized by the proposal was received on 30 April 1968.

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7. The mission of the 14th ICC continued to evolve during this reporting period in such a manner as to improve the operational efficiency and effectiveness of the overall logistical system reducing redundancy of effort and maximizing direct control. These mission changes were in the following areas:

a. Subsistence Management: (1) As stated in previous reports, it was originally anticipated that the 14th ICC would assume functional responsibility for the management of all subsistence including local purchase, during 1968. This plan has failed to materialize and in fact the responsibility of requirements determination, requisition processing, and stock status reporting was transferred from the 14th ICC during April.

(2) In March, a study was made by the 14th ICC to determine whether or not the mission of the Subsistence Branch, 14th ICC, should be consolidated with the mission of the Directorate of Food, 1st Log Command. The study revealed that considerable advantages could be gained by the merger of the missions. Those advantages are:

(a) Full utilization of personnel at both echelons, the 14th ICC and the Directorate of Food.

(b) Simplicity of operations.

(c) Elimination of duplicate functions.

(3) The study was forwarded to 1st Log Command with the recommendation that the functions of the Subsistence Branch, 14th ICC be consolidated with the Directorate of Food and that the personnel in the Subsistence Branch be transferred to the Directorate of Food. The recommendations have been approved and the transfer of mission has been accomplished, however, the TDA changes are pending.

b. Elimination of Non-Mission Stocks. During a recent material category code purification project, several line items, non-mission to this center, were identified and action taken to transfer the items to the appropriate in-country management agency. Included in the transfer were medical, missile repair parts and air material. Specific actions taken are as follows:

(1) Medical Items (Material Category C). In February a list of approximately 160 line items identified as medical items on the availability balance file (ABF) of the 14th ICC were referred to the 44th Medical Brigade for determination of management responsibility. In March this center was advised as to the items which are a mission responsibility of the 44th Medical Brigade. The items identified are currently being shipped to the appropriate in-country medical depot.

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(2) Missile Peculiar Items (Material Category L). In April a list of approximately 1,000 missile peculiar items on the ABF was referred to the 79th Ordnance Detachment for determination of management responsibility. The items which are the responsibility of the above detachment will be shipped as soon as notification is received.

(3) Aircraft Material (Material Category H). Approximately 2,000 line items were indicated on the ABF as air material prior to 31 December 1967. These items are the responsibility of the 34th General Support Group. To date only Federal Stock Group 17 minus Federal Stock Class 1730 has been transferred to the 34th GSG. Further clarification of FSC 1730 is forthcoming. In conjunction with this project, a number of items which are the mission responsibility of the 14th ICC have been transferred from the 34th GSG. Complete action will be taken during the next several months to identify and transfer all air material which is not the responsibility of the center.

c. Consolidation of Airdrop and Air Delivery Items. In March all airdrop and external airlift items were placed under the single management of the Firepower and Mobility Division, Directorate for Supply Management. This consolidation of responsibility within the center, was made in conjunction with the transfer of the airdrop peculiar contingency reserve responsibility from 1st Log Command to the 14th ICC. The transfers presented no difficulty although new stockage objectives for some items had to be recomputed based on data furnished by 1st Log Command. Since the demand for these items are of a highly volatile nature, it is anticipated that the intensive management made possible by this consolidation will alleviate many potential problems.

8. The improvement of supply management practices is a continuing effort within the ICC. Several areas in which improvements were made during the reporting period are considered worthy of note here.

a. Common Items Analysis: (1) Mr. Coleman P. Cook, Special Assistant for Plans, Office of the Assistant Secretary of the Army (Installations and Logistics) in his trip report covering his visit to RVN during August 1967, recommended analysis of common classes against Identification Lists (IL).

(2) Mr. Cook arranged for a deck of cards to be punched that would cross reference FSN's of the stock class 8010 (paints, enamels) to the IL. The cards were sent to this theater where they were matched with stock status information. An analysis of this class using the new listing showed that large containers of paint could have been submitted for smaller containers and some backorders cancelled.

(3) The analysis of stock class 8010 showed definite merit for the use of a common items listing and the 14th ICC on 24 August 1967, forwarded to Mr. Cook a list of 23 classes that could be susceptible to sequencing by index number. Mr. Cook requested assistance from DSA to cross reference FSN's and index numbers for the selected FSC's.

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(4) Two cross reference tapes were received by the 14th ICC and on 27 December 1967, specifications for a common items analysis listing was developed. The first listing was provided to the Directorate for Supply Management on 10 January 1968.

(5) After an evaluation completed in February, discussions with the division chiefs and commodity managers resulted in the following observations:

(a) The listing is a valuable reference tool for the manager, particularly in assisting in purifying selected FSC's.

(b) The dollar value quantities in the stock status position facilitated identification of excesses.

(c) Because the listing arrays common items together, it can be used as an aid in item substitution.

b. Item Standardization and Substitution Programs. (1) As discussed in the last report, standard lists of certain stockage items are being published by this center in order to simplify the supply system and limit the number of items stocked in the theater.

(2) The office furniture, equipment, and supplies list explained in the last report, was published during this period and resulted in a 57% reduction of the theater authorized stockage lists in the following supply classes:

<u>FSC</u>	<u>NOMENCLATURE</u>	<u>TOTAL FSN ON TASL</u>	<u>FSN DELETED</u>	<u>FSN RETAINED</u>
7510	Office Supplies	755	416	339
7520	Office Expendables	284	190	94
7530	Paper Products	499	279	220
7430	Typewriters & Office, Machines	77	38	39
		<u>1615</u>	<u>923 (57%)</u>	<u>692 (43%)</u>

(3) The item substitution program which was initiated last period, got well under way during this period with the release of back-orders valued at \$1,243,929 and the cancellation of dues in valued at \$1,322,230.

c. Analysis of Critical and Selected Items: On 17 April 1968, action was initiated by the Directorate for Supply Management to intensify the management of certain critical and selected items. Criteria for selection of these items are as follows:

(1) Selected Items. Items of immediate interest to the Commanding Officer. Items are selected based on intelligence obtained through messages, telephone calls, Equipment Deadline Report, Liaison Visits, etc.

(2) Critical Items. Items in short supply and expected to continue in short supply for the foreseeable future. Generally these items are those which if not on hand would materially affect the combat mission and/or health or safety of the individual soldier. Broad criteria for selection of critical items are as follows:

- (a) High annual dollar value
- (b) Positive and large backorders
- (c) Repeated Redball requisitioning

(3) Items selected are reviewed and reported monthly to the Commanding Officer with the frequency of review and reporting increased on items requiring intensified managerial review. The reports include stock status information and a summation of actions taken to correct the supply posture of the item concerned.

d. DA Distribution/Allocation Committee (DADAC): (1) As mentioned in the previous report, the Major Items Division, Supply Management Directorate assumed responsibility for coordinating action with the G4, USARV in the administration of the USARV DADAC program. As outlined in AR 15-9, DADAC was established to control the distribution of items identified to be in actual or potential short supply.

(2) During the week 5-9 February 1968, a representative of the 14th ICC attended a conference held in Hawaii by the USARPAC Allocation/Distribution Committee (ADC). During the conference it was observed that a substantial amount of principal item management data is utilized by the Materiel Management Agency (MMA) USARPAC which currently is not available to the major item managers at the 14th ICC. Data especially useful is the USAMIDA authorization printouts and CONUS prepared Distribution Planning Data (DA Form 216T).

