THE UNIFIED LOGISTICS COMMAND CONCEPT

- A CRITICAL ANALYSIS -

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MASTER OF MILITARY ART AND SCIENCE

by

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The opinions and conclusions expressed herein are those of the individual student author and do not necessarily represent the views of either the U. S. Army Command and General Staff College or any other governmental agency. (References to this study should include the foregoing statement.)

ABSTRACT

This study examines the military worth of the Unified Logistics Command concept as proposed by the Blue Ribbon Defense Panel in July 1970.

To establish a frame of reference, the author establishes an overview of the scope and complexity of Defense logistics operations and notes that the current critical climate for all things "military" has historical precedents in the post World War II and post Korean War periods. The author identifies the themes of "reducing duplication and waste" and the "need for increasing efficiency" as being recurrent ones of the various Government and Defense review commissions and panels since World War II. The history of armed forces unification is traced from its conceptual phase through the late 1960's, in order to determine those areas in which logistics was an impetus to centralization. The author determines that, as early as the Congressional "unification hearings" of 1944, the need to improve logistics efficiency and reduce costs were strong factors underlying the demands for Service Unification. Deficiencies in the original National Military Establishment and subsequent evolutions of the Department of Defense are reviewed in order to provide a backdrop against which the current Defense logistics organization evolved. The author studies the evolution of Defense logistics from the separate Service logistics systems of World War II to the semi-integrated DOD system that exists today. This examination reveals that the current Defense logistics system has slowly evolved towards one that is more centralized and integrated but that the necessity to develop a common body of logistics policies, procedures and techniques dictated an evolutionary rather than revolutionary approach.

The logistics system, as it exists today, is examined in all of its major components to include their missions and functions. Using this inventory, the author constructs a proposal for a Unified Logistics Command along the broad outlines set forth by the Blue Ribbon Defense Panel, to include its major functions and basic organization. In analyzing the potential of the Unified Logistics Command, the creation of a single command element to develop a DOD-wide EDP oriented logistics system, to consolidate CONUS depots and to integrate transportation systems is identified as the key advantage of the command. Conversely, the separations of the NICPs from their current technical bases, the separation of the programming and distribution functions, the disregard of Service doctrine and organization, the availability of viable alternatives and the massive nature and inherent dislocations of such a reorganization are identified as key disadvantages.

The author concludes that the size and complexity of Defense logistics operations dictate a continued evolutionary approach towards a fully integrated Defense logistics system and that the Unified Logistics Command or similar Defense organization is not pertinent at this time. As prerequisites for a DOD-wide logistics organization, the author identifies six evolutionary steps which are required to create the common systems fabric and which continue the process of evolution. These are assignment of a depot maintenance mission to DSA, assignment of CONUS depots to a Defense agency, establishment of a system of Service cognizance depots and maintenance plants, chartering of a Defense logistics communications planning group, increasing the logistics authority of Unified commanders and establishment of a Defense Transportation Agency. Each of these steps is proposed as the subject of a full study effort.

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FORWARD

Wars are expensive and inherently wasteful. Standing armies, navies and air forces, both in peace and war, are also expensive; however, events since World War II have dictated that the United States maintain a strong defense posture. Historically, the American people have opposed and refused to support anything greater than minimal or token peacetime military forces; consequently, the maintenance of large peacetime armed forces is contrary to the American experience. Traditionally, at least in theory, the American people have chosen to rely on the citizen army and national mobilization to meet any catastrophic challenges to the nation's security. Given the necessity for, but their historical mistrust of the standing army; their traditional reliance on the citizen army or militia; and the expense of maintaining strong military forces; the American citizenry has, in the years since World War II, wavered between an infatuation with things military and displeasure.

A cursory reading of today's popular press would provide ample evidence for most readers that the United States has entered a period of displeasure with its armed forces. Whether it is a result of the peculiarities in the Vietnam experience, a normal trend comparable to the post-Korea period, a result of weariness with 25 years of cold war, or the result of other factors, it is apparent that, however temporary, the current trend of public opinion is one of growing dissatisfaction with military affairs. Whether such criticism or dissatisfaction has been warranted, its very existence is sufficient cause for military men to

turn introspective, acknowledge any deficiency, and continue with new resolve. This study has been prepared against the backdrop of headlines citing "cost overruns", development programs gone wrong, and failures in military management. It is not intended as an answer to criticism; but rather, it is an attempt to examine one aspect of the military establishment -- that of the national logistics organization -- in order to isolate new concepts or approaches that will contribute towards achieving that elusive and much sought after goal -- maximum economy and effectiveness.

INTRODUCTION

> "The war has been variously termed a war of production and a war of machines. Whatever else it is, so far as the United States is concerned, it is a war of logistics... It is no easy matter in a global war to have the right materials in the right places at the right times in the right quantities."[1]
>
> Admiral Ernest J. King
> Chief of Naval Operations, 1941-1946

The United States Joint Chiefs of Staff define logistics as "the science of planning and carrying out the movement and maintenance of forces."[2] Included in this broad term are the functions of materiel design, development, and acquisition; maintenance; supply; transportation; construction and personnel evacuation and hospitalization. Modern warfare demands logistics support -- and logistics organizations -- on an increasingly vast scale and of ever increasing complexity. The technological explosions in the 25 years of the cold war have not only advanced the state of the art of warfare, they have also increased its cost. New weapons systems such as guided missiles, nuclear powered fleets and supersonic aircraft; revolutionary advances in electronics and communications; and increased reliance on mobility have all contributed to the increased complexity and cost of modern military forces. No reversal of this trend is readily apparent.

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[1]Ernest J. King, Fleet Admiral, The War Reports of General of the Army George C. Marshall, General of the Army H. H. Arnold, and Fleet Admiral Ernest J. King (Philadelphia: J. B. Lippincott Co., 1947), p. 511.

[2]United States Joint Chiefs of Staff, Dictionary of United States Military Terms For Usage, JCS Pub 1, (Washington: Government Printing Office, 1968), p. 126.

During fiscal year 1969, United States expenditures on defense were 85.2 billion dollars, or approximately 9.5 per cent of the Gross National Product.[3] Thus, defense expenditures constitute a significant share of the total national economic effort and are interrelated with the economic welfare of the nation. Since defense logistics consumes almost three-quarters of the defense budget, it follows that the search for economy and efficiency in the Department of Defense would properly focus on the management of Defense logistics.[4] Periodically, and particularly during each post-war period, the President, the Executive Branch, the Congress, the Military Services, the press and the general public have concerned themselves with the defense management and logistics -- the business side of defense. Usually such periods have been accompanied by the findings of public commissions or task forces exposing waste, inefficiency and unnecessary duplication in the Department of Defense and proposals for more effective command and control, improved management, and reorganization. Such a period has again begun.

Historically, the Army, Navy, and, to a lesser degree, the Air Force (as part of the Army) grew as separate elements of the national Government. As a consequence, the logistical systems of these Services grew separately. In fact, the concept or management style preceding World War II was such that from the country's early years, each of the Services' logistics systems were in turn composed of separate sub-systems

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[3]New York Times, Encyclopedic Almanac, 1970 (New York, New York Times, 1969), p. 734.

[4]Department of Defense, Statement by Secretary of Defense, Robert S. McNamara, on the FY 1969-73 Defense Budget (Washington: Government Printing Office, 1968) p. 199.

called variously bureaus, departments or technical services. Beginning in World War II, increasing effort towards Service unification and the parallel trend toward centralization have been the underlying themes of National Security organization and management. Because both trends have been evolutionary in the 25 years since World War II, periods of dissatisfaction and crises have perhaps been inherent in the process of change. Logistics operations, as the primary consumer of the defense dollar, have been heirs to the parallel trends towards unification and centralization and the focal point of periodic criticism.

The history and evolution of the Department of Defense (DOD) logistics establishment since World War II point up the common objectives repeatedly stressed by the President, the Congress, the Secretary of Defense and others as being improved performance at reduced cost through centralized direction, integration and elimination of duplication. To this end, organizational and procedural tools such as the single-manager concept, the federal supply catalog system, common documentation, the Defense Supply Agency, item management coding and automatic requisition routing systems were created. Today, after 25 years of evolution in Defense logistics, the achievement of these objectives remains as a matter of national concern.

In July 1969, the President and Secretary of Defense appointed a Blue Ribbon Defense Panel and gave it the broad Charter to study, report and make recommendations on the structure, organization and operating procedures of the entire Department of Defense with emphasis on their costs, efficiency and responsiveness to the requirements of the President and Secretary of Defense. In effect, the Panel was a direct descendant of

the National Security Organization Task Forces of the two Hoover Commissions on the Organization of the Executive Department of the Government. In addition, the Panel was the spiritual descendant of the collective Congressional and Executive Branch reviews, hearings, Presidential messages and public debates which resulted in the initial unification effort under the National Security Act of 1947, its refinement in the Amendments to the Act in 1949, and its further refinement in the amended Act of 1958. Thus, as the Panel began its work, there was a two-and-a-half decade record of debate, theories advanced, organizational concepts implemented, concepts abandoned, etc....a record of continuing pursuit of "unification", "efficiency", and "responsiveness" within the DOD.

On 1 July 1970, the Blue Ribbon Defense Panel issued its report. While the Panel's recommendations contained numerous major recommendations which, in effect, furthered the process of refining previous efforts at unification, it advanced the concept of a Unified Logistics Command -- to function in an area traditionally retained by the respective Military Services. Whereas the Military Services now have responsibility for recruiting, organizing and equipping forces for assignment to the Unified/Specified Commands and then of <u>supporting</u> those forces, the Panel proposed that a Unified Logistics Command undertake the function of providing logistical support. Logistical support responsibilities of the Unified Logistics Command, as defined by the Panel, were to provide supply distribution, maintenance and transportation services to the combatant forces in the other Unified/Specified Commands. Beyond this broad definition, no identification of organizational composition, operational scope, or organizational interface was specified or recommended.

It is in the context of change and the search for improved management, efficiency and effectiveness that this analysis of the Unified Logistics Command concept has been undertaken. Since recent history reveals much towards understanding the present, this analysis begins with an examination of the post World War II trends towards unification and centralization. It proceeds with an analysis of the Unified Logistics Command concept, examines the more likely alternatives, and concludes with an assessment as to the military worth of a Unified Logistics Command. Since this study examines the proposal for a Unified Logistics Command versus the existing organization of Defense logistics, examination of the various theories and concepts of organizations and institutions is excluded. Rather, this study focuses on the evolution of logistics organizations and procedures since the mid-1940's and the gradual movement towards creating an integrated Defense logistics system. Although based on historical research and factual data, this study is intended as an independent analysis of the Unified Logistics Command concept.

CHAPTER I

LOGISTICS AND UNIFICATION OF THE ARMED FORCES

> "I had not fully realized the extent of waste and inefficiency existing as a result of the operation of two separate and uncoordinated military departments until I became chairman of the special Senate committee created in 1941 to check up on the national defense program."[5]
>
> Harry S. Truman
> 33rd President of the United States

Unification of the armed forces began, officially, during the first administration of President Harry S. Truman with passage of the National Security Act of 1947. The Act's passage represented the end of a national debate which had periodically surfaced in the Government since the end of World War I. In that war, the Army and Navy Departments had been exposed to the realities of modern mass warfare; to the need for unity of command in combat theaters; to the impact of aerial warfare; to new concepts of joint operations and to the problems of competing for the national resources demanded by modern warfare. As early as 1918, an advisor to General Pershing had proposed a Secretary of National Defense and a Secretary of Munitions to unify and coordinate the activities of the Army and Navy.[6] Within the Congress, dozens of legislative proposals for armed forces unification had been introduced in the period between World War I and World War II; however, none had seen acceptance.[7]

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[5]Harry S. Truman, President, Memoirs, Volume II, Years of Trial and Hope (Garden City: Doubleday and Co., 1956) pp. 46, 47.

[6]Forrest C. Pogue, George C. Marshall, Education of a General, 1880-1939 (New York: Viking Press, Inc., 1963) p. 222.

[7]For a chronology of Congressional proposals, see Ferdinand Eberstadt, Unification of the War and Navy Departments and Postwar Organization of National Security (Washington: Government Printing Office, 1945) pp. 241-250.

Historically, cooperative Army and Navy attempts at interservice coordination can be traced as far back as 1903 when the Joint Army and Navy Board was established to coordinate matters of mutual Service interest. Subsequent efforts at mutual cooperation included the Army and Navy Munitions Board, created in 1922 to coordinate industrial mobilization planning and the Joint Economy Board, created at Congressional behest in 1933 to explore economies achievable through interservice coordination.[8] Until the outbreak of World War II, such coordination as existed between the Army and Navy Departments was conducted on a cooperative basis, using the vehicle of the Joint Boards.

The National Security Act of 1947 was a direct result of the Nation's experience in World War II, and the mechanisms established to achieve coordination and unity of command over Army and Navy activities. In early 1942, to provide an American counterpart to the British Chiefs of Staff, President Roosevelt, at the urging of General Marshall, the Army Chief of Staff, had formed an extralegal Joint Chiefs of Staff (JCS) organization. This organization, which replaced the Joint Army-Navy Board, proved to be the key organizational vehicle for coordinating and controlling strategic plans and operations. In turn, the JCS spawned the great theater unified commands, a revitalized system of Joint Boards, joint committees and numerous other interservice coordinating groups.[9] Today, such a degree of interservice coordination is accepted; however, in World War II, it was a new experience for the Army, Navy and the increasingly autonomous Army Air Force. So novel was the American

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[8]For a discussion of the Joint Boards, see Yoshpe, Harry B. and Bauer, Theodore W., Defense Organization and Management (Washington: Industrial College of the Armed Forces, 1967) pp. 8, 9.

[9]Yoshpe and Bauer, op. cit. pp. 10-11.

experience that Arthur Bryant, biographer of Field Marshall Viscount Alanbrooke, was forced to observe that in early 1942....

