

[In millions]

	Fiscal year 1967		Fiscal year 1968	Fiscal year 1969	Fiscal years 1967-69	
	Goal	Realized	Estimated	Estimated	Total	Goal
Army.....	\$11	\$67	\$1	\$1	\$69	\$14
Navy.....	11	11	2	1	14	13
Air Force.....	20	29	4	4	37	25
DSA.....	3	3			3	4
Total.....	45	110	7	6	123	56

B. In view of the increasing requirement (both dollars and items) for secondary items this area will continue to receive top management attention at all levels of the DOD. Each DOD component was able to achieve savings equal to or greater than their fiscal year 1967 goal. A substantial portion (\$45.4 million) of the savings resulted from a change by Army in the supply pipeline from the continental United States to the Republic of Vietnam (RVN).

III. Examples

A. *Cancellation of excessive quantity requisitions.*—A special program to validate back orders and requisitions was initiated by the Army Tank Automotive Center. Items managers were directed to contact requisitioners and reconfirm requirements prior to procurement. While the original program involved only SEA, the program was subsequently expanded to include all customer requisitions. Customer requisitions totaling more than \$30 million were canceled during fiscal year 1967. Savings of more than \$18 million were reported from this action.

B. *Repair of center wing units of F-4 aircraft.*—Prior to development and implementation of this repair technique the center section wing units with damaged skins were surveyed. No Navy or commercial procedure existed for the repair of these wing units. The repair is now accomplished by removing the damaged skin and replacing it with new "Chem-Mill" machined torque box skins obtained from the manufacturer. The skins are individually form fitted to the wing section. All special tooling, support equipment, and procedures for reskinning were designed by the Navy. Savings of almost \$0.4 million were realized in fiscal year 1967; fiscal year 1968 and fiscal year 1969 savings are estimated at \$1 million for each year.

C. *Reduced stock levels for tenders and repair ships.*—New tender and repair shipload lists were developed and placed in effect during fiscal year 1967. The range and depth of stock was reduced from a 1-year requirement to a 90-percent availability level for a 90-day period. Savings of \$7.3 million were realized from this action in fiscal year 1967.

D. *Intensified review of TAC requirements.*—As a result of the Presidential memo of September 16, 1966, directing improved procurement and management of property, the Tactical Air Command directed each TAC to conduct a special step-by-step review of local funded requirements. Savings of \$1.2 million in fiscal year 1967 resulted from this special review.