(3) An inquiry is being sent to USARPAC MMA to determine if the 14th ICC can be placed on the mailing list for the MIDA printouts and the DA form 216T. The above data, if available, could provide a basis for more sophisticated management techniques in the management of principal items at this center.

e. ABF Reconciliation with Depots: (1) A program has been developed to match depot files, in the form of depot update balance cards, to this center's ABF and update the files with all depot data, purge the

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files of all fringe items not updated in the reconciliation, and flag ASL lines not updated in the reconciliation. Output from the program consists of transaction errors and ABF update error cards generated from depot input and a "request for depot update card" on ASL lines for which the update cards were not received. All of this output is then forwarded to the depots for correction or appropriate action.

(2) A reconciliation utilizing this program was made with the Saigon Depot in February and the Cam Ranh Bay and Qui Nhon Depots in March and assisted immeasurably in assuring compatibility between the depots' files and the 14th ICC. Based on the success of this initial reconciliation, it is planned that one will be made every quarter.

9. The automation of the Red Ball requisition processing within the 14th ICC as discussed in paragraph 2 above, was accomplished in conjunction with a theater change of the Red Ball requisition format and processing procedures. The document numbering system of the requisitions was changed so that the document number is now assigned by the initiating DSU rather than the 14th ICC. This was done in order to streamline the receipt of the supplies and aid the DSU's in identifying the ultimate consignee, by simplifying the documentation. With this procedural change, all cross referencing of document numbers at the depot and DSU levels has been eliminated. A change to the requisition format was made to standardize the Red Ball format with the unidentified item requisition format. The Logistics Control Office, Pacific, requested such a standardization and a study made by the 1st Log Command determined that the format used for the unidentified item was better and should be used. One determining factor in this study was that the unidentified item requisition format conformed to AR 725-50 more closely than did the Red Ball format. Another improvement made at this time was to begin transceiving Red Ball traffic from the Cam Ranh Bay and Danang Depots.

10. In early February 1968, the 14th ICC was directed by the 1st Log Command to develop an authorized stockage list (ASL) for a new Army Depot to be located at Danang, RVN. The 14th ICC was also tasked to develop a schedule for the shipment of supplies to the new depot. The depot was to stock only Army peculiar items and Army units in the area would obtain common service supplies, packaged POL, and construction material from the Naval Supply Activity, Danang.

a. The Qui Nhon Depot's ASL was used as a base for the development of the new ASL. To avoid stockage of too many supplies during the initial phases of development, only those Army peculiar items which were on the Qui Nhon ASL and had six demands in 180 days were placed on the Danang ASL. This criteria resulted in a phase I ASL of 6,794 lines.

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b. To provide Danang with immediate stockage of their phase I ASL, five 15 day push packages obtained from in-country resources were shipped under O2 priority with required delivery dates (RDD) ranging from 29 February-25 April. Seven Replenishment shipments of 30 days stockage each, were also scheduled with an RDD of 20 April-15 October.

c. A phase II ASL was developed in mid April by dropping the demand criteria to three demands in 180 days and still using the Qui Nhon ASL as a base. This action resulted in the addition of 9,486 lines and a new ASL with a total of 16,280 lines. The new items added were scheduled for shipment through three replenishments with RDD's of 10 May, (30 days stockage) 10 June (60 days stockage), and 10 July 1968 (75 days stockage).

11. The Danang Depot as discussed in the preceding paragraph, was established to supply Army peculiar supplies only. Under the provisions of MACV Directive 701-9, the Navy was assigned common item support to include classes I, packaged III, and selected II and IV for all US Forces in the I Corps Tactical Zone (ICTZ).

a. The Naval Supply Activity (NSA) at Danang immediately determined that it would require supply assistance in providing support to the increased US Forces until its supply pipeline increased commensurably with the new requirements. To assist NSA, 1st Log Command directed the 14th ICC to establish coordination with NSA to determine what items were in short supply and would require support. A thirty day push package of approximately 2,000 lines of common service supplies (CSS), was assembled from in-country depots and 2d Log Command (Okinawa) resources and shipped to the Navy. It was agreed that NSA would pass all requisitions for CSS, package PCL products, and construction materials to the 14th ICC. The 14th would first attempt to fill these requisitions from in-country depots. If the supplies were not available, the requisitions would be passed to 2d Log Command on a fill or kill basis.

b. NSA has now estimated that backup support from 1st Log Command would be required until June 1968.

12. In the article pertaining to the Command Excess Program in last period's report, it was mentioned that all possible incoming shipments were diverted from the Saigon Depot for a period to allow the depot to shift emphasis to the processing of stocks already on hand. This program began on 1 January and continued to 31 March, during which time selected cargoes were diverted to the 2d Log Command. The diverted stocks were accounted for by the 2d Log Command under purpose/sub-purpose Code 9AV.

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a. In March all stocks held under P/SP 9AV were reviewed by the 14th ICC and a total of 861 redistribution orders issued to effect transfer of stocks to one of four Vietnam in-country depots or transfer to the Excess Holding Account P/SP 9AW, also 2d Log Command.

b. On 17 April this center received an updated tape of stock still remaining under P/SP 9AV. Review of remaining items will commence on or about 1 May with appropriate action taken to move all stocks to in-country depots or to transfer stocks to the excess holding account in Okinawa.

13. In early February, a study was undertaken by the 14th ICC to determine the feasibility of stocking low density, low mortality items in only one theater depot, a key depot. If proven feasible and implemented, this practice would simplify and improve the control of these items in the theater, both by the ICC and the key depot, and would relieve the non-stockage depots from the inefficiencies inherent in the receipt, storage, and issue of these type items.

a. The concept as envisaged called for the application of special controls by the 14th ICC in developing requirements from demand data and establishing the authorized stockage list for the key depot. Requisitions for these items received by the non-stockage depots would be processed as normal fringe requisitions and passed to the 14th ICC where they would be referred to the key depot under special controls.

b. The results of the study show the concept to be feasible. The procedures and criteria have been developed and approved by the 1st Log Command, and the list of items is now under development. The key depot will be Cam Ranh Bay.

14. The preparation for the implementation of the 3S-14 system in the 14th ICC is proceeding smoothly. The 3S programs which had just been received at the writing of the last report, were reviewed during the latter part of February for compatibility with the unique system requirements of the 14th ICC. A team was organized to modify the programs as required and began work as the review was completed. A critical path method schedule has been developed establishing time completion requirements and percentage of completion for each area of activity under conversion. The schedule is being updated weekly to provide management with a timely progress status in those particular areas under conversion. Systems specifications and requirements have been determined, and programing and testing is currently underway. All target dates reflected in the schedule have been met.

15. During and after the Tet attack, the issue of certain commodities of supply far exceeded the normal requirements. Commodities which were significantly affected were: body armor, TA 50 - 501 equipment, and construction materials.

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a. Body Armor: (1) The high demand rate during and subsequent to the Tet attack was because of: The replacement of stock lost or destroyed during the attack, initial issue to units and troops that had not previously been issued the body armor, initial issues to new troops coming into RVN, and the requisitioning of stock for the Northern RVN Operations.

(2) The Tet attack disclosed that the authorization of one per individual category I and II troop and one per ten to each other troop was unrealistic since many support troops were highly exposed to combat operations. USARV requested and obtained authority from DA to authorize armor for all troops deemed necessary to have the equipment. This change is cited in DA msg 853947, DTG 042205Z March 1968, subject: Change in Equipment Authorization (change to STA 50-901 dated 10-5-66). The change authorizes one per individual engaged in hazardous duty in RVN NOA, WAB CG USARV. Based on this authorization, the basis of issue (BOE) for body armor in TOE units has been established as one per individual in all category I units; one per five individuals for all category II units (with the exception of land or water transportation units where it is one per two individuals), and one per ten individuals in all category III units.