> "By English standards American inter-Service administration seemed completely unorganized....The Navy and Army acted as independent Powers, often pursuing diametrically opposite courses."[10]

As the war progressed, and as increased experience was gained with the Joint Chiefs of Staff and other joint activities, renewed interest in unification of the Armed Forces developed within the military departments, the Executive Branch and the Congress. General Marshall, who had consistently proven himself to be the great proponent of "unity of command" in both national and allied matters, had grown increasingly convinced of the need for unification and came to be its greatest proponent. In the same vein, General Marshall became convinced of the necessity for establishment of the Army Air Force as a separate and co-equal component of the unified Armed Forces. Thus, when a Select Committee on Postwar Military met in the spring of 1944 under the chairmanship of Representative Clifton A. Woodrum, General Marshall and other War Department witnesses strongly supported creation of a single department of the armed forces. These witnesses stressed the deficiencies in the cooperative system of Joint Boards and committees such as their inability to resolve differences without resorting to the highest levels of command and their limited effect in reducing duplication and waste. War Department witnesses further stressed the great success of the unified commands in the field and the need for such an approach at the Department level. The Navy's response to the Army's unification proposals was to propose further study

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[10] Bryant, Arthur, The Turn of The Tide, 1939-1943 (London: William Collins, Sons and Co., LTD, 1957) p. 239.

and delay of further consideration of unification until the end of the war. Essentially, the Navy remained unconvinced of the need for unification and fearful for the loss of its air arm to an independent Air Force and of the Marine Corps to the Army. Subsequently, the Woodrum Committee adopted the Navy's proposal and recommended that further consideration of unification be delayed until the war's end; however, in its report, the committee did take cognizance of a JCS study of postwar organization then being undertaken and requested that the findings of the JCS study be provided the Congress.[11]

The JCS study of postwar organization proposals was completed in April 1945; however, the members of the JCS committee conducting the study could not come to agreement regarding a separate Air Force and a single department of the armed forces. Again, the Navy, or at least the Navy membership, remained unconvinced of the need for unification and for a separate Air Force. The JCS study committee did publish a majority report, with the Navy taking a minority position. In their report, the majority recommended a single department of the armed forces, a co-equal Air Force, a civilian Secretary, a single military Commander of the Armed Forces who was also to be Chief of Staff to the President, and a United States Chiefs of Staff composed of the commanders of the Army, Navy and Air Force. In turn, the Joint Chiefs split on the study findings, with General Marshall of the Army and General Arnold of the Army Air Force in favor and Admiral King of the Navy and Admiral Leahy,

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[11]For transcript of Woodrum Committee hearings, see US Congress, House, Select Committee on Postwar Military Policy, Proposal To Establish a Single Department of the Armed Forces (78th Congress, 2d Session; Washington: Government Printing Office, 1944)

Chief of Staff to the President, opposed. This split position of the JCS was presented to President Truman on 16 October 1945.[12] The lines had been drawn and the "War on the Potomac" had begun.

In the summer of 1945, then Secretary of the Navy, James V. Forrestal, had requested the chairman of the Army-Navy Munitions Board, Ferdinand Eberstadt, to study armed forces unification proposals, alternatives to unification and to determine the most effective form of postwar national security organization. In essence, Secretary Forrestal's requirement was for a viable "Navy" alternative to the Army's unification proposals. By the fall of 1945, the Navy had its alternatives. In his report to the Secretary of the Navy, Ferdinand Eberstadt assaulted the need for and questioned the viability of unification as proposed by the Army. In lieu of the Army supported proposal, Mr. Eberstadt proposed to strengthen the system of Joint Boards and committees; to establish the JCS by law and to create a full time staff in support of the JCS. The Eberstadt report further recommended:

1. A separate Department of the Air (to exclude Navy air and required organic Army air units)

2. A Military Munitions Board to be co-equal with the JCS in logistics and procurement matters.

3. A National Security Council to formulate policy and coordinate activities of those Government Departments concerned with national security.

4. A Central Intelligence Agency to provide intelligence to departments and agencies having involvement in national security.[13]

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[12]Truman, op. cit. pp. 46-60.

[13]Eberstadt, Ferdinand, Report to Honorable James V. Forrestal, Secretary of Navy, Unification of the War and Navy Departments and Postwar Organization of National Security (Washington: Government Printing Office, 1945) pp 4-14.

On 18 October 1945, the Navy alternative was presented to President Truman; however, on the preceding day, the Senate Committee on Military Affairs had begun hearings on two unification bills, and it was these hearings that were to serve as the forum for the proponents and opponents of unification. Navy witnesses, armed with the Eberstadt report, proposed adoption of the report's recommendations; opposed the creation of a single department of the armed forces; and continued to question the need for a separate Department of the Air despite the Eberstadt report's recommendation to the contrary. Army witnesses, in turn, presented a modified version of the JCS study committee's proposal, over which the Army and Navy members of the JCS had split. The Army proposed a single Department of the Armed Forces under a civilian secretary; a single Chief of Staff of the Armed Forces; subordinate Chiefs of Staff for the Army; Navy and Air Force; and a United States Chiefs of Staff to advise the President and to coordinate strategic planning and operations. The Army's proposal also added a Director of Common Supply and Hospitalization and theater/area commands to be on a co-equal basis with the military services. Chart 1-1 (page 13) reflects the Army's proposed organization for the Department. In his statement setting forth the Army proposal, Secretary of War, Robert B. Patterson, paid particular attention to the establishment of a Director of Common Supply and Hospitalization and noted that....

> "We ought not....to tolerate in our budget for National Security any items that relate to those duplications that are inherent in a separation of Services, duplication that no Joint Board with equal representation of the Army and Navy have been able to eliminate."[14]

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[14] Based on official correspondence from General George C. Marshall, Army Chief of Staff to General Brehon B. Somervell, Commanding General, Army Service Forces, on 29 October 1945, to which General Marshall appended copies of his statement of 18 Oct 1945, Secretary Patterson's statement of 17 Oct 1945 and Lt General J. Lawton Collins' statement of 30 Oct 1945 to the Senate Military Affairs Committee.

In their arguments for the Army proposal, both General Marshall and Lieutenant General J. Lawton Collins, Chief of Staff, Army Ground Forces, recognized the inherent complications of the proposed unification of the Army and Navy Departments; however, both were convinced that such a merger was practical, essential and subject to development on an evolutionary basis. As an example of this evolutionary process, General Marshall stated that he envisioned a period in which the Secretary of the Armed Forces would develop the organization with a requirement to report the details to the Congress within two years. Furthermore, he proposed an evolutionary development of the Directorate of Common Supply and Services beginning with procurement of common items of supply and hospitalization in the Zone of Interior and as time passed, extending the directorate to include base sections in overseas theaters and construction functions.[15]

Given the opposing Army and Navy plans for postwar organization of the armed forces, the hearings of the Senate Military Affairs Committee made little progress. Seeing a need for presidential intervention, President Truman moved to break the deadlock, and, on 19 December 1945, sent a message to Congress proposing reorganization of the armed forces into a single Department of National Defense. In its essential elements, the President's proposed organization was equivalent to that proposed by the Army. In his message, the President cited the integrated military program, economies from unified control of supply and service functions, strong civilian control, improved resource management and the co-equal status given air power, as advantages favoring adoption of his proposal.[16]

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[15]Letter, Marshall to Somervell, op. cit. Inclosure #2, pp 3-4.

[16]US President, Public Papers of the Presidents, Harry S. Truman, 1947 (Washington: Government Printing Office, 1963) pp 546-560.

The President's message to Congress provided the necessary catalyst to move the Senate Military Affairs Committee towards drafting of legislation. After considerable effort, including eight rejected drafts, the Committee introduced an armed forces reorganization bill in April 1946; unfortunately, Navy witnesses were unanimous in their opposition during hearings conducted on the bill. In view of the Navy's continued opposition, President Truman prodded the Secretaries of War and Navy to resolve their Departments' differences. By the end of May, he had isolated Army and Navy differences to four points: a single department; a co-equal Air Force; control of aviation; and control of the Marine Corps. From this point of disagreement, the President, proceeded to secure further agreement between the Army and Navy. By January 1947, the President had a compromise unification agreement between the Secretaries of War and Navy.[17] On 26 February 1947, the President transmitted his revised unification bill to the Congress and on 25 July 1947, the bill was passed and an initial unification of the armed forces achieved. Although a weaker and compromised version of the President's original proposal, the Act created:

1. A single "National Military Establishment" under a Secretary of Defense.

2. A separate Department of the Air Force.

3. A "legalized" Joint Chiefs of Staff.

4. A Munitions Board to coordinate procurement, production and distribution and to plan for industrial mobilization.

5. A Research and Development Board to coordinate defense related research.

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[17]Truman, op. cit. pp 49-51

6. A National Security Council.

7. A Central Intelligence Agency.

In its final form, the National Defense Establishment, as created by the 1947 Act, resembled the Navy plan with a small, coordinating Secretary of Defense element added. Other than the acceptance of a co-equal Air Force and of a unifying Secretary of Defense superimposed over the three Departments, few elements of the Army plan survived. Each of the Military Department Secretaries retained cabinet rank; the system of cooperative Joint Boards remained in somewhat strengthened form; and the Army's proposal for a Director of Common Supply and Hospitalization had disappeared.

FROM CONFEDERATION TO UNIFICATION

The National Military Establishment created by the National Security Act of 1947 was born in compromise and resembled a confederation rather than a single department. While the Act designated the Secretary of Defense as being the principal assistant to the President in all national security matters, it severely circumscribed his authority. The Secretary's responsibilities were to establish general policies and programs; to exercise general direction, authority and control over the executive military departments; to eliminate unnecessary duplication or overlap in procurement, supply, transportation, storage, health and research; and to supervise and coordinate budget matters of the component activities. Severe limitations were imposed on the Secretary's freedom to exercise his broad responsibilities. Specifically, each Service Secretary was given the right of appeal directly to the President and Director of the Bureau of the Budget, after "advising" the Secretary of Defense; each Service Secretary retained

cabinet status and gained membership in the new National Security Council; and each was required to separately administer his respective Department. Furthermore, the Secretary of Defense was denied a military staff and was limited to three civilian special assistants. Subordinate to the Secretary of Defense, but in actuality, a continuation of the cooperative Joint Board concept, were the Joint Chiefs of Staff, the War Council, the Munitions Board and the Research and Development Board.

In September 1947, the National Military Establishment became effective with the appointment of James V. Forrestal as the first Secretary of Defense. Almost immediately, problems resulting from the statute limitations on his authority; from interservice disagreement, particularly over Service roles and missions; and from the unwieldy cooperative nature of the Establishment, arose to hinder the Secretary's efforts towards meeting his broad responsibilities. Within one year, in his first annual report, Secretary Forrestal was to request revision of the 1947 Act in order to strengthen his authority over the military departments. His request for increased authority would include provisions for removal of the Service Secretaries from the National Security Council and Cabinet status; provisions for a Chairman or fourth member of the Joint Chiefs of Staff; and provisions for increased authority over personnel matters.[19] Thus, within one year, the long term process of evolving the National Military Establishment from the Navy's confederation-like concept towards the Army's unified single department concept had begun. In January 1949, the Secretary of Defense's arguments for

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[19]US National Military Establishment, First Report of the Secretary of Defense (Washington: Government Printing Office, 1948) pp 2-4.

increased authority over the military departments were to be supported and reinforced by the National Security Organization task force report conducted for ex-President Hoover's Commission on Organization of the Executive Branch of the Government.[20] By 10 August 1949, the changes sought by the Secretary of Defense plus others recommended by the Hoover Commission had been enacted by the Congress as The National Security Act Amendments of 1949. Under these amendments, a single Department of Defense was created; the Service Secretaries lost their appeal channel to the President, their Cabinet status and their positions on the National Security Council. A nonvoting Chairman of the Joint Chiefs of Staff was created; the cooperative nature of the Joint Boards was changed to give the chairman the power of decision; and the authority of the Secretary of Defense was strengthened by giving him a Deputy, Assistant Secretaries, and the power of direction, authority and control over the Department in lieu of his earlier "general" direction responsibility. As it had done in the original 1947 act, the Congress also imposed restrictions on the authority of the Secretary. Specifically, the amended law continued to require the separate administration of the military departments; it required continuation of the Services' respective combatant functions and denied the Secretary the power to change them; and it authorized the Service Secretaries and members of the JCS a new appeal channel in the form of the right to make any appropriate recommendations to the Congress after informing the Secretary of Defense of their intent.

The Department of Defense organization, as created by the amended act, was retained until 1953, when, under the Administration of President

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[20]US Commission On Organization of the Executive Branch of the Government, Task Force Report On National Security Organization (Appendix G) 1949 (Washington: Government Printing Office, 1949) pp 11-22.

Eisenhower, further reorganization of the Department evolved. This reorganization was focused on three objectives: to create clear and unchallenged lines of responsibility in the Department; to obtain maximum effectiveness at minimum cost; and to achieve the best possible military planning. To meet these objectives, Reorganization Plan No. 6 of 1953 was drafted using as its basis, recommendations developed by a Presidential committee chaired by Nelson A. Rockefeller. In essence, the changes resulting from the reorganization plan were more of a fine tuning of the DOD organization rather than a major overhaul. Specifically, the JCS was excluded from the chain of command and the command line straightened; the Joint Boards were eliminated in favor of additional Assistant Secretaries of Defense and their associated functional staffs; and the authority of the JCS Chairman to manage the Joint Staff was strengthened.[21] Thus, the organization of the Department of Defense had undergone yet another change in its evolution from the original proposals of the Navy in 1945 towards that made by the Army. The next major change would occur in 1958; however, before proceeding, it is now appropriate to review changes in logistical operations as they occurred in the period of evolving unification from 1947 through 1958.

