

General CLAY. I think I saw a recent chart of the total cost of FRELOC to the Army and I think it was \$40 million which was far less than was anticipated.¹

Mr. MONAGAN. The total cost by some authorities is estimated at \$100 million.

General CLAY. That probably includes other services.

Mr. LEVINSON. And construction of new facilities.

Mr. MONAGAN. I think it is supposed to include everything.

Colonel NELSON. This concludes our presentation today unless there are questions.

Mr. ROMNEY. Colonel, you said COMZ would not know the location of a given item.

Colonel NELSON. They only know by depot. For example, they know cups and saucers are stored at C-22. I have 235,000 actual storage locations. But they don't know which pigeonhole I have cups and saucers in; and that is why I must match my records to find the exact location. These things are continually changing. For example, you have a stock location and as soon as the location is emptied I may have new stock coming in. As soon as that one location is empty we kill that location so far as the storage location for that. The next day I might have another shipment that goes in that same location. We may have a single item in as many as four or five storage locations because we get more and more and could not put them all together. We try to keep down the number of multiple storage locations and we try to consolidate our storage locations into one or two principal storage locations.

Mr. ROMNEY. One other question: When you ship the materiel back to the United States for repair there, how do you determine whether it is economical to repair it back in the United States?

Colonel NELSON. Each major item of equipment that comes in, we prepare form 523 which outlines the estimated man-hours required and the dollar value of this labor along with the repair parts to repair that item. That is shown on the form based on published criteria. This goes to the commodity manager at SMA. In the case of ordnance we prepare form 471-7 which again outlines the cost to restore the item to serviceable condition. So it is based on an actual physical inspection of the item. It is not a decision made at the top of your head or the seat of your pants.

Mr. ROMNEY. Does there have to be a decision made for this back in the States before you send it back?

Colonel NELSON. Definitely.

Mr. ROMNEY. In the case of FRELOC was the same criteria held to?

Colonel NELSON. Of course, one of the things that has caused additional equipment going back to the States has been the activity in Southeast Asia and the requirements of CONUS are more than they were prior to the intensive staffing and manning of Southeast Asia. Some of these items may go through CONUS on the way to Southeast Asia.

Mrs. HECKLER. I suppose there is no way you can estimate the value. You estimate the tonnage and that is about it?

¹ The Department of the Army subsequently advised that as of Apr. 30, 1967, total Army costs of approximately \$55 million have been reported to the Department of the Army in accordance with special instructions for the accumulation of costs for the withdrawal of U.S. and NATO forces from France.