(3) The drawdown of supplies placed a severe strain on the supply system and necessitated the requisitioning of extra stock from CONUS and other USARPAC sub-commands. To preclude supply shortages in the future, the levels have been increased and the depots have been informed not to issue below a specified level without concurrence of this center.

b. TA 50-901 Equipment (Organizational Clothing and Equipment):

(1) TA50-901 equipment was also subject to severe drawdown because of the same reasons as the body armor.

(2) As with the body armor, the drawdown placed a severe strain on the supply system and necessitated the requisitions of extra stock.

c. Construction Materials: (1) The increased requirements on certain construction material during the Tet attack, particularly fortification and barrier materials, necessitated an acceleration of material movements from the CONUS supply sources and ports, and required placing controls on the depots to limit issues to combat connected purposes only.

(2) Completely unexpected, was a heavy impact of non-combat connected fortification requirements originating with activities situated in permanent installations or areas which were not in direct contact with the enemy. It became apparent after the second day of the attack that

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most of the non-combatant troop areas had not been provided adequate bunkers in accordance with established directives. When the attack started, a massive scramble took place in all support areas to obtain sand-bags, concertina, M5A1 matting, timbers, and other items usable in bunker construction. Although all practical requirements were met, vessel diversions and accelerated shipments had to be employed.

(3) This experience emphasized the fact that fortification and barrier requirements under normal readiness have no comparison with requirements for the same combat unit when it is on the move during tactical situations, and must repair, abandon, and re-establish barriers and fortifications. Accordingly, no construction material, which may be used in providing barriers and fortifications during tactical situations, should be retrograded merely because it is excess.

16. The use of air transportation for shipment of stocks to this theater is rigidly controlled and limited to high priority or highly perishable short life supplies. During and subsequent to the Tet attack, the drawdown of stocks, particularly combat essential needs as discussed in the preceding paragraph, required the priority upgrading and maximum use of airlift to fill troop requirements and to refill critical items in depot stocks. In order to gain an insight into the magnitude of these airlift operations during and after Tet, the following comparison is presented:

<u>AIRLIFT DATA - BEFORE TET</u>			<u>AIRLIFT DATA - AFTER TET</u>		
<u>MO/YR</u>	<u>NR L/I</u>	<u>SHORT TONS</u>	<u>MO/YR</u>	<u>NR L/I</u>	<u>SHORT TONS</u>
Nov 67	125	950,755	Feb 68	65	2,148,155
Dec 67	33	259,380	Mar 68	162	1,580,700
Jan 68	47	1,581,308	Apr 68	170	1,936,779

NOTE: The high tonnage airlifted during January 1968 was attributed primarily to shipment of approximately 1,287,971 tons of batteries which were required to preclude equipment deadline.

17. Increased emphasis was placed on the BUSH (Buy US Here) program during this reporting period.

a. BUSH is a DOD approved program to buy certain items, mainly office supplies and machines, from US manufacturers with outlets in the Far East. The advantages of the program are: lower prices, reduction of order and ship time, and a favorable impact on the Gold Flow Program.

b. In the past, a number of requisitions for BUSH designated items have been inadvertently passed out of the country thereby mitigating the beneficial effects of the program. Hence, more positive controls were called for to prevent such action.

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c. The solution to this problem has been to place a special "Flag" on each designated FSN. When a requisition is screened against these FSN's and cannot be filled by a depot in-country, it is rejected to the manager for appropriate procurement action.

18. Prior to this reporting period, telephone communication facilities from the 14th ICC (Long Binh) to in-country depots located at Qui Nhon and Cam Ranh Bay were inadequate. The multiple use telephone circuits did not satisfy mission responsibilities, specifically in functional areas requiring rapid communications with command depots such as with Periodic Logistics Reports (PLR), combat losses, Closed Loop Support Program, Red Ball requisitions, and procurement.

a. On 7 December 1967, this Center initiated action for two sole use telephone circuits to depots at Qui Nhon and Cam Ranh Bay. The request was approved by MACV with circuits to Qui Nhon and Cam Ranh Bay activated on 15 March 1968 and 12 April 1968, respectively.

b. A similar request was made on 26 March 1968 for the newly activated depot at Danang. On 12 April 1968, this center was informed by the Defense Communication Agency Vietnam, that the request had been approved by MACV but was being held in abeyance because of a lack of available telephone channels.

c. Experience gained thus far by the use of the two new "hot lines" indicates a marked improvement in operational efficiency by expeditiously resolving important logistic decisions. These lines have also reduced considerably the man hours formerly expended in making telephonic contacts.

19. During this reporting period, an organization and functions manual based on the proposed TDA was written and published. It provides a detailed statement of the mission, functions and organization of the 14th ICC by Directorate and Division.

20. The training program in the Directorate for Supply Management continues to provide invaluable information to new and old supply managers. The training is accomplished during regular twice-weekly 50 minute classes. A special intensive training program was conducted over a two-week period, for new TDY DAC's on basic subjects applicable to the supply system in Vietnam and the 14th ICC. The program consisted of two one-week segments, each segment consisting of three-day, three-hour-a-day training periods. The instructors were drawn from the Directorate, as were the subjects and lesson plans. The purpose of the intensive program was to provide basic knowledge within the shortest possible time frame, so that maximum use could be made of TDY personnel.

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21. The Education and Training Division, Directorate for Data Processing, operating the 1st Log Command Supply Data Systems School, conducted a programming course in Advanced AUTOCODER during the period 29 January through 6 February for nine students representing Qui Nhon and Cam Ranh Bay Depots, and the 14th ICC. The course was extended because of the non-availability of instructor personnel caused by enemy activity during the Tet attack. Commencing on 21 April and continuing to 4 May, a course in IBM 7010/1460 console operations was conducted for 1st Log Command units. Previously such training was available to the 1st Log Command units only through TDY periods at the 2d Log Command, Okinawa. The course included 19 students (of which five were Vietnamese nationals enrolled under the Data Processing Intern Program) representing the Qui Nhon and Cam Ranh Bay Depots, the 4th Transportation Command and the 14th ICC.

22. It has been the practice in the last two of these reports to discuss management trends of the logistical supply system in general and the 14th ICC in particular. Since the close of this reporting period marks the end of the first six months operations with the computer supply management system, it is considered appropriate in this report to review the progress of these six months plus the previous six months. Several significant statistical areas will be the subject of this review with the aid of graphs, Inclosures 1 through 7.

a. Theater Authorized Stockage List (Inclosure 1). The theater authorized stockage list (TASL) now includes 128,435 items. During the past year, it has fluctuated as low as 120,117 and as high as 140,354. These fluctuations are expected to continue as the item standardization and substitution programs delete items and new items qualifying for stockage are added. Of particular interest here, is the reduction in the number of items on the TASL which have a zero on hand balance in the theater and those items which have a zero on hand balance with outstanding dues out. The preponderance of the latter items are critically short from the CONUS supply sources; hence this continual short condition has caused a buildup of dues out. The number of items at zero balance decreased from 42,706 in May 1967 to 28,595 in April 1968. The number of items at zero balance with dues out decreased from 24,627 items in May 1967, to 12,826 in February 1968, and then slightly rose to 14,407 in April. These reductions are clearly illustrative of the achievements in improving the theater supply posture made during the past year by the 14th ICC. This progress can certainly be attributed to the increased capabilities of the automated supply management system, the improved and standardized managerial techniques, increased staffing, and the continued general development of the center's inventory management expertise. Additionally, these reductions, especially the zero balances with dues out, indicate improved responsiveness of the CONUS supply sources to this theater's requirements.

