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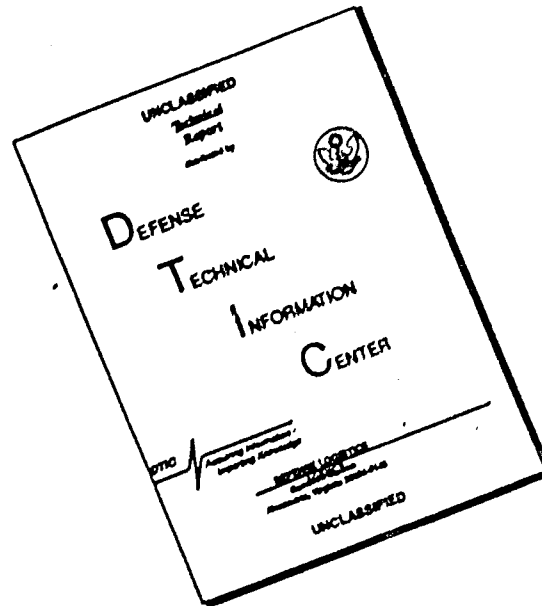
LOGISTIC SUPPORT IN THE VIETNAM ERA

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AD 872962

MONOGRAPH 9 EXCESSES

A REPORT
BY THE JOINT LOGISTICS REVIEW BOARD

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PAUL H. RILEY
Deputy Assistant Secretary of Defense
(Supply, Maintenance & Services)

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CHAPTER I
INTRODUCTION

CHAPTER I INTRODUCTION

1. **BASIS FOR STUDY.** The Joint Logistics Review Board (JLRB) was charged with examination of logistic support to U.S. forces during the Vietnam era. The Board's Terms of Reference specified that "... particular attention will be directed to ... identification, processing and disposition of excess and surplus stocks."¹ Excess stocks are the quantities of an item on hand that exceed the authorized retention level of a Department of Defense (DOD) component. Surplus stocks are items not required by any Federal agency, including DOD, as determined by the General Services Administration (GSA).

2. SIGNIFICANCE

a. This monograph addresses excesses generated in SE Asia as a result of the Vietnam conflict, and systems and procedures for the redistribution and utilization of excesses worldwide. In the SE Asia context, excesses are materiel and equipment shipped into Vietnam, or into other Pacific bases for support of operations in Vietnam, which subsequently are determined to be excess. All interservice and intraservice transfers are included within the Western Pacific (WESTPAC) area with the exception of intraservice transfers within Vietnam. Under this definition, the Services have identified over \$1 billion of excess materiel, of which significant portions have been redistributed for use in Vietnam and the Pacific theater. A more formal definition has been used when addressing excesses on a worldwide basis: excesses are materiel that exceeds authorized retention levels.

b. Excess stocks are significant in two areas of military logistics:

(1) The delivery of unnecessary materiel to a combat area consumes logistic resources (e.g., personnel, MHE, and storage space) that are urgently needed to fulfill the legitimate requirements of the operating forces.

(2) The potential for cost reduction through the elimination of procurement actions and more efficient utilization of distribution resources.

c. The identification and analysis of the factors that create excesses are necessary to determine the logistic management actions required to reduce excesses to a minimum. In this regard, excesses can be classified as normal and abnormal.

(1) **Normal Excesses.** Certain types of excesses accrue because of obsolescence and the unpredictable nature of warfare and cannot be avoided. Technological developments and changes in policies, plans, force deployments, expenditure rates, and enemy activity all affect the economical provision of the proper materiel at the right place and at the right time. An accurate determination cannot be made as to the percentage of this type of excess to total excesses. Another factor that creates unavoidable excesses is the length and relative inflexibility of the materiel pipeline. For example, long lead times associated with requisitioning and procurement may result in materiel delivery months after the requirement has been reduced or eliminated.

(2) **Abnormal Excess.** This type of excess, generated by inadequate control over movement of materiel, lack of requisitioning discipline, and poor visibility of stocks on-hand, can be avoided. Prevention of avoidable excesses is a responsibility of every commander. The identification of the practices or factors that contributed to the generation of abnormal excesses in Vietnam will facilitate future improvements in logistic management.

¹Deputy Secretary of Defense, Memorandum, subject: Joint Logistics Review Board (JLRB), 17 February 1969, Tab A, paragraph 3.1.

3. STUDY OBJECTIVES. There are five objectives of this study:

- a. Identify the magnitude and types of excesses generated in SE Asia by the Vietnam conflict.
- b. Identify the causes of these excesses.
- c. Analyze actions taken by the Services to reduce or preclude excesses and to redistribute and utilize materiel identified as excess in SE Asia.
- d. Examine worldwide Department of Defense procedures and organizations for the redistribution and utilization of excess materiel.
- e. Recommend the actions necessary to reduce excesses in any future conflict.

4. SCOPE. The primary focus of the monograph is on excesses directly attributable to the war in Vietnam. Reports from the Services and from the Commander, U.S. Military Assistance Command, Vietnam (MACV), have provided the primary inputs for analyzing the extent of these excesses as well as the causes and corrective actions taken by the Services to minimize excesses. When addressing both SE Asia and worldwide excesses, the study effort includes an examination of the redistribution and utilization of identified excesses but does not consider operations of the property disposal system or its relationship to other programs and agencies, such as the Military Assistance Program or the Agency for International Development.

5. ORGANIZATION OF MONOGRAPH. In addition to this introduction, the monograph is organized into four additional chapters:

- a. Chapter II briefly describes the history of excesses in previous military operations and outlines the development of the organizations and procedures involved in the redistribution and utilization of excesses.
- b. Chapter III examines excesses generated by the Vietnam conflict. The excesses directly related to combat operations are quantified, causes are identified, and actions taken by the Services to use the excesses on hand and to reduce or preclude further accretion are cited.
- c. Chapter IV addresses Department of Defense programs for the redistribution and utilization of identified excesses, less property disposal actions. Primary emphasis is concentrated on changes in the size of the program and the procedures used during FY 64 through FY 69.
- d. Chapter V provides an overview of the entire monograph and summarizes the significant lessons learned and recommendations developed by the study.

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CHAPTER II
GENERAL DESCRIPTION

CHAPTER II GENERAL DESCRIPTION

1. HISTORICAL DEVELOPMENT

a. Excesses have always been generated by large scale military operations. The magnitude of World War II and its abrupt ending found the military with tremendous amounts of materiel that were surplus to any foreseeable needs of the Government. A new approach was developed to dispose of the unneeded property through the creation of the War Assets Administration (WAA). Aside from materiel placed in reserve against future contingencies, the WAA redistributed, sold, or otherwise disposed of the bulk of surplus materiel generated by World War II. Historical records indicate that at least \$50 billion worth of surplus property was disposed of following this war. The smaller size, shorter duration, and gradual ending of the Korean War permitted the reduction of the quantities of surplus materials, although there were excesses totaling \$12 billion.¹ Again, major portions of the residue were placed in war reserves and the remaining surplus was disposed of through existing Service disposal organizations.

b. In order to increase the utilization of excess materiel, the Interservice Supply Support Program (ISSP) was created by DOD Directive 4140.6 in July 1955. This program attempted to obtain greater utilization of available materiel within and among the military departments. The ISSP required a military service to ascertain if other known users had an item or an acceptable substitute available for its use prior to initiating procurement of the item. In December 1955 the Services agreed on the policies, responsibilities, and organizational framework for the ISSP. This original agreement was subsequently amended to provide for the establishment of the Armed Forces Supply Support Center (AFSSC) in July 1958 to administer the ISSP and to develop procedures for its operation. To improve the effectiveness of AFSSC, OSD directed the Services in January 1959 to exchange information on quantities of items that were available for transfer. This system for the transfer and use of available materiel was later designated as the Defense Materiel Utilization Program.

2. CURRENT ORGANIZATION AND PROCEDURES

a. Role of the Defense Supply Agency. The Defense Supply Agency (DSA) was established in 1961 by DOD Directive 5105.22. The AFSSC was placed under DSA and was redesignated the Defense Logistics Services Center (DLSC). In 1962, DOD initiated in DLSC a project, Procedures for Long Supply Asset Utilization and Screening, under the acronym PLUS. The purpose of PLUS was to develop an automated system as a method of more effectively determining the status of materiel at Inventory Control Points (ICPs) which was available for transfer to satisfy requirements of other ICPs. Project PLUS was later redesignated the Automated Centralized Services System. However, the acronym PLUS is still used extensively within the Services and OSD, and it will be used throughout this monograph. In November 1963, the Defense Utilization Manual was published establishing the procedures for utilization of excess materiel between DOD components. A schematic of the system is included in Figure 1. It should be noted that the PLUS system is not the only procedure used for disposal of excesses and surpluses. A separate system is used for ADP equipment, industrial plant equipment, and DOD property held in contractor inventories. Other methods used to dispose of surpluses include catalog advertising, MAP, donations to civic groups, and sales. DSA is responsible for or associated with all of these programs for utilization and disposal.

¹Secretary of Defense, Memorandum, subject: Utilization and Redistribution of Excess Materiel in the Pacific Area, Robert S. McNamara, 24 November 1967.

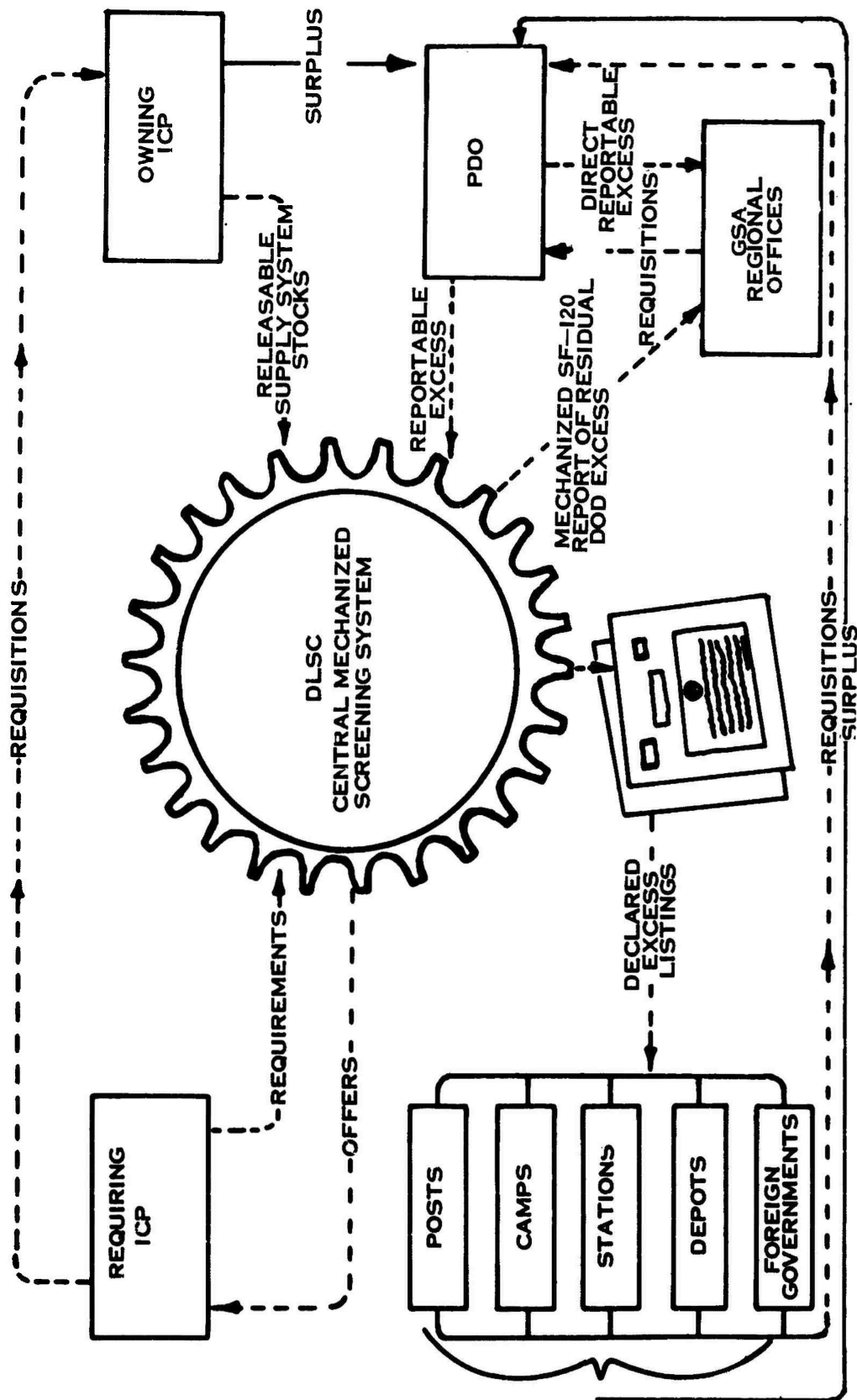


FIGURE 1. CENTRALIZED MECHANIZED SCREENING SYSTEM (PLUS)

Source: Defense Supply Agency Briefing for Joint Logistics Review Board, August 1969.

b. Scope of Utilization. The bulk of potential excess and declared excess interservice redistribution is accomplished between the Services by ICP managers as a result of direct interrogation. During FY 69, PLUS was responsible for matching \$26 million of the estimated \$290 million of potential excess to supply system stocks that were redistributed and for matching \$19 million of the estimated \$268 million of declared excesses that were redistributed. These items were, for the most part, high dollar items which did not have Federal Stock Numbers (FSNs), and therefore could not be accommodated by PLUS. In addition, intraservice utilization amounted to an estimate of \$845 million during FY 69, of which an estimated \$208 million was redistribution of potential excesses and an estimated \$637 million was redistribution of declared excesses.

c. The Centralized Mechanized Screening System. Referring again to Figure 1, DLSC uses the Centralized Mechanized Screening System, Project PLUS, to perform the utilization and redistribution function for DOD supply system inventory stocks and declared excesses. Project PLUS receives an input of current year, budget year, and beyond budget year requirements from ICPs of the Services and DSA. Assets identified as retention stocks or as potential DOD excesses are reported to DLSC at least semiannually by the ICPs. DLSC screens the reported assets against reported requirements; when a match is made, an offer is submitted to the ICP with the requirement. The ICP screens the offer and accepts or rejects the offer based on current supply status. If accepted, the ICP initiates a requisition to the ICP reporting the excess materiel. The requisition is processed against current stocks and, if available, the materiel is shipped. If not available, the requisition is denied. In addition to handling potential DOD excesses and retention stocks, DLSC also handles reportable declared excesses from the property disposal offices (PDOs). Potential DOD excesses, after a period of 120 days, become declared excess property and are reported to property disposal offices (PDOs). Property that is reported to PDO receives an additional 180 days of screening by the PLUS system.

d. Pacific Utilization and Redistribution Agency (PURA) and Materiel Asset Redistribution Center, Europe (MARCE)

(1) The organizations charged with the utilization and disposition of excesses in geographic areas are the Pacific Utilization Redistribution Agency (PURA) and the Materiel Asset Redistribution Center, Europe (MARCE).

(2) The Secretary of Defense appointed the Air Force as the executive agent for excess redistribution in Europe. MARCE, which had been organized by the Air Force in 1966 to assist in the relocation of assets from France, was designated to perform the redistribution function for all Services in Europe.

