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REPORT TO THE CONGRESS



First Review Of Phasedown Of United States Military Activities In Vietnam B-171579

Department of Defense *AGC 00005*

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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MARCH 15, 1971



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-171579

To the President of the Senate and the
Speaker of the House of Representatives

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This is our report on the first review of the phasedown of United States military activities in Vietnam by the Department of Defense.

Our examination was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Defense; and the Secretaries of the Army, Navy, and Air Force.

James B. Stacks

Comptroller General
of the United States

D I G E S T

WHY THE REVIEW WAS MADE

With the Department of Defense (DOD) now being engaged in reducing U.S. combat operations and related military activities in Vietnam, the General Accounting Office (GAO) has undertaken a series of reviews of policies and procedures being applied in the phasedown and of results being attained.

GAO's objective is to identify problems being encountered, focussing particularly on the logistics aspects, and to bring these problems promptly to the attention of the responsible military commanders and the Secretary of Defense while the phasedown continues.

This first GAO report is directed primarily to matters connected with the third incremental reduction in troop strength (50,000) completed April 15, 1970.

FINDINGS AND CONCLUSIONS

Between June 8, 1969, and April 15, 1970, U.S. forces in Vietnam were reduced from 538,000 troops to 425,500, a reduction of approximately 21 percent.

This was accomplished in three steps over periods of 3 to 4 months for each step. Despite the relatively short time provided, the military services met each of the directed troop reduction schedules. (See ch. 3)

The reductions were accomplished by redeploying military units or placing them in an inactive status, by reassigning individuals, and by curtailing replacements scheduled to be sent to Vietnam.

As a result large quantities of supplies and equipment had to be disposed of or redistributed at the same time that the war was continuing. This was, and continues to be, a formidable task.

The circumstances made it difficult for organizations in Vietnam, subordinate to the services' command headquarters, to prepare for efficient reductions of military activities.

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MARCH 15, 1971

These organizations could not be provided specific information as to size and time of force reductions until announced by the President. Further, they were placed in the position of having to continue their assigned military and combat missions until a few days prior to re-assignment of personnel and turn-in of equipment.

In many cases detailed procedures for withdrawal had to be improvised and implemented even as the withdrawal took place. (See pp. 7 to 10.)

Notwithstanding these constraints, DOD and the military services were making a concerted effort to account for and control arms, equipment, and materiel which became excess as the phasedown proceeded.

The constraints contributed to a variety of problems requiring attention of military commands in Vietnam and in Washington, including the Office of the Secretary of Defense.

- There was a need for more effective teamwork among the three military services to supply the needs of the Vietnamese Armed Forces. Lack of uniform procedures resulted in some cases in equipment needed by the Vietnamese forces being shipped back to the United States. (See p. 13.)
- Problems in returning Army equipment to the United States developed because of a backlog of equipment which required cleaning. This backlog was due to increased enforcement of U.S. Public Health Service and Department of Agriculture standards for the treatment and processing of materiel being returned to the United States and to a shortage of cleaning equipment. (See p. 30.)
- The Air Force had a backlog of materiel awaiting shipment to the United States because of a lack of people qualified in packing and crating of materiel. (See p. 30.)

GAO also observed the following situations where improvements might be possible in supply and maintenance operations connected with the phasedown.

- Due to the lack of an effective screening procedure, repair parts and components required by the U.S. military services in Vietnam were issued to the Vietnamese Army as excess to U.S. requirements. (See p. 19.)
- During the first 8 months of fiscal year 1970, Army depots in Vietnam were directed to ship excess serviceable secondary items and supplies valued at \$297 million out of Vietnam. In the same period U.S. military assistance funds available for similar items for the Vietnamese Army totaled \$231 million. (See p. 19.)
- The reporting and accounting system did not provide management with accurate, complete, or timely logistical data. (See p. 20.)

- Actions taken by some of the services to cancel requisitions for supplies that would not be needed because of force reductions were inadequate and could result in unnecessary shipment of supplies to Vietnam. (See p. 20.)
- The Army had a significant backlog of reparable equipment in Vietnam mainly because of limited maintenance capabilities. (See p. 23.)

Although GAO's review was not conclusive, there may be a need for stronger controls over transfers of facilities (such as buildings, airfields, and water purification plants) to the Vietnamese to ensure that adequate consideration is given to their capability to use and maintain the real and personal property associated with the facility. GAO has brought this matter to the attention of responsible officials. (See p. 27.)

Notwithstanding these and similar difficulties, military commanders were taking reasonable actions to prevent any accumulation of excess assets from being left in the combat zone as had occurred after previous wars. Efforts made by the military in Vietnam, in this respect, were considerable.

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of Defense should:

- Review existing plans of the military services for executing anticipated withdrawals to ensure that these plans provide for current and future withdrawals on a unit-by-unit basis. (See p. 9.)
- Establish uniform procedures and criteria (1) for the transfer of U.S. military services' excess materiel to the Vietnamese Armed Forces and (2) to ensure that all excess materiel in Vietnam is considered in fulfilling requirements of the Vietnamese. (See p. 14.)
- Reduce the backlog of equipment awaiting processing and cleaning. (See p. 30.)
- Establish procedures for determining and maintaining that support capability, particularly in the packing and crating area, required to support Air Force phasedown actions. (See p. 32.)
- Examine into the other problem areas in supply and management reported by GAO. (See p. 25.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Assistant Secretary of Defense (Installations and Logistics) stated that the military departments concurred generally with GAO's conclusions and proposals. (See p. 37.)

He stated also that the Air Force had published special plans for unit-by-unit withdrawals (see p. 38) and that the Army had written special procedures for redeploying or inactivating units and for redistributing materiel while operations continued. (See p. 39.)

The Joint Chiefs of Staff promulgated procedures in May 1970 designed to facilitate the transfer of equipment by the three military services to the Vietnamese Armed Forces. (See p. 37.)

The Army provided 23 additional water blasters to the forces in Vietnam to expand their capability to clean equipment scheduled for return to the U.S. or for transfer to the Vietnamese. (See p. 40.)

The Air Force said that it was aware of the necessity for augmenting its packaging and crating capabilities in Vietnam to accommodate phase-down actions and withdrawals of personnel and equipment and that it had taken steps to correct the situation. (See p. 37.)

The services have established and implemented several new procedures to strengthen their management of supply and maintenance operations in line with GAO's proposals. (See p. 38.)

GAO believes that the actions taken, if consistently applied, will improve conditions which existed during the early stages of the phase-down.

MATTERS FOR CONSIDERATION BY THE CONGRESS

GAO is reporting on these matters to provide the Congress with information on the logistical actions being taken in connection with the phasedown of United States military activities in Vietnam.

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this report	

ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office
MSTS	Military Sea Transportation Service

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Notwithstanding these constraints, DOD and the military services were making a concerted effort to account for and control arms, equipment, and materiel which became excess as the phasedown proceeded.