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b. Inter-Theater Requisition Activity. (1) Very favorable trends can be recognized from an analysis of the "Requisitions Submitted Out-of-Country" graph (Inclosure 2) and the "Red Ball Requisitions Submitted Out-of-Country" graph (Inclosure 3). It will be noted that until March and April, the number of requisitions submitted out-of-country had been generally decreasing. The decrease in Red Ball and High Priority types are quite noticeable as the former dropped from a high of 22,447 in June to a low of 10,436 in February and the latter repeated this by dropping from 61,308 in June to 21,986 in December and easing back up to 27,171 in February. These decreases tend to substantiate the statement of the preceding paragraph that the theater supply posture is improving because they indicate that an increased number of customer requisitions are being filled with stocks on hand thereby alleviating the need for the out-of-country requisitions. The upsurge of replenishment requisitions in June and April were as a result of one-time requirements, and therefore cannot be considered as normal supply activity.

(2) The upsurge of Red Ball requisitions in March and high and low priority requisitions in April, can be related to the impact of the Tet attacks on the supply system. It is interesting to note that the impact of this significant stockage drawdown was reflected in Red Ball activity a month before the lower priority activity.

c. Redistribution of Supplies (Inclosure 4). An important function of the 14th ICC and indeed a basic raison d'être of an inventory control center in a theater of operations, is the redistribution or cross leveling of stocks between theater depots. In this manner, maximum utilization is made of the stocks available in-country which in the long run provides far more efficient supply operations. As is shown by the graph, this center has issued 42,553 shipping directives for stocks valued at \$114,136,925 during the past 12 months.

d. Excess Program. (1) The excess program discussed at length in the preceding report continued to make important strides during this reporting period in identifying and retrograding stocks excess to the theater's requirements. The total results of this program in the last year has been the disposition of stocks on 211,507 lines valued at \$116.9 million. From a study of the inclosed graph, "Identification of Excesses" (Inclosure 5) one can readily recognize the results of the Command Five Phase Program. Phase I (stockage list excess valued at over \$5,000) in December accounted for 646 shipping directives valued at \$41.2 million. During this phase, the 14th ICC identified the excess items, requested a depot inventory of the items, and then issued shipping directives based on the inventory. In January, phases II and III (fringe items) accounted for the issuance of shipping directives on 77 thousand lines although the value of this action has not yet been completely developed. In these phases, the 14th ICC identified the excess items and issued the shipping directives with a blank quantity field with the instructions to ship all quantities on hand. The material release confirmation cards from the

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depots provide the quantity data on which the value is computed. Therefore some of the dollar values shown in February, March, and April are the feedback of the actions taken on phase II and III. The remainder of the dollar values shown during those months, and the additional lines exceeded, are the result of several manual efforts between the depot and the 14th ICC to clean up the depots, particularly Saigon Depot.

(2) The end results of this program are reflected on the two graphs, "Stockage List Excess On Hand" (Inclosure 6) and "Fringe Excess On Hand" (Inclosure 7). The increase in the number of stockage list excess lines in December is attributed to the inventory action at that time which was being accomplished in conjunction with the excess program and Project Counter. From a high of 22 thousand lines in December, the excess lines were reduced to 15.9 thousand lines at the end of April. The sizable drop in April was because of the ABF reconciliation with the depots rather than the excess program. However it should be remembered that phase I, high dollar value, had a very small effect on the number of lines exceeded; phase IV (stockage list excess valued under \$5,000) now beginning, is expected to have a far greater impact in this area.

(3) On the other hand, since phases II and III were for all fringe excess, the effects of it are quite noticeable on the "Fringe Excess On Hand" graph. From a high of 71 thousand lines in July, the combined efforts of the Command Five Phase Program and a previous 14th ICC program expressly designed for fringe excess, have reduced the theater position to 31.9 thousand lines.

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SECTION 2. LESSONS LEARNED: COMMANDER'S

OBSERVATIONS, EVALUATIONS, AND RECOMMENDATIONS.

1. PERSONNEL: N/A

2. OPERATIONS:

a. Issue of Equipment On A Temporary Loan Basis

(1) Observation: Issue of substantial quantities of principal items on a loan basis depletes depot on-hand assets and creates shortages of assets available for issue to authorized Army TOE/TA customers.

(2) Evaluation: The temporary loan of principal items of equipment is made to any Free World Force on a non-recurring temporary (180 day maximum) basis if the equipment is available. The problem as stated above is compounded by the difficulty experienced in getting the equipment back into the supply system when the loan period expires. It is recognized that requests for temporary loan of equipment are normally submitted to meet urgent operational requirements. However, the act of placing large quantities of identical principal items on temporary loan results in the inability of this Center to justify the submission of requisitions to sources of supply for replenishment of depot stock and consequently the inability to fill combat losses and high priority requisitions from authorized customers. On 23 March 1968, this Center initiated action pointing out the need for the establishment of rigid controls at loan approval level to insure that only bona fide emergency needs are satisfied through the loan procedure. Emphasis was also placed on the need for immediate return of equipment upon expiration of the loan period.

(3) Recommendation: NONE

b. Requisitioning Objective (RO) Computation Program

(1) Observation: Any new computer program requires a meticulous review before it is implemented. Additionally, to confirm that the program is proper in every detail, the first time the program is run with actual data, the output should be scrutinized by someone completely familiar with the source data so that any erroneous programing can be immediately detected.

(2) Evaluation: The RO computation program was designed to analyze customer demands, maintain a demand history file, and compute RO's. The program was written on contract and implemented in December after the initial conversion to the IBM 7010/1460 Computer (Paragraph 2a, ORLL dated 15 February 1968). Upon implemenation, it was given a minimum review.

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In March, the Commanding Officer, noting that there appeared to be discrepancies in some item RO's, directed a complete study of the entire RO computation system. The resulting study considered all aspects of demand collection and RO computation, both manual and automated. During this study, a close examination of the computation program revealed that the new computed RO was not being posted to the history file to be carried forward for the next month's computation. The computation formula used is exponential smoothing and simply stated is:

$$\text{New RO} = \alpha(\text{New Demand}) + (1 - \alpha)(\text{Old RO})$$

where alpha is a smoothing factor and is equal to less than one. Since the mathematical concept of exponential smoothing is based on carrying the new computed RO for one period forward for use in the next period's computation as the old RO, the failure to do this had voided the effects of computation. In fact, the original quantity established as the old RO on each item at the time the program was implemented, had continued to be perpetuated through each recomputation as the old RO. In effect, this caused all continuing trends in demands to be mathematically ignored in the recomputations.

(3) Recommendation: ~~NOTE~~

3. TRAINING: N/A
4. INTELLIGENCE: N/A
5. LOGISTICS: N/A
6. ORGANIZATION: N/A


J. A. KJELLSTROM
Colonel, QMC
Commanding

21

AVQA GO-0 (15 May 68) 1st Ind
SUBJECT: Operational Report for the Quarterly Period Ending 30 April
1968 (RCS CSFOR-65)

27 MAY 1968

DA, Headquarters, 1st Logistical Command, APO 96384

TO: Commanding General, United States Army Vietnam, ATTN: AVHGC-DST,
APO 96375

1. The Operational Report - Lessons Learned submitted by Headquarters,
14th Inventory Control Center for the quarterly period ending 30 April
1968 is forwarded.

