

Army. Based upon these studies, maintenance float factors for select major items of equipment were revised and requirements for fiscal year 1966 were reduced by \$8.1 million.

A contract for UH-1 aircraft required one set of ground handling wheels to be supplied with each aircraft. A subsequent review revealed that two sets of these ground handling wheels would support three aircraft. The buy rates were reduced, the contract was modified and a saving of approximately \$500,000 was realized.

Change in the method of computing both the worldwide inventory and annual service practice requirements for the Nike-Hercules missile was made as a result of recommendations contained in an Army audit agency report. This action reduced the Army funding requirements for fiscal year 1966 by \$4.2 million.

Navy

Savings of \$1.5 million were realized based upon an analysis and decision to eliminate front mounted winches from 2½-ton and 5-ton trucks procured during fiscal year 1966.

Air Force

Prior to fiscal year 1966, two camera analyzers were authorized for each RF-4C squadron. Based upon an evaluation of category II testing, the authorization per squadron was reduced to one camera analyzer per squadron. Fiscal year 1966 procurement of this item was reduced from 25 to 9 for a saving of \$614,000.

I.A.2. Initial provisioning

A summary of the savings realized in this area during fiscal year 1966 is as follows:

	Realized hard savings			Realized cost avoidance savings	Total realized savings	Fiscal year 1966 goal
	Budgeted savings	Fund savings	Total			
Army.....		\$1	\$1	\$1	\$2	\$20
Navy.....	\$25	14	39		39	109
Air Force.....	175		175	7	182	78
Total.....	200	15	215	8	223	207

The Army savings resulted from numerous individual actions, many of which produced savings of \$100,000 or less. Typical actions were (1) elimination of the allowance for a main armament part as an on-board spare self-propelled combat vehicles, (2) deletion of a hoist assembly as an authorized repair part for the Sergeant missile system and (3) expediting the return of unserviceable fire control devices and considering such returns in requirement computations for the first time.

The Navy savings resulted from several different types of actions. Savings of \$13.8 million in missile spares (for other than Polaris) resulted from the nonnuclear ordnance study. Budgeted savings on Polaris missile spares totaled \$10.9 million resulting primarily from a decision to extend the service use of the A-2 missile for the 608 and 616 classes of submarines in lieu of the previously planned con-