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THE ROLE OF THE CHIEF OF NAVAL MATERIAL IN LOGISTICS ADMINISTRATION

Remarks of

Rear Admiral R.L. Shifley, USN
Deputy Chief of Naval Material
(Programs and Financial Management)

at the
Naval War College
Newport, Rhode Island
on 9 February 1965

I appreciate the opportunity to offer to this particular audience some views on the Role of the Chief of Naval Material. Wherever your luck and the decisions of the Bureau of Naval Personnel may take you hereafter, I know you will encounter, and recognize, and grapple with, some of the Navy's many logistical problems.

Historical perspective a few decades from now will show, I think, that we are now in an era in which operationally oriented officers of the Navy came to realize more than ever before how closely operational success is tied to success in solving logistical problems. These problems are growing larger every day, and the Navy's capacity to solve them has to grow at the same rate.

I hope that none of you has to learn the importance of logistics the hard way I did some years ago. When I was operations officer of the Sixth Fleet, it was my custom to trust to others the task of computing the Fleet's requirements for black oil. One fine day in the eastern part of the Mediterranean, while over one thousand miles from our source of fuel oil, it came to my attention that all ships were getting low on fuel and both oilers were in our company and practically empty. Before the first oiler reached Pozzuoli, picked up a load of oil and returned to us, most ships were below twenty per cent of capacity. We were practically dead in the water to conserve what little fuel we had left. Needless to say, after that—with the encouragement of the Fleet Commander—I always personally checked the black oil computations and have had a very healthy respect for logistics to this very day. In my present position I feel right at home, because the main role of the Chief of Naval Material consists of solving logistical problems.

* * * * *

Before discussing the role of the Chief of Naval Material in Logistics Administration, I'd like to point out the position of the Chief of Naval Material within the Navy Department.

The Navy has long recognized a need for some sort of central focus and direction in its material organization. In 1941 a Materials Division under the Chief of Naval Operations was organized, to carry on liaison with wartime production agencies and to coordinate material programs within the Department.

In 1942, at the urging of Under Secretary Forrestal, the Materials Division was replaced by the Office of Procurement and Material (OP&M), reporting to the Under Secretary. This office reached a size of 1150 personnel by the end of the war. It performed liaison with other government agencies, coordinated procurement and material support activities, and established uniform procurement practices among the bureaus.

In 1948, the Office of Naval Material was formed by P.L. 432, with responsibility for policy formulation and enforcement in the fields of production, supply, procurement, and contract administration. The Chief of Naval Material had no actual responsibility for material programs. He was responsible for the specific functions of 'procurement policy formulation and enforcement.' He was not, in other words, responsible for the end product or the overall performance of the bureaus. The Chief of Naval Operations, by this same law, was charged with the coordination of bureau efforts in meeting the material needs of the Operating Forces, as provided by the Secretary of the Navy.

But the Chief of Naval Operations' authority was limited to 'coordination under the direction of the Secretary.' The Secretary himself retained most of the authority and responsibility for direction of the bureaus. The authority of the Chief of Naval Operations was limited, and perhaps a little bit nebulous. And while the Secretary had the necessary authority he did not have a staff of sufficient size to take charge of the material and support activities of the Navy. As a result, bureau efforts were neither as centrally directed nor as authoritatively and responsibly coordinated as was often desirable.

This was changed on 2 December 1963, when the Chief of Naval Material was given greatly expanded responsibility within the Department of the Navy. Under the provisions of General Order No. 5 the responsibility of the Chief of Naval Material now

includes the command of most of the material, development, and procurement capacity of the Navy, specifically, the four material bureaus (the Bureau of Supplies and Accounts, the Bureau of Naval Weapons, the Bureau of Yards and Docks, and the Bureau of Ships).

So we see that the Chief of Naval Material, Vice Admiral W.A. Schoech, is in command of, and responsible for, a vast logistics support complex. Admiral Schoech early established a concept or philosophy of operating which is 'to Control but not to Operate.' What does this mean? Basically, it means that the Chief of Naval Material authoritatively coordinates and controls the actions of the material bureaus. At the same time, this philosophy recognizes that it is essential that the Office of Naval Material does not destroy the internal integrity of the material bureaus.

