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<td>Distribution authorized to U.S. Gov’t. agencies and their contractors; Administrative/Operational Use; JUL 1970. Other requests shall be referred to Office of the Adjutant General, Washington, DC 20310.</td>
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1. The attached report is forwarded for review and evaluation in accordance with para 4b, AR 525-15.

2. The information contained in this report is provided to insure that lessons learned during current operations are used to the benefit of future operations and may be adapted for use in developing training material.

3. Information of actions initiated as a result of your evaluation should be forwarded to the Assistant Chief of Staff for Force Development, ATTN: FOR OT UT within 90 days of receipt of this letter.

BY ORDER OF THE SECRETARY OF THE ARMY:

VERNE L. BOWERS
Major General, USA
Acting The Adjutant General

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1. (C) Operations: Significant Activities.

   a. The US Army Support Command, Da Nang (USASUPCOM-DNG) continued to provide logistical support to US Forces in I Military Region (IMR). (On 1 July 1970, I Corps Tactical Zone was redesignated as I Military Region.) Mortuary and property disposal services were provided to all US Forces in IMR and in support of Free World Military Assistance Forces (FWMAF) as directed. The logistical operations involved employment of the command's units in support of the Americal Division in Southern IMR; 101st Airborne Division (Airmobile) operating in the vicinity of Phu Bai; 1st Brigade, 5th Infantry Division (Mechanized) operating in the vicinity of Quang Tri; and 3d Squadron, 5th Armored Cavalry Regiment operating in Quang Tri Province. All nondivisional Army units operating within IMR were supported. During this reporting period USASUPCOM-DNG also completed the assumption of the wholesale supply and common service support missions formerly performed by the Naval Support Activity, Da Nang, including operation of port facilities and coastal shipping, common user land transportation, unaccompanied baggage processing, operation of the self service supply centers, and operation of the wholesale depot, thereby expanding the support provided to include all US and FWMAF forces in IMR. To support the assumption of these new missions...
the 5th Transportation Command consisting of HHD, 870th Transportation Company, 264th Transportation Company, 1098th Transportation Company, and the 396th Transportation Detachment were assigned to USASUPCOM-DNG. The 544th Transportation Company was also assigned to USASUPCOM-DNG during the reporting period and is utilized in the operation of the ports at Tan My and Chu Lai.

b. Assistant Chief of Staff, Ammunition.

(1) During May and June, artillery expenditures in IMR rose sharply. Rates of fire more than twice those experienced during Tet of 1968 were common. Daily issues rose to as high as 1,300 short tons (STON) and a severe strain was placed on the supply and transportation systems in order to sustain the high issues. This upward trend continued until late June when the CG, XXIV Corps directed a reduction in heavy artillery expenditures. In mid-July, the USARV placed virtually all fast moving items under Available Supply Rate control (i.e. allocation). The immediate result was a decrease in daily issues to approximately 800 STON per day. It has since been necessary to redirect several incoming shipments of separate loading projectiles due to lack of storage space in the ammunition supply points in IMR.

(2) As a result of the heavy issues during May, the stock level in Ammunition Supply Point (ASP) 101 fell to 62 percent of the stockage objective (SO). The CG, XXIV Corps directed that the landing craft ramp at Dong Ha in northern IMR be reopened for the purpose of rebuilding the stockage in ASP 101. The Tan My ramp through which the ammunition usually passed was unable to handle sufficient quantities of ammunition to sustain issues and at the same time build up stocks at ASP 101. The Dong Ha ramp was opened 27 May for 14 days and handled 4000 STON per day. The stock level in ASP 101 was increased by 4,000 STON during this period.

(3) On 25 June 1970, the III Marine Amphibious Force (MAF) announced that the 21,000 STON ASP at Chu Lai would be available for transfer on 15 October 1970. USASUPCOM-DNG has formally requested that the facility be made available for relocation of ASP 105. On 7 July 1970, III MAF also made available space for 5000 STON in their ASP on a tenant basis. This will allow additional stockage in the Americal Division Area of Operations and will facilitate the complete relocation of ASP 105 at a later date.

(4) On 29 June 1970, USASUPCOM-DNG received the USARV's approval for an increased waivered capacity at ASP 101. The waiver limit for Category B, (separate loading artillery items), was increased from 55,000 to 90,000 lbs net explosive weight per module cell. As a result of this action, the gross storage capacity of ASP 101 was increased by 1,000 STON to 12,000 STON.

(5) During this reporting period total on hand stocks averaged 39,205 STON against a stockage objective average of 33,950 STON. Total receipts were
116,868 STON, while issues of 115,890 STON were experienced. A total of 646 STON was retrograded.

c. Assistant Chief of Staff, Retrograde and Disposal.

