THE ARMED FORCES SUPPLY SUPPORT CENTER

17 December 1959

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INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

Brigadier General Irvin L. Allen, USA, Deputy Director of the recently created Armed Forces Supply Support Center, was born in Cadiz, Kentucky, in 1907. After graduation from the University of Kentucky in 1929, he was a claims examiner and claims manager for Liberty Mutual Insurance Company until he entered on active duty in 1941. His wartime service included duty with Allied Force Headquarters in Africa and Southern Europe from 1943 until 1945. He served a postwar tour in Germany under the Director of Logistics, EUCOM. After attendance at the UK Joint Services Staff College (1950) and ICAF (1954-55) he became Director of the Army Supply Management Course, Fort Lee, and later the first Commandant of the USA Logistics Management Center. Following a tour of duty as Senior Advisor to the Second Korean Army, he returned to the Office of the Deputy Chief of Staff for Logistics, DA, and then to his present position. This is his first lecture at the Industrial College.

THE ARMED FORCES SUPPLY SUPPORT CENTER

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GENERAL HOUSEMAN: Prior speakers on this platform have mentioned the various efforts on the part of the Department of Defense to integrate or coordinate more actively the various logistical functions and activities of the military departments.

This morning we are going to discuss one of these specific activities. Here is a new agency; it is only 18 months old. It is called the Armed Forces Supply Support Center, and it is under the direct supervision of the Assistant Secretary of Defense for Supply and Logistics.

The Deputy Director of that organization is here with us this morning. He is a graduate of this institution--if I may call this again an institution. He has had a variety of responsible logistical jobs, both here and overseas.

We are most happy to have with us this morning this individual who is quite familiar to us, and he will talk to us in more detail about his organization. He is Brigadier General Irvin L. Allen, United States Army. General Allen.

GENERAL ALLEN: It is a pleasure to return to these hallowed halls and to practice the results of my public speaking course here. I came over yesterday afternoon to use the auditorium to run some slides and found it occupied most of the afternoon by people who were practicing OP's. So I presume that they must be taking a few of the courses of instruction that were given when I was here.

Today I would like to talk to you about the "Armed Forces Supply Support Center" and to tell you something of its organization, its functions, its purposes, and some of the background which led to its establishment.

In October 1957 Mr. Wilson, then the Secretary of Defense, directed that the Department of Defense undertake a comprehensive study of what improvements in the management of materiel had been effected, what needed to be done, to take a critical look at those things which had been done, and to plan ahead on further steps to integrate our supply and logistics systems.

I would like to give you, just as a refresher, a quick listing of some of the major steps that have been taken over the last 10 to 12 years to improve our system.

Chart 1, page 3.--On this chart are nine of those steps:

First, single-department procurement, by which one department, through its procurement system, buys all of a particular class of commodities for all the other departments.

Second, a Plant Cognizance Program, which is really part of the coordinated procurement program--single-department procurement and plant cognizance. In the plant cognizance, one department is responsible for procurement, inspection, contracting, and various other functions of each plant so that the contractor deals with only one service at that particular plant.

Third, the Federal Cataloging Program, which I will discuss in more detail later.

Fourth, the Defense Standardization Program.

Fifth, in 1949 there was Public Law 216, which is really the basis for the control which the Comptroller has in the Department of Defense. It established the necessity for financial as well as item accounting in the Department of Defense.

Sixth, there is Public Law 152 of 1949, which established GSA as a common supply service for Government agencies.

Seventh, in 1956 the Single Managers were created. They really started about two years before, but didn't become functional until about 1956. There are four, as you know, in the supply field.

Eighth, the Excess Screening Program, under which one agency is responsible that all of our property is screened against military requirements before it is disposed of.

Ninth, there is the Interservice Supply Support Program, which started in 1955 by an agreement between the supply managers of the four military services. This is where services or supplies of each department are made available to other departments with or without reimbursement.

CHART 1

MAJOR STEPS TO IMPROVE DEFENSE MATERIAL MANAGEMENT

1. SINGLE DEPARTMENT PROCUREMENT
2. PLANT COGNIZANCE PROGRAM
3. FEDERAL CATALOGING PROGRAM
4. DEFENSE STANDARDIZATION PROGRAM
5. PUBLIC LAW 216 OF 1949
6. PUBLIC LAW 152 OF 1949
7. SINGLE MANAGERS
8. EXCESS SCREENING PROGRAM
9. INTERSERVICE SUPPLY SUPPORT PROGRAM

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These are some of the things that have been done in the last 10 years to improve our supply system.

We also had a succession of organizational changes. You remember the Munitions Board and then the Defense Supply Management organization, and the 1953 reorganization of the Department of Defense in which additional assistant secretaries were created in the Department of Defense with additional functions.

Then, of course, in 1958 there was the reorganization which increased the stature of the Joint Chiefs of Staff and gave the operational control of the unified overseas commanders to the Secretary of Defense rather than to the departments. Those things have an impact on our logistics system.

As a result of the directive of Mr. Wilson, the logistics system study project was organized in the fall of 1957. The members submitted their report to the Deputy Secretary of Defense in February of 1958. Among other things, it recommended that an Armed Forces supply agency be established, which would have the functions of cataloging, standardization, redistribution, simplification, and operation and analysis of some of these common areas across the three departments.

This agency would operate under a council, which would be composed of the principal military logistics officers of the four military services. It was thought that this organization would be responsive to the needs of the military services as well as be able to implement actions which might be recommended. It was finally called the "Armed Force Supply Support Center." It was established by DOD Directive on 23 June 1958, and it was formally established and activated on 14 July 1958. We took the personnel and the functions of the Cataloging Division which was in OSD, the Standardization Division in OSD, the Materiel Utilization outfit which was in BuSandA of the Navy, and we recruited personnel to form an Analysis Staff, which is headed by Colonel De Luca of the USAF.

Chart 2, page 5.--On this next chart are the purposes and the objectives of the Center.

First, it is to provide the most effective and economical administration of certain common supply functions. Those are primarily the cataloging, standardization, and utilization programs.

CHART 2

PURPOSES AND OBJECTIVES OF AFSSC

1. TO PROVIDE THE MOST EFFECTIVE AND ECONOMICAL ADMINISTRATION OF CERTAIN COMMON SUPPLY FUNCTIONS.

2. TO PROMOTE AND COORDINATE INTEGRATED SUPPLY MANAGEMENT OF COMMON MATERIEL.

3. TO DEVELOP MEANS FOR THE ELIMINATION OF INCONSISTENCY, DUPLICATION AND OVERLAPPING.

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Second and Third, it is to promote and coordinate integrated supply management of common materiel and to develop a means for the elimination of inconsistencies, duplication, and overlapping.

Primarily these are things which result from the studies made by the Analysis Staff.

Chart 3, page 7.--The functions are to administer the cataloging program, the standardization program, and materiel utilization program, and to conduct the analysis of various study areas when approved by the Council.

Chart 4, page 8.--On this chart is shown the organization of the Center. The Chairman of the Council is the Deputy Assistant Secretary of Defense (S&L), Mr. Philip A. LeBoutillier, Jr. The Army member is General Hansen, who is the Director of Supply Operations. The Navy member is Admiral Boundy, Chief of BuSandA. The Marine Corps member is General Gulick, with his alternate Brigadier General Chester Allen designated to be the next Quartermaster General of the Marine Corps. The Air Force member is General Senter, who is General Bradley's Deputy. And Mr. Hangen is the Director of the Center.

We have alternates. I am one alternate. We have an Analysis Staff of 15 people; a Management Staff; and an Administrative Staff. Then there are four operating Divisions--Cataloging, Standardization, Utilization, and a Data Processing Division which furnishes common services to the three operating Divisions.

I would like to discuss now, first, the Federal Cataloging System.

Chart 5, page 9.--It is one of the most important programs of the Center and it has been mentioned by both Mr. McGuire and Mr. Riley in their talks to you yesterday and last week. We have had cataloging activities for many years, some 40 years at least. At the end of World War II, I believe we had 17 different military cataloging activities, speaking in at least that many languages, if not more.

In 1952, Congress directed the establishment of the Federal Cataloging Program by Public Law 436, which has been replaced since by Title 10, U. S. Code, Chapter 145.

CHART 3

THE FUNCTIONS OF AFSSC

1. ADMINISTERS THE FEDERAL CATALOGING PROGRAM.

2. ADMINISTERS THE DEFENSE STANDARDIZATION PROGRAM.

3. ADMINISTERS THE DEFENSE MATERIEL UTILIZATION PROGRAM.

4. CONDUCTS ANALYSIS OF THE OPERATIONS OF THE SUPPLY SYSTEMS OF THE MILITARY SERVICES TO OBTAIN OPTIMUM INTEGRATION AND ECONOMY.

