reporting year, supported with appropriate examples of management improvement actions. This method of measurement is quite valid when force levels and activity rates remain relatively stable. When these elements fluctuate either up or down, however, an erroneous result is obtained. When they increase, as was the case in fiscal year 1966, reportable savings are reduced. As a consequence, the savings of $63 million reported in fiscal year 1966 does not accurately reflect the true effects of management actions taken since fiscal year 1961. Without them, we believe that procurement requirements for fiscal year 1966 would have been substantially greater than those actually experienced.

The funding level method of measurement will not be authorized for use in this area for fiscal year 1967.

I.A.4. Technical manuals

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	$3		$3		$3	$3
Navy		$1	1		1	3
Air Force	2	2	4	$5	9	6
Total	5	3	8	5	13	12

Savings realized on the procurement of new technical manuals as well as on revisions to existing manuals are reported in this area. New and intensified actions which (1) reduce quantitative requirements or (2) relax qualitative requirements of technical manuals without adversely affecting mission accomplishments are the type of actions which produce reportable savings.

This is a very difficult area in which to measure the dollar savings resulting from management improvement actions. In many instances, particularly for new weapon systems an actual "before" and "after" cost comparison cannot be made. Therefore, the "before" cost must be estimated in many cases.

Several examples of savings reported in this area are as follows:

Army

Savings of $55,000 were realized by using manufacturer's manuals in lieu of requiring new manuals in military format as previously prescribed.

Navy

Savings of $400,000 were realized by changing the specifications on preliminary technical manuals for the A7A aircraft.

Air Force

Savings of $112,700 were realized by reducing the number of technical publications for electronic equipment.