As some of you know, the old Office of Naval Material had a population of about 300. Changing over to our new organization was obviously a complex job. The staffing philosophy was that 'numbers follow function.' In other words, each function was carefully analyzed to insure that it was needed in our new command relationship and to insure that there was no duplication of work being performed in the bureaus. We now have 400 personnel on board, and are authorized to build up to 680. About one out of five of our people are military.

I might remind you of how large and important the functions of the Office of the Chief of Naval Material are, by pointing out just how large a business operation this Naval Material Support Establishment actually is. During the past fiscal year, activities that are a part of the Naval Material Support Establishment spent or obligated 9.7 billion dollars—about 66 per cent of the Navy's budget at that time. Activities supported by the Naval Material Support Establishment had a population of over 360,000 personnel, or roughly 36 per cent of the Navy's total military and civilian roster. The facilities supported by the Naval Material Support Establishment comprised 77 per cent of all those owned by the Navy.

The role of the Chief of Naval Material is essentially similar to that of the head of a large business operation. In accomplishing his responsibilities, he is assisted by a Vice Chief of Naval Material and four Deputy Chiefs. In addition, seven Project Managers report directly to him. These are the managers of the

Fleet Ballistic Missile Program, Surface Missile Systems Project, F-111B or TFX Project, Anti-Submarine Warfare Systems Project, Instrumentation Ships Project, All-Weather Carrier Landing System; and newest of all, Reconnaissance, Electronic Warfare, Special Operations and Naval Intelligence Processing Systems (REWSON). I will have more to say later about project management.

The Chief of Naval Material exercises control of the Naval Material Support Establishment in four functional areas: Planning and Financial Management, Procurement and Logistics Support, Development, and Organization and Management.

In addition to my duties as Vice Chief, I also wear a second hat as Deputy Chief for Programs and Financial Management. (You see how this austere staffing works—I'm not only the executive officer, but also the operations officer. I haven't had so many duties since I was an Ensign.)

The Deputy for Programs and Financial Management combines program and resource control at the staff level. In addition, he has budgeting responsibility, and serves as the prime point of contact for OPNAV's Planning and Programming Office. His office includes a management information organization that collects and presents data upon which appraisals and management decisions can be based.

The Deputy for Development is responsible for supervising the planning, execution and appraisal of the development, test and evaluation programs, and for supervising the research, development, test and evaluation facilities within the Naval Material Support Establishment. He also holds the additional title of Chief of Naval Development. In this capacity, he provides direct staff support to the Assistant Secretary of the Navy for Research and Development.

The Deputy for Material and Facilities has two basic functions. They are quite different from each other. On the one hand, he has cognizance of the planning, carrying out, and appraising of production, construction and logistic support programs within the Naval Material Support Establishment. On the other hand, he has staff responsibility for carrying out certain 'business policies' of the Department. These include most of the functions of the old office of Naval Material. His policy responsibilities cover such areas as procurement, production, maintenance and supply, and the disposition of material. In addition, he oversees the acquisition, construction, maintenance and disposition of facilities.

Fourth, there is a Deputy Chief for Management and Organization who is responsible for organization, management policies, utilization of man power, administrative facilities, and supporting services within the Naval Material Support Establishment.

There is one other organizational fact which I believe should be emphasized. Creation of the 'new' Chief of Naval Material left the four material bureaus practically unchanged. I think of the Naval Material Support Establishment as a structure built of four strong pillars. The pillars are the four material bureaus. This structure is capped by the Office of the Chief of Naval Material.

No matter how any organization is structured, the final judgment of its worth must be made on the basis of how successful it has been in meeting its commitments. I think that evaluation of the success of the Naval Material Support Establishment, and the Office of the Chief of Naval Material, will have to await the passage of several more years. Time has not yet given us enough perspective to permit a firm or final evaluation. But I am satisfied that we are on the right track and it is a good thing to have one single military authority on the producer side of the house who can take a comprehensive position on material matters. I think that there is no doubt that the support organization is more responsive to the needs of the operating forces than ever before, if only for the reason that there is now one single individual who is accountable for material support to the fleet.