The constraints contributed to a variety of problems requiring attention of military commands in Vietnam and in Washington, including the Office of the Secretary of Defense.

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GAO also observed the following situations where improvements might be possible in supply and maintenance operations connected with the phasedown.

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GAO believes that the actions taken, if consistently applied, will improve conditions which existed during the early stages of the phasedown.

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CHAPTER 1

INTRODUCTION

The General Accounting Office examined into selected aspects of the phasedown of United States military forces in the Republic of Vietnam. This initial effort was directed toward identifying problems being encountered, focusing particularly on the logistics aspects, and to bringing the problems promptly to the attention of the responsible military commanders and the Secretary of Defense while the phasedown continues.

Our observations were made during the third incremental withdrawal in troop strength which took place between December 15, 1969, and April 15, 1970. We made limited inquiries into the first two incremental withdrawals, including the turnover of facilities, the availability of transportation, and the transfer of personnel that were concurrent parts of the phasedown to date. The scope of our review is shown on page 33 of this report.

During the period June 8, 1969, through April 15, 1970, the troop ceiling of the U.S. Forces in Vietnam was reduced from about 549,000 to 434,000--a reduction of approximately 21 percent. This was accomplished in three incremental reductions as follows:

Phase I On June 8, 1969, the President announced that the initial reduction, 25,000 troops, was to be accomplished by the end of August 1969.

Phase II On September 16, 1969, the President announced that the U.S. troop ceiling was to be reduced to 484,000 by mid-December 1969.

Phase III On December 15, 1969, the President announced a further reduction in authorized troop strength of 50,000 to take place by April 15, 1970. The effect of this reduction was to limit the U.S. forces in Vietnam to 434,000 troops as of April 15, 1970.

On April 20, 1970, the President announced a further reduction of 150,000 troops that was to take place by the spring of 1971. At the time of our fieldwork, no action had taken place on this withdrawal. This report deals only with actions that occurred through April 15, 1970, the date of completion of the third phase of troop reductions.

During our examination, we brought certain matters to the attention of responsible officials in Vietnam through meetings and memoranda. We kept the Office of the Secretary of Defense informed on our observations through periodic meetings with personnel of the Office of the Assistant Secretary of Defense (Installations and Logistics).

CHAPTER 2

OBSTACLES TO EFFICIENT PHASEDOWN

PLANNING FOR LOGISTICAL MATTERS

The Department of Defense was faced with a formidable task in managing the inactivation of units and reassignment of personnel to comply with the President's phasedown directives. Large quantities of supplies and equipment became available for redistribution or disposal. At the same time, the war effort with its attendant logistical and security requirements continued.

There were constraints that made it difficult for organizations in Vietnam, subordinate to the services' command headquarters, to prepare detailed plans for the efficient reduction of military activities for each of the incremental withdrawals. We were told, for example, that specific details on force reductions were not passed to the lower echelons of command until announcements had been made by the President. Consequently, the lower echelons were placed in the position of having to prepare contingency plans and then to react to announced withdrawals as directed.

At the same time that the services were directed to make substantial force reductions, they were expected to continue the war effort. Planning for combat operations, adequate security, and logistical support of combat operations would, of necessity, take precedence over the planning for phasedown operations.

The necessity that the services revise their conceptual approach to redeployment was another constraint to efficient planning. Prior to the President's announcement of troop withdrawals, the DOD plan for redeployment was based on the premise that there would be a cessation of hostilities before troops were withdrawn. The plan, referred to as the "T-Day Plan" provided for the time-phased withdrawal of personnel and materiel in a nonhostile environment. Detailed procedures for redeploying or inactivating units and redistributing equipment and supplies while operations continued had not been prepared and thus were not available.

Although certain parts of the T-Day Plan could be used, detailed procedures had to be devised and implemented as the withdrawal took place.

ARMY PLANNING

The U.S. Army, Vietnam, plans for the incremental withdrawal of forces called for combat, combat support, and combat service support organizations and specified equipment and supplies to be phased out in a manner which would maintain a balanced force posture. Organizations identified for inactivation or redeployment were directed to maintain sufficient combat capability for security and self-defense until time for actual unit movements. Units to be inactivated were required to turn in all materiel to the supply system for use in satisfying in-country requirements.

The Army did not have well-defined operating procedures to control the turn-in and disposition of equipment and supplies. The system was created during the initial phasedown and was revised as the phasedown progressed. The system was not effective, however, in maintaining accurate control over the large quantity of equipment being turned in, and it could not keep up with the volume of transactions. After the third phase of the withdrawal started, the Army found it necessary to change from the manual system then in use to a computerized system. This change was made to cope with the large volume of transactions being processed. (See p. 20.)

AIR FORCE PLANNING

The Headquarters, Pacific Air Force, issued directives to the 7th Air Force, Vietnam, for each incremental withdrawal. These directives contained the objectives, concept, and specific command/staff actions required for each withdrawal.

The procedures were not completely effective. At one base, \$10.5 million of excesses built up after the redeployment of three aircraft squadrons. The buildup resulted from (1) the turn-in of large quantities of supplies peculiar to the aircraft redeployed, (2) the receipt of supplies

for the redeployed units after the units had departed Vietnam, (3) failure of the base supply officer to research the base supply accounts and identify items which were peculiar to the deployed aircraft but not coded as such or to identify common items used by the departing units and take action to adjust their stockage levels to reflect reduced requirements (see p. 21), and (4) a shortage of personnel trained in the packing and crating of materiel (see p. 30).

NAVY PLANNING

Joint United States Navy and Vietnamese Navy planning was started in November 1968 for the gradual turnover of naval missions and certain watercraft to the Vietnamese Navy. The plans for the mission turnover were accelerated in May 1969 after the President's announced military phase-down. The U.S. Navy has turned over hundreds of watercraft to the Vietnamese. We were informed that, by mid-1970, most of the 500 patrol craft and gunboats and the majority of naval operations in Vietnam would be in the hands of the South Vietnamese.

MARINE CORPS PLANNING

The Marine Corps phasedown was carried out through the redeployment of units, some of which were scheduled for inactivation upon reaching their destination. The Marine Corps plans provided for the movement of specific equipment and supplies along with the redeployed units.

Although the Marine Corps strength was being reduced significantly, a corresponding reduction had not been made in the quantities of supplies on order. The Fleet Logistics Command records indicated that about \$22 million worth of supplies on requisition in March 1970 were not needed but had not been canceled. (See p. 22.)

AGENCY COMMENTS AND OUR EVALUATION

On August 26, 1970, we brought our findings and our proposals for corrective action to the attention of the Secretary of Defense. We suggested that the Secretary of Defense provide for a review of the plans of each of the

military services for executing the anticipated withdrawals to ensure that such plans recognize and provide for the incremental nature of current and future withdrawals.