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CHART 4

ARMED FORCES SUPPLY SUPPORT CENTER (AFSSC)

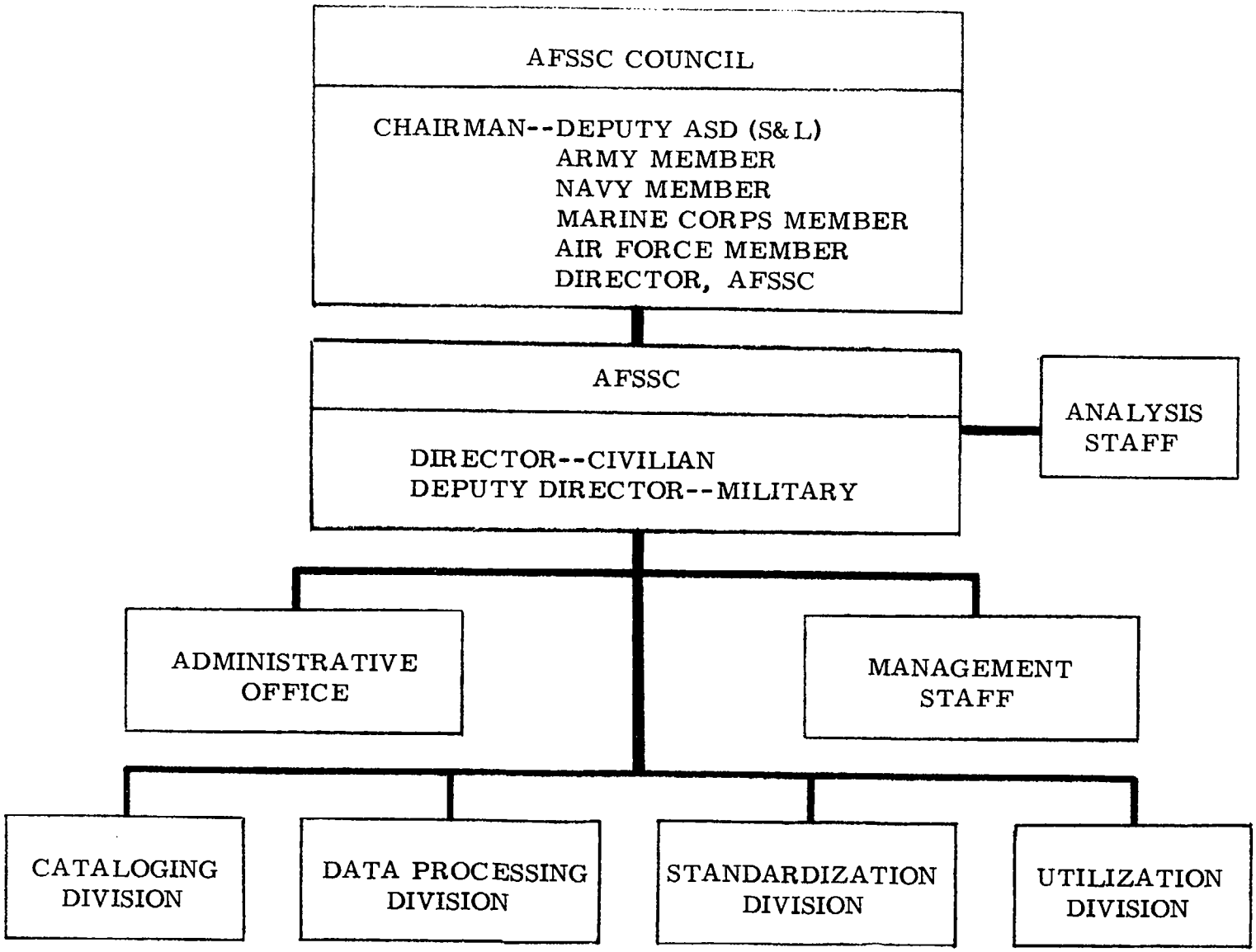


CHART 5

BACKGROUND

DONE BY SEPARATE ACTIVITIES FOR OVER 40 YEARS-------

WORLD WAR II

EMPHASIZED NEED ---------

END OF WAR:

17 MILITARY CATALOGING ACTIVITIES---------

OVER 17 SUPPLY LANGUAGES

NO FRAMEWORK FOR ORGANIZED CROSS-SUPPORT

Chart 6, page 11.--Specifically, the law directs that the Secretary of Defense will develop a catalog system. This law was enacted in 1952, when we didn't have a Federal catalog system. Many of these things we have already done.

Secondly, we would name, describe, classify, and number all of these recurrent use items in our system, and include whatever additional data were needed for supply operations for our supply people.

Maintain liaison with industry, so that they understand what is being done and can speak our language, because much of the cataloging today is done by contracts with industry in connection with procurement or production contracts.

Delegate work to the department. They wanted to be sure that they didn't establish a great big hierarchy in the Department of Defense, I assume.

Assure the use of only one identification for one item in all supply functions, from procurement to eventual disposal.

Distribute catalog data.

Establish time schedules for carrying out the program--we have completed the Federal catalog conversion and identification phase of it. All the departments reported on 31 December last year that they had completely converted all the items in their systems to the new Federal catalog numbering system. We have distributed catalog data, and it is being done mostly through EAM cards, DD-146 cards, and things of that nature.

Chart 7, page 12.--In order to catalog all these things, there had to be a lot of language developed. In doing that there were developed almost 23,000 approved names, referenced to about 35,000 colloquial names, over 11,000 description patterns, and over 400 reference drawings, by which you can tell where the measurements are to be made, in order to describe the item. There are 75 Federal supply groups, and 548 classes. The number of classes changes. I think about five additional classes have been added in the last four or five months.

CHART 6

THE LAW

- SEC DEF DEVELOP CATALOG SYSTEM
- NAME, DESCRIBE, CLASSIFY AND NUMBER RECURRENT USE ITEMS
- INCLUDE ADDITIONAL DATA NEEDED FOR SUPPLY OPERATIONS
- MAINTAIN LIAISON WITH INDUSTRY
- DELEGATE WORK TO THE DEPARTMENTS
- ESTABLISH TIME SCHEDULES
- ASSURE USE OF ONLY ONE IDENTIFICATION FOR ONE ITEM IN ALL SUPPLY FUNCTIONS
- DISTRIBUTE CATALOG DATA

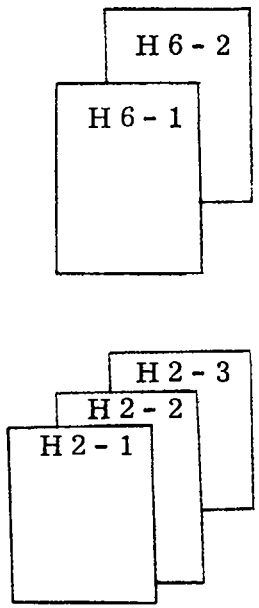
CHART 7

FOR EACH ITEM OF RECURRENT USE---------

NAME

DESCRIBE

CLASSIFY



22,959 APPROVED NAMES

36,162 COLLOQUIALS

11,600 DESCRIPTION PATTERNS

417 REFERENCE DRAWINGS

AND ABOUT

8,800 STYLES

75 FEDERAL SUPPLY GROUPS

548 CLASSES

NUMBER UNDER THE OVERRIDING REGULATION--

THE FEDERAL MANUAL
FOR
SUPPLY CATALOGING

All of these items in our supply system of recurrent use are numbered under the regulations of the Federal Manual for Supply Cataloging.

Under the DOD Directive there are certain things you don't have to include in the Federal Catalog System.

Chart 8, page 14.--:

One-time procurements.

Local purchase items.

Forms, charts, and manuals.

Capital end items--ships, big guns, tanks, and so forth.

Overseas procurement for overseas use.

Nonappropriated fund items.

As a result of the increased procurement overseas, particularly in the NATO countries, we find that many items being bought and manufactured overseas are going into our system for repetitive issue to the troops in Europe. We are considering at this time eliminating this exclusion of the overseas procurement for overseas use, which will mean either that we establish cataloging agencies overseas or at least channel that information back to the technical services and bureaus here in the United States.

On local purchase items, there is an awful lot bought. This does not amount to so much in dollar value, but an enormous number of items are bought off the shelf by posts, camps, stations, bases, installations, and maintenance shops. We just finished a study in that area and we felt in the Center that there was no necessity for cataloging local purchase items. I know some people feel that because the law says, "You shall catalog all these items," you should catalog local purchase items. But the money, or the benefits derived from it, in my opinion, personally, are not worth the cost of so doing.

