

DEPARTMENT OF DEFENSE COST REDUCTION PROGRAM—SUMMARY OF SAVINGS FROM FISCAL YEAR 1967
ACTIONS
[In millions]

	Realized savings		Estimated savings		Total savings	
	Goal	Fiscal year 1967	Fiscal year 1968	Fiscal year 1969	Fiscal year 1967-69	Goal
SUMMARY BY AREA						
I. Buying only what we need:						
A. Refining requirements calculations:						
1. Major items of equipment.....	\$110	\$136	\$58	\$2	\$196	\$203
2. Initial provisioning.....	20	31	21	9	61	40
3. Secondary items.....	45	110	7	6	123	56
4. Technical manuals.....	4	2		1	3	6
5. Technical data and reports.....	7	10	2	3	15	10
6. Industrial production base.....	4	4			4	4
B. Utilization of long supply and excess inventory:						
1. Equipment and supplies.....	37	49	11	2	62	51
2. Idle production plant equipment.....	1					1
3. Excess contractor inventory.....	2	1			1	2
C. Eliminating goldplating.....	300	339	161	109	609	419
D. Inventory item reduction.....	4	3			3	4
Total, buying only what we need.....	534	685	260	132	1,077	796
II. Buying at the lowest sound price:						
A. Shift from noncompetitive to competitive procurement.....	54	30	21	28	79	130
B. Direct purchase breakout.....	10	11	4	4	19	15
C. Multiyear procurement.....	40	29	20	14	63	100
Total, buying at lowest sound price.....	104	70	45	46	161	245
III. Reducing operating costs:						
A. Terminating unnecessary operations.....	149	7	23	34	64	49
B. Reducing operating expense.....	63	135	117	108	360	147
C. Increasing efficiency of operations:						
1. Improving telecommunication management.....	13	11	15	14	40	31
2. Improving transportation and traffic management.....	39	53	57	30	140	73
3. Improving equipment maintenance management.....	25	32	34	27	93	64
4. Improving noncombat vehicle management.....	3	2	2	4	8	6
5. Decreasing use of contractor services.....	1	4	2	1	7	5
6. Improving military housing management.....	5	5	3	2	10	11
7. Improving real property management.....	17	14	9	8	31	42
8. Packaging, preserving, and packing.....	9	18	10	9	37	18
Total, reducing operating costs.....	224	281	272	237	790	446
IV. Military assistance program (MAP):						
ISA.....	9	15	6	8	29	14
Air Force.....	1	1	1		2	1
Total, military assistance program.....	10	16	7	8	31	15
Total program.....	872	1,052	584	423	2,059	1,502
SUMMARY BY MAJOR CATEGORY						
I. Buying only what we need.....	534	685	260	132	1,077	796
II. Buying at the lowest sound price.....	104	70	45	46	161	245
III. Reducing operating costs.....	224	281	272	237	790	446
IV. Military assistance program.....	10	16	7	8	31	15
Total program.....	872	1,052	584	423	2,059	1,502
SUMMARY BY DEPARTMENT/AGENCY						
Army.....	224	221	136	105	462	374
Navy.....	272	318	158	101	577	474
Air Force.....	332	464	267	192	923	583
DSA.....	31	33	14	14	61	51
DCA.....	4	1	3	3	7	6
ISA.....	9	15	6	8	29	14
Total program.....	872	1,052	584	423	2,059	1,502

¹ Represents the annual rate of savings expected to be realized from fiscal year 1967 decisions to consolidate, reduce, or close Defense installations and activities.