The Assistant Secretary of Defense (Installations and Logistics) commented on our findings and proposals in separate letters dated November 6, 1970 (see app. I), and December 4, 1970 (see app. II). The replies stated that the military departments concurred generally with our conclusions and proposals. The reply of November 6, 1970, stated that the Air Force had developed and published a group of special plans that provided for incremental deployment and logistics guidance in all phases of withdrawal actions.

The reply dated December 4, 1970, stated that the Army recognized the need for detailed procedures for redeploying or inactivating units and redistributing equipment and supplies while military operations continued. The reply stated further that appropriate procedures had been written and that associated problems continued to receive top management emphasis by the Army and its major subordinate commands.

We have not had the opportunity to review the actions taken by the services; however, we believe that these actions will improve the conditions which existed at the time of our fieldwork. We plan to look into these matters and to evaluate the progress made by the military services in developing plans more closely aligned to the incremental withdrawal concept during the next phasedown, which is scheduled to be completed by May 1, 1971.

CHAPTER 3

REDUCTION OF PERSONNEL CEILINGS

We found that, despite the relatively short time allowed them, the services met each of the directed troop reductions. The reductions were accomplished by the (1) inactivation or redeployment of organizations, (2) redeployment of individuals, and (3) curtailment of incoming replacements.

We noted that, although the authorized troop ceiling was reduced by 115,000 as a result of the three Presidential announcements, the actual troop strength in-country was reduced by about 112,500 from the beginning of phase I through the end of phase III because actual troop strength in-country immediately prior to phase I was only 538,000 in contrast to an authorized troop ceiling of 549,500. At the end of phase III, April 15, 1970, the actual in-country troop strength was only 425,583 although the troop ceiling was 434,000. The following table summarizes the force reductions for the three withdrawal phases in terms of authorized troop ceilings and actual troop strengths.

	<u>Authorized troop ceiling</u>	<u>Actual troop strength</u>
Level at start of phase I	549,500	538,000
Phase I reduction	<u>25,000</u>	<u>23,000</u>
Level at end of phase I	524,500	515,000
Phase II reduction	<u>40,500</u>	<u>31,000</u>
Level at end of phase II	484,000	484,000
Phase III reduction	<u>50,000</u>	<u>58,417</u>
	<u>434,000</u>	<u>425,583</u>

The bulk of the reductions in authorized troop ceilings took place in the Army and Marine Corps. The following table summarizes the reductions in authorized troop ceilings for each service.

Summary of Reduction in
Authorized Troop Ceilings

<u>Phase</u>	<u>Army</u>	<u>Marine Corps</u>	<u>Navy</u>	<u>Air Force</u>	<u>Total</u>
I	15,384	8,394	1,222	-	25,000
II	14,082	18,465	5,412	2,541	40,500
III	<u>29,443</u>	<u>12,900</u>	<u>2,050</u>	<u>5,607</u>	<u>50,000</u>
	<u>58,909</u>	<u>39,759</u>	<u>8,684</u>	<u>8,148</u>	<u>115,500</u>

The reduction in the number of personnel and the inactivation of units in Vietnam resulted in the accumulation of large quantities of supplies, equipment, and materiel which had to be disposed of or redistributed.

CHAPTER 4

INTERSERVICE AND SUPPLY MANAGEMENT PROBLEMS

We found that the services were making a concerted effort to account for and control assets which became excess as the phasedown proceeded. Responsible officials were taking reasonable actions to preclude an accumulation of excesses being left behind as had occurred after prior major conflicts involving U.S. military forces. The efforts made in this respect were considerable. Nevertheless, GAO found a number of opportunities for improving the management of the current and of future phasedown increments.

NEED FOR INTERSERVICE COORDINATION IN FILLING THE NEEDS OF REPUBLIC OF VIETNAM ARMED FORCES

There is a need for overall control in Vietnam to ensure effective coordination with respect to fulfilling requirements of the Vietnamese forces. Each of the services was implementing its own procedures for the redistribution and utilization of assets which were excess to its needs or in long supply in Vietnam. There was, however, no organization overseeing or coordinating the actions of the individual services to ensure that the needs of the Vietnamese forces were considered before other disposition was made of excesses.

At the time of our fieldwork, the Military Assistance Command, Vietnam, was not participating in the redistribution process other than to provide the Army Headquarters in Vietnam with a list of items required by the Vietnamese forces. This "want list" showed some of the item requirements for each branch of the Vietnamese Armed Forces. This list had not been furnished to services other than the U.S. Army until after our inquiries into this matter in April 1970. We found that there was no cooperation among the U.S. services to ensure that their excess assets would be used to fill requirements of any of the Vietnamese services.

For example, we compared one "want list" published by the Military Assistance Command with a list of vehicles excess to the 7th Air Force. We noted that the Air Force had

approved 268 vehicles for shipment to the United States. We noted also that the "want list" included a requirement of the Vietnamese Army for 13 construction vehicles of the same type included in the Air Force list. This example illustrates that, unless a thorough screening of assets is made by the services, increased costs may be incurred through processing and shipment of the equipment from Vietnam and the subsequent shipment of like equipment to Vietnam.

We inquired further into this apparent lack of cooperation among the services in filling the Vietnamese Armed Forces' requirements. We were told that, as part of the Military Assistance Service Funding Program, each of the U.S. services provides funds for a portion of the equipment required by its Vietnamese counterpart service; i.e., the United States Army provides funds for the Vietnamese Army, the United States Navy provides funds for the Vietnamese Navy. When equipment is furnished to a Vietnamese service from other than its United States counterpart, the counterpart service is billed by the service which provides the equipment.

The Military Assistance Command reported to the Commander in Chief, Pacific, in 1970, that United States services were reluctant to accept less than new equipment for their Vietnamese counterpart as long as they had to reimburse the service providing the equipment at new equipment prices. The command requested that a standardized acceptance and reimbursement procedure be established to prevent equipment needed by the Vietnamese forces from being shipped out of the country. At the time our fieldwork was completed, this matter had not been resolved.

We suggested that the Secretary of Defense establish uniform procedures and criteria for the transfer and reimbursement of the military services' excess materiel to the Vietnamese Armed Forces to ensure that all U.S. military excesses in the country are screened against the requirements of the Vietnamese.

Agency comments and our evaluation

The Assistant Secretary of Defense (Installation and Logistics) stated that the Joint Chiefs of Staff had

promulgated procedures on May 28, 1970, which would facilitate interservice transfers of equipment to meet the needs of the Vietnamese Armed Forces. He also pointed out that procedures were implemented in August 1970, which would permit the transfer to the Vietnamese Army of United States military excess materiel scheduled to be returned to the United States.

We plan to review and to evaluate the effectiveness of the Joint Chiefs of Staff procedures during the conduct of our next review of this subject.