2. Pertinent comments follow:

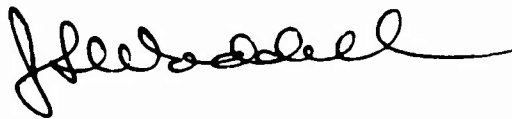
a. Reference Section I, paragraph 4. Recruiting actions forwarded
by the 14th ICC for TDA positions are presently being processed for CONUS
recruitment. It is anticipated selectees will enter on duty as close to
requested date as possible. Due to the combat environment most DAC's do
not extend their tour beyond the one year required by their travel agree-
ment. This in turn leads to a rapid turnover and lack of job continuity.

b. Reference Section I, paragraph 6. Authority to recruit for the
additional positions cited was received on 25 May 68 from USARV.

c. Reference Section II, paragraph 2b, concur. Evaluation of the
problem as depicted is valid. Normal review of procedures should detect
such a problem and allow for solution prior to implementation.

3. Concur with the basic report as modified by this indorsement. The
report is considered adequate.

FOR THE COMMANDER:



TEL: LBN 2684

J.S. WADDELL
ILT, AGC
Ass't Adjutant General

Copy Furnished
14th IOC

AVHGC-DST (29 May 68) 2d Ind CPT Arnold/ms/LBN 4485
SUBJECT: Operational Report for Quarterly Period Ending 30 April 1968
(RCS CSFOR-65)

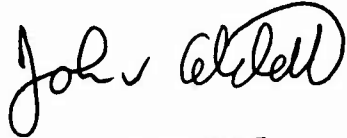
HEADQUARTERS, US ARMY VIETNAM, APO San Francisco 96375 30 MAY 1968

TO: Commander in Chief, United States Army, Pacific, ATTN: GPOP-DT,
APO 96558

1. This headquarters has reviewed the Operational Report-Lessons Learned for the quarterly period ending 30 April 1968 from Headquarters, 14th Inventory Control Center as indorsed.

2. Concur with report as submitted.

FOR THE COMMANDER:


JOHN V. GETCHELL
Captain, AGC
Assistant Adjutant General

Copies furnished:
HQ, 1st Log Cnd
HQ, 14th ICC

GPOP-DT (15 May 68) 3d Ind
SUBJECT: Operational Report of HQ 14th IC Center for Period Ending
30 April 1968, RCS CSFOR-65 (R1)

HQ, US Army, Pacific, APO San Francisco 96558 14 JUN 1968

TO: Assistant Chief of Staff for Force Development, Department of the
Army, Washington, D. C. 20310

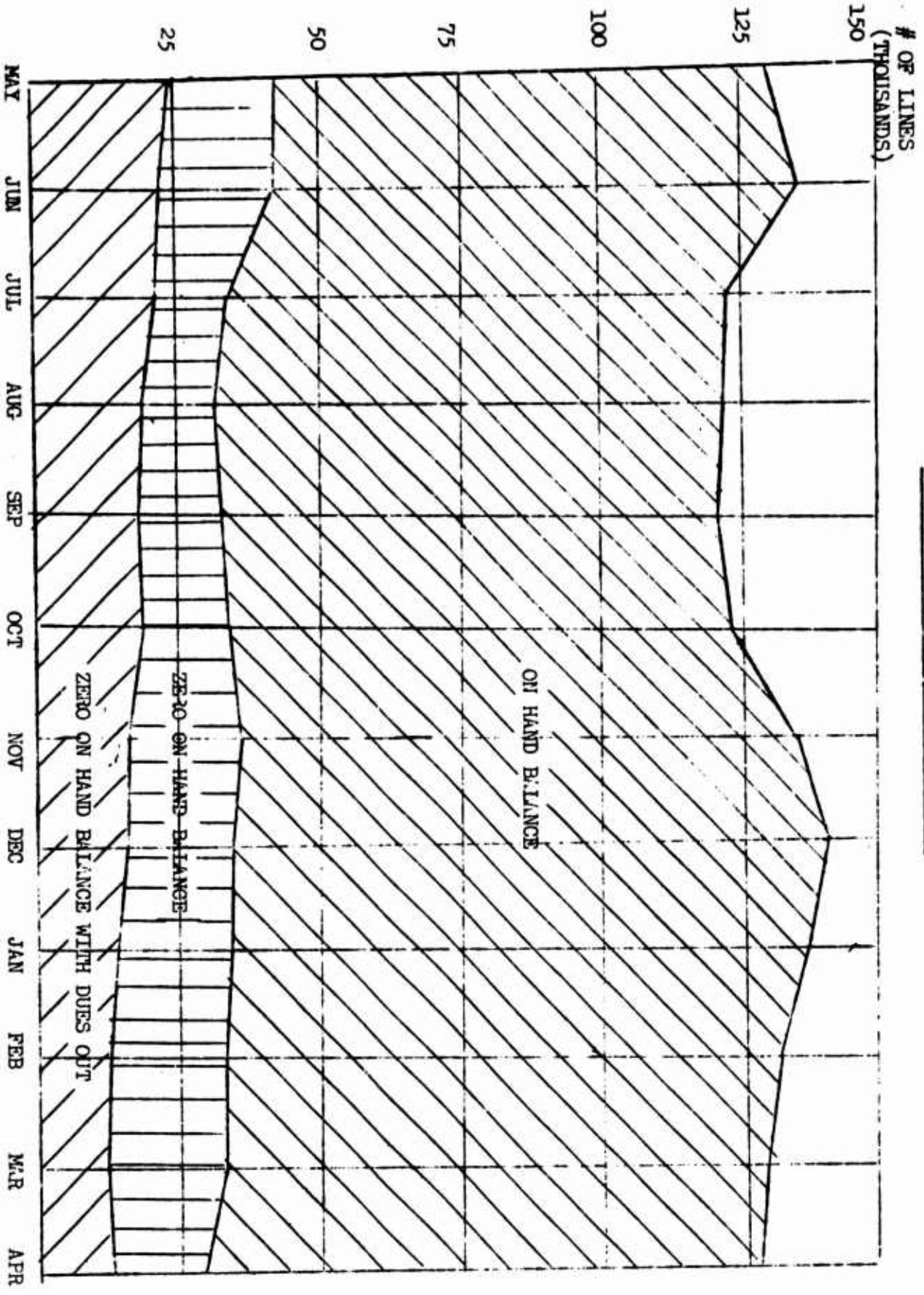
This headquarters has evaluated subject report and forwarding indorse-
ments and concurs in the report as indorsed.

