

36 you say you recommend the Secretary initiate a procedure whereby periodic lists of short-supply items will be submitted by operational organizations to inventory managers. Who are those people?

Mr. FASICK. These would be the inventory control points here in the United States. For example, the Aviation Command in St. Louis, Mo., the Tank Automotive Command—

Mr. RANDALL. Over in Illinois?

Mr. FASICK. In Michigan.

LOW-DEMAND ITEMS

Mr. RANDALL. I was interested in your remarks just a second after I came in when you said that the DSA had 800,000 items in inventory that had not been moved.

Mr. FASICK. This was DSA and Navy. These were items that had not moved for a period of 24 months or more. There had been no activity.

Mr. RANDALL. What is your recommendation as to that?

Mr. FASICK. We recommend that they give consideration to eliminating these items from the inventories.

Mr. RANDALL. You established a period of 2 years. Is there anything magic about that time? If it hadn't moved for 6 months or a year, would you make the same recommendation?

Mr. FASICK. No. Two years isn't necessarily magical, except that we feel that once something has been in an inventory 2 years and you haven't had any activity in it, it deserves some sort of review.

Mr. RANDALL. But a year would be all right in your opinion?

Mr. FASICK. Yes; I think so. There are many items—

Mr. RANDALL. Eighteen months?

Mr. FASICK. Now it is a question of degree.

Mr. RANDALL. I am trying to get you to say why you say 2 years. You just found that to be a factor. How did you reach the 2 years?

Mr. FASICK. Many times the services determine whether they are going to stock an item based on the number of demands they get in a certain period of time. Frequently, if they have three demands in a 1-year period, then they decide to stock that item. So, working from that basis, if they have had no demands for an item in 2 years and if after reviewing the case—

Mr. RANDALL. The statute of limitations runs out after 2 years?

Mr. FASICK. Not necessarily in every single case. There are times when an item is essential. You may not have any use for it for 10 years, but if you didn't have it when you need it a system would break down completely.

Mr. RANDALL. I will have to say to you that is the whole theory of stockpiling. We think we need some of that around as long as it is usable, no matter where it is.

Mr. FASICK. The point of the 800,000-and-some items is that we are not suggesting all of those be eliminated and dropped from the inventory tomorrow, but we think it illustrated the magnitude of a problem that needed more attention than it was getting so far. I think the Department of Defense is in sympathy with that position, once they can get the wherewithal to work on it.