CHART 8

EXCLUDED FROM THE FEDERAL SUPPLY CATALOG SYSTEM

UNDER 4130.2

NO DOD REQUIREMENT TO CATALOG---------

- ONE-TIME PROCUREMENTS
- LOCAL PURCHASE ITEMS
- FORMS, CHARTS, MANUALS, AND BOOKS
- CAPITAL END ITEMS SUPPORTING BASIC MILITARY MISSIONS (e.g., SHIPS, AIRCRAFT, TANKS)
- OVERSEA PROCUREMENT FOR OVERSEA USE
- NONAPPROPRIATED FUNDS ITEMS

Chart 9, page 17.--Remember, the law said that we should include whatever additional data were needed for supply operation. These are some of the things that are included in the data which are now furnished to or used by people in the Federal Catalog System:

Manufacturers' codes, by which you can identify items which may be manufactured at different plants or by different subsidiaries and have different manufacturers' numbers. If you know the codes you will find that they really are identical items, because you can reference one to the other.

Federal standards.

Supply status codes

Standardization.

Responsibility codes.

Inventory management.

Industrial production equipment codes.

Freight classification codes.

The Single Manager for Traffic Management is using freight classification codes through the catalog system to keep all the people advised of rate changes and the rates that should be used.

Chart 10, page 18.--With this six- or seven-year program of converting from 17 or 18 different catalog systems to one, we recognized that there would be errors which might creep into the system--and probably would. So, when the services finished the conversion in 1958, we had already developed a program called the AIR program, for attempting to do three things:

First to clean up the obvious duplications. Activities would drop off an item and forget to tell the system that they had stopped using the item. So the first step was management coding to show who managed or used the item. The second step was to review the catalog data and to correct the obvious errors. The third step was an inventory review. I believe both Mr. Riley and Mr. McGuire mentioned this program in their talks previously. Step three is really a simplification or a standardization action, although it is tied in with the AIR program, the

Accelerated Item Reduction Program. It is scheduled to be completed in December 1961. The step three inventory review, however, does not cover more than about half of the items in the system--about 1.5 million or 1.6 million--because many of these areas are highly technical. There is no particular benefit that we can see to spending time to review an area which is highly technical and which has probably no pay dirt. So there is only about half of the items in step three of the AIR program.

Standardization Program

The next program in the Center that I will discuss briefly is the Standardization Program. It started many years ago. The first formal organization was an old Joint Army and Navy Specifications Board, or a committee on specifications, about 1942. Then the responsibility went to the Munitions Board and to the Defense Supply Management Agency, and back to the Assistant Secretary (S&L), and then to the Center last year.

Chart 11, page 19.--The same law which established the cataloging program also contained the directive on standardization. This is what the law states--that you will standardize items used throughout the Department of Defense by: developing and using single specifications; eliminating overlapping and duplicate specifications; reducing the number of sizes and kinds of items that are generally similar. It is probably the most difficult law to implement that we have on the books, because standardization in itself is really the adaptation of proven practices and procedures to pieces of equipment. It is to some extent thought by some to be a deterrent to research and development, because you are more or less freezing design.

I expect in the system today that we probably have about 20 to 25 percent of the items cataloged now actually covered by military or Federal standards. I don't believe we will get complete standardization. If we get 50 percent standardization we will be awfully lucky. With the fast-moving technology today, some of the things you standardize are almost obsolete before you are ready to standardize them.

One of the products of standardization are specifications, which are documents for procurement. They contain a description of the item to be bought, what the item must do, and a description of the tests which must be made to determine compliance with the specifications. It also, of course, contains information on packaging, preservation, unit of issue, and so forth.

CHART 9

ADDITIONAL DATA NEEDED FOR SUPPLY OPERATIONS-----

- MANUFACTURERS' CODES
- FEDERAL STANDARD 5A
- SUPPLY STATUS CODES
- STANDARDIZATION STATUS CODING
- RESPONSIBILITY CODING-------
  - INVENTORY MANAGEMENT
  - CATALOGING
- INDUSTRIAL PRODUCTION EQUIPMENT CODES
- FREIGHT CLASSIFICATION CODES

CHART 10

- ACCELERATED ITEM REDUCTION
- MANAGEMENT CODES
- CATALOG DATA REVIEW
- INVENTORY REVIEW

COMPLETE DECEMBER 1961

CHART 11

PUBLIC LAW 1028, 84th **CONGRESS**

CHAPTER 145

SECTION 2451(c)--IN STANDARDIZING SUPPLIES THE SECRETARY SHALL, TO THE HIGHEST DEGREE PRACTICABLE-------

(1) STANDARDIZE ITEMS USED THROUGHOUT THE DEPARTMENT OF DEFENSE BY:

DEVELOPING AND USING SINGLE SPECIFICATIONS

ELIMINATING OVERLAPPING AND DUPLICATE SPECIFICATIONS

REDUCING THE NUMBER OF SIZES AND KINDS OF ITEMS THAT ARE GENERALLY SIMILAR

(2) STANDARDIZE THE METHODS OF PACKING, PACKAGING, AND PRESERVING STANDARDIZED ITEMS

Standards are really a solution to recurrent problems. They are designed to save the designer's time, because they give proven practices, proven parts and components, for use in research and development. But that poses one of our biggest problems--the exchange of technical information between designers, engineers, and research and development people, and also between scientific people. At the meeting last year in Washington of the International Geophysical and Scientific Organization, about two days were devoted to discussion of the development of a system by which scientists could exchange information with regard to breakthroughs or papers that had been prepared. No one yet has come up with a system that has been able to provide that information between one and another rapidly. Consequently, we are finding that many people in industry as well as the military are conducting research in areas in which some other agency or some other person is conducting similar research. If all of them knew what the others were doing or that someone had solved the problem, much research would not be necessary.

It's the same way with standardization. If you could exchange all these data among people, particularly technical data, this would make the standardization problem much simpler. Several of the projects that are being worked on today in the Center, in the departments, and in industry are concerned with the problem of exchange of technical data. Rapid exchange of technical information is one of our biggest problems.

Chart 12, page 21.--On this chart are given some of the things standardization should do. I think you can read them--reduce variety, provide maximum interchangeability, broaden the production base, simplify demand in industry, establish uniform technical practices.

Chart 13, page 22.--This is the organization for standardization in the Department of Defense. The Secretary of Defense is responsible for it. He has delegated it to the Assistant Secretary of Defense (S&L), who has given his operational responsibilities to the Center. The Center assigns projects to the Army, Navy, Air Force, and others, by Federal Supply Class. Then the Army, Navy, and Air Force, in turn, delegate the specific jobs to their various technical services, bureaus, or AMA's in the Air Force. The Defense Atomic Support Agency and the National Security Agency are also involved in the program.

CHART 12

STANDARDIZATION SHOULD---

REDUCE VARIETY TO A MINIMUM.

PROVIDE MAXIMUM INTERCHANGEABILITY OF ITEMS AND REPAIR PARTS.

ESTABLISH FIRM LEVELS OF QUALITY AND PERFORMANCE, PERMITTING WIDER COMPETITION AMONG SUPPLIERS.

BROADEN THE PRODUCTION BASE.

SIMPLIFY DEMANDS ON INDUSTRY BY ELIMINATION OF "SPECIAL" REQUIREMENTS.

ESTABLISH UNIFORM TECHNICAL PRACTICES (INCLUDING PACKAGING).