* * * *

Let's look at some of the programs presently underway which illustrate the role of the Chief of Naval Material in carrying out comprehensive actions involving the entire Naval Material Support Establishment.

The Chief of Naval Material, within his responsibility for central direction of the four bureaus, is able to initiate large-scale projects which may be necessary for the overall good of the logistics system. He can authoritatively coordinate the activities of the four bureaus and the Project Managers in carrying out improvements as may become necessary.

Let me cite five cases to illustrate this point: Supplies and Equipment Funding; Allowance List Development; Military Essentiality Coding; Programming and Budgeting; and Aviation Spares. Right now the entire logistics system is receiving the most

thorough scrutiny it has ever received. A number of problems are under study. The problems are related to the functioning of the logistics system, in the face of the demands of increasingly complex weapons systems. These problems are intensified by increasing pressures to provide this better support of the fleet without a proportionate increase in cost.

Although I am going to discuss some of the problems of our logistic system, I don't want you to conclude that the system is basically faulty. It isn't. The Navy has a living, effective logistics system, which operates at a high level of efficiency. Further, the system is getting better all the time. Now let's discuss how it's getting better.

Admiral Ensey reviewed for you last month some of the difficulties which have been encountered in justifying the cost of supplies and equipage. I assure you that every problem which he outlined from the point of view of the Deputy Chief of Naval Operations (Logistics) applies equally on the producer side of the river. We are grappling not only with the problem of the cost of supplies and equipage, but also with a host of cousins of this problem. For example, allowance lists are being reviewed and techniques are being developed to produce an allowance list which not only insures a high fleet material readiness posture, but one which also can be fully justified at the budget table. By the application of more realistic data factors for determining range and depth of material included in shipboard allowance lists, the overall costs of allowances can be reduced. At the same time supply responsiveness can be increased.

Allowance list revision is one area in which the fleet will soon see the result of actions by the Chief of Naval Material. The Chief of Naval Material's role consisted, in this case, of drawing together interested parties—the several bureaus, and the fleets—to work on a common logistics and funding problem.

Included in the program for revising allowance lists is the determination of whether shipboard systems and components are vital or nonvital to the missions of the ship. The parts must be identified according to their military essentiality. 'Military essentiality' and 'vital/nonvital' are phrases the Navy is going to hear with increasing frequency from now on. If we can't buy all the parts we want, what do we buy first? The essential ones, of course. But only recently has military essentiality been considered fully in establishing shipboard allowances. Needless to

say, every ship has several secondary missions, and eventually the relative importance of all systems and components will have to be determined on a graduated scale reflecting all missions a ship may have to perform.

Today the Military Essentiality Coding project, combined with improved accuracy in selection of allowed parts, looks as though it will help produce a solution to the problem of providing more effective allowance list support, and at less cost.

What can be done with the combination of carefully revised allowance lists and military essentiality coding? Look at the case of the two ships in which the new lists are being evaluated. The ships are *Mullinix* (DD 944) and *Becuna* (SS 319). In the case of *Mullinix*, hand-tailoring the mechanical, electrical and electronic allowance lists resulted in a reduction of about \$57,000 from a total inventory worth about \$300,000, or a cost savings of about one sixth. Aboard *Becuna* (SS 319) the savings were over \$30,000 from a total of \$117,000, and a reduction of 2,391 items from a total of 7,441. Further savings appear possible. This was accomplished without reduction in the ability of the ships to support themselves.

Typically, ships are able to satisfy, from their own store-rooms, between 60% and 80% of their requirements. Also typically, some 92% of allowed items are never used. The expectation is that by careful refinement of allowance lists, ships will be able to fill 90% of their own parts requirements for a period of 90 days. Experience with these ships has indicated that during the next three years the Navy may be able to reduce the total allowance inventory by about 30 million dollars without sacrificing supply readiness. The potential of realizing 30 million dollars is significant when you consider that we began FY 1965 with a supplies and equipage deficiency (based on then existing allowance lists) of 48 million dollars.