(3) PURA and a program in the Pacific area, Utilization and Redistribution of Excess Materiel (PURM), were established in November 1967. The program was designed to give intensive management emphasis to the identification and disposition of excess materiel that had accumulated in WESTPAC activities since the initial phase of the conflict. The Army was designated to operate the program and to service all DOD organizations in the Pacific. PURA became fully operational in July 1968. A schematic of the PURA system for redistribution of excesses is shown in Figure 2.

e. Current PURA Procedures. The procedure starts with WESTPAC activities--or PURA participants--submitting Service Interest Reports to PURA for items they may want to requisition. The activities also report all materiel above their authorized retention level to PURA on Foreign Excess Cards. On a monthly basis, PURA matches the Service Interest Reports against reported excesses throughout the geographic area, and the matches are published on an availability list for participants. Requisitions are submitted to PURA based on availability listings and referrals are made to the holding activity with the excess until the quantity of stock reported is depleted. The nominations for the Army and Navy are held 30 days by PURA for intraservice screening before being matched. The Air Force, in addition to participating in the PURA program, established the Pacific Air Force Asset Redistribution Center (PARC) for its own intraservice excess utilization screening. The Marine Corps places its materiel above authorized retention into PURA for immediate screening. The stocks reported to PURA are then screened

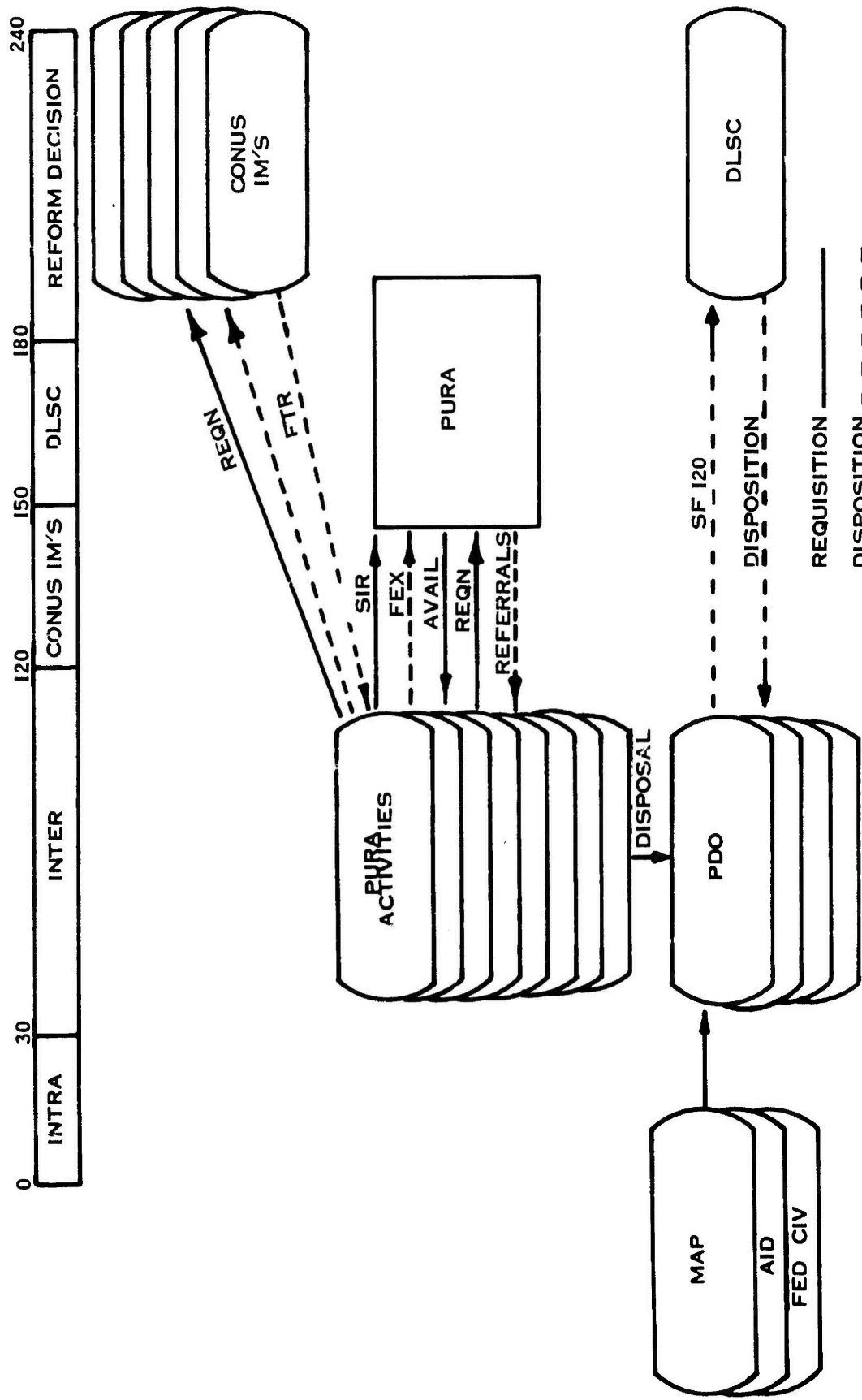


FIGURE 2. PROGRAM IN THE PACIFIC AREA FOR THE UTILIZATION AND DISTRIBUTION OF EXCESS MATERIEL

Source: Commander in Chief, Pacific (Logistics), Briefing to JLRB, 8 September 1969.

EXCESSES

for a 90-day period before PURA notifies the participating activity that the stocks are not required in WESTPAC. Potential excesses can then be reported by the participating activity to its continental United States (CONUS) ICP where they are reviewed against Service and ICP requirements. If the assets are not required to fill worldwide requirements of the Service, the excesses are reported to DLSC for screening action (described in paragraph 2c of this chapter).

3. CURRENT STUDIES

The DLSC, PURA, and MARCE systems for the redistribution and utilization of excesses are not operating as effectively as desired. The studies described in Chapter IV are being conducted with the purpose of increasing the efficiency of these systems.

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CHAPTER III
VIETNAM EXCESSES

CHAPTER III VIETNAM EXCESSES

1. GENERAL

a. During late 1967, after the Vietnam buildup had been largely completed, excesses began to attract serious attention. In establishing an agency in the Pacific area for the utilization and redistribution of these excesses, the Secretary of Defense stated that "The speed and magnitude of the Vietnam buildup has unavoidably resulted in the accumulation of some imbalances and excesses in inventories. We will begin immediately to redistribute these excesses so as to assure their application against approved military requirements elsewhere in the military supply system. By doing so we can avoid the inefficiencies and waste experienced in the past."¹ This chapter presents the scope of the excesses identified in the Pacific area and in Vietnam, the causes of these excesses, and the action taken by the Services to redistribute or dispose of the excesses as well as recommendations for the reduction of avoidable excesses in future conflicts.

b. Obtaining meaningful data on the scope of excesses caused by the Vietnam War was difficult as there are no reports that provide information on the total cumulative value of excesses identified. The reports of the Pacific Utilization and Redistribution Agency (PURA) cannot be used for the purpose of quantifying the value of excesses caused by the Vietnam War because the reports include excesses reported to PURA that were not attributable to the war. On the other hand, a large part of the excesses caused by the war are not reportable through PURA; for example, PURA does not receive excesses that are peculiar to the Service. Other problems encountered in determining the scope of excesses were that reliable records were not available for the period 1965 through 1966 and that the Services use different criteria for determining which part of their total stock is excess. The excesses discussed in this chapter are the materiel and equipment that were shipped to Vietnam or to other Pacific bases for the support of operations in Vietnam and subsequently became excess. However, it should be emphasized that the excesses as defined and reported are not necessarily excess to the worldwide requirement of the reporting Service or to the Department of Defense. This point is illustrated by the fact that approximately two-thirds of excesses generated as a result of the Vietnam conflict in Vietnam and the Pacific area were subsequently utilized by the Department of Defense. Approximately one-third of the total value of excesses identified has been disposed of through property disposal channels.

c. An analysis of the classes of materiel and equipment reported as excess reveals that Classes II (general supplies and clothing), IV (construction and barricade materiel), and IX (repair parts) contained the largest values of excesses. Many of the items in these categories are subject to large fluctuations in demand, and planning factors used to estimate consumption rates for the automatic supply phase of a conflict may be expected to require major adjustments as the result of actual war experiences.

2. ARMY EXCESSES

a. Scope of Army Excesses

(1) Excesses reported by the Army² include those identified in Vietnam, Okinawa, and Japan. Prior to February 1967, Okinawa provided supply support for South Vietnam.

¹Secretary of Defense, Memorandum, subject: Utilization and Redistribution of Excess Materiel in the Pacific Area, Robert S. McNamara, 24 November 1967.

²Headquarters, U.S. Army, Pacific, Briefing to the JLRB, subject: Vietnam Excesses, 5 May 1972.

EXCESSES

Subsequently, Vietnam was supplied directly from CONUS. This change in support concept produced the first surge of excess materiel when Okinawa recomputed its stock levels and withdrew from direct support of Vietnam. Although additional stocks continued to come into Okinawa after March 1967 because of delays inherent in adjusting the flow of materiel from the pipeline, these excesses were subsequently reduced by routing U.S. Army, Vietnam, requisitions through Okinawa on a fill-or-pass basis. The value of identified excesses generated because of the change in the support concept was approximately \$114 million through the end of 1967.

(2) In addition to the excesses identified in Okinawa, the Army shipped a total of approximately \$440.7 million in retrograde from Vietnam to Okinawa and Japan. Part of this materiel was retrograded in the Grey Box program which was to identify packages in open storage areas that had lost their identity through weathering, and from the Space Eater program to identify large bulky excess. In both programs, the objective was to generate space for storage that was critically needed for the reorganization of depot storage areas in order to complete an effective inventory. Another program used by the Army to identify excesses in Vietnam was Project Counter I, II, and III. This program involved a large scale infusion of Army Materiel Command personnel on a TDY basis to help in completing an inventory of Army depots in Vietnam. During September 1968 through January 1969, another program, Project Count I, was completed which resulted in the first perimeter-to-perimeter inventory of Army depots in a combat theater. These and other programs identified the excesses that were retrograded to Okinawa and Japan.

(3) As of 31 December 1969, there were \$107.8 million of excesses on hand in Vietnam in process of screening for utilization or awaiting disposition instructions. In Japan and Okinawa there was another \$67.1 million of excesses on hand in this same category.

(4) The utilization of the Army's excesses amounted to a value of over \$414 million. Approximately \$130 million of the excesses identified in Japan or Okinawa were subsequently reissued to the U.S. Army in Vietnam and approximately \$144.6 million were used to satisfy other Army requirements in the Pacific area. Over \$121 million of the excesses were returned to CONUS to satisfy worldwide Army requirements. The balance, \$18.4 million, went to other military services, Government agencies, and to allied forces in Vietnam. Only \$73 million of the total value of excesses identified have been disposed of through property disposal channels.

(5) Summarizing the above, property valued at \$532 million was identified as excess to Vietnam requirements. Of this amount, \$284.1 million has been used to fill other requirements, \$73 million has gone to property disposal, and \$174.9 million is on hand and in process of being screened for utilization. In addition to the above, another \$130.5 million in excesses, which were retrograded to Japan and Okinawa for identification because of a lack of space and capability in Vietnam, were shipped back to Vietnam to fill Army requirements.

(6) Other major programs that were employed by the Army to prevent excesses in Vietnam were Project Stop, Stop/See, and Stop/See Expanded. Project Stop was initiated in June 1968 to reduce the flow of supplies to Vietnam from CONUS supply activities. Project Stop resulted in requests for cancellation of requisitions and requests for frustration of shipments of over \$500 million in supplies and equipment. However, owing to the difficulty in turning off the pipeline, only \$108.2 million was actually cancelled or frustrated. When it became evident that Project Stop was not accomplishing its objective, Stop/See was instituted on 22 September 1968. This program was to cancel, frustrate, or divert items en route to Vietnam that were excess to requirements and to hold selected bulky assets in CONUS that were actually required but could not be received due to a lack of storage space. The second part of the program, "See," addressed the actual inspection aboard ship and the turnaround of items arriving in-country that were excess. The Stop/See program was expanded and modified in early 1969 to include blocking entire Federal supply classes by the LCOP. Cumulatively, Projects Stop, Stop/See, and Stop/See Expanded have resulted in the cancellation of requisitions valued at \$305.1 million and frustrations valued at \$11.8 million.

b. Major Causes of Army Excesses

(1) In a briefing to the JLRB, the Department of the Army identified the following major causes of excesses:³

(a) The change in support concept for Vietnam in February 1967 caused excesses to be identified in Okinawa when the authorized stockage levels for Okinawa were recomputed.

(b) The push packages that were received in Vietnam during the 1965-67 buildup were based on estimates that did not match Vietnam requirements. Additionally, the availability of personnel and storage facilities lagged behind the receipt of supplies.

(c) There was and still is a lack of skilled and qualified personnel in depot and DSU/GSU operations in Vietnam.

(d) The 1968 cutback in construction reduced requirements, but shipments could not be stopped or diverted in all cases. The 1st Logistical Command still has 141,000 short tons of excess construction materials that are planned for redistribution or disposal prior to 30 June 1970. Additional construction material excesses are being identified in the hands of contractors.

(e) The establishment of an austerity living program in 1968 further reduced requirements for cantonment items. However, requisitioning did not reflect this reduced standard as rapidly as required to stop the flow of materiel from CONUS.

(f) The cargo ship tie-up in late 1966 and early 1967 resulted in the dumping of cargo which in many instances was never properly identified and inventoried. Consequently, like items were re-requisitioned on CONUS when the items were already in Vietnam.

(g) The absence of a centralized stock management agency in Vietnam was a significant factor. Although the inventory control center was finally established in March 1967, it took a considerable period of time before stock record duplications were eliminated and effective follow-up, cancellation, and reconciliation procedures were effected.

(2) An additional cause of Army excesses determined by the JLRB was the closing of the Army's Overseas Supply Agencies (OSAs) in 1964. As a result of the approval of Project 80 in January 1962, OSD by Subject/Issue 69 on the FY 1964 budget removed all funds for the OSAs. The Army was directed to phase out the OSAs and to absorb the cost of operation of the OSAs after 30 June 1963 from other Operation and Maintenance funds.⁴

(a) Functions that were performed by the OSAs were related to requisition control, broad quantity editing follow-up on requisitions, cargo movement control, and overseas liaison. These functions were fragmented across other commands and agencies in SE Asia and in CONUS after the closing of the OSAs.

(b) The Brown Board⁵ noted that the responsibility for providing support to overseas areas had been fragmented by the loss of the OSAs and recognized that the Army needed a control point into and out of CONUS in support of overseas operations.

³Headquarters, U.S. Army Pacific, Briefing to the JLRB, subject: Vietnam Excesses, 5 May 1970.

⁴Assistant Secretary of Defense (Installations and Logistics), Memorandum, subject: Funding for Army Overseas Supply Agencies, April 19, 1963, Charles Hitch, Assistant Secretary of Defense, Comptroller.

⁵Department of the Army, Board of Inquiry on the Army Logistics System (Brown Board), March 1967, Volume II, page XXV-9.

(c) The U.S. Army Materiel Command established Logistics Control Offices (LCOs) in 1965 to centralize movements control and to handle the maintenance of contingency plans.⁶ Unfortunately, the LCO-P did not have the capability to handle the Vietnam buildup in 1965 and it was not until 1967 that LCO-P achieved the operational efficiency of the OSAs phased out in 1964.

c. Lessons Learned by the Army⁷

(1) Balanced Force Structure (Combat/Log). To preclude massive generation of excess in a combat theater it is absolutely essential that sufficient logistic forces be time-phased early in a force buildup. This is necessary to ensure that the combat forces, either U.S. or Allied, can be sustained without a mass flooding of supplies in the combat area and/or offshore areas. The flooding of supplies that occurred in support of Vietnam actually inhibited effective and efficient logistic support in the combat area and was a major generator of excesses. In addition, all logistic force buildup planning is negated if the major logistic units are in the Reserve and are not available for the buildup.

(2) Logistics Doctrine. The U.S. logistics doctrine must ensure that the United States provide not only an effective and efficient system for sending the required logistic resources to the combat area but also, as a matter of routine, for the timely retrograde of excesses from the combat zone. It is also mandatory that the U.S. system be flexible enough to readily accommodate significant changes in a combat situation.