(1) For the three month period ending 31 July 1970, this command was assigned a retrograde quota of 9,600 STON. The command shipped 6,857 STON. The command had 1,444 STON offered for shipment at the end of the period. Receipts of materiel at the 633d Collection, Classification, and Salvage (CC&S) Company amounted to 6,841 STON, and the unit presently has an inventory balance of 4,241 STON.

(2) Organization of Quality Assurance (QA) Teams began about 10 May 70. Letters of Instruction (LOI) were sent to the 80th General Support Group and the 26th General Support Group and QA Teams were organized and implemented by both Groups in June. The goal of the QA Teams is to insure that the retrograde materiel being sent to the 633d CC&S Company is processed efficiently by units in the field. The QA Teams are proving to be very effective, as shown by the improved quality of materiel received at the 633d CC&S Company.

(3) An analysis of shipping progress on 15 July 70 produced a probable short fall against the retrograde quota assigned by USARV for the month of July. The Commanding Officer, USASUPCOM-DNG, made a decision to cancel shipment and to place materiel on TCMD only when it had been processed in accordance with AR 740-20 and placed in a newly obtained staging area. The system is proving to be very effective. Under these procedures 264 STON have been shipped and 1,444 STON have been processed, staged and offered for shipment. These procedural changes should result in an efficient and effective flow of retrograde materiel in and out of country.

(4) Sales of usable property at the Da Nang Property Disposal Activity during the reporting period amounted to $1,748,506. A total of 18,560 STON of scrap metal were sold during the same period for a return of $212,746 to the United States. Transfers under the Military Assistance Program Excess (MAPLEX) during the period amounted to $610,179. These transfers consisted of M-series vehicles and service excess stocks from FWMAF supply activities.

(5) During the reporting period, the Da Nang Property Disposal Activity expanded its real estate area to encompass an area twice the size of the old yard. This expansion came about as a result of relocations of other units, and was necessary due to the large amount of usable, turned in property which resulted from the United States troop reductions.

d. Assistant Chief of Staff, Maintenance.

(1) On 1 June, the 1st Logistical Command assigned one Direct Support Unit/General Support Unit (DSU/GSU) Instruct and Advise Team to the Da Nang
Support Command. Personnel of this team, that is used in training of Vietnamese personnel, were transferred to this headquarters and placed under operational control of the ACofS, Maintenance. Additionally, the Da Nang Support Command Command Maintenance Management Assistance Team (CMMA) was redesignated as the Da Nang Support Command Command Maintenance Management Inspection Team (CMMI) to replace the 1st Logistical Command CMMI Team which was deactivated. Both of these actions were a result of the reorganization of the 1st Logistical Command and the USARV Headquarters.

(2) On 15 June, the Instruct and Advise Team began to provide technical assistance to the Philco-Ford Corporation which was awarded a contract by the US Army to operate a fixed field maintenance facility and component overhaul facility. This action was necessary, because the Philco-Ford operations had previously been operating using Navy procedures while the new operations required knowledge of maintenance and supply procedures that were Army oriented.

(3) On 1 July 1970, a special team was dispatched to investigate the high failure rate of M158 gun mounts. Ten of those guns inspected were found to have contaminated oil in the hydraulic system. These findings resulted in the draining, flushing and refilling of all M107 and M110 hydraulic systems in northern IMR with new oil. This operation was completed in mid-July and resulted in a 50 percent decrease in the number of gun mounts being replaced.

(4) The FY 70 Da Nang Support Command General Support Component Overhaul Program was completed during June with the following percent completions of programmed quotas:

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>QUOTA</th>
<th>QUOTA PROD</th>
<th>TOTAL PROD</th>
<th>PERCENT COMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Ass'ys</td>
<td>1603</td>
<td>1395</td>
<td>1518</td>
<td>87%</td>
</tr>
<tr>
<td>Minor Ass'ys</td>
<td>7840</td>
<td>6817</td>
<td>7720</td>
<td>88%</td>
</tr>
<tr>
<td>Small Arms</td>
<td>1300</td>
<td>1300</td>
<td>1730</td>
<td>100%</td>
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</table>

(5) The FY 71 Component Overhaul Program is a dual program operated at the 156th Heavy Equipment Maintenance Company (HEM) and under contract with the Philco-Ford Corporation. The production is arranged so that the 156th HEM Company is responsible for the overhaul of small arms and armament components while Philco-Ford overhauls a majority of the wheeled vehicle component assemblies. The program began on 1 July 70 with Philco-Ford possessing approximately a 90 day backlog of unserviceable assets with which to program production.