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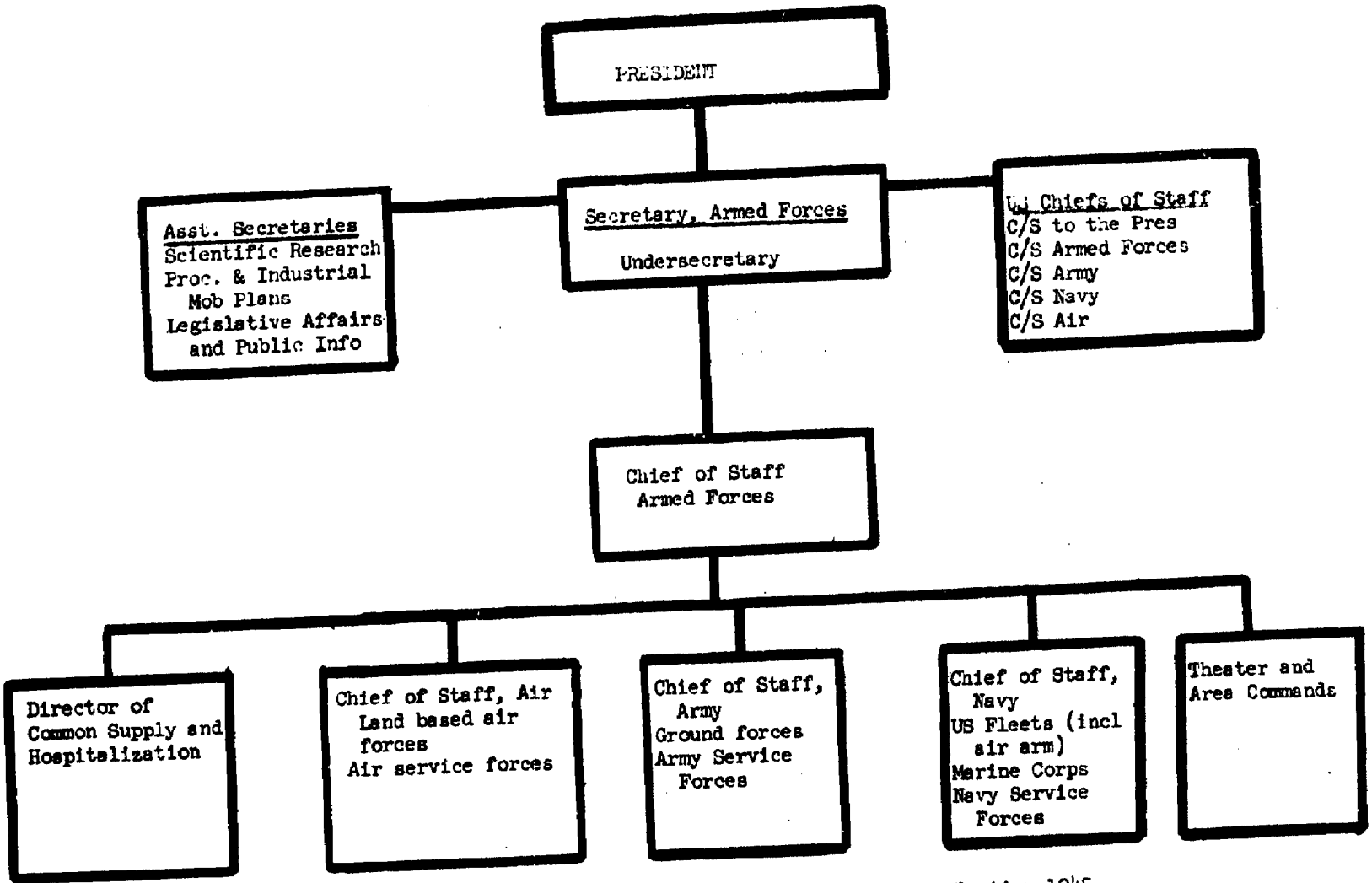
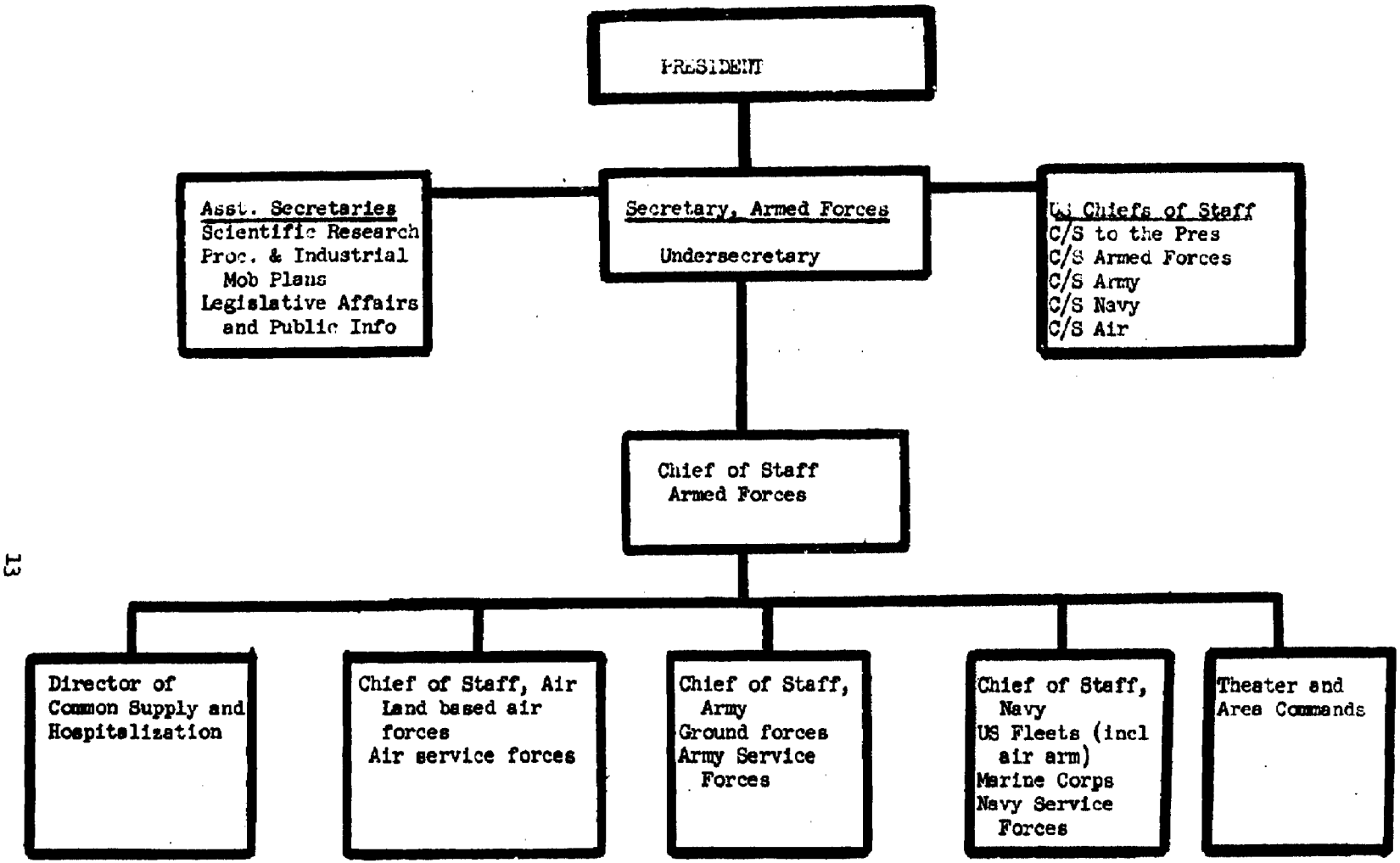
[21]US President, Public Papers of the Presidents, Dwight D. Eisenhower, 1953 (Washington: Government Printing Office, 1954) pp 225-238.



The War Department Plan for Armed Forces Reorganization-1945

Chart 1-1

Source: Letter, General George C. Marshall to General Brehon B. Somervell, 21 October 1947 (see page 9).



The War Department Plan for Armed Forces Reorganization-1945

Chart 1-1

Source: Letter, General George C. Marshall to General Brehon B. Somervell, 21 October 1947 (see page 9).

CHAPTER II

LOGISTICS IN THE PERIOD 1947-1970

> "During my testimony before the committees of the House and Senate which drafted the National Security Act of 1947, I consistently maintained that there were no great economies which would flow automatically from the Unification Act....I am more than ever clear on this point, but I am equally sure there are substantial economies to be effected,....."[22]
>
> James V. Forrestal
> First Secretary of Defense

Unification of the Military Services under the National Security Act of 1947 had little immediate impact on the logistics operations of the Services. Under the Act, three organizations were created to establish coordination over the logistical activities of the National Military Establishment. These were the Joint Chiefs of Staff, the Munitions Board and the Research and Development Board. Principal duties of these organizations, as pertained to Service logistics, were:

1. Joint Chiefs of Staff

   Preparation and review of joint strategic and logistics plans.

2. Munitions Board

   Coordination of Service activities in industrial matters and procurement, production and distribution planning

   Recommending inter-service procurement assignments and standardization of specifications

   Planning military aspects of industrial mobilization

   Reconciling JCS logistics requirements and Service supply capabilities.

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[22]Forrestal, 1st Report of the Secretary of Defense, op. cit. pp 17-18.

3. Research and Development Board

Preparation of an integrated military research and development program

Recommendation of research and development coordination among the Services

Allocation of responsibility for specific joint research and development programs.

Of the three organizations, the Munitions Board had the greatest potential for impact on the logistics operations of the Services. In its first year of operation, the Munitions Board initiated several programs which were ultimately to have a major impact on the future of US military logistics. Studies to achieve coordinated procurement resulted in limited use of single department, joint purchasing office or co-located Service procurement offices. A four year program was initiated to establish a uniform supply catalogue system for use in all the Services. Standardization of procurement rules and procedures was significantly advanced through publication of an Armed Services Procurement Regulation. A system of preparing and publishing National Military Establishment procurement specifications and engineering standards was implemented. Studies to facilitate common rules and procedures in inventory control; requisition, issue and shipping procedures; property accounting; redistribution of excess; supply documentation; and cost accounting were undertaken by the Board. Although some were outgrowths of limited programs initiated during World War II, each of these early Munitions Board programs and studies advanced well beyond World War II experience and were the first steps towards evolving the common techniques, procedures and concepts essential

to coordination of Service logistics and the elimination of duplication. In his first annual report, Secretary Forrestal cited the uniform catalogue system as one example of the new methods which would achieve economy and efficiency:

> "At the onset of the war there were something on the order of 8 million separate listings of items which were procured by the armed services. There was no central system of nomenclature for these vastly diffused and different articles. For example, the same parts for Diesel engines were made by different manufacturers and had to be ordered by the manufacturer's name. It is obvious that a system which will order such items by number....is necessary for the functioning of an adequate system of cataloguing and inventory."[23]

None of the programs and studies undertaken by the Munitions Board were envisioned as short term projects promising quick results; however, an inherent deficiency in the authority and organization of the Munitions Board resulted in inordinate delay in completing most of the projects and the Board's inability to fully implement its programs. This inherent deficiency was the cooperative nature of the Board which required Service representative agreement to any studies undertaken and any programs initiated; consequently, Service implementation of the Board's programs was, in reality, voluntary and limited. This deficiency was self-evident to the first Hoover Commission and resulted in its recommendation that the authority of the Munitions Board Chairman be strengthened. Subsequently, this deficiency was corrected by the National Security Act Amendments of 1949 which gave the Chairman the power of decision. The strengthened Munitions Board continued its efforts at evolving the common tools of Defense logistics until its abolition and functional incorporation into the staff of the Secretary of Defense in 1953.

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[23]Forrestal, 1st Report of the Secretary of Defense, op. cit. p. 18.

SERVICE LOGISTICS

The logistics organizations of the Army and Navy were rooted in the past. Within the Army, a system of technical services had evolved from the period of the Revolutionary War. By the end of World War II, seven semiautonomous technical services, operating under the general supervision of Headquarters, Army Service Forces, were responsible for Army logistics operations. Each was organized along commodity grouping, or functional service lines. For its respective commodity or service, each was an integrated logistics organization possessing its own research and development capability, supply system, depots, procurement activities, inventory control activities, personnel base and technical chain of command extending world-wide. Within the Army Air Forces, a separate Air Materiel Command was similarly organized to provide air materiel peculiar logistical support to world-wide Army Air Force activities; however, by virtue of its being a part of the Army, the Air Force did draw common logistical support such as construction and ration supply from the Army technical services.

Similarly, the logistics organization of the Navy had evolved in the century and a half of the Navy's existence into a system of materiel and functional Bureaus. The materiel Bureaus were responsible for research and development, procurement and logistical support of major items such as ships, weapons and aircraft. Other Bureaus had functional responsibilities in the areas of construction, personnel, medical service and materiel, and operation of the Navy commercial items supply system. Overall supervision of the Bureaus' development, procurement and production

activities was exercised by the Assistant Secretary of the Navy (Material) while each Bureau's logistical operations were under supervision of the Chief of Naval Operations.

Creation of the National Military Establishment in 1947 had minimal effect on the logistics organization of the Military Services. Numerous procedural changes resulted from the activities of the Munitions Board and the Research and Development Board; however, none forced a change in the basic organizations. Internal organizational changes within respective Services did result in limited restructuring. The post war elimination of Headquarters, Army Service Forces resulted in re-elevation of the Army's seven technical services to the direct supervision of the Department just as the case had been before the war; however, no basic change in technical service missions and functions resulted. Within the Navy, a realignment of logistical functions was accomplished in 1947 by assigning the Bureau of Supply and Accounts full responsibility for operation of the Naval Supply System to include repair parts but excluding end items; however, this realignment did not alter the basic Bureau organization.

Establishment of a separate Air Force essentially resulted in elevation of the existing Air Materiel Command to a level commensurate with the Navy's Bureaus and the Army's Technical Services. A significant difference between the Air Materiel Command and its Bureau and Technical Service counterparts lay in its existence as a single command responsible for all the logistical functions and commodity areas of interest to the Air Force. Thus, from its inception as a separate Service, the Air Force possessed an integrated logistics command as opposed to the multiple

command system existing in its two sister Services. The logistical organizations of the three Services were to remain essentially unchanged until the 1960's.

DEFENSE LOGISTICS IN THE 1950's

The 1950's produced little change in the organization of logistical operations but a great deal of change in procedure. As early as 1947, the Munitions Board had conducted studies and, to a limited degree, initiated programs to achieve a common body of logistics procedures and concepts in the areas of cataloguing, coordinated procurement, standardization, inventory control and other logistics management areas. The first half of the decade of the 1950's can be characterized as the period of war in which most of the Munitions Board's efforts produced paper results. Although such tools as a common catalogue system did not, in themselves, reduce or eliminate duplication, they did afford an unprecedented level of commonality to Army, Navy and Air Force logistics to make further coordination and integration of their respective logistics systems feasible. By the mid-1950's, the time had come for another national debate over the seemingly chronic problem of "waste and duplication" in the Department of Defense.