You can visualize what this means. If, through better inventory management, we can reduce the 'buy' requirements, and precisely identify what is actually needed, perhaps we can overcome our chronic supplies and equipage funding problem. We can buy more of exactly what we need with the money we save by not buying what we don't need.

Allowance list revision and military essentiality coding are not limited to individual ship allowances. Similar actions are being

taken with Fleet Issue Load Lists for ships of the Mobile Logistics Force, and for overseas and domestic supply points.

In addition to the revision of allowance lists and military essentiality coding a third area, in which you can see the fingerprints of the Chief of Naval Material, is in the programming and budgeting processes of the Navy. In these processes, the Office of Naval Material works closely with the Chief of Naval Operations, the Comptroller of the Navy, and the bureaus, to clarify guidance, eliminate interfaces, isolate problems, and participate in the development of workable solutions.

Perhaps the greatest contribution of the Chief of Naval Material this past year in the programming and budgeting area has been assisting in the refining and improving of programming systems. In conjunction with the bureaus, the Chief of Naval Material has taken an active part in assisting the Chief of Naval Operations in devising improvements to the programming system. Adoption of more workable procedures has enabled the Navy to respond better to the Department of Defense Programming System. The programming system is dynamic, with new changes being introduced continuously. Much more work has to be done to stay on top of this problem.

A fourth area in which the Chief of Naval Material initiated actions which were beyond the capability of any one bureau, relates to the requirements determination and control of aeronautical material. Beginning last March, a study group carried out a thorough review of aeronautical spares and repair parts support for the operating forces of the Navy and Marine Corps. This study group drew together some of the best talent from the Office of the Secretary of Defense, the Bureau of the Budget, the Office of the Chief of Naval Operations, the Headquarters of the Marine Corps, the Office of the Comptroller of the Navy, the Office of Program Appraisal, and the Material Bureaus.

The study indicated that three categories of material were not recognized in procurement actions. These were:

1. Repairables in the 'back side' of the repair cycle (which are valued at \$100,000,000);
2. Material in allowances held by operating units and shore facilities (valued at \$400,000,000), and
3. In-transit items from one stock control point to another (valued at \$100,000,000).

This means that more than a half billion dollars worth of material had ceased to exist as far as the procurement system was concerned. Six hundred million dollars worth of critical spares are lost in our own logistics system!

The matter of reparable is interesting from the point of view of magnitude. Over 1 million reparable components are removed annually from aircraft for maintenance purposes. These components have an acquisition value of more than \$1 billion. Thus you can readily understand the need for attention to the repair cycle and turn-around time. At the outset of the study this turn-around time (TAT) was measured. It took an average of 6-½ months for items being returned for depot maintenance to be repaired and issued.

Two attacks are underway to reduce this turn-around time. First, to shorten the geographical trip; i.e., establish and improve the local repair capability aboard ship and ashore. This is being accomplished through the intermediate level of maintenance where about 55% of components are being repaired in an average time of 11 days. You can see what would happen if we raised the percentage to, say, 75%. Second, an objective has been set to reduce the turn-around time for depot repairs to 3 months. This can be achieved, and is being achieved, by firmly emphasizing prompt movement to the depot and by scheduling induction at the depot within two weeks of arrival. Our faith in achieving this goal is backed up by a reduction of \$10 million in procurement of reparable which otherwise would have been necessary in FY 1966.

Of course, the matter of good inventory management and material procurement is directly related to the quality of available management data. There is an urgent and increasing need to know where our material is, what is its condition, where is it needed, what are the proper substitutes, if any, and other factors as well. The computers and communications systems available open up all kinds of possibilities for management information, and misinformation.

Any computer will take whatever data is provided to it and process it according to instructions. This same study revealed a pressing need to put our data inputs and data banks through a quality control process. You have heard Admiral Eccles' phrase 'the logistics snowball.' A first-rate logistics snowball occurs when computers calculate our needs on the basis of faulty data. (This is also known as the GINGO system. Garbage in—garbage out.) A sampling technique is now being used to identify

and eliminate error sources, and to make these high-speed, high-volume, highly valuable information systems less subject to error.

