

ATTACHMENT B

Department of Defense cost reduction program, fiscal year 1966

[In millions of dollars]

Summary of area	Realized hard savings			Cost avoidance and unrealized decision savings	Total savings ¹	Fiscal year 1966 goal	Fiscal year 1967 goal
	Budgeted savings	Fund savings	Total				
I. Buying only what we need:							
A. Refining requirements calculations:							
1. Major items of equipment:							
Army.....	\$132	\$5	\$137	-----	\$137	\$120	\$125
Navy.....	500	61	561	-----	561	652	665
Air Force.....	96	9	105	\$15	120	107	100
Total.....	728	75	803	15	818	879	890
Initial provisioning:							
Army.....	-----	1	1	1	2	20	4
Navy.....	25	14	39	-----	39	109	50
Air Force.....	175	-----	175	7	182	78	50
Total.....	200	15	215	8	223	207	104
3. Secondary items:							
Army.....	3	-----	3	5	8	35	16
Navy.....	17	17	34	-----	34	100	30
Air Force.....	-----	2	2	5	7	594	300
DSA.....	14	-----	14	-----	14	46	10
Total.....	34	19	53	10	63	775	356
4. Technical manuals:							
Army.....	3	-----	3	-----	3	3	3
Navy.....	-----	1	1	-----	1	3	1
Air Force.....	2	2	4	5	9	6	4
Total.....	5	3	8	5	13	12	8
5. Technical data and reports:							
Army.....	1	1	2	5	7	5	5
Navy.....	2	2	4	-----	4	5	3
Air Force.....	-----	7	7	8	15	8	12
Total.....	3	10	13	13	26	28	20
6. Production base facilities:							
Army.....	-----	-----	-----	-----	-----	4	4
Navy.....	-----	-----	-----	-----	-----	2	-----
Air Force.....	-----	4	4	-----	4	3	3
Total.....	-----	4	4	-----	4	9	7
B. Increased use of excess inventory:							
1. Equipment and supplies:							
Army.....	3	3	6	142	148	222	157
Navy.....	46	25	71	213	284	190	200
Air Force.....	11	17	28	169	197	20	20
DSA.....	9	-----	9	2	11	15	10
Total.....	69	45	114	526	640	447	387
2. Redistribution of idle production equipment:							
Army.....	-----	8	8	51	59	1	5
Navy.....	-----	7	7	14	21	-----	7
Air Force.....	-----	5	5	2	7	2	2
DSA.....	-----	-----	-----	2	2	-----	-----
Total.....	-----	20	20	69	89	3	14

See footnotes at end of table, p. 123.