(6) The monthly non-operational rates for commercial forklifts are:
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AVCD-GO-MH

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<tr>
<th>Month</th>
<th>Percent NORS</th>
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<tbody>
<tr>
<td>May</td>
<td>18.4%</td>
<td>4.8%</td>
<td>13.6%</td>
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<tr>
<td>June</td>
<td>20.9%</td>
<td>2.2%</td>
<td>18.6%</td>
</tr>
<tr>
<td>July</td>
<td>28.5%</td>
<td>5.6%</td>
<td>22.9%</td>
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Repair parts have been and continue to be a problem with commercial forklifts. During July, the Support Command assumed the maintenance support for an additional 191 commercial forklifts transferred to the Army from the Navy. This transfer was associated with the Army assumption of naval support missions in IMR.

(7) The monthly non-operational rates for rough terrain forklifts are as follows:

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<th>Month</th>
<th>Percent NORS</th>
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<th>Percent NOR</th>
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<tbody>
<tr>
<td>May</td>
<td>15.9%</td>
<td>3.2%</td>
<td>12.7%</td>
</tr>
<tr>
<td>June</td>
<td>19.5%</td>
<td>6.7%</td>
<td>12.8%</td>
</tr>
<tr>
<td>July</td>
<td>29.9%</td>
<td>8.6%</td>
<td>21.6%</td>
</tr>
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</table>

Repair parts continue to contribute to the high non-operational rate for rough terrain forklifts. Requisitions for repair parts for the Army standard type RT forklift are in most cases being passed to the CONUS. In some cases where requisitions were referred to other depots in country, they were denied and referred back to ICCV for further processing to CONUS. Additional difficulties in the requisition of repair parts have been that in numerous cases where status showed that parts were received in country, they never arrived at their final destinations. These situations resulted in the re-requisitioning of parts thus increasing the awaiting parts time for deadlined equipment.

e. Assistant Chief of Staff, Services.

(1) Four laundry contracts were awarded in the IMA for FY 71. Three of these contracts were awarded to Kong Yong Enterprises Company, Ltd, for servicing troops in the Da Nang, Chu Lai and Camp Eagle areas with a total estimated value of $2,035,665. The fourth contract was awarded to the Nguyen Thi Hai laundry of Hue, Republic of Vietnam. The total estimated value of this contract is 3,570,452 Piasters.

(2) During the three month period, monthly laundry costs and projection remained relatively constant. The Camp Baxter Laundry was the only exception.

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The following real estate transactions, in various parts of IMR, involved elements of the USASUPCOM-DNG.

(a) The Naval Support Activity (NSA) Hospital facility, Da Nang East, was phased out during the period 15 May - 15 June 1970 and turned over to the USASUPCOM-DNG in increments. Elements of the 5th Transportation Command (Terminal)(5th TC) moved into this facility.

(b) In May 1970, USASUPCOM-DNG assumed control of the ferry landing site, Da Nang East, from NSA. This site is located adjacent to Camp Horn and is to be used as a retrograde staging area and for docking the contractor-operated tug boats used to operate the Da Nang Port.

(c) On 1 June 1970, the area at Chu Lai Combat Base known as Rosemary Point was transferred to the USASUPCOM-DNG. This area included a major portion of the Naval Support Activity's cantonment, (one portion was retained for use by the NSA), the 30th Naval Construction Regiment (NCR) cantonment and motor pool areas, the NSA open, covered and reefer storage areas, the LST ramp and wharf. These facilities are to be utilized by elements of the 80th General Support Group in providing common service support to the southern portion of IMR.

(d) On 15 June 1970, USASUPCOM-DNG assumed from NSA the operational facilities at the Bridge Ramp and Service Craft Pier and Tien Sha Ramp, all located in Da Nang East. These facilities are loading and discharge points for shallow draft vessels used in the logistical operations in support of IMR. On the same date, USASUPCOM-DNG took over the hold baggage warehouse facilities in Da Nang which were previously operated by NSA.

(e) The 32d NCR Storage area located in Da Nang East, consisting of 8,000 square feet of covered storage, a 90 foot pier and 35 acres of open storage area was taken over on 23 June 1970. This area is utilized as a marine maintenance facility, a retrograde staging area and an operational and staging area for a civilian drayage contractor.

(f) The NSA covered storage facility, "South Forty" open storage area and tire recapping facility, all located in Da Nang East, were turned over by NSA to USASUPCOM-DNG on 31 June 1970 as part of the overall assumption of the NSA mission in IMR. The US Army Depot, Da Nang operates the covered storage area and the "South Forty". The tire recapping facility is operated by Philco-Ford Corporation.

(g) On 1 July 1970, USASUPCOM-DNG acquired the deep water pier facilities, located at Monkey Mountain, Da Nang East, from NSA. These port facilities are being operated by the 5th Transportation Command to handle incoming and outgoing cargo in support of the common service support mission in IMR.
The following base development projects were approved and/or completed during the reporting period.

(a) USARV Projects 207 and 420 for the construction of grease racks, wash racks, tank repair hardstand, water storage and loading docks in the Da Nang Composite Services Depot are under construction.