ARMY RELUCTANCE TO ACCEPT STOCKS
FROM THE NAVY

At the time of our review, the Navy was in the process of turning over to the Army inventories and related responsibility for providing common supply and service support to all U.S. forces in the northern section of the Republic of Vietnam, commonly referred to as I Corps. The transfer was to be completed by July 1, 1970:

We examined into the transfer of packaged petroleum products which had already been accomplished. We found that the Army had not accepted more than a 5-1/2-month supply of these items from the Navy. The Army considered the 5-1/2-month supply an optimum level of inventory for providing adequate troop support. The Army has a criterion, however, that permits a 10-month supply of stock that is already on hand to be retained rather than disposed of.

Quantities of certain stocks which had been prepared by the Navy for turnover were rejected by the Army because the Army refused to accept more than a 5-1/2-month supply. The records indicated that in some instances relatively insignificant quantities of stocks were left in custody of the Navy. For example, the Army accepted 1,256 drums of lubricating oil but refused to accept the 13 remaining drums valued at about \$425. The Army also refused to accept 666 drums of motor gasoline valued at about \$10,000 although it did accept 3,673 drums. We discussed this matter with responsible officials in Vietnam and expressed our concern that, if the same criteria were used for transfer of the remaining Navy supplies, it could result in uneconomical disposal or shipment of supplies.

We recognize the Army's reluctance to accept quantities of material that may later have to be declared excess and disposed of. However, inasmuch as this material was already in the country and requirements would continue, it would have been more appropriate to have retained the supplies. Such a course would have avoided the cost of shipping the supplies out of the country, handling and inventory control by both the Army and Navy, and possibly premature disposal actions.

We brought this matter to the attention of responsible officials at the Department of the Army, and we were informed that the Army had broadened its criteria for accepting stocks in line with our suggestions.

OBSERVATIONS OF OTHER LOGISTICS PROBLEMS
WARRANTING INCREASED MANAGEMENT ATTENTION

We observed the following problems in supply and maintenance operations which appeared to warrant increased management attention. We brought these matters to the immediate attention of responsible personnel in the field and of officials in the Office of the Assistant Secretary of Defense (Installations and Logistics).

Weaknesses in procedures for
lateral transfer of Army assets

In many instances units scheduled for inactivation transferred items of equipment to other U.S. Army units. This type of transfer, known as a lateral transfer, was authorized only when prior approval had been received from Headquarters, U.S. Army, Vietnam. We noted that the Army Headquarters had approved the lateral transfer of major equipment valued at about \$3 million. We noted also that major equipment valued at about \$1.4 million had been laterally transferred without approval. Our examination of pertinent records and our discussions with responsible officials indicated that:

- The Army Headquarters did not require units to submit data in support of their requests for lateral transfers. Consequently, requirements could not be validated.
- The Army Headquarters' failure to validate the gaining units' requirements and to determine the status of stock requirements with the Inventory Control Center, Vietnam, resulted in transfers of equipment to units although units with higher priority requisitions went without equipment.
- When Army Headquarters approved a lateral transfer, no action was taken to suspend outstanding

requisitions to prevent a duplicate issue by the Inventory Control Center.

--The Army Headquarters approved lateral transfers of Department of the Army-controlled items, contrary to disposition instructions. Sixty-five items valued at about \$115,000, for which Department of the Army had directed disposition outside of Vietnam, were authorized for lateral transfer to units in Vietnam.

Headquarters, U.S. Army, Vietnam, issued a request that units which had received equipment through lateral transfers provide the Inventory Control Center with a list of requisitions to be canceled. At the time of our fieldwork, the Inventory Control Center had not received the requested information from any units and none of the open requisitions filled by lateral transfer had been canceled. Thus there were outstanding requisitions valued in excess of \$4 million, which had been filled through lateral transfers and which should have been canceled. Our review included only major items of equipment. If all types of equipment were considered, the potential for cancellation of additional requisitions filled through lateral transfers would be even greater.

We informed responsible officials at Headquarters, U.S. Army, Vietnam, of our findings, and they told us that corrective action would be taken prior to any future phasedown operation.

Potential for avoiding significant costs
in the supply of secondary items to the
Vietnamese Army

Our review of records at U.S. Army, Vietnam, shows that there is a potential for avoiding significant costs in filling the Vietnamese Army requirements for secondary items (secondary items are repair parts or components of major items; e.g., transmissions or batteries for use in trucks). This potential is not being realized because of the absence of clearly defined procedures for matching, on a timely basis, Vietnamese needs with secondary items determined to be excess to U.S. Forces' needs.

As of March 1, 1970, the fiscal year 1970 U.S. military assistance funds available for secondary items and supplies for the Vietnamese Army totaled \$230.7 million. During this same period, Headquarters, U.S. Army, Vietnam, directed its depots to ship excess serviceable secondary items and supplies, valued at \$297.5 million, out of Vietnam.

We were unable to ascertain what portion of the excesses released for shipment could have been used to fill the requirements of the Vietnamese Army. It is reasonable to assume, however, that similar items were included on both lists, as the requirements of the Vietnamese Army were for secondary items required to maintain equipment transferred to them from U.S. Army, Vietnam, excesses.

The procedures required that U.S. advisors to the Vietnamese Army screen the lists of U.S. Army excesses for items required by the Vietnamese Army. We found, however, that the advisors were reluctant to request items on the excess listings because the U.S. Army logistical activities did not provide them with timely and accurate information on the status of their requests.

On the other hand, we noted that secondary items turned in to the U.S. Army depots as excess were not properly screened against the U.S. Army's own requirements prior to their transfer to Vietnamese forces. The U.S. Army records showed that over 3,000 such items shipped to the Vietnamese were in a critical supply position within the U.S. Army, Vietnam.

We believe that the potential savings from an effective screening program could be substantial as U.S. Army requirements diminish and the Vietnamese Army requirements increase as a result of the phasedown.

Problems in the U.S. Army, Vietnam,
logistical reporting and accounting system

The U.S. Army, Vietnam, devised a computerized system to provide management with supply information, reports, historical records, and an audit trail to account for major equipment items made available as a result of the phasedown. This system was developed during phase III of the withdrawals when it became apparent that the punch card system, then in use, was not adequate for the workload.

We noted that the system did not fulfill its intended purpose. The management reports were inaccurate and incomplete and did not provide the desired accountability records. For example, there was a requirement for the Army to provide the Military Assistance Command with listings of equipment turned over to the Vietnamese Army. We reviewed these reports and found the information to be incomplete and inaccurate. We also noted that many duplicate entries had been fed into the computer which resulted in recorded balances at the Inventory Control Point, Vietnam, being greater than actual inventories at the depots.

Potential buildup of unneeded
supplies

The services recognized the need to cut back on their ordering of supplies and to cancel requisitions for supplies that would not be needed because of the force reductions. We noted, however, that the actions taken by some of the services were not adequate and could have resulted in the receipt of unneeded supplies.

Army

We reviewed the Army's requisition registers at the Inventory Control Center, Vietnam, and found open requisitions for supplies ordered for units which had been inactivated or redeployed during the first two incremental

withdrawals. It was January 1970 before the Army took action to develop computer programs needed to identify materiel on order which would not be required because of the troop reductions.