In 1955, the 2d Hoover Commission recommended the creation of a "fourth service of supply" to be responsible for logistical operations in support of the Army, Navy and Air Force.[24] To a large degree, the Commission was reacting to a growing Congressional and public disenchantment with the lack of real progress in eliminating duplication and consequent inefficiency in Service logistics operations. Repeated Congressional

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[24]US Commission on Organization of the Executive Branch of the Government, Business Organization of the Department of Defense, A Report to Congress (Washington: Government Printing Office, 1955) pp 37-52.

investigation and inquiry during the first half of the decade had resulted in a general opinion characterized by the Commission as a "consistent pattern of resistance by the military departments"[25] to logistics integration. In developing their recommendation, the Commission considered four alternative solutions to the problem of duplication in logistics. These were coordinated purchasing, wherein one Service or a joint agency buys for all Services; cross-servicing, wherein one Service draws on supplies and services of another Service within a specified geographic area; integrated supply, wherein one Service procures, stores, distributes and issues a class of supply to all Services; and a separate Supply and Service Agency. The Commission selected the fourth alternative, a separate Supply and Service Agency as the most viable alternative. In doing so, the Commission was largely influenced by the failure of earlier Munitions Board efforts to achieve little more than commonality of paperwork systems.

In response to the 2d Hoover Commission's recommendations and the resultant Congressional and public pressure for change, Secretary of Defense, Charles E. Wilson, established Single Managers, under Executive Agent authority, for common supplies and services. In addition, an expanded system of cross-servicing between the Services was instituted in those commodity and service areas not included under the Single Managers. Single Managers established under this concept,,were:

Services: Domestic Traffic Management

Air Transport

Sea Transport

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[25]US Commission on Organization of Executive Branch of the Government, A Report to Congress, op. cit. p 40.

Supply: Subsistence

Clothing and Textiles

Medical Supplies

Petroleum

Within the Department of Defense, the use of Single Managers was considered as a feasible, viable alternative to the "fourth service of supply" which was opposed from Secretary Wilson on down as requiring so massive a reorganization as having a potentially disasterous effect on national security during the restructuring process. Despite this opinion within the Department, the pressure for drastic change continued until, in 1958, Congress acted. In passing the Defense Reorganization Act of 1958, the Congress also passed the McCormack-Curtis amendment which gave the President and Secretary of Defense the authority to eliminate duplication by creating Defense agencies to perform Department-wide common supply and service functions. Such authority had not been requested as a part of the 1958 reorganizations proposals made by the President and Secretary of Defense; the focus of President Eisenhower's proposals to the Congress were on strengthened unification of the field commands, improved command and control channels, and more centrelized direction of the Department.

THE EVOLUTIONARY REVOLUTION

> "Following the Unification Act, the problem of overlapping logistics functions drew repeated attention and criticism of the Congress....the Congress continually prodded the Department in the direction of truly unified logistics management."[26]
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> Robert S. McNamara
> Secretary of Defense

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[26] Statement by Secretary of Defense McNamara on The Fiscal Year 1969-73 Defense Program, op. cit. p 197.

The era of Secretary of Defense, Robert S. McNamara, has been described as a period of revolution in Defense management, yet, in the area of logistics, Secretary McNamara's efforts can be described as evolutionary in that the major changes were, for the most part, adoption of proposals which had appeared over the years of his Department's existence. In 1968, Mr. McNamara acknowledged this in his annual budget statement in which he noted that "even before I took office, I made it my business to familiarize myself with the principal studies and reports relating to Defense logistics, e.g., those of the Hoover Commissions,.....and the various Congressional Committees....From these reports, I and my associates were able to identify the key areas in which improvements were urgently needed...."[27]

Although it was somewhat fashionable at that time to blame the Department's recurring inefficiency problems and "bad press" on the so called "sheer unmanageable size of the Department and the Secretary's lack of adequate legal authority, Mr. McNamara believed that the National Security Act provided the Secretary with fully adequate authority but that the Secretary lacked the essential management tools needed to make sound decisions."[28] Shortly after taking office in 1961, Mr. McNamara initiated over 100 study projects of his Department's organizational and operational problems. These study projects marked the beginning of Mr. McNamara's efforts to establish the management tools which he considered lacking. Many of the initial studies were focused on the seemingly old and recurring theme of eliminating duplication and waste; consequently,

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[27]Statement by Secretary of Defense McNamara on The Fiscal Year 1969-73 Defense Program, op. cit. p. 199.

[28]Statement by Secretary of Defense McNamara on The Fiscal Year 1969-73 Defense Program, op. cit. p. 193.

logistics, as a major consumer of the Defense dollar, came under comprehensive review. This thorough examination of Defense logistics policies and procedures had a short term objective of effecting immediate improvements in more economical use of resources and a longer range objective of developing plans for substantial future improvement.[29]

As a result of the 1961 logistics review, a series of policy, procedural and organizational changes were initiated by the Secretary. Among the more immediate policy and procedural changes were increased emphasis on formal advertising, particularly two-step formal advertising, of procurements, increased control over the requirements computation function, particularly for spares, repair parts and field stockage allowances. These and many other changes were, in essence, a refinement or "fine-tuning" of logistics procedures and controls which were already in effect, to varying degrees of effectiveness, at the time Mr. McNamara became Secretary. In addition to these refinements, major changes or reforms were made which fell into two broad categories: 1) those providing a procedural framework to facilitate improved coordination and integration of DOD-wide logistics activities and 2) organizational changes intended to reduce duplication, improve coordination and promote efficiency. Few of the changes falling into these broad categories were new; most were, in altered form, earlier ideas whose time had come.

The procedural framework for improved coordination and integration of DOD logistics activities was established by a series of changes initiated in the first years of the McNamara period. On 1 July 1962, the Military Standard Requisition and Issue Procedure (MILSTRIP) system became operational

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[29]Department of Defense, Annual Report For Fiscal Year 1961, (Washington, D. C.: Government Printing Office, 1962) pp 22-33.

and replaced the 16 different systems formerly used by the Military Services. MILSTRIP represented the culmination of an effort to achieve one standard DOD-wide system which had beginnings as early as the Munitions Board's studies conducted in 1948. Underpinning the MILSTRIP system was the Federal Catalogue Program, begun by the Munitions Board as a high-priority long term task. This catalogue system, which provided a common system for identifying supply items, eliminated differing Service systems of identifying like items, facilitated standardization, and promoted inter-Service logistics support. Total number of items identified and catalogued in the system was 3,914,000 at the end of FY 1961.[30] By assigning a Federal Stock Number and standard nomenclature to items of supply, the Federal Catalogue Program, in turn, permitted massive application of automatic data processing techniques to supply operations; thus, the early cataloguing efforts of the Munitions Board led to use of ADP which in turn, made the MILSTRIP system feasible. Paralleling the cataloguing program was the Defense Standardization Program, also with beginnings under the Munitions Board, which aimed at optimum consolidation of military specifications and standards between the Services. Neither the cataloguing program nor the standardization program were initiated in the McNamara period; however, beginning in 1961, the programs were accelerated and revitalized as part of a DOD-wide effort to achieve maximum logistics efficiency with minimum waste and duplication. Similarly, an existing program for reuse of excess property both within and among the Services was revitalized.

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[30] Department of Defense, Annual Report For Fiscal Year 1961, op. cit. p. 392 (Table 26).

Another common procedure, the Military Standard Transportation and Movement Procedure (MILSTAMP) became operational in FY 1963 and eliminated 81 different forms and procedures formerly in use within the Services. As a follow-on to the MILSTRIP system, an ADP oriented automatic address system was instituted to permit automatic routing of requisitions from overseas and CONUS users/field depots to the appropriate National Inventory Control Point, which, under the Integrated Item Management Program, was the sole National-level manager for assigned stock numbered items. All of these programs, which had evolved over the years of the Department's existence, became the common fabric integrating logistics procedures of the Military Services. By modifying or revitalizing existing programs, and by adding new systems such as MILSTRIP and MILSTAMP, Mr. McNamara created the procedural framework through which substantial organizational changes became feasible.

From his first days in office, Mr. McNamara was convinced that in the logistics area, organizational change had lagged far behind technological advancement. He believed that the Services' logistics structures had not kept pace with rapidly changing technological demands in areas such as weapons systems development, procurement and support; he further believed that the Department had failed to face up to the problem of managing commonly used supplies and services.[30] In light of what he considered to be the Department's cautious and slow movement towards unified logistics management, Mr. McNamara created a common supply and service organization strikingly similar to the Directorate of Common Supply and Hospitalization first proposed by General Marshall in 1945.

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[31] Statement by Secretary of Defense McNamara on The Fiscal Year 1969-73 Defense Program, op. cit, p. 197.

This organization, the Defense Supply Agency, was established in 1961 to procure and manage commonly used and centrally procured supplies and common services. The Agency consolidated the eight existing Single Managers for common supplies; incorporated the additional common supply groupings of electrical, electronic, chemical and industrial production equipment items; and assumed control of the Armed Forces Supply Support Center, which managed the Defense cataloguing, standardization and excess property disposal/redistribution programs. In 1964, the Agency added and consolidated the contract administration function of the Services to include the in-plant product quality inspections, production expediting, industrial security and contractor payment activities formerly performed by Service. Later, the contract audit functions of the Services were consolidated into the Defense Contract Audit Agency.

Creation of the Defense Supply Agency and the Defense Contract Audit Agency were Mr. McNamara's response to his belief that the Department had failed to face up to the problem of managing common supplies and services. In the area of transportation, Mr. McNamara imposed procedural changes and tighter controls; however, he continued the Single Manager agencies first created in 1956; the Military Sea Transportation Service (MSTS) and the Military Air Transport Service (MATS). Another, The Military Traffic Management Agency was first incorporated into the Defense Supply Agency and subsequently expanded to manage cargo terminals and re-established as the Military Traffic Management and Terminal Service.

Since Mr. McNamara was also convinced that the Services' had failed to keep pace with modern requirements for weapons system acquisition and support, major changes were made in Services' logistics structures.

The Army's seven technical services, some of which had origins in the war of the revolution, were abolished as organizational entities with their logistics functions merged into the Army Materiel Command. In the Navy, the equally historical bureau system was replaced by the Naval Materiel Command. The Air Force, which had never evolved the bureau or technical service system, had its logistics functions organized into an Air Materiel Command and an Air Research and Development Command for over two decades. Shortly after his assumption of office, Mr. McNamara received and approved an Air Force proposal which reorganized the Air Materiel Command and the Air R&D Command into the Air Force Logistics Command and the Air Force Systems Command. Further organizational changes were made at the military department and the DOD level by merging the separate Assistant Secretaries' Offices for supply and logistics and those for properties and installations into Assistant Secretariats for Installations and Logistics (I&L). In line with Mr. McNamara's management philosophy, which emphasized individual versus committee responsibility, over 500 joint and DOD boards and committees were abolished to permit alternate courses of action instead of committee compromises to rise to his and the Assistant Secretary level for decision.[32]

Such was the McNamara revolution. To a large degree, in the area of logistics and management, it was a revolution based on programs already in-process at the time he assumed office. Much of his revolution appears to have been a simple willingness to view integration of Service logistics at more than face value and to make decisions for change whereas before there had been compromise. The logistics structure established by Mr. McNamara in

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[32]Department of Defense, Annual Report For Fiscal Year 1961, op. cit., p. 22.

the turbulent 1960's exists virtually intact today. It was from this structure that the Blue Ribbon Defense Panel proposes to create a Unified Logistics Command.

CHAPTER III

THE DEFENSE LOGISTICS STRUCTURE

> "The term "logistics" has a variety of meanings. Here it is interpreted as encompassing the management of all classes of U. S. military consumable supplies and secondary items worldwide, depot maintenance and overhaul of military equipment, plus transportation and traffic management. .... The sum of their costs in Fiscal Year 1969 was over $20 billion."[33]
>
> Blue Ribbon Defense Panel

Logistics, as defined by the Blue Ribbon Defense Panel is considerably truncated from the JCS definition. The Panel apparently preferred that the term "materiel acquisition" encompass the functions of weapons systems design, development and procurement and that "logistics" exclude the functions of construction and personnel evacuation and hospitalization.[34] While focusing on those functions within the context of the Panel's use of the term "logistics", a more detailed inventory of the DOD logistics structure, as it has now evolved, is appropriate before proceeding to a discussion of the Unified Logistics Command.[35]

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[33]Department of Defense, Report To The President and the Secretary of Defense on The Department of Defense by the Blue Ribbon Defense Panel Washington, D. C.: Government Printing Office, 1 July 1970) p. 97. Hereafter referred to as the Blue Ribbon Defense Panel Report.

[34]Since the Panel's recommendations for a Unified Logistics Command are based on the Panel's definition of the term, further discussion of DOD logistics activities is focused on the supply, maintenance, transportation and traffic management functions with limited discussion of materiel acquisition functions only as appropriate.

[35]Material in this Chapter was drawn primarily from: Dyer, George C., Naval Logistics. (Annapolis: U. S. Naval Institute, 1960); Adams, George C., Editor, Supply Management (Washington, D. C., Industrial College of the Armed Forces, 1965); Executive Branch, Office of the Federal Register, United States Government Organization Manual - 1970-71 (Washington, D. C.: Government Printing Office, 1970); Yoshpe, Harry B. and Bauer, Theodore W., Defense Organization and Management, op. cit. Other source materials are listed in the Bibliography.

Functionally, the Department of Defense has a bilineal organizational structure. Operational control and direction of combat forces extends from the Secretary through the JCS to the Unified and Specified Commands. Direction and control of supporting activities (training, logistics, administration) extends from the Secretary through the Service Secretaries/ Defense Agencies to supporting activities. Within the Department of Defense, the Assistant Secretary of Defense (Installations and Logistics) (OASD(I&L)) occupies the key management role over DOD-wide logistical activities. Organized in-depth with Deputy Assistant Secretaries and numerous Directorates, the OASD(I&L) has staff elements responsible for broad supervision, coordination and control of the full spectrum of logistics activities. Although primarily performing a policy making role, the various elements of OASD(I&L) have a continuing impact and role over logistics operations by virtue of the more integrated logistics structure which was Mr. McNamara's legacy. Typical examples of the manner in which OASD(I&L) effectively controls and directly impacts on Defense logistics activities are the DOD Coordinated Procurement Program and regular stock fund budget reviews. OASD(I&L) has responsibility for publishing DOD Directive 4115.1, DOD Coordinated Program -- Commodity Assignments.[36] Using the Directive, OASD(I&L) establishes procedures whereby the Military Services provide materiel requirements data to DSA or another Service's NICP and assigns federal stock classes to DSA and Service NICPs for commodity management. Thus, through the vehicle of this one Directive, OASD(I&L) directly impacts on DSA and Service National Inventory

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[36]Department of Defense, DOD Directive 4115.1, DOD Coordinated Procurement Program - Commodity Assignments (9 June 1964 with Change 2, 9 March 1966)

Control Point (NICP) workload and staffing. With each revision of the Directive, OASD(I&L) shifts workload between the NICPs.