The point in the discussions of aeronautical spares that I want understood is that the Chief of Naval Material has the capability to marshal talents and organizational efforts beyond the capability of individual bureaus. When the problems are larger than the bureaus or the project managers—and many are—only a strong, responsible, central authority can successfully attack them.

I think that this is a good place to point out also that accurate usage data depends on accurate input from the fleet. This will occur only if commanding officers recognize what happens to the data they supply in the routine reports from the ships. This is also a good place to acknowledge that the Chief of Naval Material recognizes a reciprocal responsibility to reduce the paperwork burden. This reduction in paperwork is a feature in all forthcoming improvements in the supply system.

* * * *

I've tried to show you how the Chief of Naval Material exercises his role as commander of the Naval Material Support Establishment in the areas of Supplies and Equipage Funding, Allowance List Development, Military Essentiality Coding, Budgeting, and Aviation Spares. Now let's have a look at a second set of areas in which the Chief of Naval Material has played an important role. These are: The 3-M System; Cost Reduction; Management Information Systems; Project Management; and Weapons System Standards.

Admiral Ensey has commented on the Standard Navy Maintenance and Material Management System, known for short as the '3-M System.' This is a comprehensive effort to bring Navy-wide efficient management to equipment upkeep. The 3-Ms will relate justifiable maintenance with the man power and parts necessary to carry out that maintenance.

The 3-M System owes a great deal to the Air Force 66-1 maintenance system. The Air Force started managing maintenance on a centralized basis 15 years ago. With proper emphasis it won't take us that long to catch up. The ships of the fleet are scheduled to be incorporated into the 3-M System by mid-1967. If the people

who work about 50 yards down the passageway from my office have anything to say about it, every aircraft squadron in the fleet will operate under the 3-M System by this time next year. The 3-M System brings together talent from all bureaus, from the Marine Corps, from the fleet, and from the Office of the Chief of Naval Operations. This is another case where the role of the Chief of Naval Material is to help draw together diverse talents in a common undertaking.

Let's consider the Cost Reduction Program. Last year's cost reduction goal for the Navy was \$900 million. This goal was exceeded by \$400 million in a highly successful cost reduction effort for which the Office of Naval Material provided the leadership and guidance. This year's goal is 1.8 billion. Indications are that this goal will be exceeded.

The role of the Chief of Naval Material is also illustrated by his part in developing an Advanced Management Information System. The Chief of Naval Material is pioneering in the development of a management information system to serve top management. Those of you who are familiar with management data systems recognize that most of such systems operate at what might be thought of as the hardware store level. The classic cases include the inventory problem, the billing and accounting problem, payroll and personnel record keeping, and the like. But the Advanced Management Information System, which is being studied now, will utilize the latest management sciences techniques at a much higher level of decision-making than has heretofore been observed. This system will emphasize simulation of alternative courses of action (e.g. which weapons system to choose); mathematical modeling; decision logic; statistical decision theory and other advanced methods.

On 4 January, the Chief of Naval Material began a six-month Problem Definition Study which hopefully will show exactly what can and should be expected from this forward-looking effort. We hope that the Advanced Management Information System will be a Navy landmark in the history of management information systems.

One major feature of the new role for the Chief of Naval Material in command of the Naval Material Support Establishment is a result of increasing reliance on project management. This is not a new technique, certainly, but the very strong emphasis being placed on its use by the Department of Defense will considerably expand the number of formally designated projects.

This is especially true in the Navy, which has not in the past employed this technique to the same extent as the Army and Air Force. The Air Force and Army use project management more extensively at present than does the Navy, even though one of the first—and one of the most successful—applications of Project Management was the 'Polaris' Program. Although 'Polaris' was spectacularly successful, the Navy—for several reasons—did not follow this technique for managing other weapons systems as extensively as it might have.

One of the reasons the Navy could not widely apply project management was that, before there was a Chief of Naval Material, there was no place in the logistics organization, really, for Project Managers to fit. Without a common commander over all the material bureaus, project management could not be widely applied. Most projects are fragmented within several bureaus. Only a common commander has the power to delegate the authority necessary to pull together all elements of a project; and at the same time to responsibly satisfy himself that the best balance is being struck between the needs of the project and the needs of the bureau.