This program, in late March 1970, identified over 14,000 requisitions on order for units to be inactivated during phase III of the withdrawals. We were unable to determine the dollar value of the 14,000 requisitions which should have been canceled or the number which were actually canceled. However, before developing its own computer program, the Army had requested assistance from the Logistical Control Office, Pacific, to identify requisitions for cancellation. We found that, through March 27, 1970, the Logistical Control Office had confirmed cancellation of 306 requisitions valued at about \$360,000 for units scheduled for inactivation during phase III. Considering that there was a potential for cancellation of 14,000 requisitions for the same units, we must conclude that the Army's initial actions were inadequate. The new computer program, if effectively implemented, however, should identify requisitions to be canceled in future phasedown increments.

Air Force

We made an examination of the supply records at Cam Ranh Bay Air Base and noted that, during phase III of the withdrawal, the value of excess supplies increased from about \$1.9 million to \$12.4 million and the value of excess equipment increased from \$7.6 million to \$9.1 million. These increases were mainly attributable to the redeployment of three squadrons of F4-C aircraft.

We looked into actions taken to reduce the excesses and found that base supply personnel had sorted all F4-C-coded items and had identified about 3,500 line items peculiar to the F4-C aircraft. The base supply officer took action to cancel all requisitions and dues-in for these items, wherever possible, and to prepare the excesses for redistribution. Action, however, had not been taken to research the base supply accounts to identify F4-C peculiar items which had not been coded or to identify common items used by the redeploying units in order that these stockage levels might be adjusted to reflect reduced requirements.

We believe that failure of the base supply office to take such action contributed to the \$10.5 million increase in excess supplies.

Marine Corps

The Marine Corps Force Logistics Command financial inventory reports disclosed large quantities of excess due-in materiel during the period of troop deployments. We noted that the Force Logistics Command had submitted 33,000 cancellation requests to supply sources during the period September 1969 to March 1970. At the time of our review in March 1970, however, the value of excess due-in materiel amounted to about \$22 million.

We selected 50 requisitions for which cancellation requests had been submitted but for which responses from the supply source had not been recorded. We visited the supply sources to reconcile their records with the Force Logistics Command's records. Our test showed that:

- 25 requisitions had in fact been canceled by the supply source. (The Force Logistics Command recorded the cancellation action for seven of these requisitions during our review.)
- 13 requisitions were not on record at the supply source even though advice on the status of the requisitions had been issued by the supply source for six of these requisitions.
- 9 requisitions had been completed by shipment of the materiel even though the cancellation requests were dated prior to shipment for five of these requisitions.
- 3 requisitions were still outstanding at the supply source. (The procuring activity had been requested to cancel the buys, but responses to the requests had not been received by the supply source.)

The results of our test demonstrate that there is a need to improve the procedures for cancellation of requisitions for unneeded materiel. It also indicates that the

Force Logistics Command records include a number of invalid transactions and that the value of excess dues-in may be significantly overstated.

Problems in the maintenance area

The Army's maintenance procedures call for intermediate-level maintenance to be performed by direct support and general support units. Intermediate-level maintenance is that maintenance exceeding the capability of individual organizations but less than major overhauling or rebuilding of assets at a depot.

We observed a large backlog of equipment requiring intermediate-level maintenance which Army officials in Vietnam estimated to be considerably in excess of a 90-day work load. We noted that equipment was being held in open storage and exposed to the elements for prolonged periods, thus increasing the maintenance work load as well as increasing the possibility of loss through theft or enemy actions. We believe that a lack of adequate organizational-level maintenance and a reduction in the strength of the logistical support base contribute to the problem in maintenance.

Organizations being inactivated during phase III of the withdrawal were directed to maximize efforts to bring equipment to the highest state of maintenance readiness. They were instructed to clean equipment and repair organizational deficiencies prior to turn-in of equipment. Our examination revealed little evidence to indicate that any organizational maintenance had been performed by the organizations being inactivated prior to their turning in the equipment.

We were told by 1st Infantry Division personnel that it was almost impossible to perform the required organizational-level maintenance because units were not relieved of their combat assignments until they started reassigning personnel and turning in equipment. It appears that additional time is required by the units, subsequent to the termination of combat assignments, if the required organizational maintenance is to be performed prior to the turn-in of equipment.

The failure of organizational units to perform the required maintenance placed an extra work load on the direct support and general support maintenance units. At the same time, there was a reduction in the number of personnel assigned to these units which resulted from normal rotations and reductions in overall troop strengths. For example, in March 1970 a maintenance company was inactivated during the same period that responsible officials in Vietnam were advising the Department of the Army that they could not manage the work load on hand with the resources available.

AGENCY COMMENTS AND OUR EVALUATIONS

We suggested that the Secretary of Defense examine into the potential opportunities for improvements in supply and maintenance operations which we observed and that he advise us of any actions which may be taken to improve these operations.

The Assistant Secretary of Defense (Installations and Logistics) replied that the identification and cancellation of requisitions for unneeded supplies was of vital interest to the Secretary of Defense and the military departments. He stated that the supply procedures in effect at the time of the GAO audit were not fully adaptable to the current rapid phasedown. However, positive steps were taken to keep excesses, such as were observed in the Army, Air Force, and Marine Corps, to a minimum.

In a subsequent reply the Secretary of Defense (Installations and Logistics) stated that, in response to our findings and proposals, the Army had taken the following actions: (1) implemented new procedures to control lateral transfers and associated actions, (2) assigned program and fund control responsibility for all Vietnamese Army secondary requisitions and consumable-item requisitions to the 2nd Logistical Command on Okinawa, (3) implemented an editing program to purify input data in the logistical reporting and accounting system, (4) developed automatic cancellation procedures with an implementation target date of December 1, 1970, and (5) provided for a technical evaluation inspection by Command Materiel Maintenance Inspection teams to units designated for redeployment or inactivation.

We plan to look into the effectiveness of the logistical actions taken during the next phasedown which is scheduled to be completed by May 1, 1971.

CHAPTER 5

TURNOVER OF EXCESS FACILITIES

We made a limited examination into the disposal of real property and related property. Our examination included a review of the directives, regulations, reports, and other pertinent information available at the Military Assistance Command Headquarters. We also visited the Lai Khe base camp which was in the process of being turned over to the Vietnamese Armed Forces at the time of our review.

As of March 8, 1970, 53 U.S. bases and facilities had been transferred or were in the process of being transferred to the Vietnamese. Additional transfers are anticipated in conjunction with future troop withdrawals from Vietnam.

POLICY ON TURNOVER OF U.S. FACILITIES TO THE REPUBLIC OF VIETNAM

The Military Assistance Command, Vietnam, is responsible for establishing the policy and publishing the necessary directives relating to the disposal of real property and related property excess to the needs of the U.S. Armed Forces in Vietnam.