(3) Management Tools. Effective management tools must be available prior to the deployment of logistic forces, such as manual procedures, automated systems, and appropriate hardware and software to make the logistic system effectively responsive. Further, the hardware and software must be sufficiently flexible and responsive.

(4) Training. Logistic personnel must be thoroughly trained in the use of these management tools to ensure their thorough understanding and use in both peace and war. An adequate logistic personnel and unit structure, including a balanced training base with CONUS on-the-job training, must be established and maintained in both peace and war. The United States must ensure that U.S. logistics personnel are properly trained to master the system.

(5) Supply Management System. In support of logistics doctrine it is essential that an Army worldwide common supply management system be developed which will be fully responsive to the needs of the user and supply managers. The system must be simple and effective and should be staffed by adequate professional personnel, who have been historically difficult to acquire. The system must:

- (a) Limit stockage at unit level to fast moving, urgently required items only.
- (b) Provide for minimal stockage in-theater support of the combat zone.
- (c) Ensure management of unserviceable assets.
- (d) Provide for rapid delivery of required items directly to the required level in the combat zone from CONUS supply sources.
- (e) Compute stockage objectives based on predicted future consumption rather than relying solely on past demand history.
- (f) Include management of excess materiel responsive to the requirement to redistribute excesses in an expeditious manner. The current PURA, FTE, and DLSC reporting procedures are too slow and too inflexible to permit the accelerated disposition of excesses.

⁶Army Materiel Command, General Orders 38, 9 May 1965 and 41, 10 December 1965.

⁷Headquarters, U.S. Army Pacific, Briefing to the JLRB, subject: Vietnam Excesses, 1 May 1970.

(g) Ensure advance documentation on assets in transportation channels. Such documentation must provide complete intransit visibility to the customer and to the CONUS supply source. Such a procedure is essential if the "inventory-in-motion" concept is to be effectively used and will preclude considerable stocks on the ground, double ordering, and attendant accumulation of excess.

(h) Provide a central control agency in CONUS closely associated with both supply and transportation elements, as currently exists at the LCO-P. This agency is essential to maintain intransit control and effect cancellation and frustration of shipments as required. The agency must be highly responsive to direction from the theater commander to preclude movement of assets no longer required and to provide an interface between the theater of operations and CONUS supply sources.

(6) Our overall DOD system must be more responsive to the return of excess materiel. The current DSA/GSA policy of "all sales are final" puts the Army in the position of not being able to return items to the original supply source on a bulk basis. In most instances DSA and GSA prefer not to take back items and normally will agree to do so only on a "no credit" basis. This is particularly significant since approximately 73 percent of our FY 71 stock fund budget is for DSA/GSA items.

3. NAVY EXCESSES

a. Scope of Navy Excesses

(1) The total value of PACOM excesses reported by the Navy as related to support of the Vietnam conflict was \$64.28 million. About \$43.7 million was generated in Vietnam and the balance from WESTPAC stock points located at Guam, Subic Bay, and Yokosuka. Of the \$43.7 million, \$20.6 million had been redistributed by the end of 1969 to meet Navy requirements outside Vietnam. \$5.2 million had been transferred to the other military services, \$0.2 million to other U.S. Government agencies, \$0.1 million to the forces of other countries, and \$2.7 million to property disposal.

(2) The stockage list in support of the I Corps Tactical Zone (CTZ) was initially limited to allowances of the Navy Mobile Construction Battalions (Seabees), the 3,500 common support items in the Headquarters Support Activity catalog and the stockage lists of Advanced Base Functional Components, the latter being called forward in phase with the establishment of capabilities. Following specific requests by the other Services, the Naval Support Activity (NSA), Da Nang, was also authorized to increase its stockage list of common supply items to 8,259 at the end of 1967.⁸ The number of such items subsequently rose to 11,000. When demands did not materialize as predicted, the demands for two or more Services for each item were analyzed and the list reduced to 4,931. There is no information as to the extent of excesses generated by the inflated forecasts because early supply emphasis was on support and emergency actions to overcome deficiencies rather than the identification of excesses. Specific data on excesses in I CTZ before FY 68 are not available.

(3) The buildup had been accompanied by an increase of Navy peculiar and common items of 105,000 by the end of 1968. As a result of diminishing requirements as more forces were moved out of I CTZ and analyses of demand history, the list was reduced to 60,000 items in September 1969, and later to 47,000. By the end of FY 69, \$14.1 million in excesses to current needs had been identified. About \$20.2 million more were identified in FY 70 in the Naval Support Activity (NSA), Da Nang, and \$21.1 million in the Third Naval Construction Brigade operating in I Corps.

(4) In summary, the NSA, Da Nang, had an average annual inventory value of \$58.9 million during the period FY 66 through one-half of FY 70. During the same period the average

⁸Commander, Service Force, Pacific, Summary of Command History, 21-31 December 1967 (CONFIDENTIAL).

annual value of sales was at a rate of over \$181 million. This shows an average annual inventory turnover ratio of better than 3 to 1. The total cumulative value of excesses generated during the same period at NSA, Da Nang, \$20.2 million, represents 2.6 percent of the total sales, \$770.2 million, for that same period.⁹

(5) In support of naval operations in II, III, and IV CTZ, the lack of adequate storage space resulted in a plan whereby the Naval Supply Depot, Subic Bay, initially stocked the repair parts for coastal surveillance, minesweeping, harbor defense, and river patrol craft. When capabilities became adequate, a determination was made to transfer these stocks to NSA, Saigon, in August 1967, and Subic Bay was eliminated from the requisitioning chain. With major transfer of units to the Vietnamese Navy and analyses of demands, \$2.3 million in excesses were identified in FY 70.

(6) With the heavy deployment of ships of the Seventh Fleet to the South China Sea, deployment of Marine aircraft to Vietnam, and increased basing of ships at Guam, the stocks at these locations were increased. By early FY 68, the Seventh Fleet backup support provided by the Naval Supply Depots at Guam and Subic Bay had increased markedly. In FY 69 through January 1970, a substantial decline was experienced in fleet operations in support of combat in Vietnam. This decline in operations reduced the support requirements. The decline was particularly significant at NSD, Subic Bay, as it related to aviation logistic support. With reduced support requirements, the Navy implemented its program to clean up excesses. This program has resulted in the identification of the cumulative value of \$20.7 million in excesses attributable to the Vietnam War at the WESTPAC naval supply depots, for a total of \$64.3 million, including Vietnam. As of 1 January 1970, \$43.3 million had been redistributed, including 15.6 percent to property disposal.¹⁰

b. Major Causes of U.S. Navy Excesses. The Navy has highlighted the following major causes of excesses:¹¹

(1) Management Emphasis. Primary management emphasis was initially placed on getting required materiel pre-positioned when and where needed. Identification of excesses and disposal programs, of necessity, assumed a lower priority.

(2) Large Volume of Materiel Received Prior to Establishment of Facilities. The rapid buildup of supplies that was conducted concurrently with the construction of facilities degraded inventory management control. The loss of inventory control was offset by spot inventory teams used to verify quantities and locations of critical materiel that was labeled not in stock.

(3) Expansion of the Force Level Before Establishing a Firm Logistical Base. The I CTZ force levels were increased to 400 percent above that in the basic established support plan. However, adequate time was not provided to adjust the logistic base to compensate for the expansion. The simultaneous expansion of the support effort in conjunction with the logistics base overtaxed capability.

(4) Obsolescence. Many excesses were caused by obsolescence. Examples of these excesses are from aircraft model changes, ship or boat equipment changes, and other technological changes. Changes that occur over a period of time cause obsolete equipment and spare parts to be washed out of the supply system.

(5) Demand Fluctuations Due to Redeployments. Unforeseen redeployments caused by the contingencies of war had a major effect on support operations. Because of the long lead time between order and receipt of materiel, excesses were generated by WESTPAC stock points when significant reductions in aircraft flying hours and rapid fleet movements occurred.

⁹Department of the Navy, Briefing for the JLRB, subject: Navy Briefing on Excesses Related to Combat in Southeast Asia, 13 May 1970.

¹⁰Ibid.

¹¹Ibid.

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(6) Lack of Financial Restraint Prior to 1 July 1967. NSA, Da Nang, and NSA, Saigon, operated under an open allotment for Navy stock-funded materiel prior to 1 July 1967. At that time NSA, Da Nang, was converted to a closed allotment basis and financial restraints were also introduced at NSA, Saigon, by conversion to an end use fund basis. A lack of financial restraint and control during the buildup phase caused excesses; however, it also provided essential supplies with minimum delays.

c. Lessons Learned by the Navy. The following lessons learned were reported by the Navy.¹² In some cases the Navy has already initiated these changes, but the lessons learned may be of benefit as a guide for future logistic planning.

(1) There is a need for prompt establishment of adequate port, stevedoring, and storage facilities before shipping large volumes of materiel.

(2) Inventory managers should challenge duplicate orders for large quantities within short time periods.

(3) An excess program and continuing identification of long supply items should be established early. Prompt dissemination of long supply information would enable timely redistribution.

(4) Procedures should be set up for an early transition from the "push" to the "pull" system.

(5) The resupply pipeline should be turned down or off sufficiently in advance of departure of redeploying units.

(6) Control of shipments should be improved to enable frustrating of materiel in CONUS ports and depots; the ability to do so has improved as a result of the application of Military Standard Transport and Movement Procedures (MILSTAMP).

4. MARINE CORPS EXCESSES

a. Scope of Marine Corps Excesses

(1) The total value of WESTPAC excesses reported by the Marine Corps¹³ as related to support of the Vietnam conflict was \$42.8 million as of 1 January 1970. Of this total, \$7.6 million was generated in Vietnam and \$35.2 million was generated in Okinawa. This amount consists of excesses that have been reported to PURA and those that resulted from two special programs conducted by the Force Logistic Command (FLC) in Vietnam. There are no other identifiable excesses in WESTPAC that can be attributed to the conflict in SE Asia. Any transaction processed to property disposal offices prior to the institution of PURA procedures can be attributed to materiel worn out in service rather than materiel in excess to needs. These excesses were generated over a 5-year period of intensive buildup and supply support of Marine forces in Vietnam.

(2) As a result of the conflict, the following excesses were generated in certain classes of supply:

Class II	Clothing, individual equipment, tentage, tool sets and kits, hand tools, administrative and housekeeping supplies.
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¹²Ibid.

¹³Headquarters, U.S. Marine Corps, briefing to the JTRB, Excess in the Pacific Area Related to Combat in Southeast Asia, 7 May 1970.

Class IV	Construction, fortification materiel.
Class IX	Repair parts, less medical spare parts.

The excess construction materiel was acquired for support of Marine units and not contractor-owned or used.

(3) Of the \$42.8 million total excesses generated, \$11.9 million (\$4.3 million from Vietnam retrograded to the 3rd Force Service Regiment (FSR) and to the CONUS supply system, and \$7.6 million from Okinawa retrograded to the CONUS supply system) was required to satisfy Marine Corps requirements including unfunded war reserve deficiencies, on-island Okinawa requirements, and requirements for CONUS-based units. This retrograde of excess materiel was accomplished after offering to PURA.

(4) Excesses located in Vietnam which have been redistributed to other military services in the Pacific area total \$.37 million. Excesses located on Okinawa which have been redistributed to other military services in the Pacific area total \$2.5 million. Excesses located on Okinawa which have been redistributed to other Government agencies, primarily the CONUS integrated manager, total \$9.7 million.

(5) The value of total excesses transferred to property disposal offices in the Pacific area is \$8.7 million. Property disposal action is accomplished only after PURA screening, followed by Marine Corps screening, CONUS integrated manager screening, and DLSC screening.

(6) The value of identified excesses still on hand as of 1 January 1970 was \$9.6 million, \$2.0 million in Vietnam and \$7.6 million in Okinawa. This represents excesses still in the PURA system, other screening cycles, and some not yet turned over to PDO.

b. Major Causes of Marine Corps Excesses. The following major causes of Marine Corps excesses were identified:

(1) Force Buildup. During the period July 1965 to July 1967, the Marine Corps introduced a total of two reinforced divisions and one air wing into Vietnam. In addition, force troops units, such as motor transport battalions and engineer battalions, were transferred in-country. A new organization, the Force Logistic Command, was formed to provide logistic support. This force buildup caused a tremendous surge in materiel requirements.

(2) Transportation. With the substantial increased demands for materiel, there was an associated increased demand for shipping. Lack of timely shipping and/or off-loading capabilities caused periodic surges of materiel to be received by the 3rd FSR and the FLC. These surges caused volumes of materiel to be received by the service support units which far overtaxed the available personnel, equipment, and computers previously keyed to a much lower level of operations. For example, if the unit requisitioned an item and did not receive the item within prescribed time frames, the unit often submitted another requisition with a higher priority. Normally, the old requisition was not cancelled because it was rationalized that the materiel was needed and the already lapsed time should not be lost. This created a cycle of pyramiding demands. As a case in point, in September 1966, there were 13 shiploads of materiel ready on Okinawa for shipment to Marine forces in Vietnam. Unfortunately, there was no shipping. When the shipping became available, the materiel was moved. This surge carried right through to the FLC and Force Logistic Groups (FLGs). This volume in such a short time exceeded the capabilities to properly receive, locate, and account for the materiel. The workload precluded normal checks and balances and, coupled with inadequate storage facilities, caused extensive error conditions in locator and item inventory records.

(3) Personnel. Prior to the Vietnam conflict the Marine Corps personnel authorizations did not permit 100 percent manning levels of all combat service support units. This condition resulted in austere staffing of warehousemen and stock managers at the service unit level and fewer supply clerks at the using unit. When the initial buildup occurred, it was these Marines who bore the brunt of increased demands for supplies to fight the conflict in SE Asia and

the materiel surges caused by shipping and off-loading deficiencies. Overworked and under-strength, the personnel in the supply echelons caused errors which resulted in the generation of excesses. In the warehousing area, the sheer volume received during the periodic surges of materiel caused by erratic transportation resulted in materiel lost on location. Receipts were often not reported to the accounting units, and physical inventories were not possible. These problems became less pressing as shipping and off-loading capabilities improved, but the damage had been done.

(4) Fluctuating Requirements. Fluctuating requirements were another cause of excesses being generated. As a unit's mission or commitment was changed to meet varying levels of enemy-initiated actions, its requirements also changed, with the result that materiel on hand or on order would become excess to its needs. It would turn in the excesses to the supporting service unit or it would cancel its requisition being held by the service unit. As an example, support units were fragmented in support of infantry battalions far beyond the scope or duration previously envisioned. This fragmentation caused a compounding of requirements for repair parts. When the support unit was reunited, excesses developed. An example of this could be the item component called Trail Left for the 105mm howitzer. Although a battalion may require two each of these items while operating as a unit, each battery required one each while operating independently with a battalion landing team or while deployed on a support mission independently. Although this is only one example, it was symptomatic of a problem.

(5) Untimely Execution Decisions. Perhaps the greatest cause of excess generation has been the lack of firm execution decisions for the redeployments and deactivations of Marine forces in Vietnam. As the units were redeployed from Vietnam, materiel still arrived which was now in excess of the requirements of the remaining units. Units had to be provided with required supplies up to the minute they left Vietnam. Owing to the lack of early firm redeployment dates, the pipeline had to be kept full up to the time execution decisions were made. Thus, when units departed Vietnam, the pipeline was often full and excesses were generated. Experience has shown that it is as difficult to stop the flow of supplies as it is to start the flow. Flexibility for decision must be a prerequisite of command right up to the President. This flexibility has been used. However, it must be recognized at all levels that this flexibility cannot be maintained without generation of excesses.