(b) An operational support project for 3,500 meters of road upgrade in the Property Disposal Office (PDO) Yard area was completed by the Mobile Construction Battalion 121 (MCB 121) on 21 May 1970. The project was initiated in anticipation of the severe monsoon season approaching. In order to maintain operations in the PDO area, the existing road net had to be stabilized to support a vehicle of 20 tons.

(c) Construction has been completed by MCB 121 on the 80th GSG dog kennel projects in Da Nang East.

(d) The conversion of a warehouse to a dining hall at Camp Baxter (previously NSA hospital) has been completed by MCB 121. The project was initiated to accommodate the increased population of the cantonment area.

(e) The construction of an additional security vault for the 64th Finance Section, 80th GSG, was completed by MCB 121 and is now operational.

(f) The China Beach R&R Center Chapel, Da Nang, has been remodeled and is available for religious services and activities. The chapel is air conditioned and has a seating capacity of approximately 100 people.

(g) The retrograde staging area at Ti'en Sha Ramp has been completed by the 32d NCR. The completed project includes a wash platform, maintenance shed and hardstand area.

(h) Operational requirements for the relocation of USASUPCOM-DNG headquarters to the China Beach complex have necessitated the construction of a stage and projection room for command briefings, office rehabilitation and the construction of a bunker. Work is presently in progress.

(i) The request for the construction of a 20-man BEQ for the Monkey Mountain Long Lines Detachment has been approved by the USARV Facilities Review Board. The project has been tasked to the 45th Engineer Group, 18th Engineer Brigade; however, no starting date has yet been established.

(f) Assistant Chief of Staff, Transportation

(1) During the period 1 May through 31 July, the ACofS, Transportation provided transportation support to all units in the 1st Military Region. The Movement Control Center coordinated through its four field offices the movement of cargo by air, land and water to units in and out of IMR.
(2) Routine daily rail shipments, principally comprised of beer, soda, rations, construction materials, and bulk POL products, were continued between Da Nang and Phu Bai. Limited quantities of retrograde were also shipped. The month of July had the best performance to date. Almost 7.5 thousand short tons of cargo were shipped north by rail equaling the amount moved by truck convoys.

g. Assistant Chief of Staff, Security, Plans and Operations.

(1) The Security Division, SP&O, continued normal functions during the past three months with emphasis placed on improving internal security of the command and providing physical security for installations gained in the takeover of the common service support mission.

(2) USASUPCOM-DNG OPORD 6-70 was published on 28 July which revised the tactical defense structure of subordinate units in Da Nang East. The takeover of the common service support mission expanded the tactical defense mission of this command to include compounds in three defense sectors of the Da Nang area. Previously all installations of this command were located in one sub-sector of Da Nang East.

(3) Personnel security actions accomplished during the past three months are as follows:

(a) Clearance Validation: TOP SECRET 74; SECRET 190

(b) Request for National Agency Checks: 8

(c) Clearances Granted: SECRET 100; CONFIDENTIAL 97

(4) Enemy action against units of the Support Command was light during the period with the majority of incidents affecting convoy operations. Sniper fire was reported against convoys traveling QL-1, and on 16 May a grenade was placed behind the fuel tank of a 5 ton tractor traveling in a convoy from Da Nang to Chu Lai. The grenade exploded and inflicted minor wounds to the driver and major damage to the truck. On 15 July, two separate convoy incidents were reported while the 26th General Support Group was supporting combat operations of the 101st Airborne Division. A convoy from the 57th Transportation Company was ambushed near, "The Rockpile" on QL-9 by an unknown size enemy force employing small arms fire. The convoy drove through the kill zone and received no casualties or damage. The second incident occurred west of Phu Bai, when a vehicle from the 57th Transportation Company traveling in a convoy struck a mine near Fire Support Base Barbara on highway 547. The driver suffered minor wounds and the truck was extensively damaged.

(5) Only one bridge affecting the support capabilities of the command was destroyed during the period. On 7 May, the Tu My Bridge (BT 225347) was destroyed by a mine. The incident halted convoy movement on QL-1 between Da Nang and Chu Lai for one day.
During this reporting period the Plans Division of Security, Plans and Operations (SP&O) continued its mission of gathering, processing and distributing copies of Tables of Organization and Equipment (TOE), Modified Tables of Organization and Equipment (MTOE), Tables of Distribution and Allowances (TDA), and Modified Tables of Distribution and Allowances (MTDA) to subordinate units within the command. Requests for excess equipment authorizations and equipment redistributions within the command were also continued. Force development planning and execution activities were maintained throughout the quarter. Finally, supervision of the command training program was carried out.