Other examples of the operational impact of OASD(I&L) are the quarterly stock fund budget reviews conducted for each NICP and for other major elements of the Services' stock fund apparatus. These reviews, and subsequent actions to increase or reduce stock fund obligation authority, are used as a vehicle to enforce economy and supply efficiency. Based on the "dollar as the common denominator" concept, stock fund budgets are designed to minimize inventory excess, maximize sales and insure a high sales to inventory ratio. OASD(I&L) operational impact is also evident in the review of selected Advance Procurement Plans which are required for major procurements by the Armed Service Procurement Regulation, prepared at Project Manager or NICP level procurement offices, submitted to Service headquarters for approval and reviewed by OASD(I&L) on a periodic basis. Another management tool, perhaps the major one, is the annual Defense budget process. Within its area of responsibility, OASD(I&L) plays an intimate and influential role by reviewing Service and Defense Agency input, and, in conjunction with other OASD level staffs, by assisting the Defense Comptroller in preparing the Defense budget and Five Year Defense Program.

JOINT CHIEFS OF STAFF

The JCS occupies what is primarily a planning role in Defense logistics. Strategic plans and programs, as developed by the JCS under the Planning, Programming and Budgeting System, translate into military requirements for forces, weapons systems, installations and support. In

turn, these requirements are passed to the respective Military Services and Defense Agencies for further planning and, as appropriate, implementation. Logistics support, for ongoing activities is subsequently increased or decreased in accordance with any adjustments made to the ongoing activities; for new activities, logistics support is developed by the Service and/or Defense Agency in accordance with the JCS plan. JCS involvement in operational logistics matters is routinely limited to those of a major nature brought to the JCS's attention by a Unified or Specified Command. Normally, such matters are those of such extraordinary or unusual importance to warrant the involvement of the JCS in what is normally a Service or Defense Agency interest. The JCS also monitors logistics readiness of the Unified/Specified Commands and their Service components. In doing so, the JCS performs a uniquely valuable function in that it provides an independent measure of the effectiveness of Defense logistics activities. The J-4 Directorate (Logistics) of the Joint Chiefs of Staff performs JCS logistics staff functions.

THE DEFENSE SUPPLY AGENCY

The Defense Supply Agency,(DSA), created in 1961, provides common use supplies and related services to the operating forces of the Military Services, to other DOD components and to other Federal agencies and foreign countries as authorized. DSA also provides contract administration services to the Army, Navy, Air Force and other DOD components. Major functions and activities of the Agency are:

1. Materiel Management of assigned commodities, consisting of:
    a. Requirements computation

b. Supply control

c. Procurement

d. Quality and reliability assurance

e. Industrial mobilization planning

f. Storage

g. Inventory and distribution

h. Technical data management

i. Standardization

2. Contract Administration Services

3. Technical Report Services

4. Administration of the following DOD Programs:

a. Coordinated Procurement Program

b. Federal Catalogue System

c. Excess, Surplus and Foreign Excess Personal Property Disposal Program

d. Defense Automatic Addressing System

e. Defense Materiel Utilization Program

f. Industrial Plant Equipment Program

g. Industrial Security Program

5. Monitoring DOD supply relationships with the General Services Administration

The DSA is organized into six Defense Supply Centers, which with one exception, operate the NICPs that perform the Agency's materiel management functions for DSA's assigned commodities. The exception, the Defense Fuel Supply Center, performs primarily a fuel procurement function and draws on the petroleum industry resources for storage, transport and delivery of fuel to

designated Service receivers. Approximately one third of the 4 million[37] items listed in the Federal Catalogue System are managed by these Centers. DSA contract administration services are performed by the Defense Contract Administration Service, its 11 Regions and by its in-plant representatives at hundreds of contractor plants. DSA's technical report services are performed by the Defense Documentation Center, which maintains a vast library of RDTE reports received from activities throughout the DOD. The Defense Logistics Services Center, formerly the Armed Forces Supply Support Center, performs DSA's cataloguing, materiel utilization and surplus property disposal functions. The Defense Industrial Plant Equipment Center performs the DSA mission of centrally managing the industrial equipment reserve. Four Defense Depots provide inventory storage and related services to the DSA NICPs. DSA does not have a depot maintenance responsibility; however, it does perform limited maintenance of stocks in DSA depots and maintenance of industrial plant equipment.[38]

THE GENERAL SERVICES ADMINISTRATION

The General Services Administration (GSA) was established by the Federal Property and Administrative Services Act of 1949 in response to recommendations made by the first Hoover Commission. The Administration is an independent agency of the Executive Branch and performs real property management, construction, procurement and distribution of supplies, surplus property disposal, communications and traffic management, maintenance of strategic stockpiles and records maintenance for the Government. Although the Act included the provision that the Secretary of Defense could exempt

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[37]Department of Defense, Annual Report For Fiscal Year 1962 Washington, D. C.: Government Printing Office, 1963) pp. 402 and 404.

[38]Blue Ribbon Defense Panel Report, op. cit., p. 100.

his Department from GSA activities whenever in the best interests of national security, numerous arrangements were developed over the years which permitted DOD-GSA cooperation in the areas of cataloguing, property utilization and disposal, standardization and procurement of common items.[39]

GSA is organized into a headquarters and ten regions, which are each divided into five functional service areas: the Federal Supply Service, National Archives and Records Service, Property Management and Disposal Service, Public Building Service and the Transportation and Communication Service. Although DOD draws support from each of these functional services, the Federal Supply Service (FSS) has the greatest impact on Defense logistics. The FSS provides GSA procured items of supply to the DOD. Typically, these common items include house cleaning supplies, paint, tools, office equipment, commercial design vehicles and refrigeration equipment. Currently, GSA and the FSS manage approximately 68,000 line items which are of interest of DOD.[40] Federal Supply Catalogues, prepared by the FSS for those items common to Government-wide use, are the primary means by which DOD agencies identify items which can be procured through the FSS. The Federal Supply Service has overall responsibility for the Federal Catalogue System, of which DSA, through its subordinate Defense Logistics Services Center, maintains the military portion.

TRANSPORTATION SINGLE MANAGERS

Transportation activities and management are centralized into three Single Managers. The Military Airlift Command (MAC) (formerly MATS),

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[39]Department of Defense, Report By The Joint Logistics Review Board, Monograph 8, DSA/GSA Support (Washington, D. C.: Government Printing Office, 1970) p. 23.

[40]Department of Defense, Report by the Joint Logistics Review Board, Monograph 8, op. cit., p. 3.

under the Air Force, provides air transport for personnel and cargo for all the Military Services on a worldwide basis. MAC also furnishes weather, rescue, photographing and charting services for the Air Force. The Military Sealift Command (MSC) (formerly MSTS), under the Navy, provides ocean transport for personnel and cargo for all the Military Services on a worldwide basis. Both MAC and MSC augment government owned planes and ships by chartering commercial aircraft and ships, as required.

The Military Traffic Management and Terminal Service, (MTMTS), under the Army, provides military traffic management, land transportation and common-user ocean terminal service within the Continental United States. MTMTS also provides worldwide traffic management for movement and storage of DOD personnel's household goods. Altogether, the three transportation single managers control movements within the United States and all inter-theater movements; intra-theater movements are a responsibility of theater and subordinate commanders.

DOD level coordination and control of transportation activities, particularly of the Single Managers, is exercised by the Director of Transportation and Warehousing Policy, Office of the Deputy Assistant Secretary of Defense (Supply, Maintenance and Services), OASD(I&L) and the J-4, Joint Chiefs of Staff. Since, under the Single Manager concept, each Military Service is designated as an Executive Agent responsible for operating and controlling its assigned management area, OASD(I&L) guidance is limited to broad policy and JCS involvement is normally limited to the evaluation of capabilities and determination of future requirements.

In addition, a Joint Transportation Board, within the J-4, JCS, develops priorities and allocations whenever transportation requirements exceed available resources.[41]

DEPARTMENT OF THE NAVY

Overall Department of the Navy staff responsibilities for Naval and Marine logistics are exercised by the civilian Assistant Secretary of the Navy (Installations and Logistics) (ASN(I&L)). Military staff supervision of Naval logistics is exercised by the Deputy Chief of Naval Operations (Logistics) (DCNO(LOG)) and the Chief of Naval Materiel (CNM). For the Marine Corps, logistics staff responsibilities are exercised by the Assistant Chief of Staff, G-4 and the Quartermaster General. The ASN(I&L) acts for the Secretary of the Navy as does his Army counterpart. The DCNO (Logistics) is the Navy's logistics and materiel readiness planner. The Chief of Naval Materiel performs both command and staff logistics functions for the Navy. The CNM is responsible to the Chief of Naval Operations for materiel and logistics support of the Navy; he is also responsible to the Commandant of the Marine Corps for those areas in which the Marine Corps draws materiel and logistics support from the Navy.

The Chief of Naval Materiel commands the Naval Materiel Command which is composed of six principal subordinate Systems Commands, separate Project Management Offices, and shore activities such as industrial activities, research and development centers, and laboratories. Logistics activities are concentrated in the six Systems Commands. Five of these commands, the Naval Air Systems Command, Naval Electronics Command, Naval

[41] US Army Command and General Staff College, CONUS Logistics, RB101-3 (Army Field Printing Plant, Ft. Leavenworth, July 1970) p. 8-1.

Facilities Engineering Command, Naval Ordnance Systems Command and Naval Ship Systems Command are engaged primarily in materiel acquisition activities; e.g., research and development, testing, procurement and production of weapons, equipment and systems. The Naval Facilities Engineering Command also administers the Navy's military construction program and performs facility planning and maintenance functions. The sixth System Command, the Naval Supply Systems Command (NAV/SUP), administers the Navy supply system, to include worldwide Naval Depots, the Navy Stock Fund and establishes supply management policies and methods. NAV/SUP also is responsible for Naval publications and printing, transportation of Navy cargo, and has materiel acquisition responsibility for materials handling equipment, food service and Navy peculiar clothing. Within the NMC, major items of equipment (such as guns, air frames, large engines) are developed and procured by the "equipment" Systems Commands. Distribution of major items is accomplished through the Naval Supply Systems Command. Consumables, repair parts and items smaller than major items are procured, controlled and distributed by the Naval Supply Systems Command. National Inventory Control Points subordinate to the Naval Supply Systems Command are:

Aviation Supply Office
Ships Parts Control Center
Electronics Supply Office

The Commandant of the Marine Corps commands the Corps. The Deputy Chief of Staff, G-4 is responsible to the Commandant for logistics planning. The Quartermaster General implements the logistics plans as prepared by ACS, G-4 and approved by the Commandant. Marine Corps materiel is procured through the DSA, the Army, Navy and Air Force and through organic Marine Corps logistical activities. Most materiel used by the

Corps is distributed through the Corps' own supply system whether procured by the Corps or another Service. Centralized materiel management is exercised by two National Inventory Control Points; one, co-located with USMC Headquarters manages major end items, POL, subsistence and major components of end items. The other NICP, located at the Marine Corps Supply Activity, Philadelphia, manages all other items used by the Corps. Storage and distribution of materiel is accomplished by Marine Corps Supply Centers located on both the East and West coasts of the United States.

DEPARTMENT OF THE AIR FORCE

Department of the Air Force staff responsibilities for logistics are exercised by the civilian Assistant Secretary of the Air Force (Installations and Logistics) (ASAF(I&L)) and the military Deputy Chief of Staff, Systems and Logistics. The ASAF(I&L) acts for the Secretary of the Air Force in a similar fashion to his counterparts in the Army and Navy. The Deputy Chief of Staff, Systems and Logistics is the Air Force logistics planner and develops and directs plans, policies, programs and procedures for management of Air Force activities engaged in logistics. Procurement, supply, services, maintenance and transportation activities within the Air Force are under the broad staff supervision of the DCS, Systems and Logistics.

The Air Force Systems Command performs materiel acquisition functions for the Air Force--research, development, testing, procurement and production of new equipments and weapons systems. The Air Force Logistics Command (AFLC) supports the equipment and weapons systems

"acquired" by the Systems Command. AFLC performs the materiel management function; it manages and procures repair parts and associated supplies, provides depot level maintenance for and distributes equipment/weapons systems. The AFLC (and the Air Force) operates no overseas depots; support of USAF elements overseas is furnished directly from CONUS to overseas bases. AFLC headquarters and subordinate commands are linked to overseas bases through a highly standardized and integrated ADP system dedicated to the Air Force Supply system. To perform its mission as the wholesale supplier to the Air Force, the AFLC operates five Air Materiel Areas (AMA) which contain National Inventory Control Points and associated depot storage sites. These AMA are responsible for materiel management and logistics functions, to include requirements computation, supply control, procurement, quality assurance, storage, and distribution. The five Air Materiel Areas are the:

Ogden Air Materiel Area
San Antonio Air Materiel Area
Sacramento Air Materiel Area
Warner-Robbins Air Materiel Area
Oklahoma City Air Materiel Area

In addition to the Air Materiel Areas, the Air Force Logistics Command commands Air Procurement Regions in Europe and the Far East and the Military Aircraft Storage and Disposition Center in Arizona.

DEPARTMENT OF THE ARMY

Department of the Army staff responsibilities for logistics are exercised by the civilian Assistant Secretary of the Army (Installations and Logistics) (ASA(I&L)) and the military Deputy Chief of Staff for Logistics (DCSLOG). The ASA(I&L) is authorized to act for the Secretary of the Army

in the fields of materiel requirements, procurement and production, Army Small Business Program, materiel management and logistics services. The ASA(I&L) is also responsible for installation planning, facilities and real property management and family housing. The ASA(I&L) further supervises Army participation in military assistance programs, industrial mobilization and industrial labor relations. The DCSLOG has Army General Staff responsibility for management of Army logistical activities. The DCSLOG also develops and supervises the Army logistic system and organization; and is responsible for logistic planning input for joint and Army operations plans; military construction; materiel management; family housing; real property management; Army international logistics affairs; transportation; and Army inter-service logistics support matters. The Army's Assistant Chief of Staff for Force Development (ACSFOR) is responsible for development of operational priorities and requirements for procurement of materiel and for combat developments and organization. As the general staff agency responsible for materiel requirements and for the organization and operational doctrine of Army units in the field, the ACSFOR has considerable influence over Army logistics.