(6) Nature of the War. The very nature of the war tended to generate excesses. Since it was a reaction-type war, units had to be prepared for any contingency. Under such circumstances, either materiel requirements must be anticipated so that sufficient amounts and types of materiel are on hand or on order, or the system must be able to respond to the extremes of a fluctuating demand as the result of varying situations. Either approach will produce excesses.

c. Lessons Learned by the Marine Corps:

(1) By centralizing the inventory management of all service support units in-country during 1967, the Marine Corps was able to fully utilize assets stored at three widely separated locations. A customer's requisition was screened against the assets of the three locations and satisfied from the one nearest him. If none of the in-country locations had any assets, the requirement was passed to the 3rd FSR on Okinawa. Prior to this centralization during 1965 and 1966, the customer's requisition was passed to the 3rd FSR if it could not be satisfied by the service unit supporting the location, even though the other two service units might have had the required item on hand.

(2) Included in the Marine Corps logistic philosophy is the concept of tailored resupply packages for our combat forces. These packages are commonly referred to as mount-out, mount-out augmentation, and automatic resupply. This concept is designed for the traditional Marine Corps role in amphibious warfare in which there is not sufficient time nor is it tactically sound to have the combat units "pull" their supplies from the system. However, because of the nature of the Vietnam conflict, it was determined that it was not necessary to continue the limited, tailored resupply system after the units had consumed their initial package of supplies. This made the automatic resupplies available for units' high priority requirements on a "pull" basis. This limited resupply system allowed for the required supplies during the initial phases

of the conflict to be available to the using units. This tailored resupply system minimized excesses; the quick reversion to a "pull" system when the tactical situation allowed further minimized them.

(3) Requirements of units were continually screened against the on-hand assets of other units. This screening process was continual and was conducted at the division/wing using unit level. This Marine Corps screening utilized materiel that could have been otherwise declared excess to Marine Corps needs. With the advent of PURA, this was expanded to an inter-service screening among all Pacific Service components.

(4) The primary responsibility of the logistic system is to ensure that sufficient supplies are on hand or in the pipeline to sustain the Marine Corps combat units. This can be changed only when firm execution decisions are received indicating redeployments or deactivations. Otherwise, the supplies must be kept available. As soon as this firm guidance was received, the Marine Corps initiated actions which reduced the flow of materiel to WESTPAC and into the stores system. This was accomplished by cancelling excess due-ins to the supply source and by reducing requisitioning objectives at the service units and the forecast demands at the Inventory Control Point (ICP).

5. AIR FORCE EXCESSES

a. Scope of Air Force Excesses

(1) The Air Force-reported excesses in SE Asia included Clark Air Base (which included data for all Air Force bases and units in the Philippines), Thailand, and Vietnam. The reason for including Clark Air Base was that, initially, Air Force tactical units were largely resupplied through Clark Air Base. As activity increased, supply accounts were established first at Tan Son Nhut for Vietnam and later at each of the main bases in Vietnam and Thailand.¹⁴ When those accounts were established, the bases requisitioned directly on CONUS wholesale depots and the requirements for assets at Clark Air Base decreased. The Air Force does not maintain wholesale depots overseas. Excesses, therefore, are developed at each base. When shown by country, the figures actually represent a total of the local base excesses in that country at a given time. Such data does not represent country or Air Force excesses since they are summarized without regard to redistribution actions. Also, the Air Force reports excesses for economic order quantity (EOQ) items that exceed the 1-year retention criteria rather than the 3-year criteria suggested by OSD.

(2) As of 31 December 1969, the Air Force reported potential excesses for Clark Air Base and bases in Thailand and Vietnam in the amount of \$75.1 million. This amount was a cumulative total from all bases as a result of the quarterly computation of stock levels prescribed in the Standard Base Supply System, and included equipment as well as supplies. The \$75.1 million of potential excess can be related to a total of \$334.4 million in warehouse stocks and \$506.5 of in-use equipment at the same bases.

(3) Major programs were initiated by the Air Force during FY 68 to identify and to use or dispose of excesses. Some of these programs were COMMANDO RAMP, RIPE, EASY, and PURGE. As well as contributing excesses to the PURA program, the Air Force also established the Pacific Air Forces Asset Redistribution Center (PARC) for its own intraservice excess utilization screening. A total of \$191.8 million in property was distributed in FYs 68, 69, and 70 to meet requirements outside of RVN. Of this total, property valued at \$154 million was returned to CONUS and \$37.8 million was redistributed to meet requirements to other Pacific Air Forces (PACAF) bases. Included in these totals, however, was property that had been required or utilized before becoming excess to SE Asia requirements and subject to redistribution. For examples, supplies and equipment related to F-100 aircraft were transferred to Korea, and F-111 ground support equipment and spares were returned to CONUS when the F-111 aircraft were returned.

¹⁴ Don Muang Airport in Thailand was the first base established for support of all Thailand in the manner similar to Tan Son Nhut for Vietnam.

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(4) Project PURA, operated by the Army, effected disposition of \$9 million worth of Air Force property to other military services in FYs 69 and 70.

(5) Since FY 66, property transferred to disposal totaled \$183 million. However, this figure included property that had been used and was worn out or was no longer economically repairable, so it does not represent a true excess amount. The breakdown by FY is as follows:

<u>FY 66</u>	<u>FY 67</u>	<u>FY 68</u>	<u>FY 69</u>	<u>FY 70</u>	<u>Total</u>
13.9	37.5	55.2	54.1	22.3	183.0

(6) Summarizing the above, property valued at \$383.8 million was redistributed from SE Asia and Clark Air Base or disposed of in property disposal; another \$75.1 million was identified as potential excess as of 31 December 1969 at SE Asia bases and Clark Air Base, awaiting further screening and/or disposition.

(7) In addition to the above, property was redistributed among bases in SE Asia to provide lateral support through actions initiated in-theater or in response to redistribution instructions from ICPs in CONUS. During the Vietnam era, the Air Force developed procedures to provide daily visibility at the CONUS ICP level of the more costly items in order to make redistribution actions responsive and effective. Although local base excesses were reduced or eliminated by redistribution actions, items in short supply Air Force-wide were also redistributed to points of greatest need. Headquarters, USAF, estimates that redistribution actions may have exceeded \$230 million. This estimate is not verifiable.

b. Major Causes of Air Force Excesses¹⁵

(1) The foremost factor causing excesses in the Air Force Supply System as a result of the Vietnam conflict was the rapid buildup of forces and air operations in SE Asia. During late 1965 and 1966, aircraft and deployed squadrons in support of SE Asia increased nearly 400 percent. To support the increased mission it was necessary to rapidly expand base bases to full installations and to increase the number of base supply accounts from one to 17. There was an increase in the number of line items stocked in base supply accounts from 25,000 to 1.2 million, adding all base accounts. The rapid buildup made it necessary to provide supplies by automatic or "push" shipments for initial spare parts support, Initial Spares Support Lists (ISSLS), and for equipment packages such as Bitter Wine for initial base support. Actual consumption rates of many supplies provided in "push" shipments did not correspond with the consumption rates used as planning factors to develop the "push" packages; consequently, materiel provided by automatic supply that was not needed became excess.

(2) Another factor contributing to excesses was the type and number of sorties flown in Vietnam. In some cases, aircraft were not used to the extent that logistic planning had provided for; consequently, excesses were generated. An example of this situation was the termination of bombing missions over North Vietnam.

(3) The rapid rotation of supply personnel and the restricted "in-country" personnel ceilings also caused excesses. Support personnel were not authorized in sufficient quantities for the monumental task of managing large supply accounts, especially during the buildup. Property was requisitioned and supplied when already available, although local records did not reveal its availability or location. A further complication was the use of manual or card processor systems for inventory control in the early phases of the conflict. Supply personnel in CONUS no longer used these procedures and had to be trained in-country. CONUS personnel were trained to use the Standard Air Force System. However, the standard system using the 1050-II was not introduced in Vietnam until 1966 and not completed until 1968. It was necessary for the Air Force Logistics Command to develop and provide Rapid Area Supply Support (RASS) teams to solve peak workload problems. During 1967 there were as many as 300 RASS team personnel in SE Asia.

¹⁵Headquarters, Department of the Air Force, Briefing to the JLRB, subject: Excesses in Pacific Area Related to Combat in Southeast Asia, 20 May 1970.

(4) A lack of adequate transportation facilities in Vietnam contributed to excesses. Air terminals and port facilities were inadequate in the buildup phase of the conflict to handle the mass of materiel shipped to Vietnam. These shipments clogged existing port and air terminals and caused excessive delays in off-loading. The delays in receiving supplies and getting them on proper inventory records resulted in considerable multiple requisitioning and in duplicate shipments of the required materiel. It was also necessary to use high priority requisitions and air transportation for items normally obtained by routine surface shipments in order to ensure uninterrupted support.

c. Lessons Learned by the Air Force:¹⁶

(1) Logistic support personnel should be deployed in adequate strength concurrently with operations personnel.

(2) Tailored support packages should be developed on an austere basis for an initial stockage. Dependence upon a "push" supply system should be minimized and a "pull" supply system initiated as early as possible after initial deployment.

(3) The hundreds of thousands of items of supply that are required to support modern military forces in combat cannot be effectively and efficiently managed using a manual accounting system. Standard operating procedures and standard supply management equipment must be available for supply operations in overseas theaters as well as in CONUS. The mechanized Standard Air Force Base Supply System provided a highly effective means for the management of supplies, including the identification of local base excesses each quarter of the fiscal year.

(4) The range of depth of stock levels in combat theaters should be minimized and air resupply should be the normal method of support for all mission essential items.

(5) Adequate surface and aerial port facilities must be established as soon as possible after deployment to ensure expeditious movement of property from terminal facilities to the ultimate user. If theater stocks are to be reduced and dependence placed upon aerial resupply of critical items, adequate terminal facilities will be critical to successful operations.

6. SUMMARY OF CAUSES OF EXCESSES AND THEIR PREVENTION

a. There are two general categories of military excesses: those that are unavoidable owing to the contingencies of war and those which could be avoided or reduced. Unavoidable excesses include those caused by changes in plans, policy, type of combat operations, and changes to replace equipment made obsolete by technological change. It must be recognized that unavoidable excesses will be generated during wartime and that, regardless of the corrective action taken to prevent excesses, these unavoidable excesses will occur. On the other hand, a study of the causes of excesses that could have been avoided or reduced may provide an insight toward their prevention in the future.

b. Many of the problems discussed in other monographs of this study contributed to excesses and the recommendations from those monographs, when implemented, will tend to reduce excesses in future conflicts. These major problems contributing to excesses are summarized in this section and the significant recommendations are included, with appropriate references.

c. A synthesis of the major causes of avoidable excesses which were reported by the Services were as follows:

(1) The lack of control on the movement of supplies into Vietnam during the buildup phase of 1965 through 1966 was a major cause of excesses. The large volume of supplies moved into Vietnam during that period caused an inundation of the capability of the theater to adequately receive and store the materiel.

¹⁶Ibid

(2) The lack of a sufficient logistic base during the buildup contributed to excesses. There was a shortage of air terminals, port facilities, roads, and communications, as well as trained supply personnel, storage facilities, materials handling equipment, and computer equipment for accounting for supplies.

(3) The uncontrolled shipment of supplies, coupled with the lack of an adequate logistic base in Vietnam, led to a bottleneck in the supply system. The time required to requisition and receive materiel was lengthened because of the bottleneck. Many requirements were requisitioned several times and successive requisitions were given a higher priority to enable air delivery. The subsequent shipment of the multiple-requisitioned supplies placed an added burden on the overtaxed logistic system. This situation led to a loss of effective inventory management that was not resolved until inventories were completed, in some cases as late as 1968 and 1969, and effective automated supply accounting systems were installed by all the Services. The range and depth of stocks in Vietnam, which had been expanded to compensate for the extended order ship time, exceeded the capability of effective management; consequently, a major effort was directed toward the identification and redistribution of excesses and a reduction of inventory.

(4) The use of a "push" supply system in the initial phase of a conflict caused some of the excesses. The contents of packages of materiel pushed to Vietnam were determined using consumption rates and other planning factors that proved to be unreliable in some instances. When actual consumption was less than planned consumption, excesses were generated. However, as discussed in the Supply Management Monograph, "push" packages contributed only a small part of the total excesses identified.

(5) A lack of effective restraint on consumer requisitioning allowed a proliferation of demands for supplies and materiel that were in excess of actual requirements.

d. Corrective Action Required to Prevent Excesses in the Future

(1) Programs to identify unavoidable excesses should be initiated as early as possible in the initial phase of a conflict and continued throughout its duration. Emphasis is required on the control of and rapid retrograde of unserviceable assets that are to be repaired and returned to the supply system. An effective system for the rapid redistribution of identified excesses should be available as soon as practicable to maximize excess utilization.

(2) Each Service should have a control capability that is closely related to supply and transportation elements. The Navy and the Marine Corps have had this type of system for a prolonged period. The Air Force system is different due to direct input to their bases. However, the Army should retain its LCOP on a permanent basis at the conclusion of hostilities in Vietnam. A control capability is essential to maintain intransit control of shipments into a combat theater and to effect cancellation and frustration of shipments as required. The agency must be highly responsive to direction from the theater to prevent movement of assets no longer required, to expedite shipment of critical supplies, and to provide an interface between the theater of operations and CONUS supply sources. It must be capable of regulating the flow of supplies into the theater in accordance with the capability of the theater to receive the supplies. This agency should ensure that advance documentation of assets in transportation channels is received by the theater prior to the receipt of the materiel. An in-transit visibility of materiel in process of shipment must be available to both the shipper and the receiver of the materiel.

(3) An adequate logistics base must be established prior to or concurrent with the buildup of operations in a combat theater. A balanced force structure of combat and logistic forces are required if excesses are to be prevented. An imbalance of the force structure that is heavy in combat forces causes a workload of logistic support that the inadequate logistic forces cannot handle, and leads to a loss of effective inventory management. In some instances, the tactical situation will dictate an unbalanced force; however, when this occurs effective logistic support may be achieved but efficient logistic support will not be realized. When the tactical situation permits, an adequate logistic base should exist before a major buildup occurs. The logistic base should include air terminals, port facilities, and depot storage facilities that will allow the tonnage of materiel required (to sustain the maximum force anticipated) to be received, processed,

stored, and issued to the user. The logistic base should also include adequate trained supply personnel, materials handling equipment, and computer equipment with software for stock control.

(4) A responsive supply system must be available to reduce the order ship time for materiel and to rapidly produce critical items. A responsive supply system will tend to reduce the multiple requisitioning and subsequent overstockage which was encountered by the Services in Vietnam. By reducing the range and depth of stockage in an overseas theater, it will reduce the assets required to manage the materiel and lighten the task of efficient stock control. Existing studies show that the range and depth of stocks in overseas theaters can be reduced considerably without degradation of the effectiveness of support. With the envisioned reduction in the range and depth of theater stocks, greater reliance should be placed upon air transportation in the future, and it should be primarily reserved for rapid delivery of high priority assets that are not stocked in-theater and for critical items that are out of stock. The normal methods of computation of stockage objectives based upon a fixed quantity of demands is not satisfactory in the buildup or phaseout of a conflict. Exponential smoothing used in the computation of stockage objectives cause stocks to be too small in the buildup and too large in the phasedown.

(5) Modified "push" packages for critical supply support will be required for future combat operations. However, experience in Vietnam has shown that "push" packages should be developed on an austere basis rather than attempting to meet all requirements. "Push" packages developed for Class II, IV, and IX supplies should contain only critical fast-moving items of supply and the "pull" system should be responsive for other requirements. "Push" packages developed for Class IX, repair parts, should be equipment-oriented. All "push" packages should make maximum use of standard containers as a means of packaging and these containers should be capable of acting as temporary storage facilities in an overseas theater.

(6) Effective restraints must be placed upon the ability of the user to submit requisitions for unnecessary items and for quantities of items in excess of actual requirements. The range of stocks available for requisitioning could be limited by restricted catalogs or by theater-authorized requisitioning lists. The quantity of materiel which is requisitioned from approved lists can be controlled by financial restraints and by proper editing.