Due to the takeover of the Naval Support Activity (NSA) facilities by this command and assumption of missions previously performed by US Navy personnel, several provisional units were formed. These units included the United States Army Depot (USAD), Da Nang, the Unaccompanied Baggage Activity, the Consolidated Civilian Personnel Office (CCPO), the Transportation Motor Pool (TMP), and the 2d Security Company. Additionally, due to the relocation of the in-country Rest and Recuperation (R&R) Center from Vung Tau to Da Nang, the China Beach R&R Center was organized as a provisional unit. The 852d Signal Detachment was inactivated on 25 June 1970 by the United States Army Pacific (USARPAC) General Order Number 93, 19 March 70. However, since the unit's mission was still required by the command, it was reorganized by this command as a provisional unit.

Operation Buddy continued to be a priority project in this command and involved training of Republic of Vietnam Armed Forces (RVNAF) personnel in logistical skills and activities. Continuing progress was made in this project throughout this reporting period.

Various units of the Support Command continued to conduct classes and on-the-job training (OJT) for RVNAF personnel. Skills trained under this type of instruction throughout this reporting period included basic ammunition handling, engine diagnostics, petroleum laboratory techniques, mortuary operations, stage field operations, storage operations, and depot operation. Altogether, through the efforts of the I&A Team and the units conducting OJT programs of instruction, over 1100 RVNAF personnel have received training through this command since the beginning of the current calendar year.

The Operations Section continued its normal functions during the reporting period. In May, the US Army Support Command, Da Nang began preparations to assume the common service support mission in Chu Lai. USASUPCOM-DNG OPORD 5-70 (Common Service Support, Chu Lai) directed units of USASUPCOM-DNG to assume operations of the Shallow Water Port, ramp clearance, retail Class I and Class III supply support, packaged POL, unaccompanied baggage processing facility, self service supply center
operation, and security for installations/facilities required to accomplish these additional missions. By 1 June 1970, USASUPCOM-DNG had assumed these missions.

(11) During April 1970, USASUPCOM-DNG OPORD 6-70 (Common Service Support Da Nang) was published. This OPORD instructed USASUPCOM-DNG to prepare to assume all common service support in Da Nang, including operation of the Perry Landing Ramp, In-Country R&R Center, Local National (LN) Pay Office, Tien Sha Ramp, Bridge Ramp, Port Clearance, Self Service Supply Center, Class I retail, bakery, wholesale depot, TMP, unaccompanied baggage processing facility, deep water piers, and ferry service from Da Nang to Camp Horn. To accomplish this mission it was necessary to relocate the 5th Transportation Command from Qui Nhon to Da Nang. The relocation of this command and assumption of the common service support mission in Da Nang was accomplished during the period 1 May to 3 July 1970.

h. Assistant Chief of Staff, Supply.

1) This staff acted on 56 Reports of Survey during the reporting period. The total loss to the government was $121,481. Three individuals were found pecuniarily liable for a total of $260. Four Quarterly Reports of Operational Loss were approved during the reporting period for a sum of $661.

2) The replacement of the Navy Servmarts in IMR was completed with the opening of two Self Service Supply Centers (SSSCs), one at Chu Lai on 1 June 1970 under the operation of the 226th Supply and Service Company and one at Da Nang on 15 June 1970 under the operation of the 334th Supply and Service Company. At the close of FY 70, the IMR SSSCs were serving 492 customers provided the lines are demand supported. These lines include office supplies, cleaning supplies, hand tools, general household supplies and electrical supplies. Based on experience to date the projected quarterly dollar value of the SSSC operation in IMR is $1,000,000. Staff activity concerning the SSSCs involved expediting the resupply movement of critical SSSC lines and controlling the opening of both regular and mission accounts. Regular accounts were opened in accordance with allocations received from commands with units in IMR. Mission accounts were opened for SSSC line items which are essential to a unit's mission if these lines could not be adequately supplied with the unit's regular account funds. All mission accounts were granted for a specific quantity or quantities of a specific FSN or FSNs.

3) As part of the Keystone Robin Project, the staff coordinated the turn-in and subsequent disposition of the equipment assigned to the 245th Surveillance Aircraft Company which has been deactivated. A total of 8,146 items were turned in. To date disposition has been completed on 94 percent of these items.

4) During June 1970, the scope of this staff's Class I responsibility was expanded to include all of IMR. This was accomplished by coordinating
the opening of two additional Class I retail breakdown points, one at Chu Lai on 1 June under the operation of the 226th Supply and Service Company, and one at Da Nang on 15 June 1970 under the operation of the 334th Supply and Service Company.

(5) In addition to Class I, Class III, and SSSC missions already assumed, Class II, IV, and IX Common Support Items became part of USASUPCOM-DNG's mission on 1 July 1970. This completed the Army takeover of the common supply support formerly provided in IMR by NSA. To enable the Army to provide the required common supply support, this headquarters helped coordinate the expansion of the US Army Depot, Da Nang (PROV) to include the storage, automatic data processing, and office facilities formerly occupied by NSA.