At the time of our review, the directive on transfer of excess facilities required that:

- U.S. advisors actively assist Vietnamese Armed Forces elements in planning long-term utilization of property to be transferred to them. Planning will include fund and personnel programming to support operational and maintenance requirements.
- When installations or facilities are to be transferred to the Vietnamese Armed Forces, the U.S. service being relieved will ensure that Vietnamese personnel receive adequate training in the operation and maintenance of associated equipment and systems. To the extent possible, this training will be accomplished within the Vietnamese Armed Forces training system.

In expedient cases, on-the-job training, under the supervision of military personnel or the operating and maintenance contractor, may be used.

- Water purification equipment will be recovered when no U.S. personnel will be served by it, if recovery is economical.
- Air-conditioning and refrigeration equipment other than that essential to critical facilities, such as hospital operating rooms and communications/electronics facilities, will be recovered.

CAPABILITY OF VIETNAMESE TO MAINTAIN
FACILITIES RELEASED BY U.S. FORCES

We made a limited inquiry into the capability of the Republic of Vietnam Armed Forces to maintain the facilities and related equipment which had been transferred to them by elements of the U.S. Armed Forces. In some instances items were left for the Vietnamese that--according to established policies--would not normally have been transferred. In such instances the Vietnamese had specifically requested that the items be left or determinations had been made that to remove them would have disrupted the operation of the facility.

We noted, however, that in some cases the Vietnamese did not have the capability to use or maintain equipment or facilities left for them.

During visit at Lai Khe, a U.S. Army official told us that:

- More than 20 air-conditioners were turned over to the Vietnamese Army although they had neither the capability nor the repair parts to maintain the equipment.
- The Vietnamese Army had the capability to operate the electrical distribution system, but they lacked the required parts for the high-voltage system which we turned over to them.

--The U.S. Army left the sump pumps intact; however, the Vietnamese Army lacked the necessary training to maintain the pumps.

--The electrical system is an 110-volt system while the light bulbs and fluorescent lamps in the Vietnamese Army supply system are for use in a 220-volt system.

A water treatment plant at Binh Thuy was transferred from the United States Air Force to the Vietnamese. For the first 6 months after the transfer, U.S. Air Force advisors assisted in the operation of the water plant. At the end of this period, the Vietnamese operated the plant with only an occasional chlorine test by a U.S. Air Force medical technician. An inspection made 1 year after the transfer showed that the entire water distribution system was contaminated. This resulted from overloading of the clarifiers and removal of three of the nine water distribution pumps. Other portions of the water treatment plant were found to be deteriorated due to neglect.

These examples indicate that there may be a need for stronger controls over transfers to ensure that adequate consideration is given to the capability of the Vietnamese to use and maintain the facilities.

We brought these matters to the attention of responsible officials.

CHAPTER 6

TRANSPORTATION RESOURCES AND

PROBLEMS RELATED THERETO

We limited our effort in the transportation area to inquiries into the resources available within Vietnam for the movement of supplies and equipment and to identification of problems associated with the retrograding of materiel.

AVAILABLE TRANSPORTATION RESOURCES

In Vietnam the Traffic Management Agency coordinates transportation for the military services. Organizations requiring transportation of personnel or materiel make their needs known to this agency which, on the basis of the priority assigned, arranges for the movement. The agency forwards requests for out-of-country surface shipments to the Military Sea Transportation Service (MSTS) for action. In-country movements may be made by air, truck, or rail. High-priority movements are coordinated by the Traffic Management Agency with the 834th Air Division located at Tan Son Nhut Air Base which airlifts the personnel or materiel.

We were informed that about 50 percent of the out-of-country shipments by water are carried on MSTS-leased vessels, 40 percent are carried on U.S. Navy or U.S. Government-owned ships, and 10 percent are moved by commercial shipping.

Surface movements are difficult because many roads are not fully secured, and movement by military convoy requires security escorts. Also, the rail transportation system is not fully operational, and shipments by rail generally are limited to movements within Corps tactical zones.

Although we were informed that there were no problems in obtaining shipping space at the time it was needed, we did find two problem areas related to the retrograding of materiel--inadequate Army cleaning facilities and insufficient Air Force personnel for preparing materiel for shipment.

INADEQUATE ARMY CLEANING FACILITIES

The out-of-country shipment of phase III equipment, such as vehicles, artillery, and construction equipment, was delayed due to a large backlog of equipment requiring cleaning. This backlog resulted from increased enforcement of U.S. Public Health Service and Department of Agriculture standards for the treatment and processing of retrograde materiel and a shortage of cleaning equipment.

The Public Health Service and the Department of Agriculture have ordinances pertaining to the shipment of materiel to the United States. These regulations require that all materiel scheduled for shipment to the United States be cleaned and fumigated prior to shipment. They are designed to protect American citizens by preventing the import of diseased or illegal products. Both of the agencies have inspectors stationed at the ports in Vietnam to enforce the pertinent regulations.

In compliance with these regulations, the Army required that all equipment be cleaned prior to being placed in marshalling areas. We found that the cleaning equipment was inadequate to support both the regular retrograde equipment and those items being returned to the United States because of the withdrawals. We noted that items not scheduled for return to the United States were being cleaned to meet the standards of the Department of Agriculture and the Public Health Service.

We suggested that appropriate action be taken to reduce the backlog of equipment in Vietnam which was scheduled for return to the United States.

INADEQUATE AIR FORCE PACKING AND CRATING CAPABILITY

The Air Force Programmed Action Directive for the redeployment of a tactical fighter wing did not provide for adequate resources for packing, crating, and shipping the assets of the redeploying unit.

The directive assigned the responsibility for the packing, crating, and shipping of equipment and related supplies

of the tactical fighter wing to the local Traffic Management Officer. Included were equipment peculiar to the F-4C aircraft and supplies to be moved on a priority basis. The materiel to be moved included much electronic equipment which could deteriorate rapidly when subjected to outside storage and adverse weather conditions.

We found, however, that a team of packing and crating specialists, which had been working at the airbase at the start of phase III, departed on March 8, 1970--just about the time the turn-in of more than 3,500 F-4C peculiar items was beginning. We were informed that attempts to coordinate the presence of the specialists with the turn-in of F-4C items were frustrated because of indecision with respect to the redeployment date of the tactical fighter wing.

The regular assigned traffic personnel were not able to handle the work load after the team's departure. Therefore, the traffic management officer requested the Pacific Air Force to send another team of specialists to assist with the work load. At the time of our review, the estimated completion date for shipping F-4C items had been set forward to July 6, 1970. The estimate of July 6 was based on the promise that the requested specialists would begin work on May 6 and would work only on F-4C items for 60 days.

As a result of these delays, the potential recipients of F-4C items may be requisitioning like items elsewhere to fill urgent requirements. Moreover, the electronic equipment items could deteriorate rapidly when subjected to outside storage and possibly adverse weather conditions. Finally, the backlog of F-4C items caused the shipment of all other excess items to be deferred, which may well result in additional distressed cargo.

