

Mr. ROMNEY. Colonel, are you saying this percentage represented by the graph represents denials of individual items?

Colonel NELSON. This is a percentage which represents a denial of a customer order whether it is for a part of the order or a denial of the full requisition. Every item a storekeeper cannot find goes to our inventory investigation section and these people are at the depot every day running down denials.

Mr. ROMNEY. Is this after the estimator comes in and asks you to make reconciliation?

Colonel NELSON. No; this is after we say we cannot fill the order.

Mr. ROMNEY. And they can ask for a recount on a denial?

Colonel NELSON. Yes; but we investigate it before we ever report it. The people in the Inventory Investigation Section are professionals that do nothing but this and as a result are intimately familiar with the storage activities throughout the depot. They can tell pretty well by looking at the Federal stock number where is the best place to look for it if it is not in its principal storage location.

Mr. BARASH. If you did not have this reconciliation, what percentage would it be in the denial rate?

Colonel NELSON. Very little.

Mr. MEZZAPPELL. I think if we didn't have the investigation it would be about 30 percent.

Colonel NELSON. It would be increased by about 30 percent if we did not have our own inventory investigation of the denial before we reported it.

Mr. MONAGAN. That is from 1.5?

Colonel NELSON. To about two. This rate is far above what we shoot for, but when compared to CONUS storage activities we are favorable.

Mr. LEVINSON. They average about 2 percent. Let me say this is the worst picture among our depots in Europe.

Colonel NELSON. But we have more problems too.

Mrs. HECKLER. What is the average at your other depots?

Mr. LEVINSON. We are averaging about three-fourths of 1 percent for the theater.

Colonel NELSON. If you are dealing in class I troop issue this is the thing that causes considerable change in your denials. If we had a large troop issue class I mission, our denials would be reduced percentage-wise.

Mr. LEVINSON. The interesting thing about this chart, if you look at the extreme left you will see the progress made.

Mr. MONAGAN. This is practically no denials.

Colonel NELSON. It is low. It is not as low as we would like.

Mr. MONAGAN. Of 100 percent, 1.5 percent is $1\frac{1}{2}$ denials out of 100 requests.

Colonel NELSON. That is right.

Mr. MONAGAN. Could this mean you are overstocked, that you are never supposed to be out of any item that anybody demands?

Colonel NELSON. The COMZ objective is one-half of 1 percent.

Mr. LEVINSON. And their concern is the time to satisfy the customer. The customer may need it today and takes little comfort from the fact that our overall denials are low.

Mr. MONAGAN. Here is what I am saying. Perhaps to supply so many demands you would need a supermarket. I might need a toothache