(7) All commands, organizations, and agencies requisitioning or pushing supplies into the combat area must be made aware of the importance of limiting and phasing shipments of materiel to minimize peaks in the arrival of supplies and the resultant overloading of transportation, port, and handling capabilities. In addition, overall control by the commander of a unified command is required of the movement of materiel into an area of combat operations to preclude the overwhelming of available recipient logistic facility and personnel resources. The control mechanism must provide equitable allocation of the available receipt capacity among all users, including the Agency for International Development. Development of such a control system must consider the possibility of hostile air and surface shipping environments, with the resultant surges in receipts.

7. CONCLUSIONS AND RECOMMENDATIONS

a. Conclusions

(1) More than two-thirds of the excesses identified as resulting from the Vietnam conflict have been redistributed and used for worldwide DOD requirements. Approximately one-third of these excesses, valued at \$289.8 million, have been turned over to the Property Disposal Office (paragraphs 1b and 2-5).

(2) The intensive management effort of all Services, beginning in 1967, to identify and to use or dispose of excesses has led to a considerable saving of tax dollars (paragraphs 1a and 2-5).

(3) Many of the recommendations of other monographs of the JLRB study, when implemented, will improve the efficiency and effectiveness of the DOD logistic system and thereby reduce excesses in any future conflicts (paragraph 6b).

(4) The major causes of excesses identified as resulting from the Vietnam war were:

(a) The lack of a sufficient logistic base during the buildup phase caused excesses. There was a shortage of air terminal, port, and depot facilities, trained supply personnel, materials handling equipment, and computer equipment for accounting for supplies. To reduce excesses, an adequate logistic base should exist to the extent practicable prior to major force deployments (paragraph 6c).

(b) Inadequate control of the air and surface movement of supplies into Vietnam during the buildup phase and the difficulty in frustrating unneeded supplies during shipment caused excesses. Materiel was shipped into Vietnam at a rate exceeding the capability of the logistic base to properly receive, store, and account for the materiel. Improved control of the movement of supplies into a combat theater would reduce excesses (paragraph 6c).

(c) The two factors cited above caused a loss of supply control which in many cases led to unrestricted requisitioning using high-priority requisition. Also, the lack of restraint on requisitions submitted by the user created multiple demands for materiel that exceeded actual requirements. All of these factors caused an increase in the range and depth of stocks in Vietnam which placed an added burden on the overtaxed supply system. The range and depth of stocks should be greatly reduced in a combat theater and improved controls should be required upon user requisitions to reduce excesses in future conflicts (paragraph 6c).

(d) The "push" supply system used to support Vietnam in the buildup caused some of the excesses when actual requirements did not match computed requirements. A modified "push" supply system should be used in future conflicts to reduce excesses (paragraph 6c).

(5) Some excesses are unavoidable during a conflict. Consequently, the best logistic system cannot prevent some excesses from occurring. These excesses are caused by obsolete equipment, the nature of the reaction-type war in Vietnam, and the deactivation and redeployment of units without adequate time to turn off the materiel in the pipeline (paragraph 6a).

(6) Excesses of all types, their causes, and the actions which can be taken to minimize future excesses should be identified as early as possible in a conflict to permit prompt redistribution and utilization of the excesses. An effective, efficient system for the redistribution of identified excesses should be available on a permanent basis (paragraphs 1-6).

b. Recommendations. The Board recommends that:

(EX-1) The identification of excesses be initiated as early as possible in any future conflicts, and an organization and system for the efficient, effective redistribution of excesses in overseas theaters be maintained on a permanent basis (conclusions (1)-(6)).

Most of the recommendations found in other monographs for the improvement of the logistic system will also contribute to the reduction of excesses. The most significant of these recommendations are repeated below:

(1) With respect to Personnel. In the Military Personnel Monograph, the Board recommends that:

(MP-2) The Services review selected current and proposed contingency plans and evaluate the supportive personnel policies to ensure that an adequate training and rotational base by skill category is provided.

(MP-1) Contingency planning in the Services include alternatives that provide efficient logistic manpower resources in the event that Reserve forces are not mobilized.

(2) With Respect to Facilities. In the Supply Management Monograph, the Board recommends that:

(SM-32) The Services develop methods of establishing initial essential supply storage facilities capable of being erected and outfitted in minimum time without reliance on standard construction programs. The Army's Containerized Depot—Project YZJ, the Navy's Advance Base Functional Components, the Marine Corps' Expeditionary Air Field, and the Air Force's Project CORONET BARE concept suggest methods that should be exploited and developed. A possible means of providing initial minimum essential supply storage facilities include pre-packaged mobile depots, vans, binned containers, semipermanent quick erect structures, landing matting, portable reefer units, floating storage, and rapid soil stabilization techniques. The Services should include such capabilities in planning for contingencies.

(3) With Respect to ADP Equipment. In the Automatic Data Processing Systems Monograph, the Board recommends that:

(DP-1) For contingency operations each Service have available Automatic Data Processing Systems packages compatible with the continental United States systems with which they must interface. These Automatic Data Processing Systems packages should include mobile Automatic Data Processing equipment, proven programs, data transmission equipment and trained personnel, and must be designed that they can be readily expanded to meet unforeseen requirements without major problems in translation to greater capacity. Contingency plans should provide for early deployment of an Automatic Data Processing Systems package adequate to meet forecasted in-country logistics management requirements, with a reasonable safety factor to meet unforeseen demands.

(4) With Respect to Range and Depth of Stocks. In the Supply Management Monograph, the Board recommends that:

(SM-21) All Services reduce the stockage of demand supported consumable items of materiel, including repair parts in forward operating locations, to a range of items in accordance with the following criteria:

(a) Each Service should establish stringent targets of a specific number of frequencies of demand for an item to qualify for initial stockage and retention. The targets will vary by Service, activity, type of materiel, and combat environment.

(b) During the early stages of a contingency when facilities and personnel are at best marginal, the criteria for stockage should be particularly stringent and could then be relaxed to the extent that economy and capacity to handle materiel and data warranted.

(5) With Respect to Movement Control. In the Supply Management and Transportation Monographs, the Board recommends that:

(SM-35) The Army continue to maintain Logistic Control Offices and a central logistic data bank with the capability to provide timely and pertinent logistic intelligence for worldwide overseas Army responsibility materiel movements.

(TR-9) The Joint Chiefs of Staff establish positive procedures to ensure that the commanders of unified commands determine realistic cargo reception and clearance capabilities in connection with their contingency planning, that those commanders and the Services consider those capabilities in determining the phasing of their equipment and supply requirements, and that ships not be sailed to the contingency area unless they can be unloaded expeditiously.

(6) With Respect to Maintenance. In the Maintenance Monograph, the Board recommends that:

(MT-17) Each Service develop and refine repairable control systems for selected components which will:

(a) Assure that, from the time of removal from a major end item, the location and status of each component is known at the proper management levels until the item is repaired and returned to service or condemned and dropped for disposal.

(b) Make appropriate use of air transportation for movement of repairables.

(7) With Respect to Containerization. In the Containerization Monograph, the Board recommends that:

(CN-2) The military departments exploit the use of containers by maximizing the use of containers for purposes to include:

(a) Moving unit equipment to support deployments.

(b) Prebinning of stocks when desirable to facilitate in-theater logistic operations.

(c) General cargo distribution.

(d) Temporary storage.

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CHAPTER IV WORLDWIDE EXCESSES

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1. INTRODUCTION

This chapter addresses the scope of worldwide excesses and the DOD Utilization and Disposal Program during the Vietnam era. Problem areas are identified and recommendations for improvements in the system are included.

2. SCOPE OF WORLDWIDE EXCESSES

a. Excess Reporting

(1) A knowledge of the total cumulative value of worldwide excesses generated during a fiscal year is a useful tool for measuring the efficiency of supply management. The value of these excesses, when measured against inventory value, the value of sales, or procurement value on an annual basis, provides meaningful management data. Also, the value of excesses is always of interest to Congress.

(2) The Joint Logistics Review Board (JLRB) experienced difficulty in obtaining the consistent data on worldwide excesses needed to make a thorough analysis of the true impact of excesses on the DOD logistic system. Although both DD Form 1138 (RCS 701) and DD Form 1461 (RCS 495) address total cumulative excesses, in some cases the data were inconsistent. The DD Form 1138 (RCS 701) was designed to provide an on-hand value of the DOD inventory at a point in time rather than for a period, thus the validity of data on total cumulative worldwide excesses generated during a period is questionable. The DD Form 1461 shows the total quantity of potential excesses on hand, generated, and disposed of on a quarterly basis by Inventory Control Points (ICPs). However, this report is limited to continental United States (CONUS) excesses and does not include excesses on a worldwide basis.

b. Stratification of the DOD Supply System Inventory

The status of the DOD supply system inventory is reported in terms of dollars to Congress on an annual basis.¹ The basis of this report is the DD Form 1138 (RCS 701) noted previously. Stocks are stratified into four categories in this report: approved force acquisition stocks,² retention stocks,³ potential DOD excesses,⁴ and unstratified stocks.⁵ The report

¹DOD Real and Personal Property Reports.

²Approved force acquisition stocks are those assets of the DOD supply system inventory that are allocated to the Approved Force Acquisition Objective. This is the quantity of an item authorized for peacetime acquisition to equip and sustain the U.S. Approved Force in peacetime and in wartime for the period and at the level of support prescribed by the latest logistic guidance issued by the Secretary of Defense. Stocks in this stratum held by one Service are not required to be transferred to another Service without reimbursement, but retention stocks and potential DOD excesses are subject to transfer without reimbursement. The value of aircraft, ships, and strategic missiles has been excluded.

³Retention stocks consist of Approved Force Retention Stocks (AFRS), Economic Retention Stock (ERS), and Contingency Retention Stock (CRS). AFRS are those assets allocated to the approved force retention level, which is the quantity, in addition to the Approved Force Acquisition objective, that is required to equip and sustain the approved forces from D-Day until production equals the rate at which the item is required. ERS are those stocks that are excess to the Approved Force Retention Level which are more economical to retain for future issue than to replenish by procurement. CRS are those stocks which would normally be classified as potential DOD excesses, but instead they are being retained for possible contingencies for U.S. forces.

⁴Potential DOD Excess Stock is stock that is excess to the authorized stockage levels and retention levels of DOD components. Potential DOD Excesses are screened for utilization and the balance not used becomes declared excess or surplus.

⁵Unstratified stocks are those stocks that are in transition in the hands of contractors, and other stocks that have not been stratified for any reason.

includes data from all DOD components reported on a common basis. Consequently, data from this report were selected in an attempt to analyze the stratification of the DOD supply system inventory during the Vietnam and pre-Vietnam eras. Data from these reports are shown in Figure 3. An analysis of the stratification of the DOD supply system inventory during the FY 60 through FY 69 period reveals that the total year-end value of potential excesses on hand at the end of FY 69, \$4.8 billion, was approximately 12-1/2 percent below the year-end average value of potential excesses on hand during the pre-Vietnam period, FY 60 through FY 64, \$5.4 billion. This supports two major points: that excesses are generated during peacetime as well as war-time, and that there has been some improvement in controlling the accumulation of potential excesses.

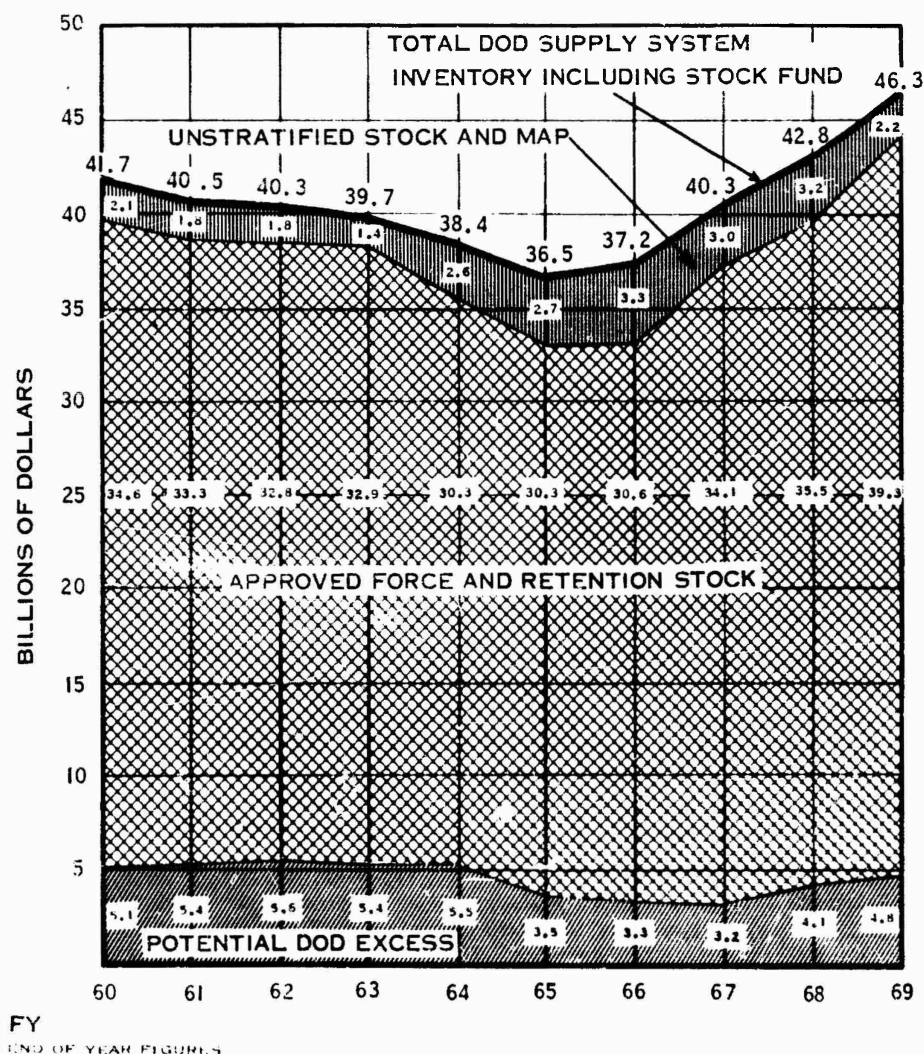


FIGURE 3. STRATIFICATION OF DOD SUPPLY SYSTEM INVENTORY INCLUDING STOCK FUND FY 60-FY 69

Source: Real and Personal Property Reports of the Department of Defense (DD FBS Series Reports).

3. TOTAL CUMULATIVE EXCESSES

Although the value of potential excesses on hand at the end of FY 69 shows some improvement over previous periods, the overall performance of DOD in the area of excesses cannot be determined from on-hand values at a point in time. Service components could be generating excesses at an increased rate and disposing of the excesses generated at an even faster rate, leaving the on-hand balance at the end of the fiscal year lower than that of previous periods. In this case it would show an improvement of the ability to utilize or to dispose of excesses, but not to prevent their generation.

4. RESULTS OF THE DOD UTILIZATION AND DISPOSAL PROGRAM, FY 64 THROUGH FY 69

a. Total Utilization and Disposal. The results of the DOD Utilization and Disposal Program during the FY 64 to FY 69 period are shown in Figure 4. A considerable portion of the materiel classified as potential excess, declared excess, or surplus by current procedures is eventually used to fill valid requirements for the Department of Defense. The total value of excesses used in the DOD Utilization Program is shown in the top area of each column in Figure 4. Figure 5 provides a breakout of the DOD Utilization Program showing the values of utilization from two sources: potential excesses from the supply system inventory and declared excesses from the Property Disposal Office (PDO). The larger part of the DOD Utilization Program comes from the recovery of declared excess and surplus out of the PDO rather than from potential excesses that are still in the supply system inventory. From a cost standpoint, it would be beneficial to maximize the utilization of potential excesses rather than to consume the excesses after they have been processed through the extensive screening of property disposal.

b. Contribution of PLUS, PURA, and MARCE. A relatively small part of the DOD Utilization Program is from the contributions of the Pacific Utilization and Redistribution Agency (PURA), Materiel Asset Redistribution Center, Europe (MARCE), and the Centralized Mechanized Screening System (PLUS) (Figure 5). Of the total utilization of potential excesses from the Inventory Control Point (ICP) supply system of \$498 million in FY 69, Project PLUS contributed only \$26 million, 5 percent of the total; PURA contributed \$155 million or 31 percent; and MARCE only \$6.6 million or 1.3 percent. The balance of 62.7 percent was used by intraservice action or direct interrogation between the Services. Improvements are needed in the utilization of potential excesses to reduce the cost of the lengthy processing of stocks through the disposal system. The current DOD organizations and procedures for the utilization of excesses have not provided the maximum efficient use of potential DOD excesses. Some of the problem areas in the current organizations and procedures are described in the following paragraphs.