CHART 13

ORGANIZATION FOR STANDARDIZATION

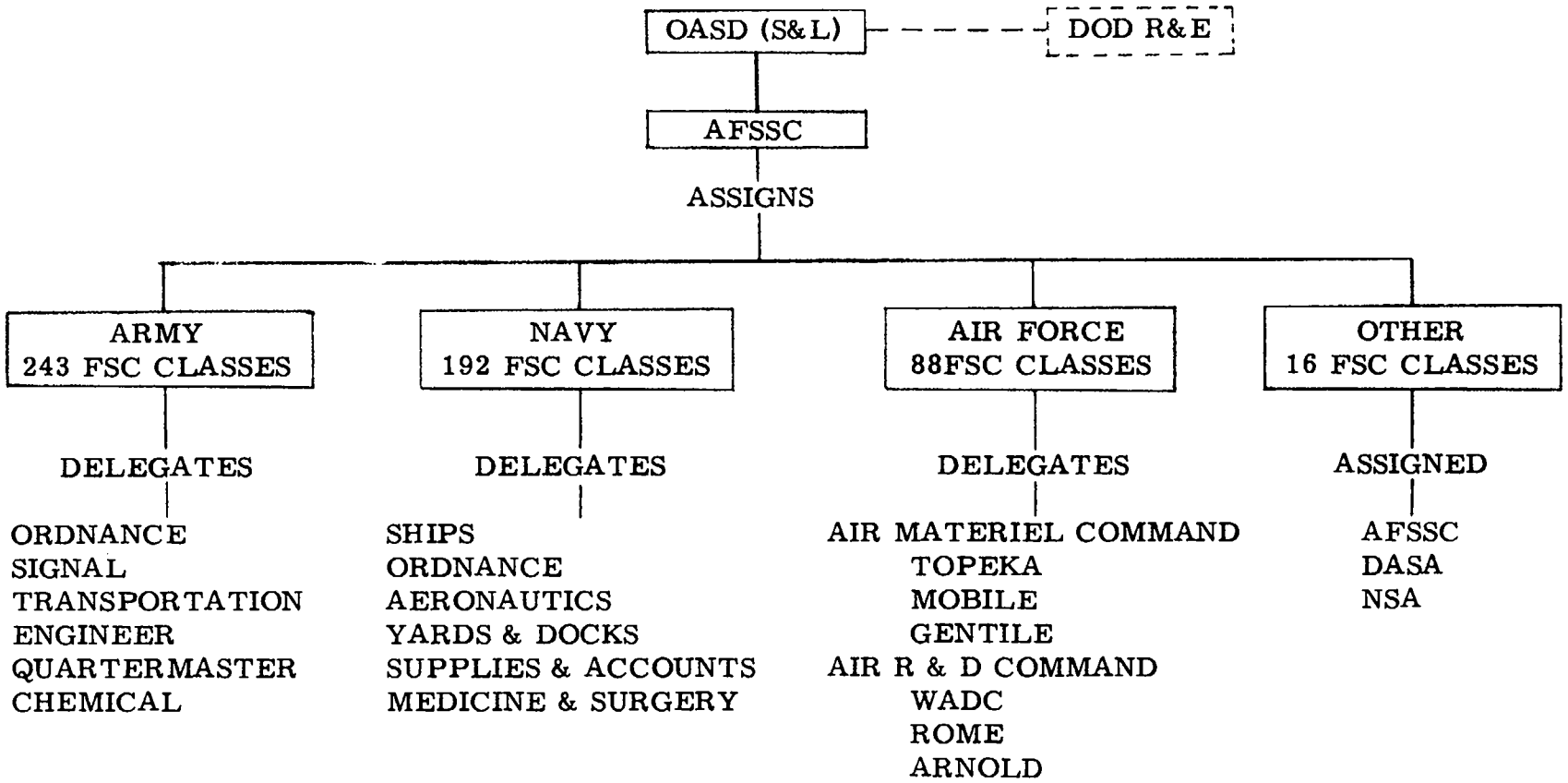


Chart 14, page 24.--The third program is the Defense Materiel Utilization Program, which consists of two parts. One is the interservicing program between the three departments and the ICP's for items which are still in the system which may be excess to one but required by the others. The second portion of it is that dealing with excess itself and the screening prior to the time it becomes surplus and is sold.

Chart 15, page 25.--The objectives of these programs are to secure maximum interservicing of wholesale or retail stocks and the maximum use of the excess property before disposal.

Chart 16, page 26.--This chart shows you something of the historical development of the two programs. The excess program, on the left, started in 1943 with the Joint War Department and Navy Agreement. In 1947 there was a Surplus Material Procurement Section established in the Navy. Its name was changed in 1954. And in 1958 we took it over in the Center. The interservicing program started as a result of the interservice supply support agreement which was signed by the four supply managers in 1955. This job was turned over to the Center last year.

Chart 17, page 27.--This chart gives you a new, short, revised procedure for utilization screening. As you know, Forms 120, under present procedure, are made out by the agencies which have excess property, whether it is at a post, camp, station, or depot, and are forwarded, after screening within their own departments, to the Center. The Center, in turn, takes these forms and prints up lists and sends them to all the various agencies of the Department of Defense designated by the three military departments, and to various military attaches of friendly foreign governments. After this screening, the list goes to GSA to screen all the civilian agencies, including the donation programs to colleges and educational institutions. After they have taken what they want, it is then turned back to the services to be sold.

CHART 14

HOW ACCOMPLISHED

INTERSERVICING	• DECENTRALIZED • ASSETS STILL WITHIN SERVICE SUPPLY SYSTEMS
EXCESS	• CENTRALLY CONDUCTED • ASSETS OUTSIDE SERVICE SUPPLY SYSTEMS
BOTH	• WORLDWIDE IN SCOPE

CHART 15

SYSTEM OBJECTIVES

- MAXIMUM INTERSERVICING OF WHOLESALE STOCKS
- MAXIMUM INTERSERVICING OF RETAIL STOCKS
- MAXIMUM USE OF EXCESS PROPERTY BEFORE DISPOSAL

CHART 16

HISTORICAL DEVELOPMENT

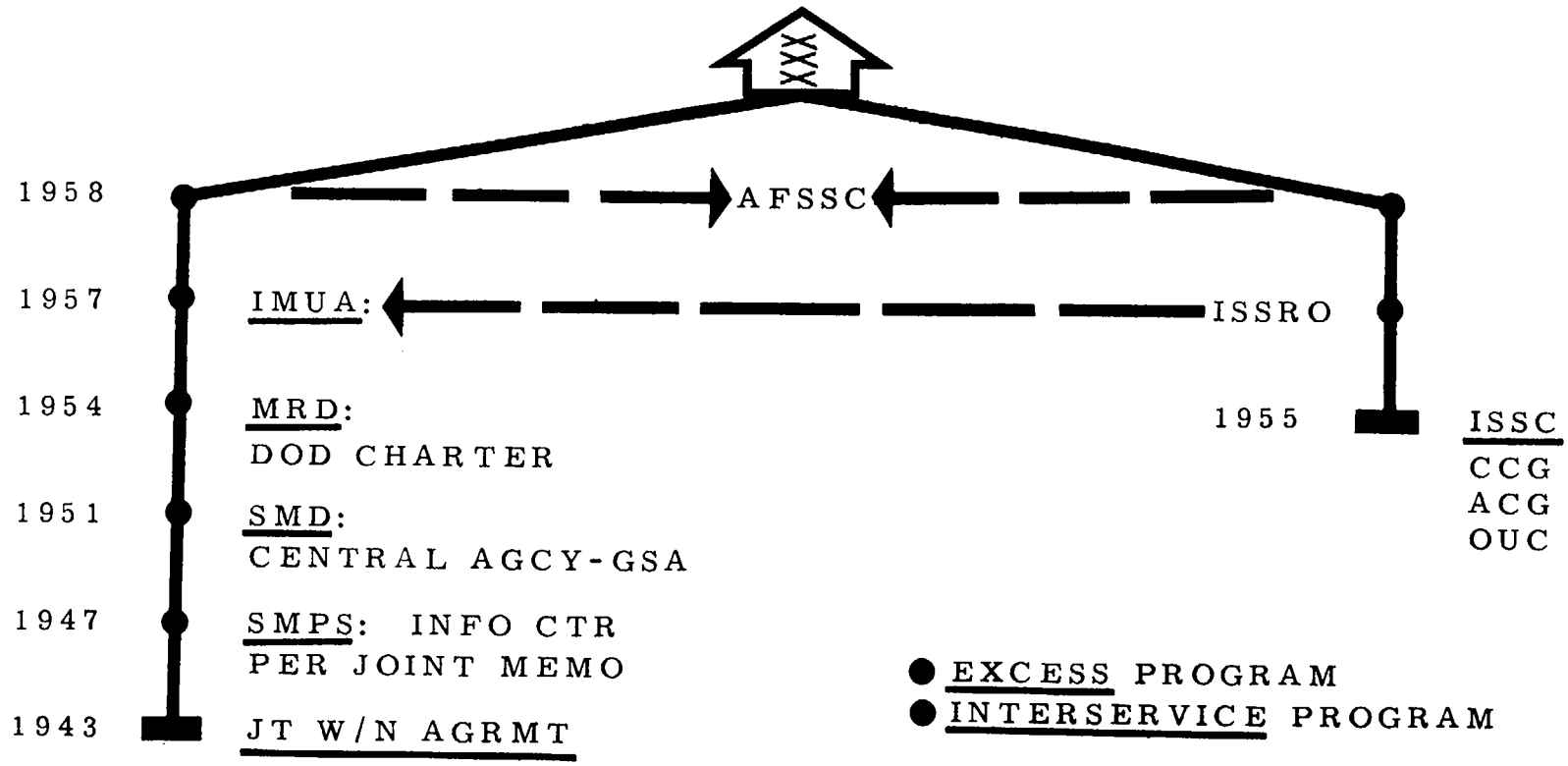
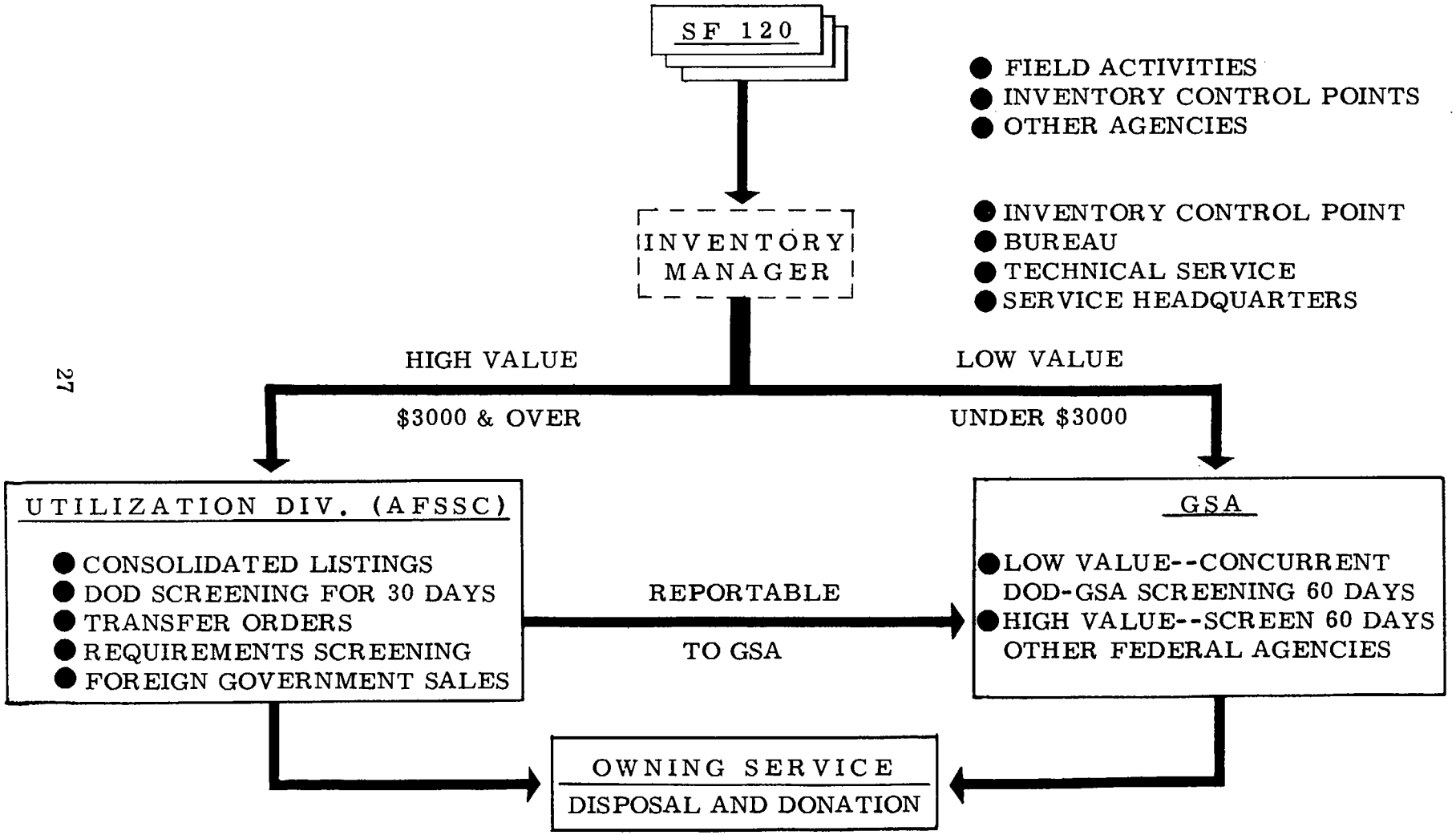