The project management technique involves formal recognition of the entire work effort involved in developing, producing and supporting high-priced, high-priority weapons systems. The scope of the work effort and of the Project Manager's authority and responsibility is set out in a charter which formally establishes the project. Each Project Manager is given full responsibility for the success of his project, and full control of his money and people resources. He is then held accountable for turning out a satisfactory end item in a timely manner and within the limits of the funds and other resources imposed on his project.

Depending on their importance to the Navy, projects can be chartered by Bureau Chiefs, by the Chief of Naval Material, or by the Secretary of the Navy. Those chartered by the Chief of Naval Material or the Secretary of the Navy may report either at the bureau level or the Chief of Naval Material level. Advantages of project management are substantial for those projects which really deserve priority attention.

Among the most notable recent efforts of the Chief of Naval Material in the area of project management are: First, assisting the Secretary in developing SECNAVINST 5000.21, the statement of broad Navy Department project management policy. The Chief of Naval Material also issued a comprehensive implementing

instruction which is a handbook for Navy Project Managers. A lot of thought, effort and distilled experience went into these documents. Second, the Chief of Naval Material has prepared new charters for three SECNAV-designated projects (Fleet Ballistic Missile Systems, Surface Missile Systems, and Anti-Submarine Warfare Systems). Further, four CNM-designated projects have been established (F-111B; Instrumentation Ships; All-Weather Carrier Landing System; and Reconnaissance, Electronic Warfare, Special Operations, and Naval Intelligence Processing Systems (REWSON)). Currently, bureau 'programs' are being studied for more standardized application of project management. About 50 projects are under serious study, and fifteen or twenty appear to be suitable for eventual designation as CNM projects. Finally, the Chief of Naval Material has actively assisted in the establishment of the OSD-sponsored Project Management School (DWSMC) at Wright Field.

The most important thing to remember about the role of the Chief of Naval Material in project management is that the Chief of Naval Material has the role of 'boss' over all the major projects. Therefore he is able to allocate resources between projects and the bureaus, and to transfer between all projects management knowledge gained in working with each project. He also has the responsibility of overcoming interface problems between projects and bureaus, as well as between projects.

* * * *

If I had to nominate one single function of the Chief of Naval Material which, during the last year has made the greatest contribution to the logistics readiness of the Navy, I would point to his role in setting Navy-wide standards for development of weapons systems.

Not long ago, the term *weapons system* meant *hardware*. A new airplane, with its support equipment, was thought of as a complete 'weapons system.' Those days are gone. The concept of the weapons, or warfare system today, includes not only hardware, but also the supply support and the personnel support of that hardware in the hands of the operating forces. More important, a new level of maturity in dealing with warfare systems has evolved. The present approach to the development of a warfare system is to identify, at an early stage of the developmental cycle, the most effective of several competing systems; the most effective means of achieving the overall aims of the

Navy. This means that the concept of effectiveness is the resultant not only of the ability of a proposed system to carry out its mission, but of the cost of that system—the overall, real cost, including the cost of the parts and the people; the reliability of that system; its maintainability, operability, and its supportability. Before the Chief of Naval Material assumed command of the Naval Material Support Establishment, there was no single authority in the producer area to set standards for systems effectiveness, to evaluate critically the reliability, operability, and supportability of proposed weapons systems. Now there is.

All of these qualitative factors can be expressed in positive, measurable, verifiable numbers. Our difficulties in so expressing these numbers is part of the 'quantification problem' about which you have heard. Quantification expresses in numbers the facts upon which our military judgment is based. When we go to the Office of the Secretary of Defense to justify our actions and to ask for dollar support for our plans, our position must be supported by auditable dollar figures, reliability figures, and effectiveness figures. Without such figures, no proposal can weigh very heavily on the scale of cost effectiveness. The main function of the Chief of Naval Material in this area is to assure that the figures which report on reliability, supportability, and operability, are available, auditable, and are suitably high, and that the dollar figures make good sense.

