

ment out at all for parts, that at some point in time you are building a lot of waste into the system. So what is the proper trade-off.

Mr. ROBACK. You have been in the forefront, have you, of automatic data processing for logistics? Would you say the Air Force has been ahead of the other services?

General RIEMONDY. I think we recognized the need perhaps earlier than the other services did, and we probably moved out a little bit quicker than they did in these areas.

ASSET VISIBILITY FOR CONTROL

Mr. ROBACK. Do you have the kind of worldwide assets visibility that has been under discussion, which the Army lacks in some significant degree?

General RIEMONDY. I would say that at this point in time we have centralized visibility of our inventories. At the present time we have worldwide visibility over 80 percent of the dollar value of our stocks.

There are certain kinds of items which the chairman spoke to a little while ago over which we do not maintain worldwide visibility on. Once we issue the material from one of our five depots that we have, all located in the ZI, we don't try to trace that materiel on a daily or monthly basis.

Mr. HOLIFIELD. It costs more.

General RIEMONDY. These are low-cost items.

Mr. HOLIFIELD. It costs more to keep track of it?

General RIEMONDY. Yes, sir.

Mr. HOLIFIELD. More paperwork and time than the article itself is worth probably.

General RIEMONDY. Yes, sir. We have a concept of selective management within the Air Force, and this dictates the amount of management attention we direct toward an item. It is somewhat proportional to the dollar value of the inventory that you are talking about on an item by item basis. There are a lot of little bits and pieces which are needed to repair end items. We call them EOQ items or economical order quantity type of items. We don't try to maintain worldwide visibility on these low-cost items at all times.

However, by the same token, this doesn't say that we don't exercise control over these items, because the stock leveling procedures, the amount of stock that can be stored at a particular base, how they requisition this item, how they dispose of these items, this is all centrally controlled and pretty much directed from office right here in the Air Staff in the Pentagon. So while we don't have day-to-day visibility, this does not necessarily mean we don't have control of what goes on with these assets.

Mr. ROBACK. Do you have overseas depots?

General RIEMONDY. None.

Mr. ROBACK. You don't have any?

General RIEMONDY. No.

Mr. ROBACK. It has been represented in earlier testimony, as we understand generally, that the Air Force is U.S. oriented as far as its supply channels and controls go. It doesn't have the problem of the Army trying to determine the extent to which there will be centralized