CHART 17

OPERATION



It includes an awful lot of paper work. Last year we made a study to see whether there was some way we could reduce the time taken to do these things. We came up with a break between high value and low value and a recommendation to use GSA in regional screening of low value items. On the low value, below $3,000, the reports go to GSA direct for concurrent military and civilian screening. There is a reduced screening time and there is no reimbursement involved at all. On items valued at $3,000 and up, there is central screening by major designated activities in military departments only. There is reduced screening time and the reimbursement policy is unchanged at present, although there has been a lot of discussion with the Comptroller as to whether or not reimbursement policies could be changed.

This new procedure is expected to go into effect on 1 January 1960, although it has not been approved--up until yesterday. The only problem is the question of reimbursement. All the rest of it has been agreed and approved.

These are the three operating programs of the Center which I have disucssed.

Analysis Function

I would like to talk to you now about the analysis function, which to my mind, is one of the more important functions of the Center. It is the one which may or may not produce changes in our supply system throughout the Department of Defense.

The analysis staff is composed of 15 persons. The Chief is Colonel De Luca from the Air Force. There are seven civilians. There is a Navy captain and a commander, two Army lieutenant colonels, two Air Force lieutenant colonels, a Marine colonel, and GS-14's and 15's selected from the three military departments.

The Center was established to meet a pressing need for a central group within the Department of Defense that could ferret out those supply areas where either increased coordination or integration or unification would achieve economies without impairing supply support effectiveness. The cataloging, standardization, and utilization programs will do something along these lines, but an outfit to make studies of these other areas was felt to be a necessity. Here lies the justification for the analysis staff of the Center.

The keystones of the analysis staff's studies are quality, objectivity, and integrity. Their recommendations must be founded on thorough research, a complete knowledge of the facts, and full realization of the impact upon logistics which may result. They have to wear white uniforms and shed service prejudices, if any, if they are going to do what the Center should do.

The analysis staff has completed seven studies up to date. Four of those dealt with the Center's operation programs. The fifth one dealt with the assignment by DOD to the Air Force of the Single Manager for Photographic Supplies and Equipment three years ago, but which was not implemented. The study resulted in a recommendation that the assignment be withdrawn. This was done. The sixth study was one dealing with general supplies. The seventh study was on local purchase practices.

I'll discuss the general supplies study, because I think it is important. It will have a substantial impact on our supply system. It was mentioned by Mr. McGuire and Mr. Riley in their speeches previously, so I would like to expand on it.

Chart 18, page 30.--The purpose of that study was to recommend courses of action ro provide DOD optimum integration of general supplies. We were asked to consider if there was a need for management improvement whether or not this area was susceptible to be made into a single manager or into a commodity management center, or if there were any other optimum courses of action indicated by the study.

Chart 19, page 31.--The first question facing the staff and the Center was: What are general supplies? The term means different things to different people. It means one thing to the Navy, one to the Army, and one to the Air Force; but in its broadest connotation, certainly it would include these seven categories shown on this chart: administrative and housekeeping, hand tools, hardware and abrasives, construction equipment and supplies, automotive equipment and supplies, electrical/electronic equipment and supplies, and other type general supplies. The Council approved the first two segments of these--administrative and housekeeping equipment and supplies, and hand tools--to serve as a basis for this study. We referred to them in the study as the GSSM, the General Supplies Study Model.

CHART 18

PURPOSE

DOD OPTIMUM INTEGRATION

CONSIDER

NEED FOR MANAGEMENT IMPROVEMENT

SINGLE MANAGER

COMMODITY

OTHER OPTIMUM COURSES OF ACTION

CHART 19

GENERAL SUPPLIES

1. ADMINISTRATIVE AND HOUSEKEEPING EQUIPMENT AND SUPPLIES.

2. HAND TOOLS.

3. HARDWARE AND ABRASIVES.

4. CONSTRUCTION EQUIPMENT AND SUPPLIES.

5. AUTOMOTIVE EQUIPMENT AND SUPPLIES.

6. ELECTRICAL/ELECTRONIC EQUIPMENT AND SUPPLIES.

7. OTHER TYPE GENERAL SUPPLIES.

Chart 20, page 33.--In the military services there is an immense range of items which are centrally managed. The Army has about 840,000. The Navy has 1.3 million. The Air Force has 1.2 million. And the Marine Corps has about 230,000. The fundamental problem of each service is: How do we manage these items? How do we divide them into segments so we can manage them? The two basic management alignments are shown on this chart; first by commodity. An entire commodity area is assigned to one inventory control point. The second is by program, mission, weapon system. The items therein are required to support the program, the weapon system, or the mission, without regard to the commodity classes in which the items are contained.

One point we should remember is that, although the inventory control points are either commodity type or program type, or a combination of both, there are no two inventory control points in the military services which manage the same range of items. If you attempt to do a consolidation, you can't just pick up two ICP's or three ICP's and move them together, because the commodity ranges of item vary so widely.

Chart 21, page 34.--In the commodity type of inventory management, the items are normally multiuse or multiprogram--you get them from many sources and they are used in many places. In the program type of inventory control point, items break themselves down into two types of items--engineering essential and operational essential. We class as engineering essential those which have military characteristics, are in continuous design or redesign and development, and have production, procurement, and provisioning implications. A lot of technical documentation is required. The items are tied to the deployment of operational weapons.

In the operational-essential class fall those items which relate to support equipment in weapons systems, or are components or parts. They are tied in with overhaul and maintenance programs. Many are issued based upon an authorization document or an allowance document. Many are mission or professional items.

Chart 22, page 35.--So it is wrong to think of consolidated supply management in terms of complete Federal supply classes. The Federal Supply Classification System is an identification system. It is a logical, systematic grouping of items classified on the basis of item characteristics, designed to facilitate supply management, but not to dictate it.

CHART 20

ICP-ITEM RELATIONSHIPS

TWO BASIC MANAGEMENT ALIGHMENTS

1. BY COMMODITY

   ENTIRE COMMODITY AREA OR CLASS IS ASSIGNED TO AN ICP.