I have outlined the role of the Chief of Naval Material in Logistics Administration. He has functional control of the Naval Material Support Establishment. This control pays off most handsomely for the logistics benefit of the Navy when the Chief of Naval Material authoritatively draws together talent and directs it in attacking problems which were comparatively unassailable before there was a Chief of Naval Material. By the nature of the subject, I've tended to highlight the importance of the Chief of Naval Material. I don't want you to think that this emphasis on the role of the Chief of Naval Material is intended to diminish in any way the importance of the bureaus. The bureaus are vital, as they have been since 1842. When I said they represented four strong pillars in the logistical structure, I meant it. The Chief of Naval Material is first to acknowledge that none of the programs I've outlined can be successful without the bureaus.

* * * *

In closing, I want to leave one single thought in your minds. I know that most of you are 'operationally oriented.' This is good, because there is no substitute for adroit tactics or for superbly planned and executed strategy. The thought I want to emphasize is this: An officer must be not only a competent mariner; must be not only a master of tactics and strategy, but now as never before, he must be able and ready to do his part in controlling the logistical destinies of the Navy.

Naval logistics needs the attention of operationally oriented officers. We have all developed the habit of looking over our shoulder to see how far away the oilers are, and we are all accustomed to keeping a sharp eye on the ship's allotment toward the end of the fiscal year. As naval officers each of you must develop a thorough understanding of the larger logistics problems of the Navy. Only when you understand the problems can you help the Navy master them. The term 'professional competence' is growing more and more to include a logistical element.

BIOGRAPHIC SKETCH

Rear Admiral Ralph L. Shifley, U.S. Navy

PRESENT POSITION: Deputy Chief of Naval Material (Programs and Financial Management)

CAREER HIGHLIGHTS:

- 1933 - Graduate U.S. Naval Academy
- 1933-34 - USS *Memphis*
- 1934-36 - USS *Astoria*
- 1937 - Naval Air Station, Pensacola, Fla. (flight training)
- 1938-40 - USS *Savannah* (Aviation Unit and Senior Aviator)
- 1940-42 - Naval Air Station, Jacksonville, Fla. (Instructor);
Naval Air Gunners School, Hollywood, Fla. (XO)
- 1942-43 - Staff, Chief of Naval Air Operational Training
(Air Gunnery Training Officer)
- 1943-44 - Bombing Squadron 8 (Commanding Officer)
- 1944 - Air Group 8 (Commander)
- 1945-47 - Naval Air Station, Jacksonville, Fla. (Superintendent
of Aviation Training)
- 1947-48 - USS *Randolph* (Air Officer, Executive Officer)
- 1948-49 - USS *Leyte* (Operations Officer)
- 1949-51 - Staff, Commander Air Force, Atlantic Fleet (Ops Officer)
- 1951-52 - Naval War College (student)
- 1952-54 - Office of the Chief of Naval Operations, Navy Dept.
(Aircraft Programs)
- 1954-56 - Staff, Commander SIXTH Fleet
- 1956-57 - USS *Badoeng Strait* (CVE-116) (Commanding Officer)
- 1957 - Office of the Chief of Naval Operations
- 1957-58 - Executive Asst and Senior Aide to CNO
- 1958-59 - USS *Franklin D. Roosevelt* (CVA-42) (CO)
- 1959-60 - Office of the Chief of Naval Operations (Asst Director,
Aviation Plans Division)
- 1960-62 - Office of the Chief of Naval Operations (Director,
Aviation Plans Division)
- 1962-63 - Commander Carrier Division SEVEN
- 1963 - Office of the Chief of Naval Operations: Deputy Chief
of Naval Material for Programs, Navy Department, and
Vice Chief of Naval Material and Deputy Chief of
Naval Material (Programs and Financial Management)

MEDALS AND DECORATIONS:

Navy Cross; Distinguished Flying Cross, with three Gold Stars; Air Medal, with two Gold Stars; Presidential Unit Citation (USS *Bunker Hill*); Asiatic-Pacific Campaign Medal, five operation stars; World War II Victory Medal; National Defense Service Medal; Philippine Liberation Ribbon.