(6) HQ, USASUPCOM-DNG was required to provide Contracting Officer's Representatives (COR) for two Common Supply Support Contracts awarded to Philco-Ford Corporation as of 1 July 1970. Under Contract DAJB-1l-71-C-0012, Philco-Ford provides the Army with dry ice, oxygen, acetylene, and carbon dioxide. Under Contract DAJB-1l-71-C-0013, Philco-Ford Corporation repairs, recaps, and retreads tires used by the military in IMR. Philco-Ford's performance is being continually monitored by the COR's to insure that the Government receives the goods and services it has contracted for and to insure that the Army supply system is responsive with the materials needed by the contractor in order to comply with his contract.

(7) A program was initiated whereby four times weekly fresh produce (tomatoes, green onions, peppers and cucumbers) is flown from Taiwan to Da Nang. These items are supplied to Class I Supply Points on a "Rush Package" basis and are distributed to supporting units in proportion to their strength.

(8) The petroleum pipeline from Tan My to Quang Tri has been used extensively during the reporting period. Pipeline losses continued to be reduced. A total of 5,712,700 gallons were pumped during the reporting period with a loss of only .8 percent.

1. Adjutant General

(1) The period 1 May 1970 through 31 July 1970 reflected a significant improvement in the command reenlistment program, with 38 reenlistments over the previous reporting period.

(2) Postal operations workload has increased significantly during the reporting period as evidenced by money order sales statistics shown below. Similar increases have been experienced in the acceptance of registered and insured mailings and incoming mail. These increases have been noted particularly in the Da Nang area due to the increased mission, and it is expected to increase more as this command takes over postal financial facilities formerly operated by the Navy.
POSTAL MONEY ORDER SALES

<table>
<thead>
<tr>
<th>APU</th>
<th>3rd Quarter FY 70</th>
<th>4th Quarter FY 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>$959,699</td>
<td>$1,257,317</td>
</tr>
<tr>
<td>42</td>
<td>2,325,424</td>
<td>2,522,157</td>
</tr>
<tr>
<td>43</td>
<td>887,231</td>
<td>1,544,604</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$4,172,354</td>
<td>$5,323,478</td>
</tr>
</tbody>
</table>

(3) A total of 91 congressional, presidential or special interest inquiries were processed during the reporting period.

(4) A total of 1,443 recommendations for awards were processed during the reporting period.

j. Assistant Chief of Staff, Personnel.

(1) In a continuing effort to reduce incidents of drug abuse within the US Army Support Command, Da Nang a command letter was prepared in May 1970, directing each company size unit to indicate what problems had been encountered with respect to drug abuse and what actions had been initiated to insure that these problems were minimized or eliminated.

(2) With the assumption of the wholesale supply and common service support missions form the Naval Support Activity, the use of Local Nationals (LNs) increased within USASUPCOM-DNG. 1,933 spaces were added to USASUPCOM-DNG's previous authorization of 1,000 spaces. By the end of the reporting period 2,682 of these spaces were filled with Local Nationals.

k. Assistant Chief of Staff, Comptroller.

(1) Staff supervision of Inter-Service and Inter-Agency Support Agreements (ISSAs and IASAs) was a principal mission of the ACofS, Comptroller, during the reporting period. The mission included establishing ISSAs and insuring proper processing of documents evidencing reimbursable support. Although supervising ISSAs is a normal and continuing function of the Comptroller, the activity was particularly significant during the reporting period, because this Command took over the common service support in IMR. Thus, ISSAs had to be established with former NSA customers; and supply, maintenance and service activities had to process a larger volume of reimbursable documents. The command added 32 ISSA customers during the reporting period, including major Marine, Navy and Air Force elements. ISSAs for five additional customers are presently being negotiated. Total reimbursable value is estimated at $3,750,000 per month.

(2) While planning for, and negotiation of ISSAs began in April, most action occurred in late June and July. A letter from the Commander, NSA,
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was sent on 21 April 1970 to all customers NSA had supported. It notified customers when NSA support would terminate and that they had to establish ISSAs to obtain Army support. Except for major military customers, however, few customers did anything to establish ISSAs until support was denied. Contractors and other small customers were especially slow in requesting ISSAs. Approximately one-half of the 32 customers had not signed ISSAs on 1 July 1970, the takeover date. However, USARV G-4 authorized support of many customers pending completion of ISSAs. The Comptroller's principal function during this period was to provide assistance to customers in requesting ISSAs from USARV G-4. Thus, the Comptroller became a focal point for current information on ISSA status, and served both customers and supporting units.

(3) In addition, the Comptroller provided guidance and instructions to the US Army Depot, Da Nang, and DSUs for processing issue documents for reimbursement. Issue documents are forwarded to Central Financial Management Agency (CFMA) at Headquarters, USARPAC. In early July, liaison work with Depot Stock Control was begun in order to insure that all reimbursable documentation would be captured and properly processed. The principal problem encountered during July 1970 was maintenance of an up-to-date listing of authorized customers and ISSAs, because many were in various stages of negotiation at Headquarters, USARV.