5. PROBLEM AREAS OF CURRENT ORGANIZATIONS AND PROCEDURES

a. General. A review of the results of the operation of the Defense Logistic Services Center (DLSC), PURA, and MARCE reveals that they have not achieved maximum potential effectiveness in the utilization and redistribution of excesses. Problem areas were similar in the three organizations and appeared to be caused chiefly by a lack of centralized control over the worldwide DOD Utilization and Disposal Program.

b. Problem Areas in the PLUS System

(1) Examples of problem areas in the PLUS system are presented in Table 1. In a report to Congress by the GAO dated May 14, 1968, it was pointed out that the screening system had not been fully effective due to the following reasons:

(a) A lack of cooperation on the part of ICPs in providing DLSC with information of needed and available material.

(b) Data provided to DLSC by the ICPs were not always current or accurate.

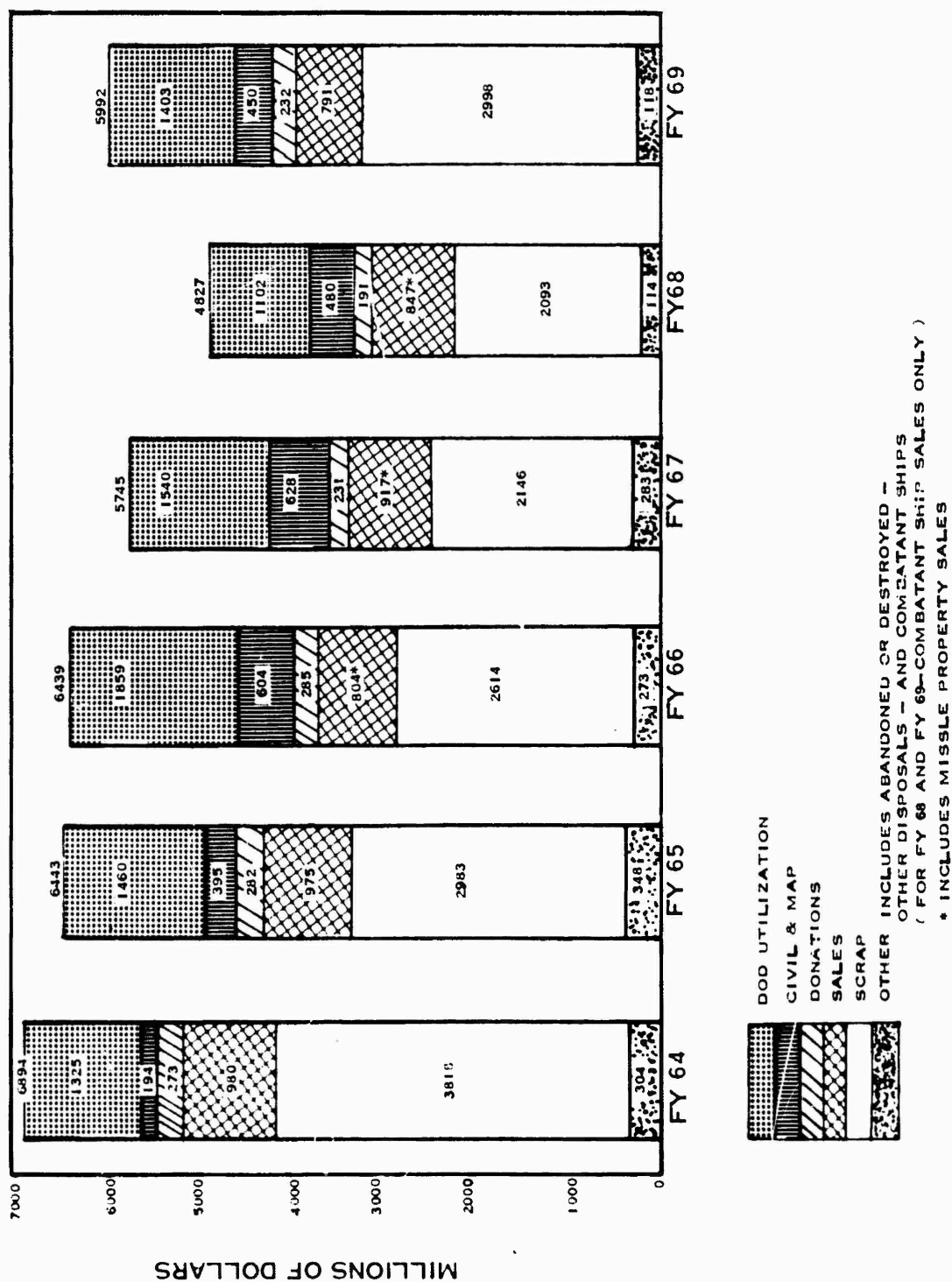


FIGURE 4. DOD UTILIZATION AND DISPOSAL PROGRAMS-TOTAL UTILIZATION AND DISPOSAL

Source: DOD Defense Industrial Plant and Equipment Center, Quarterly Reports 495 and 496.

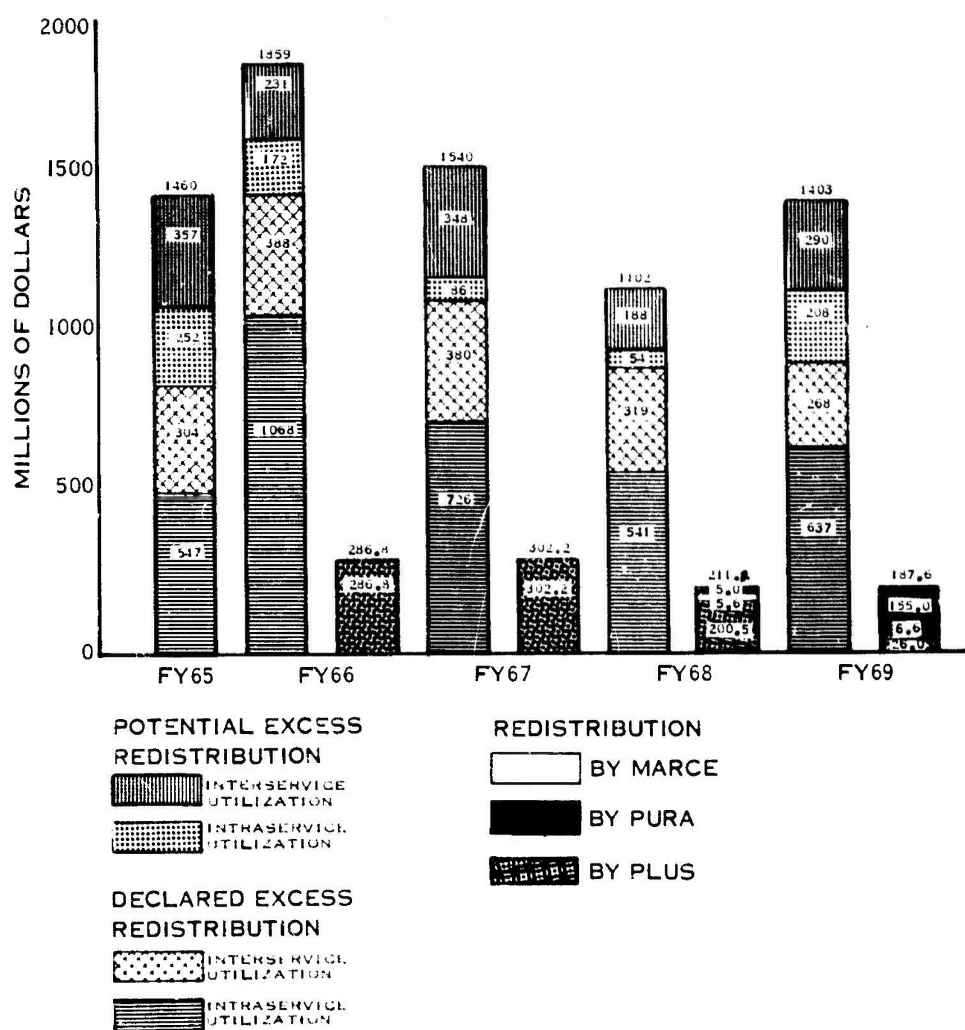


FIGURE 5. MATERIEL UTILIZATION PROGRAM

Source: Defense Supply Agency, Briefing for JLRB, 29 August 1969.

(c) DLSC lacked authority to direct Service compliance with policies and procedures.⁶

(2) Historical records of performance of the Service and DSA using the PLUS system confirm the findings of the GAO. These data are included in Table 2. The high delinquency rate on offer rejects and shipment denials was unsatisfactory for maximum utilization and customer confidence in the system. Also, the offer rejections, when compared with offers, were too high. These rates are more evident in Table 3 where they are expressed on a percent basis for overall performance of the system.

(3) A review of the PLUS program was conducted by DOD during 1969 to determine the reasons for the apparent lack of effectiveness as indicated by PLUS statistics of 31 December 1968.

⁶USDP and the JCS were involved in the finding even though they were not directly involved in the findings.

TABLE 1

SUMMARY OF PROBLEMS IN UTILIZATION OF AVAILABLE MATERIEL
IN THE DEPARTMENT OF DEFENSE

<u>PROBLEMS</u>	<u>ACTION TAKEN</u>	<u>AGENCY</u>
\$130 million in identified excess materiel not reported by Services to DLSC ¹ Records not screened to fill requirements Centralized management control over utilization procedures at ICPs limited Lack of interservice coordination Additional direction and control needed at the DOD level		All Services
Information on needed and available materiel not reported to DLSC; for example: a. \$67 of 711 excess items checked b. \$205 million of available materiel c. Requirements for 77 items d. Materiel programmed for repair in 1967	a. Transferred \$13,400 of materiel to AVCOM. b. \$59,000 of materiel requisitioned from DLSC	a. Ogden Air Materiel area (OAMA) b. Navy Aviation Supply Office c. Army Aviation Materiel Command (AVCOM) d. Marine Corps Supply Activity
GAO determined at DLSC that sufficient materiel was available for transfer to eliminate need to repair unserviceable materiel; reporting of the materiel could have resulted in the transfer of serviceable materiel valued at \$259,000 and the elimination of \$103,000 in repair costs		
Information reported by ICPs not always accurate or current \$117 million offered to DLSC by all Services in FY 66; 417 rejected or could not be shipped		DLSC and Services
Of 116 transactions tested at DLSC during 1966, 72 (or 62%) had not been completed and removed from the screening file; DSA auditors estimated that materiel reported shipped by DSA had been overstated by 75%	\$244 million removed from screening file	DLSC
AVCOM requirements reported to DLSC had been removed from the screening file	\$162,000 of materiel subsequently issued to AVCOM	DLSC
OAMA cancelled requirements because of slow response to DLSC		DLSC and OAMA
Of a sample of 374 offers by DLSC in 1966, requisitions for 60% of the items had not been issued within 60 days after the offer acceptance		DLSC and Services

¹General Accounting Office (GAO), 1969-63²GAO Report to Congress, Need for Improvement in Utilization of Available Materiel in the Department of Defense, May 14, 1965

TABLE 2
MATERIEL UTILIZATION PROGRAM

Service	FY	Avg Qtr Avail Assets Rept by Svc ICPs to DLSC	Avg Qtr Requirements Rept by Svc ICPs to DLSC	Total Offers Made to Svc by DLSC	Total Offers Rejected by Svc	Total Shpmt Denials Made by Svc	Mat Shipped by Svc	Mat Rec by Svc	Total Offer Rejects	Delinquent Offer Rejects*	Delinquent Shpmt Denials*
				\$ Millions		Percent					
Army	65			69.3						40.5	
	66	356.0	2,269.0	60.0	13.2	5.3	64.6	49.4	22.0	51.3	37.7
	67	254.0	3,390.0	53.0	19.7	4.5	82.2	70.5	37.0	49.3	35.6
	68	363.0	6,241.0	62.5	20.9	2.9	63.1	38.0	33.0	30.2	14.5
	69	671.0	10,321.0	61.1	27.8	8.3	39.0	28.3	45.0	28.5	31.4
Navy	65			96.9						74.8	
	66	610.0	2,589.0	160.5	30.0	6.6	81.0	49.8	18.9	69.7	66.8
	67	676.0	9,099.0	132.7	28.9	6.9	187.5	67.3	21.5	63.9	49.5
	68	720.0	15,540.0	112.3	28.1	9.0	74.2	61.0	25.0	54.4	60.0
	69	716.0	12,214.0	93.2	48.4	5.1	93.8	67.9	51.9	66.1	80.3
Air Force	65			81.4						41.4	
	66	3,193.0	72,274.0	164.4	59.0	36.8	47.2	83.6	35.8	52.5	63.3
	67	2,089.0	118,142.0	136.7	65.9	23.7	58.4	196.4	48.2	30.3	71.7
	68	2,404.0	98,628.0	148.2	81.1	26.4	37.7	69.3	54.7	5.5	49.5
	69	3,499.0	121,421.0	126.7	74.9	22.5	61.8	89.1	59.1	25.8	27.0
Marine Corps	65			8.3						18.6	
	66	3.0	164.0	10.9	6.3	.1	16.6	23.0	57.7	31.9	35.1
	67	24.0	174.0	9.3	5.0	.7	23.7	11.6	53.7	36.7	61.3
	68	12.0	117.0	10.4	2.8		8.7	13.5	26.9	21.5	
	69	16.0	121.0	14.6	8.5	.01	6.1	12.7	58.2	36.5	33.3

* Percent delinquency reflects offer rejects not processed by Service within 30 days, and of shipment denials not processed within 60 days.

Source: Defense Materiel Utilization and Disposal Programs, Program Administrators Progress Report, 4th Qtr., FYs 65, 66, 67, 68, and 69.

(a) In a briefing to ASD (I&L) on the results of the review, the team pointed out the following basic factors that affected the PLUS operation:

1. Unscrubbed Requirements. Machine-computed requirements were reported to DLSC without item manager review and revision; therefore, they were often overstated.

2. Gross Requirements. ICPs submitted gross requirements to DLSC. Due-ins from contracts, from procurement requests in process of award, and from retail activities were not deducted from the gross requirement figure reported to DLSC; therefore, there was a high offer-reject rate.

TABLE 3
MATERIEL UTILIZATION PROGRAM MECHANIZED SCREENING
PROGRAM REPORTING, PROJECT PLUS
(\$ Millions)

Transaction	Fiscal Year				
	1965	1966	1967	1968	1969
Offers Made	286.0	447.9	380.2	357.6	341.7
Offers Accepted	—	—	—	—	109.0
Acceptance Shipped (%)	—	—	—	—	39.9
Offers Rejected	114.7	122.8	184.9	173.1	197.4
Rate (%)	40.1	27.0	39.0	41.0	57.7
Delinquent (%)	46.4	48.0	39.0	29.9	38.0
Requisitions in Process	—	—	—	—	28.5
Shipment Denials	27.5	50.1	37.7	38.5	57.2
Delinquent (%)	53.0	58.0	59.0	50.0	41.0
Shipments Made	—	—	—	—	43.5

Source: Defense Supply Agency, Defense Materiel Utilization and Disposal Programs, Program Administrator: Progress Report, 4th Qtr., FY 65-69, Cameron Station, Alexandria, Va.