The Army Materiel Command (AMC) is the primary wholesale logistics operator for the Army. Although numerous logistical commands and activities exist in overseas theaters to support local Army operating forces, it is AMC which forms the backbone of the Army logistical system. Formed in the early 1960's, AMC assumed the materiel acquisition and logistics functions of the former seven technical services. The Command is organized into one service command, a logistics command dedicated to the Safeguard ABM system, seven commodity commands incorporating NICPs, and numerous other activities

such as CONUS depots, Project Managers and central Research and Development laboratories reporting directly to AMC Headquarters. Logistical functions of the command are concentrated in the commodity commands; however, each of these commands is so organized as to fully integrate materiel acquisition (equipment/weapons systems research, development, procurement and production) functions directly with each command's logistical functions. Thus, procurement activities of each command procure major items, related repair parts, and assigned consumable supplies. Research, development and engineering activities are equally integrated and oriented towards the equipment/weapons system, its components and related repair parts and supplies. Each command's NICP is also similarly integrated. Consequently, the AMC NICP is similar to the Air Force/AFLC NICP in that it manages the entire item; however the AMC commodity command differs from the AFLC Air Materiel Area in that it also has the total materiel acquisition function for its assigned items. Similarly, the AMC commodity command differs from the Naval "System" Command in that it has total materiel management responsibility for the end item, its components, related repair parts and supplies. Major subordinate commands of the Army Materiel Command are the:

US Army Aviation Systems Command

US Army Electronics Command

US Army Missile Command

US Army Mobility Equipment Command

US Army Munitions Command

US Army Safeguard Logistics Command

US Army Tank-Automotive Command

US Army Test and Evaluation Command

US Army Weapons Command

In addition to the seven commodity commands and the Test and Evaluation Command, the AMC also commands numerous Army depots located throughout the continental United States. These depots perform the storage and depot level maintenance functions for the command. Receipt and distribution of materiel to CONUS and overseas Army activities is performed at the direction of the AMC NICPs. Depot level maintenance is performed, on a program basis, as required and funded by the NICPs and as approved by AMC and Department of the Army.

LOGISTICS IN THE UNIFIED COMMANDS

Under the principles and doctrine established by the JCS to govern the operation of Unified Commands and unified or joint activities, each Service retains responsibility for its own logistics, both in peace and war. Specifically, Service Component Commanders of Unified Commands are responsible for logistics functions normal to the component and retain responsibility for the operating details of their respective logistic support system. Unified Commanders' authority over logistics is limited to directive authority, which is intended to insure effectiveness of logistical support of combat operations, to insure economy of operation and to prevent unnecessary duplication of functions and facilities.[42] As a consequence of this doctrine governing logistics, the Unified Commander is relegated to what is, essentially, a coordinating role over Service logistics activities. The Unified Commander, operating through his subordinate Component Commanders, can foster coordination of Service logistics activities such as acquisition, storage, movement, maintenance and evacuation of materiel; he may promote use

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[42]Joints Chiefs of Staff, Unified Action Armed Forces, JCS Pub 2, (Washington, D. C.: Government Printing Office, 1959) pp. 40-41, 64-65.

of Inter-Service Support Agreements and establishment of joint logistical activities to prevent duplication or overlapping functions; however, he may not discontinue Service responsibility for logistics support.

There are numerous examples of Inter-Service logistics cooperation within the Unified Commands. In Vietnam, the Army provided common use items in the II, III and IV Corps areas and the Navy in the I Corps area.[43] In continental Europe, the Army provides food supplies to the Air Force. However, as a general rule, each of the Services operates its own logistics system within the Unified Commands. For the Army, it is normally a land mass oriented system, organized in depth, with successive layers from using units through depots. For the Air Force, it is an airbase oriented system supplied primarily from the continental United States (CONUS). For the Navy, it is a seabased system supported both from overseas bases and directly from CONUS as appropriate.

DEFENSE LOGISTICS

The organization for logistics within the Department of Defense is vast and complex. The preceding highlights this organization at the national level. In essense, it consists of two parts; the Defense-wide oriented element represented by the Defense Supply Agency and the transportation Single Managers and the Service-oriented element represented by the Army Materiel Command, the Naval Materiel Command, the Marine Corps Supply Activities and the Air Force Systems and Logistics Commands. In addition to these wholesale or national level logistics organizations, there exists a third part which is composed of the overseas Army, Navy,

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[43]Blue Ribbon Defense Panel Report, op. cit., p. 51.

Air Force and Marine Corps logistics systems operated within each of the Unified Command geographic areas. It is these national level and overseas organizations which the Blue Ribbon Defense Panel has proposed to consolidate, in whole or in part, into a Unified Logistics Command.

CHAPTER IV

THE UNIFIED LOGISTICS COMMAND CONCEPT

> "The present decentralized system of logistics presents a confused panorama of participating activities, each of which has overview of only a small portion of total logistics capabilities. Under these circumstances, it is hardly surprising that military operations almost always suffer major logistics crises, particularly in their initial phases."[43]

The Blue Ribbon Defense Panel was appointed by the President and Secretary of Defense in July 1969. The Panel was given a broad Charter to study, report and make recommendations on the organization and management of the Department of Defense as it affects mission performance, the decision process, command and control functions and facilities, intra-governmental coordination and responsiveness to the requirements of the President and Secretary of Defense. In addition, the Panel was charged to conduct a broad inquiry into the Department's research and Development (R&D) activities as regards mission performance, organization, development leadtimes, costs and relationships with the scientific and industrial communities. The Panel was further charged to study, report and make recommendations on the Department's procurement policies and practices with emphasis on their impact upon costs, leadtimes and quality.[44] Panel members were appointed from the civilian sector and possessed a broad range of industrial, educational, legal and economic backgrounds.[45] To facilitate its work, the Panel divided itself into four subcommittees representing the following broad areas of interest:

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[43]Blue Ribbon Defense Panel Report, op. cit., p. 105.
[44]Blue Ribbon Defense Panel Report, op. cit., p. v.
[45]For a listing of Panel membership, See Appendix I.

Subcommittees

1. Organization and Personnel Management.

2. Management of Materiel Resources (including R&D, procurement, and management of weapons and supplies).

3. Military operations, intelligence, communications, and automatic data processing.

4. Conflicts of interest, contract compliance, domestic action, equal opportunity and related matters.[46]

In conducting its study, the Panel, and its working subcommittees, used the techniques of historical research (particularly records and reports of Congressional hearings and of previous formal reviews such as those conducted by the two Hoover Commissions); in-depth interviews of key personnel; questionnaires; visits to Defense activities outside the Washington area; and functional surveys of Washington based headquarters organizations. Through these various study techniques, the subcommittees drew the data and information from which the entire Panel developed its conclusions and recommendations. Review of Defense logistics activities fell primarily within the purview of subcommittees (1) Organization and Personnel Management and (2) Management of Materiel Resources. In regards to Defense logistics, the Panel concluded that:

> "There is substantial room for improvement and greater integration of management throughout the supply, maintenance and transportation systems of the Department...the logistics systems of the Department of Defense, in activities other than procurement and the initial warehousing phase, is decentralized and fragmented in functional assignment. Efforts of the Congress and the Office of the Secretary of Defense to improve efficiency and effectiveness of these activities....have achieved very limited

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[46]Blue Ribbon Defense Panel Report, op. cit., p. v.

> success. As a consequence, the current inventory management, distribution, maintenance and transportation systems are needlessly inefficient and wasteful, and....fall far short of the potential for effectiveness of support of combatant commanders."[47]

The Panel's criticisms of the Defense logistics structure, which seem so interchangeable with the criticisms of the 1940's, 1950's and 1960's, were broadly based on its identification and interpretation of basic deficiencies in Defense supply, maintenance and transportation organizations and operations. While it recognized that the Department had long recognized the potential for increased efficiency and improved effectiveness inherent in standardized and integrated logistics management, the Panel found that:[48]

1. Logistics integration had fallen primarily on procurement and initial inventory management activities.

2. The benefits of standardized and integrated logistics had not been extended overseas to any appreciable degree.

3. The existing multi-Service overseas logistics structure--composed of independent systems for each Service and based on each Service's organizational structure and doctrine -- resulted in minimum effective support of the Unified Commands.

4. The supply system, both in the Continental United States and overseas was overly decentralized and fragmented with the Air Force's worldwide vertical supply system at one extreme and the Army's horizontal supply system at the other.[49]

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[47]Blue Ribbon Defense Panel Report, op. cit., p. 52.

[48]Detailed criticism of the Department of Defense logistics activities is contained in the Blue Ribbon Defense Panel Report, op. cit., pp 97-110.

[49]The Panel defined the Air Force supply system, which uses no overseas depots and which supplies consumers (overseas bases) directly from bases in CONUS as being vertical; the Army supply system was considered horizontal in that Army components in the theaters have autonomous logistics systems that procure supplies from the autonomous CONUS system (primarily the Army Materiel Command).

5. The decentralized and fragmented supply system in the Department had resulted in a proliferation of Automatic Data Processing Systems which were largely incompatible both among the Services and within each Service.

6. A lack of integration in maintenance and maintenance management activities promoted inefficiency.

7. The absence of adequate integration of traffic management among the Military Airlift Command, Military Sealift Command and Military Terminal and Traffic Management Service, together with the independent nature of joint traffic management agencies and service operated transportation resources within overseas theaters, contributed to loss of efficiency, economy, and supply support effectiveness.

8. The fragmentation of Defense logistics activities had resulted in a situation in which only the Offices of the Secretary of Defense and the Assistant Secretary of Defense (Installations and Logistics) had sufficient overview and responsibility to supervise logistics operations. Furthermore, this situation had required that OASD(I&L) become involved in the intimate operating details in addition to its broad policy role.

To correct the organizational and operational deficiencies which it had found in Defense logistics, the Panel recommended the establishment of a Unified Logistics Command "to exercise, for all combatant forces, supervision of support activities, including supply distribution, maintenance, traffic management and transportation."[50] The Panel further recommended that the Military Airlift Command, Military Sealift Command, Military Traffic Management and Terminal Service and the traffic management functions of

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[50]Blue Ribbon Defense Panel Report, op. cit., p. 212.

theater traffic management agencies be assigned to the new Unified Logistics Command. In proposing the new command, the Panel envisioned the creation of a unified, vertically-oriented supply and transportation system, including maintenance, which would support all overseas and CONUS based combat forces. As outlined by the Panel, this vertical system would exclude procurement and initial warehousing but would encompass both CONUS based and theater based wholesale supply, retail supply, traffic management and transportation functions, to include inventory management.

PROPOSED ORGANIZATION - UNIFIED LOGISTICS COMMAND

The Blue Ribbon Defense Panel did not develop a definitive organization for the proposed Unified Logistics Command. Rather, it described, in their broadest sense, the functions which the proposed command would perform. Similarly, the Panel outlined, in broad conceptual form, the vertically oriented logistics system which would result from the new command. In addition to its recommendation regarding the Unified Logistics Command, the Panel made other recommendations pertaining to all Unified Commands, which if approved, would have a major impact on the composition and organization of a Unified Logistics Command. As defined by the JCS, a unified command is one "with a broad continuing mission, under a single commander, composed of significant assigned components of two or more services, and which is established and so designated by the President...."[51] Also according to JCS definition, the Unified Commander exercises "operational command" over subordinate Service component forces which consists of:

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[51]Joint Chiefs of Staff, Unified Action Armed Forces, JCS Publication 2, op. cit., p. 38.

> "Those functions of command involving the composition of subordinate forces, assignment of tasks, the designation of objectives and the authoritative direction necessary to accomplish the mission....It does not include such matters as administration, discipline, internal organization, and unit training, except when a subordinate commander requests assistance."[52]

After review of Presidential memoranda and the Defense Reorganization Act of 1958, the Panel concluded that both President Eisenhower and the Congress had intended that the Unified Commander exercise undiluted, full command authority over assigned subordinate forces. Consequently, the Panel recommended that the Unified Commanders be given unfragmented authority for their commands; that Commanders of component commands be redesignated as Deputies to the Unified Commander; and that the Unified Commands be restructure to establish mission oriented forces with a commensurate reduction in subordinate headquarters and staffs.

The Panel's recommendations for changes in the concept and organization of Unified Commands are closely related to the proposal for a Unified Logistics Command. Without these changes, the Unified Logistics Command would be no more than an umbrella-like command and control element presiding over Army, Navy, Air Force and Marine Corps component commands in CONUS and quite probably, sub-unified commands in each theater also composed of Army, Navy, Air Force and Marine Corps components. Although this "Service component" approach might promote some integration of logistics through such devices as designation of one Service component as the supplier for a particular class of supply <u>within</u> a given geographic area, such an approach does not facilitate the <u>functional integration</u> envisioned by the Panel for the Command's unified, vertically oriented supply, transportation, and maintenance system.

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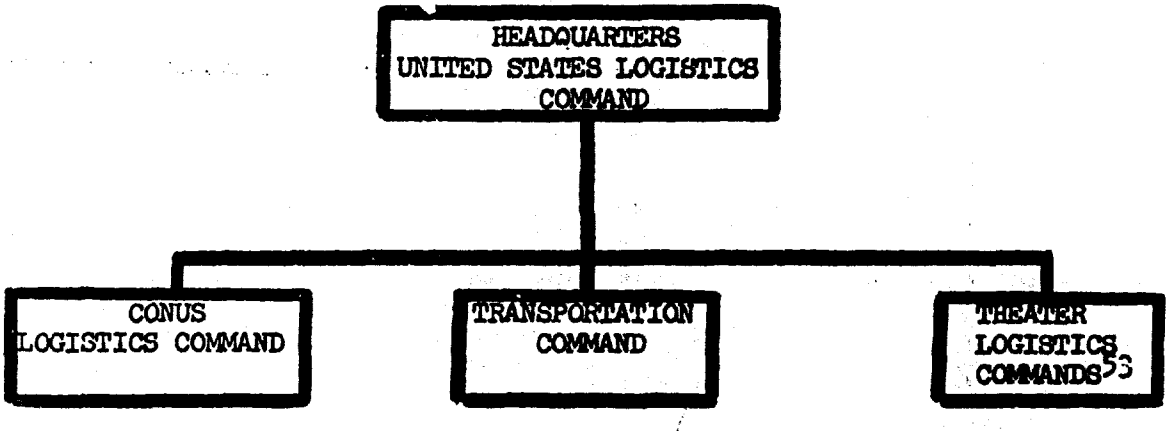
[52]Joint Chiefs of Staff, <u>Dictionary of United States Military Terms For Joint Usage</u>, JCS Publication 1, op. cit., p. 155.