1. Provost Marshal.

(1) Throughout the reporting period efforts to increase the utilization of sentry dogs in the command continued. Construction of kennels at Quang Tri in support of the POL Tatak Farm and ASP 101 and at Phu Bai in support of ASP 103 were approved and preliminary planning began. The 30 kennels under construction in Da Nang were completed on 15 June 70 and turned over to the 595th MP Co. Twelve additional surveys were conducted during the period resulting in approval for use of dogs at the Covered Storage Area and ASP 2 at Camp Love in Da Nang. Three areas were tentatively approved for use of dogs - the POL Package Yard, the "South Forty" and the 500-600 Yards of the Depot. On 1 July 70, dogs began working in the Covered Storage Area.

(2) During the period 1 June 70 to 1 July 70, the 2d Security Co (PROV) was formed and assumed the mission of securing installations taken over from the Navy and existing Support Command installations in Da Nang.

(3) On 1 July 70, Support Command assumed operations of the Da Nang Pass Office from the Naval Support Activity. This command assumed the responsibility because the vast majority of the Vietnamese and third country national employees in the Da Nang East area served by the Pass Office now work for the Army. A program was immediately begun to convert outstanding NSA Passes to Army Passes. Since there is still a requirement to issue some Navy passes, the Navy is contributing one man and appropriate supplies to the operation of the Pass Office.

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SUBJECT: Operational Report - Lessons Learned of the US Army Support Command, Da Nang, Period Ending 31 July 1970 (RCS CSFOR-65(R2))

2. (C) Lessons Learned: Commander's Observations, Evaluations and Recommendations.

a. Personnel. None.

b. Intelligence. None.

c. Operations. None.

d. Organization.

Centralisation and Control of the Army Stock Fund.

(a) OBSERVATION: That the Army Stock Fund was not brought into Vietnam, but retained at the USARPAC, necessitates that all billings for reimbursable support be done by the USARPAC. The basic documents are generated 3 to 5 organizational levels below the level at which bills are prepared and 5000 miles away. Moreover, authority to negotiate ISSAs has been retained at Headquarters, USARV, 2 to 3 levels above the level at which support is provided. The organizational and geographic distances between USASUPCOM-DNG and USARV and the USARPAC has impeded communication and thereby made the system less than adequately responsive to customers in IMR.

(b) EVALUATION: Authority to operate and responsibility for providing common service support to IMR are dispersed through 5 organizational levels. The system though it creates a great amount of unnecessary paperwork, can work during normal processing, though communication is difficult. It was not sufficiently responsive, however, to the NSA takeover period during which USASUPCOM-DNG added 37 new customers. Forty-five to 60 days were required to process a new ISSA, thereby delaying provision of actual support.

(c) RECOMMENDATION: The effects of geographical separation on centralization and organizational control should be better understood, and should receive greater weight in future decision-making. For centralization often does not produce more effective control. Alignment of authority with operational responsibility more often produces the desired control. Specifically, the Support Commands should be given the responsibility and authority to negotiate ISSAs (since they have the responsibility of managing resources to accomplish the support), or at least to participate in the negotiations. Higher headquarters should provide guidance and should act as approving authorities.

e. Training.

(1) Engine Diagnostic Procedures.

(a) OBSERVATION: Continued refresher training in engine diagnostic procedures is beneficial to the improved ability of automotive mechanics to troubleshoot engine failure.
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(b) EVALUATION: This command has established a once monthly engine diagnostic school. The primary objective of this school is to provide additional training and experience in the utilization of engine diagnostic equipment, thereby trouble shooting the cause of engine failure. This program improves the ability of the individual mechanic to determine causes of engine failure. Proper determination of engine failure then leads to faster repair of the engine and reduces unnecessary expenditures of man hours and repair parts.

(c) RECOMMENDATION: That additional refresher training programs be initiated to improve the mechanics' and operators' ability to properly maintain equipment.

(2) Drug Abuse.

(a) OBSERVATION: Most of the literature and publicity concerning drug abuse has originated at higher headquarters.

(b) EVALUATION: The information provided by higher headquarters is insufficient because it does not provide insight into the causes and effects or successful solutions at the unit level. Unit commanders and senior noncommissioned officers frequently have difficulty in practical application of guidance received from sources far removed from the problem.

(c) RECOMMENDATION: The major subordinate commanders should solicit comments from unit commanders and senior noncommissioned officers concerning drug abuse. The comments should include but not be limited to: causes of drug abuse, effect on unit's performance, procedures and programs initiated to eliminate drug abuse, and results and recommendations. The feedback information received from the field should be consolidated by the major subordinate commander and then disseminated throughout the command.

(3) Common service support concepts.