2. BY PROGRAM/MISSION/WEAPON SYSTEM

   ITEMS DIRECTLY REQUIRED TO SUPPORT AN ASSIGNED PROGRAM/MISSION/WEAPON SYSTEM . . . WITHOUT REGARD TO COMMODITY OR FSC.

CHART 21

INVENTORY MANAGERS

COMMODITY

ITEMS NORMALLY MULTI-

PROGRAM ● USERS ● APPLICATION ● SOURCE

PROGRAM

ENGINEERING ESSENTIAL

MILITARY CHARACTERISTICS ● DESIGN ● DEVELOPMENT
PRODUCTION ● PROCUREMENT/PROVISIONING
TECHNICAL DOCUMENTATION ● DEPLOYMENT

OPERATIONAL ESSENTIAL

RELATED SUPPORT EQUIPMENT ● COMPONENT/PARTS . . .
DEADLINE ● CONTROLLED OVERHAUL/MAINTENANCE
PROGRAM ● AUTHORIZATION/ALLOWANCE CONTROL
MISSION/PROFESSIONAL ITEMS

CHART 22

ITEM/CLASS MANAGEMENT

FEDERAL SUPPLY CLASSIFICATION

LOGICAL, SYSTEMATIC GROUPING OF ITEMS CLASSIFIED ON BASIS OF ITEM CHARACTERISTICS DESIGNED TO FACILITATE SUPPLY MANAGEMENT BUT NOT TO DICTATE.

MATERIEL MANAGEMENT OF EACH OR ALL ITEMS WITHIN A CLASS IS ANOTHER CONSIDERATION--REQUIRES AN ITEM-BY-ITEM REVIEW.

Material management of the items within a class is another consideration. In order to determine how best to manage it, it needs an item-by-item review, and not grabbing an FSC. So a point to remember is: Don't try to grab a complete Federal Supply Class for consolidated management without item examination. Most of the homogeneous groups of classes that were susceptible to that type of change of management were included in the existing four Commodity Single Managers for subsistence, POL, medical, and clothing and textiles.

Chart 23, page 37.--One element in determining a need for change is commonality. Commonality, based on strict FSN, does not consider similar items within range with minor variations. This shows that commonality in the model we were studying was an average of 22 percent on a strict match of items, in the description of the items across. However, we feel actually that the service commonality is more important, because, of the 22,000 items which the Army has, 10,000 were used by the Navy, the Marine Corps, or the Air Force. So that if you put all the items that the Army was going to use into a depot which contained all the items the other services were using, 45 percent of those were common already and would be already in that depot.

So this gives you some idea of the commonality in the match we are talking about.

Chart 24, page 38.--This chart shows the financial picture. There were $349 million in inventory, $115 million in procurement, and $142 million in sales. Some $56 million was excess to both mobilization and operational requirements. During the fiscal year, $43 million was declared excess. We had overages and shortages.

In considering this particular common area, we also felt that we should make a study of the General Services Administration to determine what responsibility should be placed upon them, if any. So the Analysis Staff spent some two weeks with the General Service Administration, both in the headquarters in Washington and with two of their regions--the one in Washington and the one in San Francisco. Our findings are on this next chart.

Chart 25, page 39.--The staff found that the storage system was effective. The backlog was about five to seven day's work. They had a very flexible stock fund--about $100 million--and it was set up in such a way that if they needed additional money they could get advances from the services and repay them at the end of the year, without any financial complication.

CHART 23

GSSM ITEM RANGE AND COMMONALITY

ITEMS	NET ITEMS	FSN COMMONALITY
HAND TOOLS	50,373	25.9%
ADM. HSKG.	25,116	14.3%
TOTAL	75,489	22.0%

SERVICE	REGISTERED	NO. OF ITEMS COMMON WITH ONE OR MORE SERVICES	SERVICE COMMANALITY
ARMY	22,786	10,165	45%
NAVY	27,198	9,427	35%
AIR FORCE	36,705	12,699	35%
MARINE CORPS	11,722	6,721	57%

COMMONALITY BASED ON STRICT FSN MATCH

CHART 24

THE GSSM PICTURE

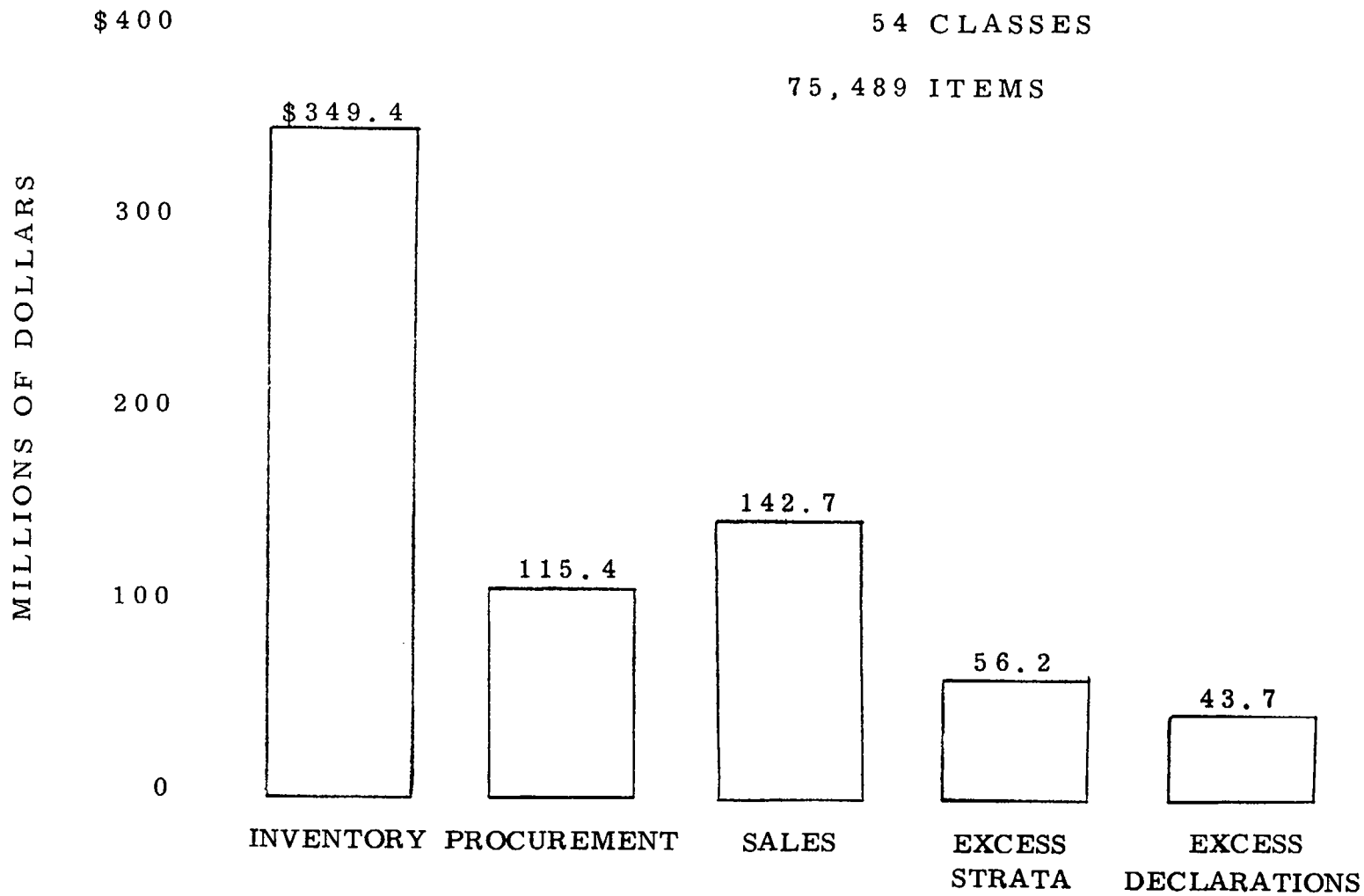


CHART 25

GENERAL SERVICES ADMINISTRATION

STORES SYSTEM EFFECTIVE

STOCK FUND FLEXIBLE

STORES FACILITIES 88% OCCUPIED

DO NOT COMPUTE OR STORE MOBILIZATION REQUIREMENTS

INSPECTION OF NONSTORES PROGRAM INADEQUATE

INSPECTION ON SCHEDULES PROGRAM INTERMINABLE

SCHEDULES--REEVALUATION NEEDED ON SERVICE VOLUME BUYS

SERVICES HAVE UNCOORDINATED APPROACH TO GSA

- DO NOT CONSIDER OTHER SERVICES MANAGEMENT
- FRACTIONATE DEFENSE MANAGEMENT FOR SAME ITEM
- FOSTER UNNECESSARY DOD/GSA DUPLICATION

The storage facilities, which were 11 depots, were about 88 percent occupied. They are pretty well distributed, but they don't have the capability for expansion without obtaining additional storage facilities. GSA does not compute or store any mobilization requirements. They do store only for the Civil Defense Agency some medical and disaster supplies, but they don't own those stocks. They buy them and store them for the others.