An Air Force audit report dated March 31, 1970, considered the backlog problem at local airbases in Vietnam. The report stated that packing, crating, and banding materiel and the number and experience of traffic management personnel assigned were inadequate to cope with the increased work load. The report recommended that the 7th Air Force continue to provide assistance to the affected airbases in view of the large dollar amounts invested in the assets to be shipped and the requirements for the assets at the receiving locations.

We were informed by the Air Force Auditor General's representative at the 7th Air Force that the backlog problem was widespread in the 7th Air Force.

We suggested that the Secretary of the Air Force establish procedures for determining and maintaining that support capability, particularly with respect to packing and crating activities, required to support phasedown actions.

AGENCY COMMENTS AND OUR EVALUATION

The Army informed us that, to expand the equipment-processing capability in Vietnam, 23 additional water blasters were being provided. We believe that the additional water blasters will expedite the processing of equipment scheduled for return to the United States or for transfer to the Vietnamese Armed Forces.

The Air Force stated that it was aware of the necessity for augmenting their packaging and crating capabilities in Vietnam. The Air Force scheduled 40 additional packaging and crating specialists to arrive in Vietnam by November 15, 1970. Arrangements had been made to provide training in the fundamentals of packaging for local employees and to reinforce the skills of Air Force packaging personnel.

We believe that the actions taken by the Air Force to increase the number of personnel trained in packaging and crating of materiel will increase the spare parts availability for the Air Force and may result in significant savings in procurement and maintenance labor costs.

CHAPTER 7

SCOPE OF REVIEW

Our review consisted of an examination into the policies, procedures, and practices related to the phasedown of U.S. military activities in Vietnam. We concentrated our work on logistic matters associated with the third incremental withdrawal of forces which was achieved during the period December 15, 1969, through April 15, 1970. We directed our effort primarily toward identifying problem areas and bringing them to the attention of responsible officials for their consideration and action. During the entire period of the review, responsible officials in the Office of the Assistant Secretary of Defense (Installations and Logistics) were periodically informed of our observations.

Our work was performed during the period January through May 1970 at the following locations in the Far East.

Installation

Military Assistance Command, Vietnam:

U.S. Army:

- Headquarters, U.S. Army, Vietnam
- 1st Logistical Command, Vietnam
- Inventory Control Center, Vietnam
- 1st Infantry Division Units, Vietnam

U.S. Navy:

- Naval Forces, Vietnam
- Naval Supply Activity, Saigon, Vietnam
- Naval Supply Activity, Da Nang, Vietnam

U.S. Air Force:

- Tan Son Nhut Air Base, Vietnam
- Cam Ranh Bay Air Base, Vietnam

U.S. Marine Corps:

- 3rd Marine Amphibious Force, Vietnam
- Force Logistics Command, Vietnam
- 1st Marine Air Wing, Vietnam
- 3rd Force Service Regiment, Okinawa

APPENDIXES



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

6 NOV 1970

SP
INSTALLATIONS AND LOGISTICS

Mr. C. M. Bailey
Director, Defense Division
General Accounting Office
Washington, D. C. 20548

BEST DOCUMENT AVAILABLE

Dear Mr. Bailey:

The Secretary of Defense has asked me to reply to your letter of August 26, 1970 which transmitted copies of your Draft Report entitled "Review of the Phasedown of Military Activities in Vietnam," (OSD Case #3171).

We and the Military Departments have reviewed the report and concur generally with your conclusions and recommendations. Although the Army is still developing comments regarding your report, we are providing available data concerning findings, observations and recommendations.

With regard to the need for interservice coordination in filling the needs of RVNAF, the Joint Chiefs of Staff promulgated procedures on 28 May 1970 (JCS 281501, May 70) which facilitate interservice transfer of equipment for RVNAF requirements. Although not specifically mentioned in your Report, the Marine Corps has utilized available WESTPAC assets since November 1969 to equip three VNMC infantry and one VNMC artillery battalions activated under the consolidated improvement and modernization program for the Vietnamese Armed Forces.

The Army's restrictive criteria for taking over supplies from the Navy have been reviewed by the Army and action has been taken to broaden such criteria in line with your suggestions.

The Air Force is aware of the necessity for augmenting their packing and crating capabilities in Vietnam to accommodate phasedown actions and withdrawal of personnel and equipment. Procedures are in effect whereby the 7th Air Force and the Pacific Air Force can request "Rapid Area Transportation Support" (RATS) teams from the Air Force Logistics Command to assist in meeting surge workloads. These teams were employed at Cam Ranh Bay for approximately fifteen months during 1969 and 1970, and a 12-man team presently at Cam Ranh will remain there through February 1971. A total of 4,575 mandays of assistance has been provided Air Force

activities in Southeast Asia since January 1969. Forty additional packaging and preservation specialists, trained at the Joint Military Packaging Training Center, are due to arrive in Vietnam by November 15, 1970. Arrangements have also been made to send a packaging training team to Vietnam during October-November 1970 to provide training in the fundamentals of packaging for local national employees and to reinforce the skills of Air Force packaging personnel.

To insure maximum utilization of Army assets available in Vietnam, and preclude shipment of similar Army owned assets to satisfy ARVN requirements, procedures were implemented in early August 1970 which permit the transfer to ARVN of assets scheduled to be retrograded to CONUS by the other Services.

The identification and cancellation of requisitions for unneeded supplies is of vital concern to us and the Military Departments. Supply procedures in effect at the time of your audit were not fully adaptable to the current rapid phasedown. Procedures have been established for the automatic return of selected items to the General Services Administration and the Defense Supply Agency. Positive steps to keep such excesses to a minimum have been taken. As firm redeployment schedules are established and promulgated, requisitioning objectives are recomputed to reflect reduced requirements.

During the time period of your review the Air Force was in the process of developing a family of special plans that provide for incremental deployment. These plans have now been published, and provide logistics guidance in all phases of withdrawal actions.

As we stated earlier, the Department of the Army is currently developing additional comments regarding your Report, which we hope to provide by November 20, 1970.

If the portions of the Draft Report which are now classified are included in the Final Report, it should be classified CONFIDENTIAL, inasmuch as the information they contain has not been declassified. [See GAO note.]

The opportunity to comment on this Report in draft form is appreciated.

Sincerely,



BARRY J. SHILLITO
Assistant Secretary of Defense
(Installations and Logistics)

GAO note: All classified portions have been omitted from this report.



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

4 DEC 1970

SP
INSTALLATIONS AND LOGISTICS

Mr. C. M. Bailey
Director, Defense Division
General Accounting Office
Washington, D. C. 20548

Dear Mr. Bailey:

This is to provide you with additional comments referred to in our letter of November 6, 1970, regarding your Draft Report of August 26, 1970 entitled "Review of the Phasedown of Military Activities in Vietnam," (OSD Case #3171).