The alternative to a "service component" approach, and the one which the Panel apparently intended, was a "functional approach" in which [illegible] forces or activities would be broken out from their respective services and grouped together based on their functions. Although the Panel did not detail its proposed organization for the Logistics Command, a careful reading of the Panel's report, particularly of their comments on the functions of the new command, infers that the proposed Unified Logistics Command would approximate the following model:



Headquarters, United States Logistics Command - this headquarters would be a new organization staffed by military and civilian personnel drawn from all the Military Services; would fulfill the command, control and planning functions; and would implement policies and plans as developed and disseminated by the Secretary of Defense and Joint Chiefs of Staff. The Command would have the broad mission of providing logistical support (supply, maintenance and transportation) to combatant forces overseas and in CONUS. Responsibility and planning for development and procurement of a standard, advanced ADP system to support the unified, vertical logistics system would be centralized at the headquarters level.

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[53]One Theater Logistics Command would be established to support each major unified theater command.

[illegible] Logistics Command - [illegible] wholesale supply system and would be composed primarily of depots and Inventory Control Points (less procurement activities) drawn from [illegible] the Services and DSA.[54] The Command would be responsible for supply control and for maintaining worldwide inventory visibility of items in the Defense supply system; would perform the requirements computation function for stock funded items; would maintain inventory and requirements data on major items for use by DSA and the Services; would be responsible for depot operations, to include storage, maintenance of materiel in storage and depot level maintenance programs. Procurement support for the command would be provided by the Defense Supply Agency and the procurement activities which would be retained by each of the Services. Technical support for procurement (e.g., technical drawings, technical data packages, etc) would be provided by the respective Defense laboratory or R&D activity having responsibility for each federally stock numbered item. Depot level maintenance programs, to be performed both in CONUS and overseas, would be developed by the Command based on requirements and repairable assets as forecast by the Inventory Control Point with planning input from the theater Unified Commanders. Funding of depot maintenance programs would either be direct from DOD or received from the Services for their respective items. The Command would consolidate the wholesale stock funds of the DSA and Services; financing of inventory in the overseas depots, if any, would be from the Command's stock fund -- there would be no overseas commander's ownership of inventory and no overseas stock fund. The Command would not fund for nor

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[54]The Blue Ribbon Defense Panel was exceedingly vague as to where the interface would be between the Service procurement activities and the Logistics Command. After careful re-reading, the author concluded that the Panel intended that CONUS depots and national inventory control functions were to be part of the Logistics Command

...are major items. Major items of equipment and weapons systems would be ...ded in respective Service appropriations, procured by the Services and turned over to the CONUS Logistics Command for storage and subsequent distribution.

Transportation Command - this command would be assigned the Military Airlift Command, the Military Sealift Command, and the Military Terminal and Traffic Management Service. It would have worldwide traffic management responsibility for the Department with the exception of intra-theater movements. The Command would operate the Defense transportation system and would be responsible for personnel and cargo movements within CONUS, between CONUS and theaters, and between theaters. Although initially resembling a "traditional" subunified command with three subordinate Service components, the evolutionary process would probably result in the absorption of MTMTS headquarters functions into the Transportation Command headquarters; this would leave the two major MTMTS subordinate commands, the Western (CONUS) Area and Eastern (CONUS) Area reporting directly to the Transportation Command headquarters.[55] Such an evolution would be logical in that MTMTS is a manager and not a transportation operator in that it relies on commercial transportation systems for movements within CONUS. As operating commands using both organic and commercial systems, it is probable that MAC and MSC would remain as distinct subordinate elements of the Command.

Theater Logistics Command - these commands would parallel each of the Unified Theater Commands and would be responsible for operation of depots, ports, aerial terminals and designated intra-theater transportation assets. These commands would operate theater traffic management agencies which would

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[55]US Army Command and General Staff College, CONUS Logistics, RB101-3, op. cit., pp 8-4, 8-5.

[illegible] movements between [illegible] and aerial terminals and ports in the theater; they would also control intra-theater movements between ports and aerial terminals and would exercise traffic management over shipments moving through ports and aerial terminals on a throughput, direct delivery basis. Theater logistics commands would be responsible for assigned depot level maintenance programs and to provide data necessary to assist NICPs in developing worldwide depot maintenance programs. A prime objective of these Commands would be to promote the use of direct support from the CONUS logistics system in order to permit the consolidation and elimination of overseas depots and depot level maintenance activities with consequent savings from reduced overseas base development and operations.

ADVANTAGES OF UNIFIED LOGISTICS COMMAND

The Unified Logistics Command, as envisioned, offers several identifiable advantages over the current Defense logistics structure. First, creation of the Command would provide the vehicle for development and installation of an advanced, standard ADP system linking, on a real time basis, inventory and related supply management activities in overseas depots to CONUS NICPs and depots; consequently, CONUS NICPs would gain visibility of overseas stocks and have immeasurably increased flexibility to cross level excesses and shortages vis-a-vis CONUS depots and the theaters. NICPs would have access to overseas demand and stockage data which would increase their ability to more accurately forecast requirements and consequent procurements or depot level maintenance programs. Insofar as depot level maintenance programs are concerned, the creation of the Command would permit the elimination or, consistent with national security limitations, the minimal duplication of depot level maintenance facilities for like items.

Such consolidation of maintenance programs should result in increased efficiency through economies of scale. Creation of the Unified Logistics Command would also permit greater integration of the land, sea and air transportation modes through exercise of traffic management functions by one command which is not only the manager but also an operator; by assigning one command with overall authority over transportation and traffic management, there is an inherent authority to promote more integration and efficiency than currently exists among the co-equal and cooperative MAC, MSTC and MTMTS. In view of the revolutionary advances in transportation resulting from containerization, advanced cargo ship designs, larger aircraft such as the C-5A, and throughput concepts, independent sea, air and land modes of transport are being increasingly integrated. Creation of a single DOD-wide Transportation Command would better promote development of standardized containers, integration of documentation and procedures, and would promote closer integration of the supply and transportation functions.

DISADVANTAGES OF UNIFIED LOGISTICS COMMAND

Insofar as Defense logistics is concerned, the 1960's was characterized by reorganization and the demands of the war in the Republic of Vietnam. Both the Army and Navy, and to a somewhat lesser degree, the Air Force, experienced massive reorganization of their logistics and materiel acquisition activities. The Defense Supply Agency was created; the Military Traffic Management and Terminal Service was established; the Army's technical services became, in part, the Army Materiel Command; the Navy's Bureaus evolved into the Naval Materiel Command. Just as the Federal Supply Cataloguing system

took years to evolve from inception in the late 1940's to completion in the late 1950's, each of the new logistics commands of the Services are evolving. Creation of a Unified Logistics Command would force one more reorganization -- a reorganization that would occur before the new logistics organizations of the 1960's have reached maturity or peak efficiency. For example, the transition of line items from the Services to DSA integrated management is not complete.[56] Of the millions of line items in the Defense inventory, tens of thousands remain under dual management by one or more Services and DSA. Creation of a Unified Logistics Command would not, by fiat, resolve the problem; time would still be required to continue the process of coding line items to DSA for integrated management. By imposing a reorganization which would force a breakout of DSA and Service NICPs from their procurement activities, the evolutionary process of transferring the maximum number of line items to DSA could be delayed as a result of the personnel and workload turbulence inherent in such a large-scale reorganization.

In addition to presenting a formidable requirement for reorganization of Service logistics commands, the proposal to create a Unified Logistics Command presents even more significant disadvantages:

1. Total separation of NICPs from their technical bases. Each DSA and Service NICP has a technical data base for each line item it manages. These technical bases prepare the Military Specifications, prepare and maintain the technical drawings, prescribe the test procedures and perform other technical tasks associated with the technical data packages which permit procurement. In addition, they provide technical support

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[56] Blue Ribbon Defense Panel Report, op. cit. pp 108-109.

through such actions as assistance in bid evaluation, resolution of production problems, review of engineering change proposals and technical advice in quality assurance matters.[57] For Army NICPs, the technical base is normally an R&D laboratory belonging to the same commodity command as the NICP or it is one of the central Army Materiel Command laboratories. For Navy and Air Force NICPs, it is a laboratory or engineering activity in one of the Naval Systems Commands or the Divisions of the Air Force Systems Command. DSA NICPs, which have a limited in-house capability, receive most of their technical base support from laboratories in all the Services. Although each NICP is serviced by several laboratories, the bulk of each NICP item support is normally concentrated in one laboratory or laboratory complex. For example, the U. S. Army Mobility Equipment Command's (USAMECOM) Mobility Equipment Research and Development Center (MERDC) at Fort Belvoir, Virginia, provides the primary technical base support to USAMECOM's NICP in St. Louis. Similarly, MERDC also provides technical base support to DSA's Defense General Supply Center in Richmond, Virginia, for common items such as sand bags for which MERDC is the developer.

Because of the functions performed by the technical base in support of the NICPs, there is a requirement for continuing, intensive communication, coordination and cooperation. For example, at any given time, numerous line items are undergoing product improvement, value engineering or total

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[57] Mr. McNamara estimated that there were 100 million engineering drawings in the Department's repositories and about 40,000 specifications, standards and related documents. He further estimated that $1.5 billion was being spent annually to acquire additional data and admitted that technical data management would be a continuing problem. Statement by Secretary of Defense McNamara on The Fiscal Year 1969-1973 Defense Program, op. cit., pp 204-205.

redesign in order to correct deficiencies reported by the field, to reduce cost or to improve performance and effectiveness. When these redesign efforts are completed, the new or revised technical data packages must be furnished the NICPs. Similarly, the NICPs must be aware in advance of these thousands of changes in order to prevent or reduce procurement of the soon-to-be-obsolete item and to plan for an orderly transition to stockage of the new item. Thus, a key to efficient supply management in the NICPs is intimate coordination and communication with their technical bases.

Creation of a Unified Logistics Command would withdraw the NICPs from their current organizational fabric in which they are closely related to their technical bases and place them in a separate, distinct command element. Such a placement carries an inherent increase in coordination and communication requirements since the NICPs would no longer be in the same command channel responsive to the same Commander's direction and control. To again take an Army NICP as the example, the point of "command conjunction", wherein both the technical data base and the NICP are responsible to one commander or supervisor, would no longer be at the AMC commodity command level -- rather, it would move to the level of the Office of the Secretary of Defense!

2. Separation of major items programming and distribution functions. Procurement of major items (weapons and equipment systems) is closely related to strategic decisions and plans developed at the highest levels of the Government. As strategic plans are developed, they are translated into force structures for the respective branches of the Armed Forces. In turn, and in their broadest sense, these force structures translate into requirements

or authorizations for major items (e.g., so many ships, planes, tanks, missiles, etc). Although procurement programs are developed by MICPs on the basis of force structure and other guidance, actual procurement programs evolve from internal "messages" at the Service Department, DOD, and Presidential level resulting from budgetary limitations, strategic priorities, R&D progress and delays, and tradeoffs. Ultimately, Congressional appropriation action, together with whatever reprogramming authority Congress chooses to delegate, results in approved major item procurement programs. Subsequently, the Services initiate procurement of these end items and upon their delivery -- usually after a lead time of one or more years -- initiate distribution of the items. Concurrently, the Services plan and undertake whatever unit activations, unit and individual training programs which are required by the new items. For many new items such as new missile systems, both unit activations and unit and individual training programs may be major considerations in fielding the new system; for others, such as a new rifle, individual training and conversion of worldwide unit authorizations may be the major considerations. Whatever the new item, detailed planning in preparation for its introduction is essential.

Under the Unified Logistics Command concept, the Services would retain their current responsibilities to develop new items, justify and defend the necessary appropriations, procure new items, and activate, designate and train the item users. The Services would lose the responsibility, and the capability, to distribute the new items; the Unified Logistics Command would gain that responsibility. Such a situation would present a dichotomy in that the Services would program and defend major item procurement based on need, <u>fund availability</u> and <u>relative priority</u> while

the Unified Logistics Command would, in theory, be responsive only to need. Consequently, in the face of probable end item shortages versus requirements, the Unified Logistics Command would be forced to establish, in coordination with each Service headquarters, a system of controlled distribution not unlike that now performed by the Services. Thus, rather than four Services involved in major item planning and distribution, there would be, with the addition of the Unified Logistics Command, five entities engaged in planning for and distributing new equipment. Conversely, were the Unified Logistics Command to disregard new equipment shortages, the onus for funding and procuring sufficient end items would fall on the Services with little or no relationship to the availability of procurement or depot maintenance funds.

3. Disregard of Service organization and doctrine. In the field or at sea, each of the Services is organized according to its own tactical or strategic doctrine. Supporting logistics forces are tailored or attuned to that doctrine. Consequently, the Air Force operates few overseas logistics facilities other than those directly related to air bases; the Navy relies heavily on dedicated cargo ships to supply the fleet; and the Army and Marine Corps operate land based and land mass oriented supply systems. With the possible exception of rations, there is minimal commonality between the Service supply systems and the items in those systems. For example, a review of Navy and Air Force supply operations on Guam in 1969 revealed that less than 8% of the line items stocked in the two Services' supply activities were common.[58]

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[58]Department of Defense, Report of the Joint Logistics Review Board, Monograph 4, Common Supply (Government Printing Office, Washington, DC) p. 10-11.

Although the process of evolving DSA into a supplier of all common items is not complete -- as witnessed by the aforementioned line items still under dual management -- the objective of the current logistics structure seems clearly focused towards achievement of Service support of Service peculiar equipment and DSA and GSA support of common or commercial-type equipment. Overall, the Blue Ribbon Defense Panel did not seem to consider that, as long as the Services continued to exist as separate entities, the Department of Defense will have a bilineal organizational structure wherein the operational control and direction of the combat forces extends through one chain of command and the direction of supporting activities extends through another Service oriented channel. Thus, the Army is primarily oriented on the forces, equipment and doctrine necessary to fight land mass warfare; the Air Force oriented on air power, the Navy on sea power and the Marine Corps on amphibious warfare. In performing their support roles, the Services have developed integrated logistics systems in which the various support functions (planning, procurement, training, equipping and distribution of men, forces and materiel) are highly interrelated. Creation of a Unified Logistics Command would uproot a portion of these responsibilities, disintegrate these integrated systems and reduce the Services responsiveness to their remaining support functions by denying them the communications, coordination and planning channel inherent in their logistics support of their operating forces in the field.