What was most important to us, though, was that we found that the services have an uncoordinated approach to the use of GSA. One department will buy from GSA; a second department will store the same item centrally and manage it through the depot system; and the third one will go out to commercial sources or local purchase. So it is very uncoordinated.

The study resulted in several conclusions:

That there was a need for improvement in the management of general supplies.

There was backhaul and crosshaul.

There was duplication in item stockage.

There was concurrent buying and selling.

There was excess in items in one service and shortages in others.

There was a great need for more standardization.

We found it feasible to establish single managers. There were more items in this range than there were in any of the existing single managements. The dollar value was as great in some of them, and greater in others. Commonality was sufficient. The depot inventories, sales, and procurement appeared to be adequate.

We felt that the Commodity Management Center, as we understood it, would not achieve the same management improvement as would be achieved by single managers.

Before determining, though, what we should do with regard to this specific model, we felt that we should consider all segments of general supplies. Everywhere the team went they were faced by many questions

from people in the supply business: How many additional single managers are we going to have? How many different supply systems are going to be foisted upon me as a consumer or as a depot man? How shall I plan the future of my system? I don't know what items I am going to gain; I don't know what items I am going to lose.

So the logistics planners needed the answers to these questions in order to plan the systems.

Chart 26, page 42.--We felt that we should go to item management coding, because it was not feasible to pick up an ICP and consolidate it, and it wasn't feasible to pick up a Federal supply class across the board and consolidate it. So that some method by which people could determine what items should go to single managers should be developed, we came up with this blueprint action on item management coding which basically divides your items into three categories:

Those that I, as an individual inventory manager in a department, must continue to manage from research through eventual disposal.

Those types which should be retained within the Department of Defense, but which another inventory control point could manage for me and give to me.

Those types which normally you don't carry--the local purchase, GSA, Federal supply schedules, or what have you.

This item management coding was one action recommended to determine the types of management which should be preferred or necessary for the items.

Chart 27, page 43.--Based upon these conclusions, we came up with eight recommendations. They are shown on this chart.

The first was that hand tools and administrative housekeeping should be managed by a single manager which should be created, and they should go to the Army. This should be fully operational by 1 July 1961.

CHART 26

BLUEPRINT ACTION

ITEM MANAGEMENT CODING

1. MILITARY SERVICE SUPPLY MANAGEMENT

   ENGINEERING ESSENTIAL

   OPERATIONAL ESSENTIAL

2. CONSOLIDATED DEVENSE SUPPLY MANAGEMENT

   MILITARY TYPE ITEMS

   MOBILIZATION REQUIREMENTS

   DEMAND VOLUME

3. DEFENSE DECONTROLLED SUPPLY MANAGEMENT

   GENERAL SERVICES ADMINISTRATION

   COMMERCIAL

CHART 27

RECOMMENDATIONS

1. GSSM.....SM.....ARMY.....1 JULY 1961
2. HARDWARE AND ABRASIVES.....SM.....NAVY..... 1 JULY 1961
3. SERVICE.....ITEM MANAGEMENT CODE.....UNDER SM ASSIGNEE's MONITORSHIP
4. SM CHARTERS CAPITALIZE WHOLESALE ONLY.....NOT PROVIDE FOR SERVICE RETAIL STOCK FUND
5. ARMY QM AND NAVY BUSANDA JOINTLY CHARGED TO FORMULATE SINGLE INTEGRATED DISTRIBUTION SYSTEM UNIFORM SM OPERATING PROCEDURES
6. QM AND BUSANDA REPORT MONTHLY PROGRESS TO AFSS COUNCIL
7. GSA ROLE.....DETERMINED THROUGH DOD UNIFORM ITEM MANAGEMENT CODING BY SERVICES
8. AFSSC
   STUDY CONSTRUCTION AND AUTOMOTIVE COMMODITY AREAS
   ELECTRICAL/ELECTRONIC.....DEFERRED PENDING GAO REPORT
   OTHER TYPE GENERAL SUPPLIES.....ITEM MANAGEMENT CODING BASED ON SERVICE WORKLOAD SCHEDULE

Recommendation number two dealt with hardware and abrasives. The same inventory control points which managed the hand tools and administrative housekeeping also managed hardware. The commonality was about 20 percent. There were about 400,000 to 500,000 items in this range. They had about the same characteristics with regard to the management potential as the items in the GSSM. So we felt that we should exploit the capabilities of the two departments which at the present time have had experience in single management--the Army and the Navy, the Navy having two single managers and the Army having two. So we recommended that the hardware and abrasives be managed by a single manager and that the Navy be assigned this responsibility, and that it be fully operational by 1 July 1961.

The third was that the item management coding mentioned on the previous chart should be adopted as policy; and that, in the areas where single managers were selected, the single managers should be those to whom the item management coding would be sent by the appropriate inventory control point for review and action.

The fourth dealt with retail versus the wholesale stock fund, which was mentioned by Mr. Riley yesterday. We found great dissatisfaction on the part of many people with respect to the use of retail stock funds and wholesale stock funds. The Air Force, as you know, is not a great proponent of stock funds. Only a very small percentage of their stock is in the stock fund. The Army and Navy have gone into stock funds in a great way. Some people feel that they have gone too far, particularly in the Army. So they objected to retail stock funds; and, in our recommendation, we recommended that the charter not require retail stock funds. The three charters to the single managers for medical, clothing and textiles, and subsistence require that they can sell only to retail stock funds and that retail stock funds be established in the departments to buy from them. This was recommended against in this study.

The fifth recommendation was that the two chiefs of the existing single managers and the two new single managers should be jointly charged to formulate a single, integrated distribution system and uniform operating procedures.

Everywhere the team went they found complaints about the difference in transaction reporting, financial reporting, item accounting, methods of requisitioning, and methods of payment, so that it was a big problem, particularly for the users, and for the people in the depots in which the

stocks were being stored. So certainly, some uniformity, where uniformity is worth anything, should be achieved in order to take these different systems off the people in the field.

We recommended that the two people who were operating these be charged with the responsibility to develop this, because it is better, in our opinion, to have those people who are responsible for something given the responsibility of changing that system to make it more compatible with others. We did urge that the other departments and other interested people be a part of the team, but that the primary responsibility be given to the two big operating agencies.

The sixth was that the Quartermaster and BuSandA should report monthly on the progress.

The seventh was to develop a role for GSA. GSA is selling, I think, between 60 and 70 percent of its sales to the Department of Defense. As I mentioned before, the team found an uncoordinated approach to GSA. Many of the criticisms that have come up in the last few years have dealt to some extent with the uncoordinated approach in this common supply area--the fact that GSA sells to one and doesn't sell to another.

So, in this area, we recommended that the item management coding be used and that those items which you don't have to retain be dropped out from under Department of Defense materiel management. But, before the single manager puts an item out on the local purchase, he should check with GSA to find out if GSA wants to store it and stock it in the GSA storage system. If so, the use of GSA by all users would be mandatory. If not, it would go to local purchase. That was the seventh recommendation.

The eighth recommendation dealt with the future studies.

I will give you very briefly the action on the recommendations. The first has been mentioned before. On 6 November it was approved and the Army was designated single manager. The second was approved on 6 November and the Navy was designated single manager. On the third, item management coding has been approved and is now in the process of being implemented. The procedures for the item management coding for the two new areas have been developed, and the schedule for them will be out to the services probably within the next 10 days. On the fourth, the single manager charters will not contain a provision for

retail stock funds. The fifth and sixth were approved, except that number five was changed somewhat in that the departments were charged with this, rather than the Quartermaster and BuSandA, but the Quartermaster and BuSandA will be represented on the team. On the seventh it was agreed that policy should be developed, but they haven't necessarily agreed that the policy we recommended will be the one that is developed. Some people object to putting GSA in that particular role. The last one, dealing with the studies, has been actually approved, but with modifications. The services agreed that the two areas of automotives and construction appeared to be susceptible to single management without a detailed, long study. They agreed that a quicker, short-range study could be made. The directive is that this study, based upon certain information furnished by the departments themselves, shall be completed within 75 days. I estimate this will be about the first of March. In the meantime, we were asked to go ahead with the study of electronics and electrical items immediately. We will start this with field trips beginning about the middle of January.

That wraps up the studies which have been made. I have touched only briefly on the three operating programs of the Center and on the analysis function.

It appears that the grouping of these three common supply tools of materiel management--standardization, cataloging, and utilization--which bear relationship one to the other--is good. They do provide a great deal of information for use by the analysis staff in the studies which the Council directs that they make.