(a) OBSERVATION: Very few logistics officers arriving in Vietnam have had any experience with common service support operations or Inter-Service Support Agreements. Many have never seen or heard of an ISSA.

(b) EVALUATION: Lack of familiarity with common service support concepts causes lack of continuity in administering the programs. It also means most officers have very little background for planning common service support missions such as the NSA takeover. Lack of experience is compounded when the system to be used has been established by higher headquarters and there is little latitude for developing local practices. That is, established common service support concepts have not been generally communicated to Army officers.

(c) RECOMMENDATION: Common service support concepts and problems should be taught and discussed at branch advanced and higher level schools.

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f. Logistics. None.
g. Communications. None.
h. Materiel.

(1) M102 Howitzers.

(a) OBSERVATION: The 101st Airborne Division experienced cradle cracks in nine M102 howitzers.

(b) EVALUATION: These cradles were examined at the 156th HEM Company, and it was determined that the cause was due to insufficient penetration during factory welding of the howitzer cradle.

(c) RECOMMENDATION: The cracked cradles should be reinforced by welding and an Equipment Improvement Recommendation (EIR) be submitted. (This EIR has been submitted.)

(2) Oil Leakage in M48A3 Tank.

(a) OBSERVATION: Over the past several months, the rate of oil leakage in the oil cooler system of the M48A3 tank has contributed to a high down time on this vehicle.

(b) EVALUATION: An investigation of this situation revealed that oil lines are made of aluminum alloy and are very thin. If these oil lines are not perfectly aligned when installed, the flanged mating area tends to become distorted giving an uneven mating surface. Consequently, when pressure is applied, an oil leak develops and is gradually increased in size due to the amount of pressure on the tube and fitting. Additionally, continuous removal and replacement adds to the problem.

(c) RECOMMENDATION: An EIR was submitted on the oil lines indicating the problem and cause and recommending that reinforced oil line alloy be utilized.

[Signature]
Daniel Vance
Colonel, OrdC
Commanding
SUBJECT: Operational Report - Lessons Learned of the US Army Support Command, Da Nang, Period Ending 31 July '70. (RCS CSFOR-05.2)

Headquarters, United States Army Vietnam, APO San Francisco 96375

TO: Commander in Chief, United States Army Pacific, ATTN: GPOP-D', APO 96558

Assistant Chief of Staff for Force Development, Department of the Army, Washington, D.C. 20310

This Headquarters has reviewed the Operational Report - Lessons Learned for the quarterly period ending 31 July 1970 from Headquarters, US Army Support Command, Da Nang.

2. Comments follow:

   a. Reference item concerning "Assistant Chief of Staff, Maintenance," Section I, page 4, paragraph d(3). HQ USARV initiated a command wide program to reduce the high failure rate of M158 gun mounts. This program involved the inspection for contaminated oil, draining, flushing and refilling systems as required. This action has significantly reduced the number of M158 failures throughout RVN. Unit has been so advised.

   b. Reference item concerning "Assistant Chief of Staff, Comptroller," Section I, page 12, paragraphs k(1) and k(2). Concur with comments of Da Nang Support Command Assistant Chief of Staff Comptroller concerning historical facts pertaining to Inter-Service and Inter-Agency Support Agreements. It should be noted that although ISSA/IASA customers failed to submit requests for ISSA/IASA and activity address codes, USAR prepared interim working agreements and obtained activity address codes to insure that no unit or organization was without essential logistical support. Delays in obtaining signed ISSA/IASA's were due in part to differences between Support Commands position and position of the ISSA/IASA customer concerning quantity and quality of support to be provided. The disagreements could only be resolved by negotiation at this Headquarters.

   c. Reference item concerning "Centralization and Control of the Army Stock Fund," page 14, paragraph 2d. This Headquarters did recognize the effects of geographical separation and has delegated authority to negotiate and sign Inter-Agency Support Agreements to the Support Commands. Each of the Support Commands have participated in negotiating ISSA's involving their command. This Headquarters will evaluate the results of delegation of IASA authority to Support Command for possible further delegation of authority to negotiate and sign Inter-Service Support Agreements. Unit has been so advised.

FOR THE COMMANDER:

[Signature]

Clark W. Stevens Jr.
Captain AGC
Assistant Adjutant General

HQ, US Army, Pacific, APO San Francisco 96558 28 DEC 1970

TO: Assistant Chief of Staff for Force Development, Department of the Army, Washington, D. C. 20310

This headquarters concurs in subject report as indorsed.

FOR THE COMMANDER IN CHIEF:

[Signature]

L.M. OZAKI
CTF. AGC
ASS'Y AQ
Operational Report - Lessons Learned, HQ, US Army Support Command, Da Nang

Experiences of unit engaged in counterinsurgency operations 1 May to 31 July 1970.

CO, US Army Support Command, Da Nang

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