4. Does not recognize the alternatives available in the evolutionary but dynamic organization of Defense logistics. Essentially, the Panel's justification for a Unified Logistics Command was that in light of existing

deficiencies in Defense logistics, "significant military logistics improvements can be achieved through efficient, coordinated exploitation of new technologies in the areas of transportation, communications, automatic data processing and integrated procurement management" and that the full potential of these technologies would not be realized under the Services' long range logistics programs.[59] To achieve the full potential of these technologies, the Panel envisioned a worldwide vertically organized, EDP oriented, highly integrated supply, maintenance and transportation system which would be created and operated by the Unified Logistics Command. The Panel was convinced that the consolidation of Defense logistics functions under one command was inherently more efficient and would permit a type of "forced march" towards a truly integrated and modernized logistics system. Perhaps there is no such thing as inherent efficiency. In this vein, Mr. McNamara stated:

> "Unlike private industry, which operates under the discipline of the profit and loss statement, there is no such built-in incentive for efficiency and economy in the operating environment of the Defense Department....Moreover, because of the large number of Defense managers involved and the literally tens of millions of individual decisions they make each year (e.g., 15 million purchase actions alone in FY 1967), it is obviously impossible to supervise the performance of these people directly from the Pentagon. Yet, the larger the number of intermediate management levels--and in an organization of the size of the Department of Defense the number cannot help but be large--the more difficult it is to exert pressure from the top."[60]

In lieu of the Pentagon, the Blue Ribbon Defense Panel proposes to run the Defense logistics complex (less materiel acquisition functions) directly from one unified command. In essence, this an "earthquake approach"

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[59] Blue Ribbon Defense Panel Report, op. cit., p. 97

[60] Statement of Secretary of Defense McNamara on The Fiscal Year 1969-73 Defense Program, op. cit. p. 199.

to reorganization which, while decisive, destroys harmonious and productive relationships, curtails employee participation and damages morale.[61] It resorts the deck of cards in that it allows DSA and the Services -- each top management levels -- to retain materiel acquisition functions while assigning remaining DSA and Service logistics functions to the new Command; however, it changes none of the basic functions of logistics. To correct the deficiencies noted by the Panel and to achieve the "inherent" efficiencies which the Panel expected in the new command, a vast body of common procedures and systems must be developed and implemented. A common EDP system dedicated to logistics must be developed and implemented DOD-wide; the traffic management and transportation activities of MAC, MSC and MTMTS must be expanded beyond the common documentation of MILSTAMP into a fully integrated transportation system; and an integrated supply and maintenance structure created. In the area of maintenance alone, common depot maintenance documentation and procedures would have to be created where none exist today. As the history of Defense logistics since World War II has clearly exhibited, creation of common procedures and systems are long term projects; thus, the Panel has proposed creation of another member of the DSA and Service logistic team, a vast reorganization to create that member, and a long term project to make it work.

There are less drastic alternatives which are potential solutions to the logistics deficiencies outlined by the Blue Ribbon Defense Panel. While their adoption would cause some organizational adjustment, they would not cause the massive reorganizations and logistics turbulence inherent in the period of organizing a Unified Logistics Command. These alternatives attack

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[61] George R. Terry, Principles of Management (Homewood, Illinois; Richard D. Irwin Inc., 1956) p. 242.

the problems cited by the Panel while continuing to recognize the support role assigned to the Service Departments. In light of these alternatives, which are dealt with in the concluding chapter, the wisdom of and the necessity for establishing a Unified Logistics Command at this time is challenged.

To a remarkable degree, the organization of Defense logistics has evolved into one which closely resembles that originally proposed by General Marshall in 1944. In essence, the Defense logistics organization consists of the DSA, which procures and supplies common items, and the Services, oriented toward land, sea and air peculiar materiel and the support of that materiel. However, the job of integrating along these lines is not complete; there remains some duplication of items between NICPs and the transition towards having one NICP as the one and only manager for each item continues. The state of the art in EDP technology and new transportation concepts and materiel have not, as the Panel noted, been fully exploited. Very little has been done towards integrating depot maintenance activities for common items. Yet, as General Marshall predicted in 1944 before the Woodrum Committee, evolution and not revolution has been the keynote in unifying the armed forces. In defense logistics, the complexity and scale of operations is such that even during the "McNamara period", evolution towards integration was the keynote. Today, evolution remains the keynote.

An example of the necessity for and of the continuing evolution of Defense logistics exists on the island of Guam. On Guam, an experiment is in process which may lead to a system of common supply between Service activities in an overseas area. In the experiment, which was initiated

1 September 1969, the Navy has been assigned the mission of providing common supply support to the Air Force. The objective of the test is ultimately to have all common items in overseas areas supported, both for supply and maintenance, by common logistics systems. Indicative of the operating problems being experienced in the test is the lack of supply systems compatibility between the Air Force's computerized stock control system on Guam, which rapidly produced requisitions, requisition modifiers, cancellations and followup actions and the Naval Supply Depot's primarily manual system which responds relatively slowly to Air Force requirements.[62] Such operational problems are strong arguments for a common DOD-wide EDP oriented logistics system; equally, they are strong arguments as to the necessity for orderly, coherent and evolutionary change. No Unified Logistics Command or similar organization would, in itself, immediately equip supply activities on Guam with a common EDP based supply system nor would it instantly integrate supply operations on Guam. Such changes take time and, with or without a Unified Logistics Command, require extended periods. In his book, "Principles of Management", Dr. George R. Terry notes that "bringing about organization changes over extended periods may prove costly and waste time...(but) permit consultation with managers about the changes and their suggestions regarding them, thorough indoctrination about contemplated changes, and a steady but gradual progress toward the desired organization structure."[63] The test on Guam is a microview of the problems yet to be faced in achieving the most effective level of Defense logistics integration. The fact is, the further integration of Defense logistics will take an extended period of time, with or without a Unified Logistics Command.

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[62]Joint Logistics Review Board Report, Monograph 4, pp. 10-11.
[63]George R. Terry, Principles of Management, op. cit., p. 242.

While the concept of creating a Unified Logistics Command has the advantage of applying unity of command over logistics integration, it would result in yet another member of the logistics team and a more cumbersome organization for fulfilling the planning, communicating and coordinating functions of logistics management. The required changes in Defense logistics would be achieved at the cost of a major reorganization and a drastic reorientation of Service roles when there are less radical alternatives which can be implemented over an extended period of time without this cost. In view of the considerable disadvantages to the new command, the thorough evaluation of less radical alternatives is appropriate. These alternatives, which are proposed as areas for further examination, would preserve the basic role of the Services while promoting consolidation and integration in those areas where the Panel found major deficiencies. The existence of such alternatives negate the need for and the urgency in creating a Unified Logistics Command. At some future point in time, when the evolutionary process towards integrating logistics is further advanced, a DOD-wide logistics organization may well be appropriate as a logical conclusion to the process; however, at this time it is not.

CHAPTER V

FUTURE EVOLUTION OF DEFENSE LOGISTICS

During the course of this study, certain alternatives to the Unified Logistics Command concept were discerned. In fact, these are not so much alternate courses of action as they are the next logical steps in the evolution of a fully integrated Defense logistics system. Such evolutionary steps are proposed being prerequisites for the establishment and effective operation at any future DOD-wide logistics organization if it is to be created without the cost of a massive reorganization and the disintegration, turbulence and dislocations that are inherent in such an undertaking. Six major organizational and procedural actions were identified as having a high potential for correcting logistics deficiencies cited by the Blue Ribbon Defense Panel and as being logical steps in the process of integrating the logistics system.

Assignment Of Common Maintenance Missions To The Defense Supply Agency. DSA does not currently have a depot maintenance mission; consequently, DSA does not have full management responsibility for many common items which are repairable at the depot level. Such common items, or potentially common items, as fire trucks, material handling equipment, generators, and industrial engines are normally procured by DSA but managed by DSA and the Service NICPs. Assignment of a maintenance mission, together with appropriate facilities, would permit DSA to be the true manager of common items. In addition, consolidation of depot maintenance facilities and contracts would be facilitated with consequent economies of scale.

Assignment Of CONUS Depots To The Defense Supply Agency. Currently, there exists in CONUS an Army depot system, a Navy depot system, an Air Force depot system, a Marine Corps depot system and a DSA depot system. Each performs receipt, storage, surveillance and distribution functions for one or more NICPs. Some perform maintenance missions and may have other special missions. In the case of the Army, the depots do not belong to any one NICP but rather report to Headquarters, Army Materiel Command; consequently, there exists a "seller of services and buyer of services" relationship between the Army NICPs and the Army depots. Similarly, some DSA depots store Navy stocks and vice versa, some Navy depots store DSA stocks. Since such examples exist of NICPs being serviced by nonorganic depots, cannot such a system of Defense depots operate on a CONUS-wide scale? Such a system of depots would facilitate consolidation of depots to whatever level is determined most effective, yet economical. Funding of such a depot system could be direct to DSA or on a reimbursable basis paid for by the respective Service and DSA NICPs.

Establishment Of A System Of Service Cognizant Depots And Maintenance Plants. Currently, DSA, through its Defense Contract Administration Service, performs the contract administration for all defense contractors and plants except those, such as aircraft assembly plants, for which one Service has an overriding military need to maintain cognizance. A similar system for depots and maintenance plants would permit the Services to retain cognizance for those activities such as ammunition depots, ship yards, tank overhaul plants and aircraft maintenance facilities for which it is logical and militarily appropriate that the Services retain primary control.

Charter A Defense Logistics Communications Planning Group. Either a DSA or a DOD-level planning group could be chartered to develop a standard, vertically oriented EDP based supply system for use throughout the DOD. Such a system, following on the heels of MILSTRIP, could be the vehicle for permitting NICPs to gain access to overseas stockage and demand data and could allow the Services to reduce overseas stockage and depots commensurate with their evolving doctrine and needs. Such a planning group would halt the proliferation of logistics EDP systems and through development of a common DOD system, integrate the now disparate systems of the Services.

Increase The Logistics Authority Of Unified Commanders. Currently, Unified Commanders have limited authority to compel the Services to develop and use common logistics systems; however, under provisions of JCS Publication No. 2, Unified Action Armed Forces, they are in effect, reduced to a coordinating role in Service logistics in that a Service component commander has an appeal channel through his Department to the JCS. If a Unified Commander clearly was required to plan for and given authority to compel Service use of common logistics services within given geographical areas, considerable logistic duplication within the Unified commands might be reduced. Such a step would envision making maximum use of Inter-Service Support Agreements.

Establish A Defense Transportation Agency. Such an agency would incorporate the CONUS and intra-theater transportation and traffic management functions and would assume control of MAC, MSC and MTMTS. This Agency would parallel DSA and would, in effect, implement the Transportation Command component of the Unified Logistics Command outlined in Chapter IV.

The overall objective of any changes in logistics organization should be a correction of deficiencies while achieving effective support to operating forces. The Blue Ribbon Defense Panel's proposal to create a Unified Logistics Command, together with the Panel's recommended changes in the Unified Command concept, represent one approach to the correction of these deficiencies. Whereas the trend in Defense logistics since World War II has been one of evolutionary integration, the Panel has proposed a sharp break with the evolutionary process in order to....

1) eliminate the profusion of horizontal layering in supply activities.

2) halt the proliferation of incompatible Electronic Data Processing systems.

3) reduce the duplication in maintenance activities.

4) overcome the loss of efficiency resulting from the division of transportation and traffic management functions between the Services.

5) correct the excessive fragmentation of supply, maintenance and transportation functions.

6) substantially improve effectiveness of logistics support, while at the same time achieving greater efficiency and economy.[64]

These alternatives do not address the Panel's criticism of the span of control of the Secretary of Defense and the detailed involvement of his office in operational logistics matters. Today, such involvement is a characteristic of our technology and bureaucracy, perhaps best summarized by General Frank S. Besson, Jr., first Commander of the U. S. Army Materiel Command when he stated....

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[64]Blue Ribbon Defense Panel Report, op. cit., p. 106.

"We live in an era where real time data is available. This means that the man in the field and the man at the top echelon or in the decision making process can all be looking at the same information at the same time. This is a real change from the days, not too long ago, when we always had interfaces between the time of the data that was being used at the working level and the time that the data was being distilled and blown up at the management level....When I graduated from the Military Academy about 30-odd years ago, I felt that a squad leader, whose squad in those days was about eight men, constituted the largest span of authority that you could have. I always worked under the rule of thumb that you ought to organize so that you had no less than three and no more than seven individuals reporting to you. This span no longer exists. The characteristics of management today permits you to have almost an unlimited span of control. This is particularly true in a bureaucratic operation because there are so many people looking at what you are doing, that you don't have to worry about whether you are going to get very far off the beam in any particular function or even technological area.[65]

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[65]General Frank S. Besson, Jr., speaking at Graduation Ceremonies, Class 65-B, Defense Weapons Systems Management Center, Wright Patterson Air Force Base, Ohio, 18 June 1965.

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This text summarizes the evolution of the Department of Defense and Service unification efforts since World War II. Reference provides numerous insights into theory or considerations behind succeeding reorganizations.

APPENDIX

MEMBERSHIP OF THE BLUE RIBBON DEFENSE PANEL

Chairman:

Gilbert W. Fitzhugh, Chairman of the Board, Metropolitan Life Insurance Company

Members:

Dr. Martha E. Peterson, President, Barnard College, Columbia University

Mrs. Leona P. Thurman, Attorney-at-Law

William Blackie, Chairman of the Board, Caterpillar Tractor Company

George Champain, President of Economic Development Council of New York City

William P. Clements, Jr., Chairman of the Board, SEDCO Incorporated

John M. Fluke, President, John Fluke Manufacturing Company

Dr. Marvin L. Goldberger, Professor of Physics, Princeton University

Robert C. Jackson, Chairman, Teledyne Ryan Aeronautical

Lane Kirkland, Secretary-Treasurer, AFL-CIO

Hobart D. Lewis, President, Readers Digest Association, Incorporated

Wilfred J. McNeil, Director-Advisor, Farchild Hiller Corporation; President, Tax Foundation

Dr. Ruben F. Mettler, President, TRW Incorporated

Lewis F. Powell, Jr., Attorney-at-Law

Dr. George J. Stigler, Professor of American Institutions, University of Chicago

Claude Young, Office of Commissioner, Professional Football