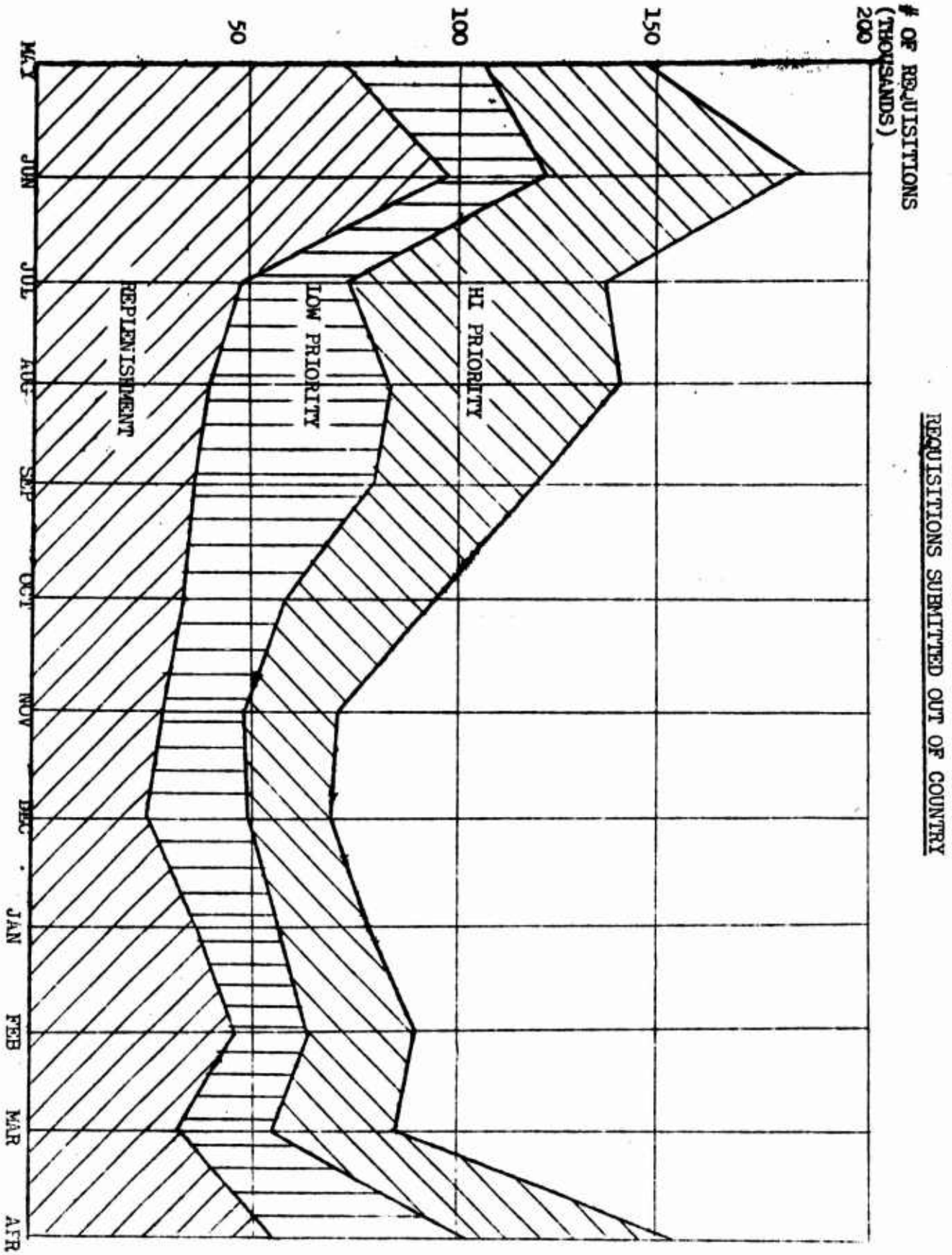
FOR THE COMMANDER IN CHIEF:



K. F. OSBOURN
MAJ, AGC
Asst AG

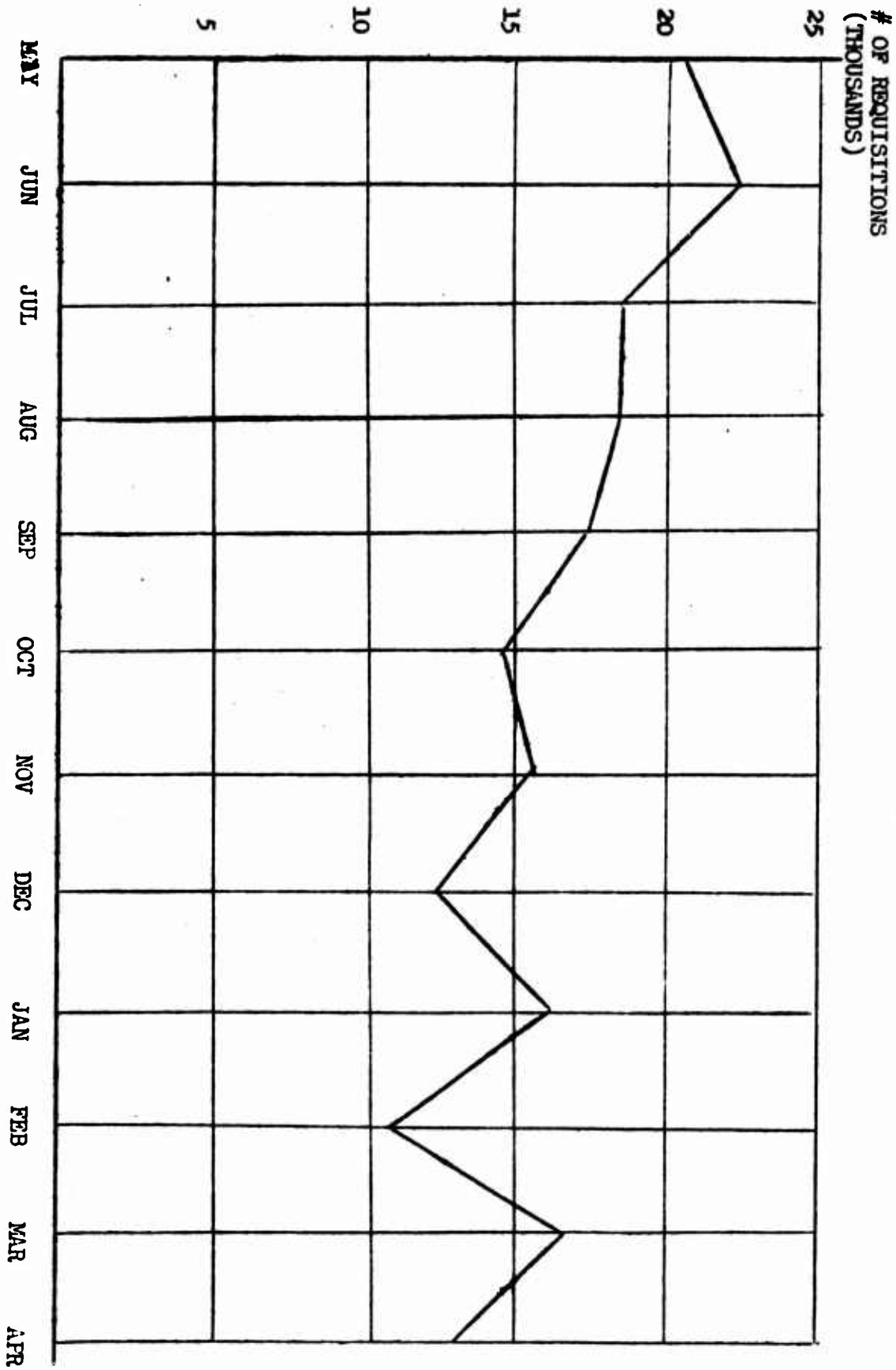
THEATER AUTHORIZED STOCKAGE LIST





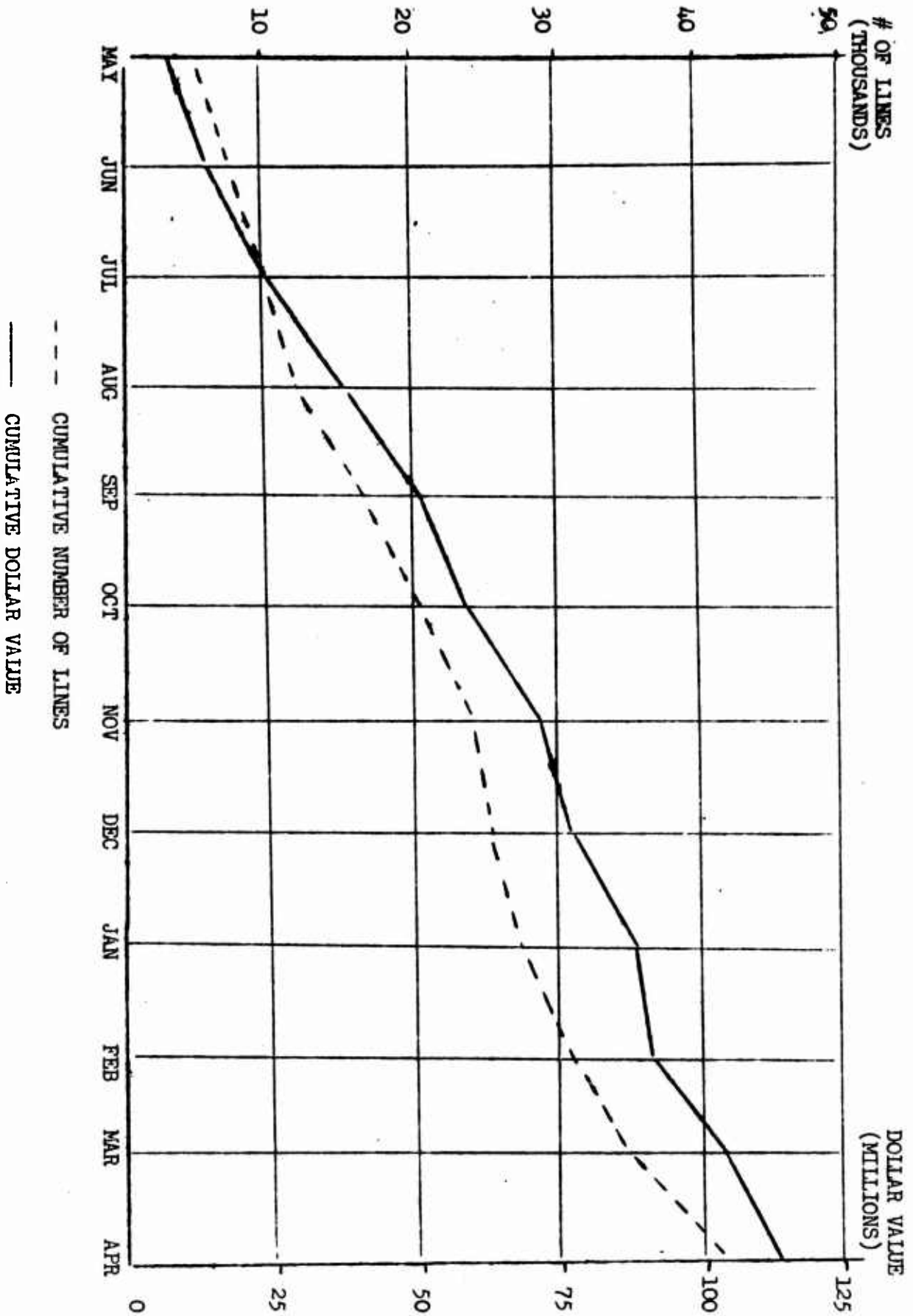
Incl 2

RED BAIL REQUISITIONS SUBMITTED OUT-OF-COUNTRY

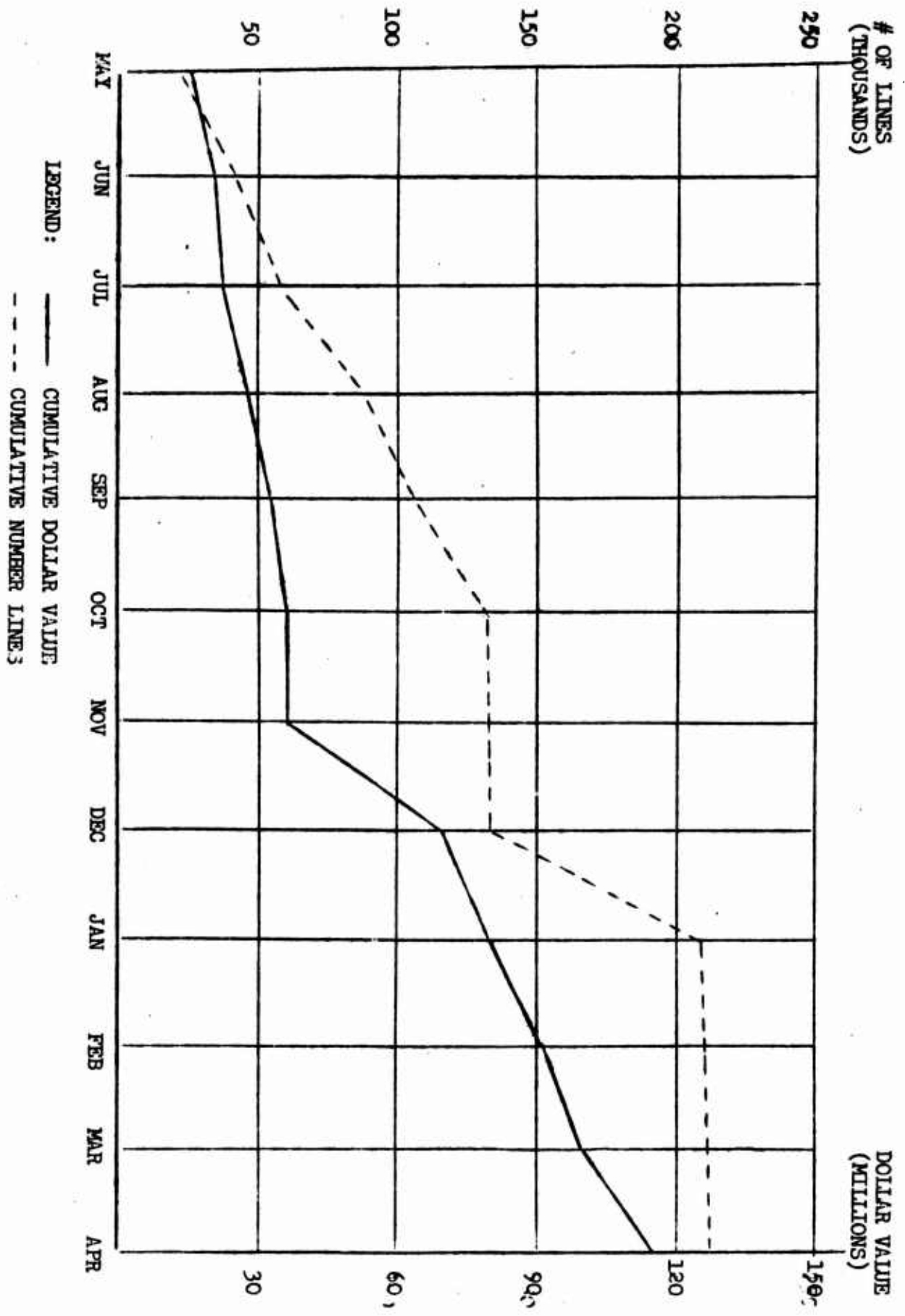


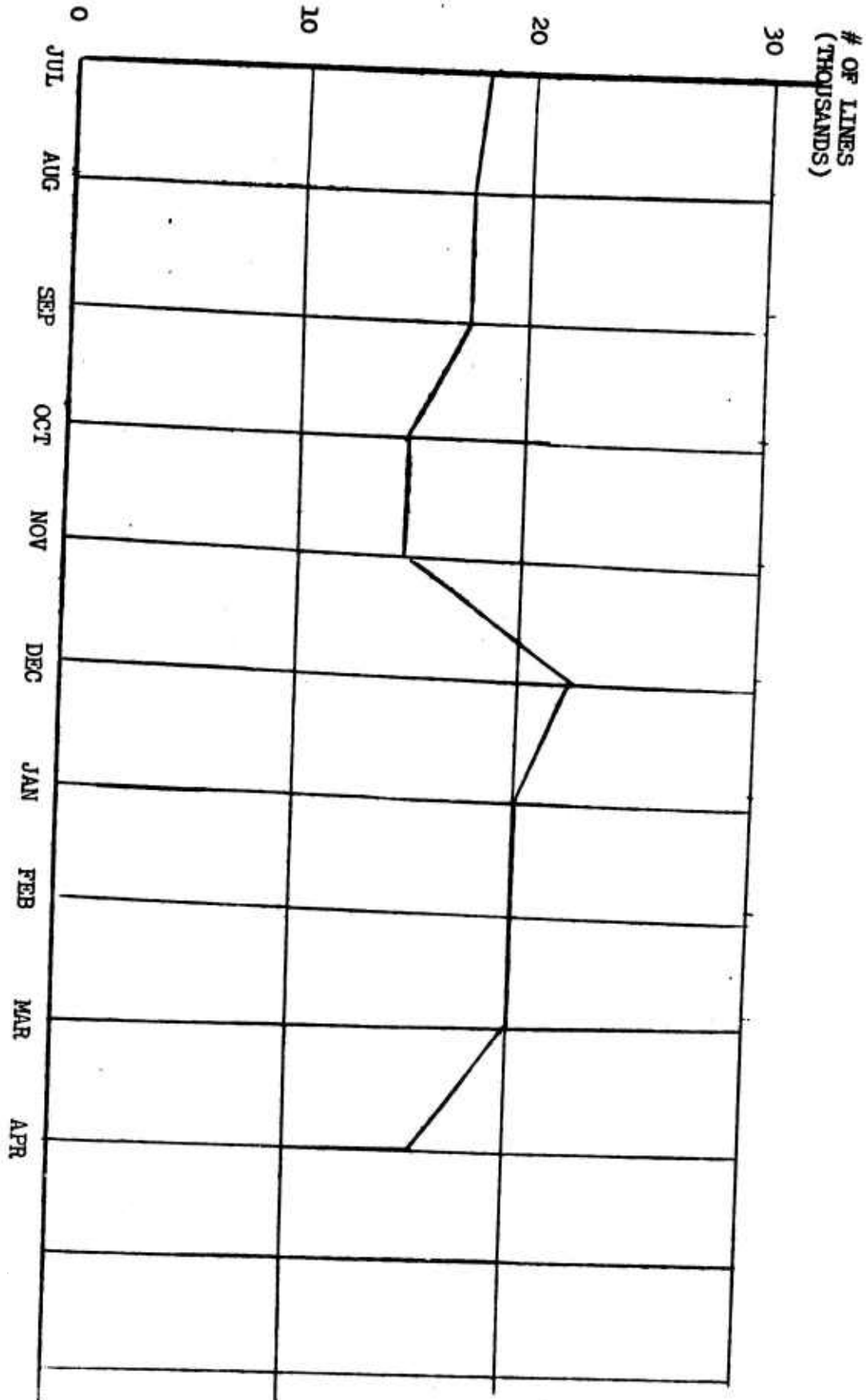
27

REGISTRATION OF SUPPLIES



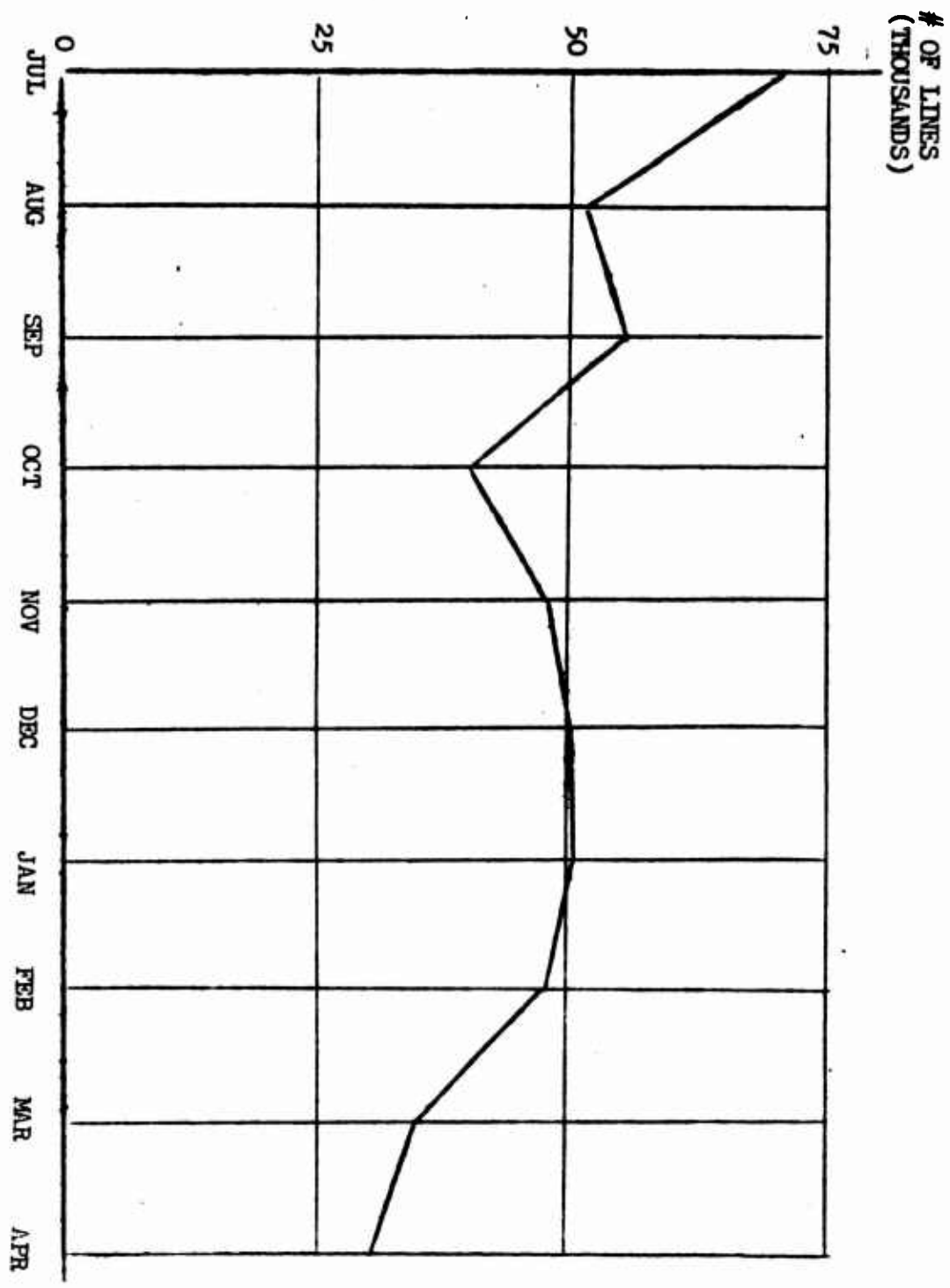
IDENTIFICATION OF EXCESSES





STOCKAGE LIST EXCESS ON HAND

PRINCE EXCESS ON HAND



31

UNCLASSIFIED

Security Classification

DOCUMENT CONTROL DATA - R & D

(Security classification of title, body of abstract and indexing annotation must be entered when the overall report is classified)

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		2b. GROUP	
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5. AUTHOR(S) (First name, middle initial, last name) CO, 14th ICC			
6. REPORT DATE 15 May 1968		7a. TOTAL NO. OF PAGES 29	7b. NO. OF REFS
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