

DOD cost reduction program—Cost reduction savings reflected in budget estimates¹—Continued

[In millions of dollars]

	Fiscal year					
	1964 total	1965 total	1966 total	1967		
				Accom- plished	Planned	Total
II. BUYING AT THE LOWEST SOUND PRICE—continued						
B. Shift from CPFF to fixed or incentive price:						
Army.....		\$120	\$111		\$132	\$132
Navy.....		65	142		153	153
Air Force.....		251	346		346	346
DSA.....						
Total.....		436	599		631	631
C. Direct purchase breakout:						
Army.....						
Navy.....			2			
Air Force.....						
Total.....			2			
D. Multiyear procurement:						
Army.....					21	21
Navy.....				\$9	42	51
Air Force.....				1		1
Total.....				10	63	73
Total, buying at lowest sound price.....	\$176	652	1,015	10	1,149	1,159
III. REDUCING OPERATING COSTS						
A. Terminating unnecessary operations:						
Army.....	59	68	100	170		170
Navy.....	52	55	67	152		153
Air Force.....	199	236	382	581		581
DSA.....			2	2	7	9
Total.....	310	359	551	905	7	912
B. Consolidation and standardization of operations:						
1. DSA operating expense savings.....	38	53	57	57		57
2. Consolidation of contract administrator, DSA.....				5	2	7
3. Departmental operating expense savings:						
Army.....		5	2	6		6
Navy.....	7	15	6	15	3	18
Air Force.....			86	137		137
Total.....	7	20	94	158	3	161
C. Increasing efficiency of operation:						
1. Improving telecommunication management:						
Army.....	57	7	40	25	1	26
Navy.....	1	4	5	8		8
Air Force.....	61	38	83	113		113
DCA.....			1	1		1
Total.....	119	49	129	147	1	148
2. Improving transportation and traffic management:						
Army.....	5	5	2	1	17	18
Navy.....			3		3	3
Air Force.....	7	7	30	6	17	23
DSA.....						
Total.....	12	12	35	7	37	44

See footnote at end of table, p. 119.