3. **Processing Lagtime.** When DLSC made an offer to an ICP with a requirement, 30 days were authorized for processing time. However, the actual processing time was generally between 60 and 90 days, and sometimes beyond 90 days.

4. **Provisioning Items.** Repair parts which were produced to support a major item new to the supply system had no demand data accumulated because it required several years for original parts to wear out. These assets were not demand supported; therefore, they were handled by a computer as retention stocks or excesses and they were reported to DLSC for redistribution. When an offer was made for these assets, the item manager rejected the offer in anticipation of future requirements for the assets.

5. **Closed Loop Problems.** Because of the inaccuracy of the previous reporting system, a closed loop procedure was implemented in FY 69. This new procedure caused delays in processing PLUS transactions.

6. **Service Emphasis.** There was a need for greater Service and ICP emphasis on the PLUS program. PLUS transactions had a relatively low priority compared with other day-to-day tasks of item managers.

7. **Resources.** All ICPs visited reported the need for additional resources, principally personnel, to process the backlog of PLUS transactions.

(b) The more significant conclusions of the OSD team were as follows:

1. PLUS could do better with more emphasis, more resources, and greater review and control at ICPs.

2. The role of DSA as program administrator for IOD should be strengthened by holding DSA responsible for the program, charging DSA with the responsibility for periodic reviews of the PLUS program at ICPs, and requiring reports on the results of the inspections to be forwarded to OSD (H&L).

3. There is a need to fully implement the DOD uniform stratification system as provided in DODI 4140.24.

4. The use of mechanized processing which has been only partially instituted must be increased.

d. Problem Areas in the PURA System

(1) A total of \$764 million of excesses was reported to PURA during the period 1 April 1968 through 31 August 1969. As of 31 August 1969, PURA had directed the redistribution of excesses valued at \$106 million. Of the balance, approximately \$544 million had been released to the owning Services for normal excessing action, and approximately \$114 million was still in processing of screening.⁷ The effectiveness of the PURA program can be measured by a comparison of the value of referrals, \$106 million, to the total excesses nominated, \$764 million, less the value of assets in process of screening, \$114 million. This indicates that only 16.3 percent of the assets reported to PURA are redistributed through the PURA system.

(2) A tentative review of findings by the GAO reported on the PURA operation during 1969 indicated that many of the problem areas found in the PLUS system were also prevalent in the PURA system.⁸ Some of the significant findings are listed below:

(a) PURA's reported accomplishments may have been overstated because they were based on directed shipments or referrals, rather than actual shipments. It was found that denied referrals ranged from 27 percent to as high as 70 percent.

(b) There appeared to be a need for better management control in PURA. It should be independent of the Services and should concentrate upon interservice support rather than intraservice support.

(c) PURA's response time in providing status on requisitions was excessive. This fact, combined with the high rate of requisition cancellations, discouraged the use of PURA as a source of supply.

(d) Although PURA objectives called for Military Assistance Program (MAP) participation in Pacific Command (PACOM) excesses, MAP was not a PURA participant because it was procedurally incompatible.

(e) Financial restraints limited PURA's potential for redistribution of assets.

(f) Some Services were not requisitioning against PURA assets to fill requirements. This was due to the necessity of manually screening available assets against requirements. In other cases, the Services were not reporting all reportable assets to PURA for redistribution.

(3) A problem area reported to the JLRB by the Commander in Chief, Pacific (CINCPAC) was the "interface of automated systems among the Services with CONUS agencies involved. Despite a standard MILSTRIP System, Service implementation is not standardized in all cases to permit online handling of a large volume of transactions. Further, centralized systems designed and programmed by an agency of the Military Departments complicates the unified commanders role in attaining systems compatibility."⁹

⁷Department of the Army, Assistant Deputy Chief of Staff for Logistics (Supply and Maintenance) Briefing to the JLRB, subject: Project for Utilization and Redistribution of Material in the Pacific Area (PUPMA), Washington, D.C., p. 10, 1969.

⁸Comptroller General of the United States, Budget and General Accounting Office Report, No. 70-10, subject: Project for Utilization and Redistribution of Material in the Pacific, Washington, D.C., pp. 1-3, November 1969.

⁹Headquarters, Commander in Chief, Pacific, 141st, Final Paper, subject: Redistribution of Material Within a Unified Command, Honolulu, Hawaii, 1969, 1 September 1969.

(4) Other problem areas with the PURA system which were reported by CINCPAC are listed below:¹⁰

- (a) The current screening time of 240 days was excessive and nonresponsive.
- (b) PURA was not in the requisitioning chain with CONUS. This necessitated a manual challenge procedure to ensure that materiel to be shipped from CONUS was not then available in PACOM.
- (c) The use of FEXs, SIRs, and the review of availability files caused procedural problems because they were non-MILSTRIP procedures.
- (d) The past and present funding policy caused continuous problems.

6. NEW DEVELOPMENTS

a. Problem areas in the PURA system led CINCPAC to propose that new procedures for PURA be implemented to reduce screening times and increase reutilization rates. After receiving Service comments on the proposal the ASD (I&L) decided that, while the concept represented an improvement over the present system, it was by no means an optimum system under which overseas excesses, wherever they might develop, could be dealt with directly and promptly to ensure maximum materiel utilization. It was also concluded that the proposed system was not compatible with the Services' emerging materiel management systems and could not be implemented prior to January 1972.

b. The ASD (I&L) did, however, conclude that the redistribution and utilization of PACOM excesses was a problem which needed to be dealt with immediately as opposed to a long-range program. In a 4 February 1970 memorandum he directed the Services to effect improvements in the present PURA system (referred to as Quick Fix PURA) in the following areas:¹¹

(1) "Improved supply discipline, full use of PURA, and compliance with its procedures by all military services. This is an urgent matter for command attention. If every activity in PACOM would report its excess assets to PURA promptly and would make every effort to utilize all offers made by PURA, it is believed reutilization rates would climb markedly.

(2) "Reduced Screening Times. Present time frames are unnecessarily extended and can be shortened significantly by (1) prompt action by CONUS ICPs in providing prompt and complete disposition instructions to the holding activities when requested, and (2) an expedited and concurrent Defense Logistics Services Center (DLSC) screening of assets reported as excess to ICP needs.

(3) "Additional Peripheral ADPE. PURA operating personnel have indicated that with minor ADPE augmentation the cycle at PURA could be expedited significantly and volume expanded. Such augmentation, if promptly and fully identified can probably be made available from existing Defense assets.

(4) "Closed Loop Reporting. It is essential to establish closed loop reporting to determine the effectiveness of system operations."

c. A joint working group under the leadership of ASD (I&L) developed a proposed method of accomplishing "Quick-Fix" PURA. Following Service review and incorporation of most Service suggestions PURA "Quick-Fix" Concurrent Screening Procedures were published on 29 April 1970 (see Appendix A). These new procedures are presently scheduled for implementation on 1 October 1970.

¹⁰ Headquarters, Commander in Chief, Pacific, Logistics Branching (PUBA) for the JTRB, Hawaii, p. 8, 15-18, October 1969.

¹¹ Assistant Secretary of Defense (ASD) Memorandum, subject: CINCPAC Joint PURA Redesign Study, 11 February 1970.

(1) When commenting on CINCPAC's proposed changes to PURA, the Army recommended that DSA initiate a study to ascertain the feasibility of CONUS ICPs/DLSC assuming the present functions of PURA. ASD (I&L) considered the proposal sound and directed that DSA take the lead in developing and recommending an optimum system for dealing with overseas excesses, which would be capable of implementation by 1 January 1972 and compatible with Services' emerging materiel management systems.

(2) The joint study group developed a concept in accordance with the ASD (I&L) guidance, which was presented to the Services and DSA. The unanimous position of the Services and DSA was that this proposed concept would be incompatible with emerging materiel management systems. An alternative concept was developed by the study group which will provide centralized screening of worldwide excesses at one location (DLSC), thereby eliminating the requirement for PURA and MARCE (see Appendix B). The Services, DSA, and GSA have concurred in the basic concept with the understanding that the operating procedures will have formal Service agency staffing prior to final approval.

7. CONCLUSIONS AND RECOMMENDATIONS

a. Conclusions

(1) Point-in-time figures on total excesses on hand do not provide an adequate yardstick for measuring Service performance in the prevention and management of excesses (paragraphs 2 and 3).

(2) Consistent data on cumulative worldwide excess by Service is not currently available (paragraph 2).

(3) Worldwide excesses, both potential and declared, should be reported by each Service, using consistent reporting criteria that will allow meaningful analysis of data collected (paragraph 2).

(4) Utilization and disposition of excesses is accomplished by direct interrogation between ICPs and by three separate organizations, DLSC, PURA, and MARCE (paragraph 4).

(5) DLSC, PURA, and MARCE have not achieved maximum potential effectiveness in the utilization and distribution of excesses (paragraph 5).

(6) DLSC, PURA, and MARCE have major differences in their operational procedures and both DLSC and PURA have significant problems with current operations (paragraph 5).

(7) ASD (I&L) has recognized the problem with PURA and directed a study for ICPs DLSC to assume the functions of PURA by 1 January 1972 (paragraph 6).

(8) The joint study group proposed screening system for overseas excesses (see Appendix B) would standardize and centralize the excess screening process and should eliminate many of the problems with the current system and improve utilization of worldwide excess materiel (paragraph 6).

(9) Excesses are generated both in peacetime and wartime; therefore, a permanent system for the utilization and disposition of excesses is warranted (paragraphs 2 and 6).

b. Recommendations. The Board recommends that:

(EX-2) The administrator for the Defense Materiel Utilization Program, Director, Defense Supply Agency, in coordination with the Services, review current excess reporting systems and recommend a reporting system that will provide comparable data in a single report showing by Service worldwide excesses, both potential and declared (conclusions (1), (2), and (3)).

EXCESSES

(EX-3) The Assistant Secretary of Defense (Installations and Logistics) approve the concept of a single worldwide excess screening activity under the control of the Defense Supply Agency. The Defense Supply Agency should be charged to develop, in close coordination with the Services, standard systems and procedures required to implement this concept (conclusions (4), (5), (6), (7), (8), and (9)).

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CHAPTER V
SUMMARY

CHAPTER V SUMMARY

1. OVERVIEW

a. In large-scale military operations, the cessation of hostilities or phase-back of operations has always resulted in large quantities of materiel being left over and created the problems of making the best use of this materiel from the points of view of readiness and economy. During the Vietnam conflict, the Department of Defense has given intensive attention to the identification of quantities excess to immediate needs while the conflict has been in process, and to the redistribution or expeditious disposal of these excesses.

b. Some excesses are unavoidable. Some result from reasonable prudence in providing for possible emergencies. Others are, to a large degree, avoidable. The importance of reducing the latter to a minimum has been forcibly brought out by experiences in the Vietnam conflict, and goes beyond cost reduction and effective use of assets. The delivery of unnecessary materiel to a combat area, with its handling and storage, saturates logistic capabilities and degrades the effectiveness and efficiency with which important needs of the operating forces are fulfilled — particularly in the initial stages of the conflict.

c. The goal of the Department of Defense has been to reduce avoidable excesses to the minimum and to have logistic systems in being that provide for the early identification of all potential excesses, maximum redistribution of potential excess materiel to satisfy other Department of Defense requirements, and the expeditious disposal of excesses that are not required by the Department of Defense. Since the Korean War, substantial efforts have been made to increase the utilization of excess materiel. In 1962 the Defense Logistics Service Center, part of the Defense Supply Agency, was tasked with a project, Procedures for Long Supply Asset Utilization and Screening (PLUS), designed to more effectively determine the status of materiel at Inventory Control Points which was available for transfer to satisfy requirements of other Inventory Control Points. In effect, the Defense Logistics Service Center serves as the final clearing house for the utilization and redistribution of excesses to components of the Department of Defense. It is noteworthy, however, that the bulk of utilization and redistribution of excess materiel is accomplished between the Services by direct interrogation. In addition to the Defense Logistics Service Center, there are two other organizations now charged by the Secretary of Defense with the utilization and disposition of excesses in geographic areas, the Pacific Utilization and Redistribution Agency and the Materiel Assets Redistribution Center, Europe (MARCE). The Pacific Utilization and Redistribution Agency is operated by the Army to process excesses in the Western Pacific, and the Materiel Assets Redistribution Center, Europe, is operated by the Air Force for the redistribution of excesses in Europe.

d. The Services have identified more than \$1 billion of excess materiel in the Western Pacific as a result of the Vietnam War, of which more than two-thirds has been redistributed to meet valid Department of Defense requirements.

e. Substantial quantities of materiel excess to the operating requirements were introduced into Vietnam and the Western Pacific area early in the war. Some of this materiel was shipped to Vietnam with units during early deployments; however, most of the excesses were sent to Vietnam via the "push" or "pull" supply systems of the Services. During late 1967 as the buildup was nearing completion, excesses began to attract serious attention. For the first time in the history of United States warfare, extensive management programs were undertaken during open conflict to purify stockage levels; to identify, redistribute, or retrograde excess stocks; and to cancel or frustrate scheduled shipments of cargo.

f. The Joint Logistics Review Board experienced difficulty in identifying the total cumulative value of potential excess materiel generated on a worldwide basis during the Vietnam era. Two reports have been identified that provide information on the status of potential excesses.

These are the Report of Utilization Transfers of Supply System Stocks (DD Form 1461) and the Changes in Appropriation Financed Inventories (DD Form 1138) report. Neither of the reports provides top-level management with information that is consistent among or within the Services on the annual cumulative value and disposition of worldwide potential excesses.

g. At present immediate attention is being focused on the utilization and redistribution of assets in the Western Pacific area by the Pacific Utilization and Redistribution Agency. Measures are being taken to improve the present Pacific Utilization and Redistribution Agency system to ensure its full use and compliance with its procedures by all military services, to reduce screening times, to provide additional peripheral automatic data processing equipment, and to establish closed loop reporting. In addition, under the guidance of the Assistant Secretary of Defense (Installations and Logistics), a long-range concept of centralized screening of worldwide excesses at one location is being explored, which may result in eliminating the requirements for both the Pacific Utilization and Redistribution Agency and the Materiel Assets Redistribution Center, Europe. The balance of this chapter summarizes the major lessons learned through the Board's review of the causes of Vietnam excesses and worldwide screening processes, and lists the recommendations developed within the monograph.

2. VIETNAM EXCESSES

a. Lessons Learned

(1) The Vietnam experience has indicated that the majority of the materiel that becomes excess to the intended user can be redistributed to satisfy valid DOD requirements. Less than one-third of the potential excesses identified thus far as a result of the Vietnam War have been reported to property disposal officers.

(2) Some excesses are unavoidable during a war. Consequently, the best logistic system cannot prevent some excesses from occurring. Examples of the causes of this type of excess are obsolescence of equipment, the nature of the reaction-type of war in Vietnam, and the inactivation and redeployment of units without adequate time to turn off the materiel in the pipeline.

(3) Early identification of potential excesses and an effective utilization screening system are essential to controlling the accumulation of excesses in overseas areas. The intensive management effort of all Services, starting in 1967, to identify and to use or to dispose of excesses resulted in a considerable savings of tax dollars.

(4) Inadequate control of the movement of supplies into Vietnam during the buildup phase and the difficulty in frustrating unneeded supplies during shipment contributed to excesses. Materiel was shipped into Vietnam at a rate exceeding the capability of the logistic base to properly receive, store, and account for the materiel. Improved control of the movement of supplies into a combat theater would reduce excesses.

(5) The lack of a sufficient logistic base during the buildup phase contributed to excesses. In Vietnam many excesses were caused by a shortage of air terminal port and depot facilities, trained supply personnel, materials handling equipment, and computer equipment for accounting for supplies.

