

commands or between overseas and CONUS bases. They no longer have to learn a new system each time they change bases. They have only one system to know and understand and they all speak the same language.

The bases and AMA's are linked by a very effective automatic digital communications network system called AUTODIN. Requisitions are produced at bases by computer, transmitted over AUTODIN to the AMA, processed there by computer and status furnished back to the bases automatically.

We are sometimes criticized for having a large percentage of high-priority requisitions. We are willing to accept a high rate since we don't have overseas depot stocks as buffers and our bases are on a direct wholesale-to-retail basis. We have believed for several years that rapid communications and transportation are far more economical than the costs of theater depot complexes.

Equipment items in the Air Force are also centrally controlled and managed. These are items which perform a function themselves such as electronic test sets, ground air conditioners for aircraft, shop equipment, and mobile radar sets regardless of supply source. Each piece of AMA-managed equipment in use in the Air Force is reported periodically to the AMA Item Manager. When an item is issued by the base equipment manager to a using organization, the issue is recorded by the local base equipment manager and reported to the appropriate item manager (IM). We do not permit any significant stockage of equipment items at base level. An equipment item either has a validated unit requirement, is returned to the IM, or shipped to a unit requiring the item at the direction of the IM. Again, certain items such as vehicles are very closely controlled by serial number.

We feel that we have been extremely successful, especially in the face of our expanded operation in Southeast Asia and other locations around the world. One measure we use in supply to determine our effectiveness is rates of aircraft not operationally ready (NORS) to fly because of a lack of parts. Our worldwide and SEA rates have shown a steady decrease over the past 18 months and are now below our 5-percent objective. This performance has been achieved in the face of some very formidable problems. We have not realized these successes merely by buying more and more spares and building up enormous stocks. The dollar value of supply stocks required to support our increasing weapons systems costs has shown a marked decline while the systems costs have shown a steady increase. For example, in fiscal year 1961 our investment in combat equipment amounted to \$31 billion while the spares necessary to support this inventory amounted to \$9½ billion—a 3-to-1 ratio. In fiscal year 1967 we had a capital investment of over \$39 billion with a spares support inventory of just \$8 billion—a 5-to-1 ratio.

The Air Force is very proud of its supply record, but we are not resting on our laurels. Our management attention has been, and is now, concentrated on several areas where we think further improvement is required. We believe our worldwide logistics support posture, plus support of Southeast Asia, is evidence that our Air Force supply system performs "as advertised."

It has not been necessary to make any major realignment in our system to support the escalation of hostilities in Southeast Asia, although we have had some problems which have required intensive effort by our supply personnel at all echelons. Only through their untiring efforts have we succeeded. I do feel, however, that our basic system has been both cost effective and responsive.

Most of the aircraft were initially deployed to the forward areas with kits containing spare parts to support 30-day sustained operations. Maintenance was limited to removing and replacing of components. Most maintenance and component repair was performed at the main operating bases located in the Philippines, Okinawa, and Japan.

With the buildup of U.S. support early in 1962, the Air Force established a base supply at Tan Son Nhut, Vietnam. This supply account provided general support and some aircraft support to all of Vietnam. AUTODIN capability was established in mid-1963. By late 1964, approximately 25,000 line items were stocked. The small units in Thailand during this period were supported from Clark AB. In early 1963, equipment accounts were organized and located at Tan Son Nhut, Vietnam, and Don Muang, Thailand. They were responsible for centralized equipment management within their respective countries. These organizations gave us a good nucleus for the growth that was required later, and provided adequate support during the period 1962-64.

Escalation of our forces began in earnest during 1965. During a very short period in late 1965 and early 1966 our aircraft and deployed squadrons increased