The Center is trying very hard to be a group responsive to the services and, with their help, to improve our overall Department of Defense materiel management. The authority given to the Secretary of Defense by the McCormack rider is important and far-reaching; namely, to transfer or reassign almost any logistics mission or function within the military services. It has not been exercised to date without the concurrence of the three military departments. But if the three military departments themselves do not take the necessary action to improve their management in the common logistics areas where deficiencies appear to exist, and if the Congressional pressures for improvements and changes continue, it is possible that the authority of the Secretary of Defense may be exercised without departmental agreement, or Congress may direct sweeping changes.

The test of the logistics system is its ability to insure that the needs of the ultimate consumer--the soldier, the sailor, the airman, the Marine--are met on time. The establishment of the Center provides a method of doing an across-the-board, objective analysis by people who were selected by the military services themselves and were a part of the military services, and who are trying to be responsive to them. They do understand the need for insuring that a change which is recommended is one that will not reduce the effective support of the fighting man.

Thank you.

COLONEL FORBES: Questions, gentlemen?

QUESTION: General Allen, you commented on the problem of standardizing specifications within the functions of the Standardization Division. I am curious to know why the Department of Defense hasn't combined the three indexes of specifications and standards used, respectively, by the Army, the Navy, and the Air Force, because this, I think, would be a simplification for military contractors who now have to refer to three indexes and three cumulative supplements, plus the index of specifications and standards put out by GSA. Since there appears to be about a 75 percent duplication in the three military indexes, this might be a desirable thing to undertake. Would you comment on that?

GENERAL ALLEN: We are in the process of doing that now and we hope to have them combined and published sometime in the spring. I am not too sure of the target date yet, because we are working on it now. My guess is that we should, before the first of July, at least, have them combined. It has been recognized that there was a need. It has been expressed by all the departments, and particularly by industry, that we should have one single index which they could keep up.

QUESTION: I have two questions which are somewhat related. All of the speakers, including yourself, have indicated that the centralization here is one of the things that has been accomplished to simplify the problem of crosshaul and backhaul. It isn't clear to me how centralization of facilities, or limiting the number of facilities, helps eliminate this problem. My second question has to do with the problem of back orders. No one who has talked to us yet has mentioned this as a problem. At one time in my career I participated in a management study of the GSA system, and this was a very serious problem in their operation,

and one that they were finding difficulty in combatting; and it apparently was due to the fact of the inability of the storage facility to anticipate what was going to be ordered by the multitude of people that ordered from it. As you centralize your facilities and increase the number of people ordering, don't you encounter this same problem? You haven't mentioned, I believe, how you have tended to solve it.

GENERAL ALLEN: Let me take the last one first, the one in relation to GSA. As you know, in the GSA system they store in the depot system about 9,700 or 9,800 items which are used in common--not completely--by the civil agencies as well as DOD. They have 11 regional depots. They are pretty well located throughout the United States. From information available to us, for maybe three, four, or five years the condition that you spoke of did exist. But, within the last three years, GSA has made remarkable strides in improving its organization. Their effectiveness--that is ability to meet the required date of the military services--is running between 95 and 96 percent, which is very good. When you get supply effectiveness above 90 percent in any service, you've got a pretty responsive system. Their system is running about 95 or 96 percent. They have a backlog of work of only three to five days on the average, and any time it gets more than seven days Mr. Bean has a chart on his desk and he gets on telephone communication with his depots to find out what's the trouble.

In order to eliminate back orders, you've got to have pretty good requirements information to anticipate the demand. They do it in two ways: First, they have built up a pretty good supply-demand information at their regional depots and they have made forward buys with organizations which enable them to have on order and coming in, pretty much all the time, those things for which they have a common demand. And with less than 10,000 depot stores items--all common-use commercial type--there should be no good reason why they should not be able to meet all except unusually large demands on time.

So it's a pretty effective system, and I don't believe, for the types of high volume use items that we are talking about, that the greater concentration will have a too marked effect on increasing back orders in GSA.

Now, getting to the problem in the services on whether or not a greater concentration will increase backhaul or crosshaul--what we had in mind, and what the Department of Defense project which has been established to implement this recommendation had in mind, was that you

would select a hard core of depots to serve as a common base for the single manager supplies--not one, but all of them.

There may be 12 or 15 depots located geographically throughout the United States. That doesn't mean that they are Army depots, or all Air Force depots, or all Navy depots. It means that you will use an Army depot or a Navy depot or an Air Force depot if that particular depot is in the best location. In that depot you would normally have most all single manager stocks represented. You may not. For instance, medical, which does not carry great stocks, might have supplies in only 4 or 5 of these 12 or 15. Subsistence might have stocks in 10 of the 15. But you would not go beyond these 12 or 15, or maybe 10, or whatever you decide on, to store your single manager stocks. To the extent possible, requisitioning agencies should be able to go to one depot to get all the single manager stocks.

That would certainly help you in the consolidation of shipments. Less than carload lots in all these small items certainly should, in my opinion, help in making it more economical, and it would probably fill your requisitions better. You have some crosshaul and backhaul regardless, but the question is to try to reduce it to the minimum.

QUESTION: General, this present procedure, I believe, to allow individual services for whom a contractor is performing work to approve and allocate facilities to that contractor, in many instances allows the contractor to play one service against the other services, if he has more than one contract in his plant. Has any thought been given to consolidating this facilities function; that is, the budgeting and allocation of facilities to contractors, in the supply center?

GENERAL ALLEN: Not that I know of. I am not familiar with any thinking on that subject. By our charter we were restricted to the study of common commercial-type items, and we haven't gotten into the facility problem yet. Maybe one of these days they may revise the charter. I don't know.

QUESTION: General, I noticed the assignment of the photographic equipment single manager to the Air Force. However, I believe you said it was rescinded. Does this mean that there will be no further attempts to assign any other technical equipment in similar categories to single managers?

GENERAL ALLEN: I don't know. It is hard to visualize what is going to happen in the future. I don't think that at present there is any plan for extending it, although the electronic-electrical area is a very complex one. I don't know what is going to happen as a result of that study, which will start next month. So I frankly can't give you any ideas on it.

The photographic was withdrawn. However, there are some classes within the area which were originally assigned to the Air Force for single management that may subsequently go to a single manager. FSC 6750, for instance, Photographic Supplies and Equipment, probably is a typical class which would go to a single manager if you found one with which it had some relationship.

QUESTION: Sir, as I understood one statement that you made with reference to GSA, it was that about 60 to 70 percent of the housekeeping materials that GSA handles are purchased by the Department of Defense. If that is correct, using your criterion of commonality, how do we explain that GSA is purchasing this for the Department of Defense, rather than the Department of Defense purchasing it for GSA?

GENERAL ALLEN: Well, that's a good question. As far as I know--and I can only talk off the cuff on this, because I don't know all the background on it--so far the Department of Defense has not used a reciprocal agreement with GSA. There has been some discussion, I know, with regard to GSA turning over to the Department of Defense its responsibility for the procurement and issue of medical supplies, since they buy medicals, for the Veterans' Bureau, for Indian Affairs, and for several hospitals. The discussion, I think, is still going on. But there apparently has not been any great desire on the part of either side to change the present arrangement. That's all I know.

QUESTION: General, I have heard three speakers, including you, mention the fact that this cataloging program has been completed. I think, if I may say so, sir, that that is creating a sort of idea of not quite what the facts are. This feeling is based on my experience as an operator.

GENERAL ALLEN: We said that the conversion has been completed.

STUDENT: Conversion. I might say that as recently as four months ago we were finding that stock numbers would migrate as many as five

and six times in less than a year's time, as a matter of fact, to the point where we were discouraged about going to automatic data processing equipment at the retail level. I wonder if you would address yourself to the action being taken to stabilize the stock numbers, so that we can have a chance of getting a number that might stay in one position.

GENERAL HOUSEMAN: What do you mean by the word "migration" of a stock number? I'd like to understand that before he answers your question.

STUDENT: All right, sir. I am talking about the fact that it would change between classes; it would be changed in the cognizance of the item.

GENERAL ALLEN: The cognizance is one that you control in the Navy. The cog symbol is a management device that you use in the Navy. I am not too sure whether you put it in front or behind. It varies between agencies. Migration between Federal supply classes has been a problem. There's no question about it. We hope that we have about reached a place where the description of classes and the items to be contained in those classes will be fairly stable. However, the changes that are made are based upon recommendations of the military departments themselves, who have found a need for a change because of program or weapon relationship. We try to be responsive to the military departments. So, if they don't recommend any changes, we probably won't make any.

That's about all I can give you on that. The conversion was reported to be completed on 31 December 1958. As far as cataloging goes, it will never be completed as long as you are buying new items, and as long as research and development continues. I think we have 50,000 to 60,000 new items coming into the system almost every month.

COLONEL FORBES: General Allen, we are certainly indebted to you for shedding so much light on a very important segment of our logistics program. On behalf of the Commandant, the student body and the faculty, thank you very much.

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