

both commercial contractors and Government-owned plants. The primary objective of this area is to encourage the initiation of management improvement actions which will decrease the amount of funds required for acquisition, expansion, or modernization of industrial facilities and production equipment.

II. Goals and accomplishments

A. A summary of savings already realized and those expected to be realized during fiscal years 1968 and 1969 from actions taken during fiscal year 1967 is as follows:

[In millions]

	Fiscal year 1967		Fiscal year 1968, estimated	Fiscal year 1969, estimated	Fiscal year 1967-69	
	Goal	Realized			Total	Goal
Army.....						
Navy.....	\$1					\$1
Air Force.....	3	\$4			\$4	3
Total.....	4	4			4	4

B. The Air Force was the only DOD component which realized savings of any significance in this area. All but a few thousand dollars of the Air Force saving resulted from the combined management efforts of many parties on the CBU-24/29 munitions program. As a result of these efforts, a reduction of over \$3.7 million in projected facilities expansion was achieved.

I.B.1. UTILIZATION OF LONG SUPPLY AND EXCESS INVENTORY—
EQUIPMENT AND SUPPLIES

I. Scope and objective

This area encompasses long supply, excess and surplus equipment and supplies. It includes all types of end items (aircraft, ships, missiles, etc.), spares and repair parts, and other items of equipment and supplies which are stratified as long supply, excess, or surplus within the Department of Defense. The primary objective is to initiate management improvement actions which will result in the utilization of this material in lieu of new procurement.

II. Goals and accomplishments

A. A summary of savings already realized and those expected to be realized during fiscal years 1968 and 1969 from actions taken during fiscal year 1967 is as follows:

[In millions]

	Fiscal year 1967		Fiscal year 1968, estimated	Fiscal year 1969, estimated	Fiscal years 1967-69	
	Goal	Realized			Total	Goal
Army.....	\$17	\$11	\$2		\$13	\$22
Navy.....	4	7	5	\$2	14	5
Air Force.....	12	28	4		32	18
DSA.....	4	3			3	6
Total.....	37	49	11	2	62	51