The Army recognizes the need for detailed procedures for redeploying or inactivating units and redistributing equipment and supplies while operations continue. Appropriate procedures have been written and associated problems continue to receive top management emphasis by the Army and its major subordinate commands.

To insure proper control of lateral transfers, a new procedure was implemented as part of U. S. Army, Vietnam (USARV) OPLAN 183-70. Specifically, lateral transfer authority is maintained at Headquarters, USARV level. If a valid requirement exists and no other unit has a higher priority, the requesting unit's requisition is cancelled and the lateral transfer approved. Army predisposition instructions serve to further control lateral transfers and associated actions.

With respect to the supply of secondary items to the Army of the Republic of Vietnam (ARVN), the 2nd Logistical Command on Okinawa has been assigned program and fund control responsibility for all ARVN secondary and consumable item requisitions. A new supply requisition procedure, which implements the U. S. Army, Pacific (USARPAC) Logistics Support System 71 (LSS-71), has been initiated by the 2nd Logistical Command which insures that maximum use is made of Army long supply stocks in the Pacific Area. Requisitions are first edited to insure Military Assistance Service Funded (MASF) program authority. MASF program requirements are then released for supply action. There is also a procedure which

results in screening against long supply asset visibility tapes of USARV, Japan, Thailand, Korea and Okinawa stocks. After February 1, 1971 or earlier if possible, ARVN low priority requisitions (Issue Priority Groups 09 through 20) will be forwarded to the Pacific Utilization and Redistribution Agency (PURA) for supply action if long supply assets are not found available in USARPAC subordinate commands. Requisitions are placed on the Inventory Control Points in the United States only when ARVN requirements cannot be satisfied from Pacific Area long supply stocks.

Inaccurate records and reports in the logistical reporting and accounting system were generated primarily because of the absence of an edit program to purify input data. Such a program has now been implemented, to include checks for valid materiel categories, complete line and federal stock numbers, valid Support Command and processing location codes, and unique document numbers, to preclude duplicate input data. Other programs and procedures have been improved to insure purification of input data.

To minimize the potential buildup of unneeded supplies, USARV now has a fully operational computer program at the Inventory Control Center, Vietnam (ICCV) which cancels all in-country requisitions and backorders of units that are being redeployed from Vietnam. USARPAC also is currently developing automatic cancellation procedures with implementation target date of December 1, 1970.

The backlog of Army equipment requiring intermediate level maintenance did, at its maximum point, exceed the management workload of 90 days at one of the support commands. To relieve this situation, the reparable are transferred to another maintenance area in-country for repair. The establishment of a 90-day management level was calculated to cause a management review to determine if special actions are required to balance the workload. This is frequently reviewed at the Department of Army level to insure that the backlog is maintained at a manageable level.

Performance of organizational maintenance prior to equipment turn-in was not totally adequate. Units designated for stand-down are now given a technical evaluation inspection by USARV Command Materiel Maintenance Inspection (CMMI) teams to provide timely determination of equipment condition in relation to turn-in or transfer standards. The maintenance backlog of most commodity categories is expected to be at acceptable levels during future redeployments.

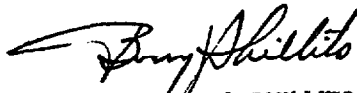
To expand USARV's equipment processing capability, twenty-three (23) additional water blasters are being provided. USARV will continue to

clean all equipment which is considered essential to support subsequent transactions involving the ARVN to Department of Agriculture and Public Health Service standards.

[See GAO note.]

We believe this supplemental information together with our earlier response, will assist you in finalizing the Review of the Phasedown of Military Activities in Vietnam.

Sincerely,



BARRY J. SHILLITO
Assistant Secretary of Defense
(Installations and Logistics)

GAO note: Material deleted from this letter concerns information included in the draft report, which is not included in the final report.

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF DEFENSE
DEPARTMENTS OF THE ARMY, NAVY, AND AIR FORCE
RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE:		
Melvin R. Laird	Jan. 1969	Present
Clark M. Clifford	Mar. 1968	Jan. 1969
Robert S. McNamara	Jan. 1961	Feb. 1968
DEPUTY SECRETARY OF DEFENSE:		
David Packard	Jan. 1969	Present
Paul H. Nitze	July 1967	Jan. 1969
ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS):		
Barry J. Shillito	Feb. 1969	Present
Thomas D. Morris	Sept. 1967	Jan. 1969
<u>DEPARTMENT OF THE ARMY</u>		
SECRETARY OF THE ARMY:		
Stanley R. Resor	July 1965	Present
Stephen Ailes	Jan. 1964	July 1965
ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND LOGISTICS):		
J. Ronald Fox	June 1969	Present
Vincent P. Huggard (acting)	Mar. 1969	June 1969
Dr. Robert A. Brooks	Oct. 1965	Feb. 1969

<u>Tenure of office</u>	
<u>From</u>	<u>To</u>

DEPARTMENT OF THE ARMY (continued)

U.S. ARMY MATERIEL COMMAND

COMMANDING GENERAL:

Gen. Henry J. Miley	Nov. 1970	Present
Gen. Ferdinand J. Chesarek	Mar. 1969	Oct. 1970
Gen. Frank S. Besson, Jr.	July 1962	Mar. 1969

DEPARTMENT OF THE NAVY

SECRETARY OF THE NAVY:

John H. Chafee	Jan. 1969	Present
Paul R. Ignatius	Sept. 1967	Jan. 1969

ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND LOGISTICS):

Frank Sanders	Feb. 1969	Present
Barry J. Shillito	Apr. 1968	Jan. 1969

CHIEF, NAVAL MATERIAL COMMAND:

Vice Adm. J.D. Arnold	Aug. 1970	Present
Adm. Ignatius J. Galantin	Mar. 1965	July 1970

DEPARTMENT OF THE AIR FORCE

SECRETARY OF THE AIR FORCE:

Dr. Robert C. Seamans, Jr.	Jan. 1969	Present
Dr. Harold Brown	Oct. 1965	Jan. 1969

UNDER SECRETARY OF THE AIR FORCE:

John J. McLucas	Mar. 1969	Present
Townsend Hoopes	Oct. 1967	Feb. 1969

ASSISTANT SECRETARY OF THE AIR
FORCE (INSTALLATIONS AND LOGIS-
TICS):

Phillip N. Whittaker	May 1969	Present
Robert H. Charles	Nov. 1963	May 1969

<u>Tenure of office</u>	
<u>From</u>	<u>To</u>

DEPARTMENT OF THE AIR FORCE (continued)

COMMANDER, AIR FORCE LOGISTICS
COMMAND:

Gen. Jack G. Merrell	Mar. 1968	Present
Lt. Gen. Lewis L. Mundell	Feb. 1968	Mar. 1968
Gen. Thomas P. Gerrity	Aug. 1967	Feb. 1968