(6) Inadequate restraints on requisitions submitted by users created multiple demands for materiel that exceeded actual requirements. It also contributed to an increase in range and depth of stocks in-theater which further complicated control procedures and led to the accumulation of excess materiel.

b. Recommendations

(1) Many of the above lessons learned support recommendations found in other monographs of the Joint Logistics Review Board report and will contribute to the reduction and improved management of excess materiel. Those recommendations that will have the most significant impact on reductions of excesses relate to:

- (a) Providing prefabricated storage facilities (Supply Management Monograph, Chapter VIII).
- (b) Introducing early, mobile automatic data processing equipment adequate for the management workload (Automatic Data Processing Systems Monograph, Chapter IV).
- (c) Reducing range and depth of theater stocks (Supply Management Monograph, Chapter VII).
- (d) Regulating the input of cargo to that within reasonable reception capability (Supply Management Monograph, Chapter VII).
- (e) Maintaining a logistic control office by the Army (Supply Management Monograph, Chapter VII).
- (f) Minimizing requirements for maintenance in-theater (Maintenance Monograph, Chapter XIII).
- (g) Exploiting containerization (Containerization Monograph, Chapter II).

(2) In addition to the recommendations developed in other monographs that will serve to reduce the excess problem, the Joint Logistics Review Board recommends that:

(EX-1) The identification of excesses be initiated as early as possible in any future conflicts, and an organization and system for the efficient, effective redistribution of excesses in overseas theaters be maintained on a permanent basis.

3. WORLDWIDE EXCESSES

a. Lessons Learned

(1) The excess reporting systems used during the Vietnam War did not provide valid information on the annual cumulative value of potential excesses on a worldwide basis. Such information would be a useful tool for measuring the efficiency of supply management. The value of these excesses, when measured against the value of inventory, sales, and procurement on an annual basis, would provide meaningful data related to the efficiency of supply management.

(2) The overall performance of the Department of Defense in the area of excesses cannot be determined from existing reports on potential excesses. One report does provide the on-hand values of potential excesses at the end of each fiscal year; however, Service components could be generating excesses at an increased rate and disposing of the excesses generated at an even faster rate, leaving the on-hand balance at the end of the fiscal year lower than that of previous periods. In this case it would show an improvement of the ability to utilize or to dispose of excesses, but not to prevent their generation.

(3) The materiel utilization systems in existence during the Vietnam War have not provided maximum redistribution of potential excesses. A centrally coordinated screening system using standardized procedures is required to eliminate many of the current problems and improve utilization of worldwide excess materiel on a timely basis.

b. Recommendations

(EX-2) The administrator for the Defense Materiel Utilization Program, Director, Defense Supply Agency, in coordination with the Services, review current excess reporting systems and recommend a reporting system that will provide comparable data in a single report showing by Service worldwide excesses, both potential and declared.

EXCESSES

(EX-3) The Assistant Secretary of Defense (Installations and Logistics) (ASD (I&L)) approve the concept of a single worldwide excess screening activity under the control of the Defense Supply Agency. The Defense Supply Agency should be charged to develop, in close coordination with the Services, standard systems and procedures required to implement this concept.

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APPENDIX A
PACIFIC UTILIZATION AND REDISTRIBUTION
AGENCY "QUICK-FIX" CONCURRENT
SCREENING PROCEDURES

APPENDIX A

PACIFIC UTILIZATION AND REDISTRIBUTION AGENCY "QUICK-FIX" CONCURRENT SCREENING PROCEDURES¹

1. Upon determination of excess material with an extended value of \$50 or more, the reporting/holding activity will prepare and transmit FTR cards to PURA and the CONUS ICP concurrently, through the DAAS, utilizing the same document number on both documents. The document will contain the DODAAD code of the reporting activity in card columns 30-35 of the document number and the DODAAD code of PURA in card columns 45-50.
2. The CONUS ICP will determine disposition and provide the DAAS with a reply within 30 days.
3. The DAAS will edit the FTRs from the CONUS ICP and perform the following actions:
 - a. Create an image of the FTR and transmit this image to DLSC for DOD excess screening if the FTR designates ICP excess (CNE) and the extended value is above \$500.
 - b. Forward copies of the FTR to the activity indicated in card column 30-35 and to PURA, thus closing the loop and providing PURA with knowledge of ICP decision.
4. DLSC will receive the FTR from DAAS and accomplish the following actions within 60 days:
 - a. Perform a one-time screening of the PLUS Program. Matches and offers resulting from this screening will be processed in accordance with the Defense Disposal Manual (DOD 4160.21-M).
 - b. Develop, print and distribute a listing of the reported items utilizing two variations:
 - (1) Those items with a complete description;
 - (2) Those items with a Type 2 description.
 - c. Distribution of the listing will be accomplished in accordance with DOD 4160.21-M.

Since the DLSC responsibility ends with the distribution of the listing, an Automatic Release Date will be established by PURA for those items transmitted to DLSC. This date will be 60 days after the action date indicated on the FTR.

5. The PURA system will accommodate both requisitions and FTRs, and will accumulate statistics relative to disposition of excesses in its sphere of operations. The PURA will always be the recipient of requisitions resulting from the DLSC effort. At the end of the necessary screening period, PURA will notify the reporting activity to transfer to the PDO.
6. The reporting activity will conform with the direction provided upon receipt of a release card from PURA. Follow-ups will be submitted (via DAAS) by the reporting activities when FTRs have not been received within 45 days from date of the FTR submission. Replies to follow-ups will be processed in the normal manner with copies to both PURA and the DODAAD.

¹ Excerpt from Assistant Secretary of Defense (ILC), Memorandum, 19 April 1970, subject: PURA Reduced Screening Time, Incl 1.

EXCESSES

7. Quantities of assets redistributed during the PURA screening period which had been directed to be returned with credit by CONUS IMs will be cancelled (FTC), and remaining quantities reinstated through normal customer-returns procedures.
8. Assets remaining subsequent to the PURA/CONUS ICP/DLSC screening will be offered to eligible recipients for transfer/donation in accordance with existing regulations. Assets remaining subsequent to this screening will be transferred to the PDO and will become eligible for immediate sale subsequent to the screening period established in accordance with Part II, Chapter V, DOD 4160.21-M. Residual excesses will be identified by the supply activity prior to turn-in to the PDO to preclude the PDO activity from reporting the items to DLSC.



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APPENDIX B
ALTERNATE PROPOSED SCREENING SYSTEM
FOR OVERSEAS EXCESSES

APPENDIX B

ALTERNATE PROPOSED SCREENING SYSTEM FOR OVERSEAS EXCESSES¹

"Actions listed under each number correspond to the numbered activities on the attached drawing. These actions depict a proposed alternate concept for a centralized screening system for overseas excess. Service/Agency representatives in conference on 21 May 1970 agreed that this proposed concept would be compatible with emerging materiel management systems.

1. Overseas Supply Activities (SUPAC) will:

- a. Prepare FTX Report of Excess and transmit to DAAS.
- b. Prepare DD Form 1348 for required materiel and transmit to DAAS.
- c. Make shipments as directed by DLSC/ICP.
- d. Prepare and transmit status as required.
- e. Transfer residue to PDO.

2. DAAS will:

- a. Route FTX to DLSC and route duplicate FTX to appropriate wholesale manager.
- b. Mark FIIN file to indicate asset report to DLSC.
- c. Route requisitions 01-08 and 09-20 requisitions for unmarked FIINs to appropriate ICP.
- d. Route 09-20 requisitions for marked FIINs to DLSC.

3. ICP will:

- a. Process FTX record and transmit decision to DLSC by FTR.
- b. Perform appropriate supply action on requisitions received through DAAS and DLSC.
- c. React to FTC and demand data from DLSC.

4. DLSC will:

- a. Screen FTX and requisitions through a geographical matrix and transmit MROs to overseas activities.
- b. After 30 days theater priority transmit ICP FTRs to overseas activities for materiel returns to ICPs.
- c. Issue high value flyers and special listings to appropriate activities.

¹ Defense Supply Agency Memorandum, (DSAH-SID), for Assistant Secretary of Defense (1641), 6 June 1970, subject: Proposed Screening System for Overseas Excess, Encl 1

EXCESSES

- d. Transmit FTR (CNE Dispose) for residue after 90 days to overseas activity.
 - e. Transmit FTC and demand data to ICP.
 - f. Receive ship status and denials and react to develop closed loop statistics.
 - g. Advise DAAS to revise marks in FIIN file as appropriate.
 - h. Receive requisitions and transmit MROs to overseas activities for materiel for MAP, AID, PPTI.
 - i. Receive requisitions and transmit MROs to overseas PDOs for materiel for other Federal Agencies and donees (GSA).
5. Activities authorized unfunded issues will forward all requests and requisitions for excess materiel located overseas to DLSC.
6. Overseas PDOs will:
- a. Receive screened materiel for disposal without further CONUS screening.
 - b. Ship materiel as directed by DLSC to fill unfunded requests by other Federal Agencies and donees."

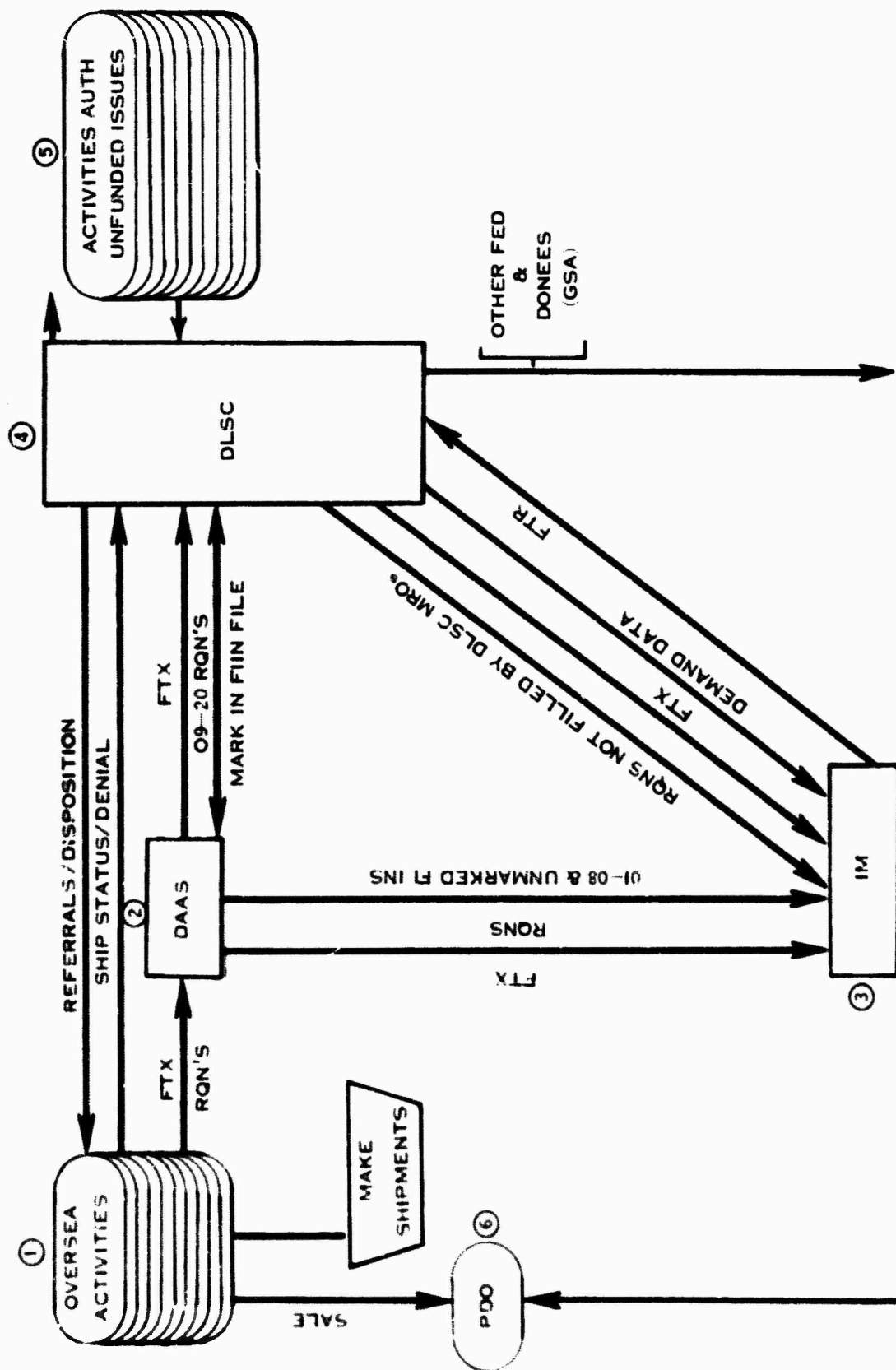


FIGURE B-1. PROPOSED CENTRALIZED UTILIZATION REDISTRIBUTION AGENCY

Source: Defense Supply Agency, Memorandum, (DSAH-SID), N ASD (I&I), subject: Proposed Screening System for Overseas Excesses, Incl. 1, 6 June 1970.

APPENDIX C
LIST OF ACRONYMS AND ABBREVIATIONS

APPENDIX C

LIST OF ACRONYMS AND ABBREVIATIONS

AJCSLOG (S&M)	Assistant Deputy Chief of Staff for Logistics (Supply and Maintenance)
ADP	Automatic Data Processing
ADPE	Automatic Data Processing Equipment
AFSSC	Armed Forces Supply Support Center
AID	Agency for International Development
AMA	Air Materiel Area
ASD (I&L)	Assistant Secretary of Defense (Installations and Logistics)
AVCOM	Army Aviation Materiel Command
CINCPAC	Commander in Chief, Pacific
CIV	Civilian
CONUS	Continental United States
CRS	Contingency Retention Stocks
DAAS	Defense Auto-Addresser System
DLSC	Defense Logistics Services Center
DOD	Department of Defense
DODAAD	Department of Defense Activity Address Directory
DODI	Department of Defense Instructions
DSA	Defense Supply Agency
DSU	Direct Support Unit
EOQ	Economic Order Quantity
ERS	Economic Retention Stock
FED	Federal
FEX	Foreign Excess
FIIN	Federal Item Identification Number
FLC	Foreign Logistic Command

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FLG	Force Logistic Group
FSN	Federal Stock Number
FSR	Force Service Regiment
FTC	Customers' Cancellation of Reported Excess
FTE	Customers' Report of Excess Materiel
FTR	Reply to Customers' Report of Excess
FY	Fiscal Year
GAO	General Accounting Office
GSA	General Services Administration
GSU	General Support Unit
ICP	Inventory Control Point
I CTZ	First Corps Tactical Zone
IM	Item Manager
INTER	Interservice Screening
INTRA	Intraservice Screening
ISSL	Initial Spares Support List
ISSP	Interservice Supply Support Program
JCS	Joint Chiefs of Staff
JLRB	Joint Logistics Review Board
LCO	Logistics Control Office
LCOP	Logistics Control Office-Pacific
LOG COMD	Logistical Command
MAP	Military Assistance Program
MARCE	Materiel Asset Redistribution Center, Europe
MHE	Materials Handling Equipment
MILSTAMP	Military Standard Transportation and Movement Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MRO	Materiel Release Order
NSA	Naval Support Activity
OOAMA	Ogden Air Materiel Area

EXCESSES

OSA	Overseas Supply Agency
OSD	Office of the Secretary of Defense
PACAF	Pacific Air Force
PACOM	Pacific Command
PARC	Pacific Air Force Asset Redistribution Center
PDO	Property Disposal Office
PLUS	Procedures for Long Supply Asset Utilization and Screening
PURA	Pacific Utilization and Redistribution Agency
PURM	Program for the Utilization and Redistribution of Excess Materiel in the Pacific Area
RASS	Rapid Area Supply Support
RCS	Report Control Symbol
REQN	Requisition
SE	Southeast
SIR	Service Interest Report
TDY	Temporary Duty
USAMC	U.S. Army Materiel Command
WAA	War Assets Administration
WESTPAC	Western Pacific

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APPENDIX D
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