

III. REDUCING OPERATING COSTS

III.A. TERMINATING UNNECESSARY OPERATIONS

I. Scope and objective

All military installations and bases throughout the world are included in the scope of this area. The primary objective is to close completely or partially, by excessing, inactivating, or placing in a standby status, all facilities not required by the Department of Defense.

II. Goals and accomplishments

A. During fiscal year 1967 a total of 48 decisions was made to close or reduce the operations of military installations and bases. These actions are expected to produce annual savings of approximately \$48 million upon final completion of the actions. A summary of savings already achieved and those expected to be realized during fiscal year 1968 and fiscal year 1969, as a result of the decisions made in fiscal year 1967, is as follows:

[In millions]

	Fiscal year 1967 realized	Fiscal year 1968 estimated	Fiscal year 1969 estimated	Fiscal year 1967-69 total
Army.....		\$1	\$7	\$8
Navy.....	\$6	20	21	47
Air Force.....	1	2	5	8
DSA.....			1	1
Total.....	7	23	34	64

B. Some effects of the fiscal year 1967 decision are as follows:

[Dollar amounts in millions]

	Army	Navy	Air Force	DSA	Total
(1) Number of actions.....	29	10	7	2	4
(2) Acres released (thousands).....	57	2	7		66
(3) Acquisition cost.....	\$18	\$6	\$9		\$33
(4) Personnel space reduction:					
(a) Military.....	683	297	689	17	1,686
(b) Civilian.....	1,789	587	113	46	2,535
Total.....	2,472	884	802	63	4,221
(5) Annual savings.....	\$14	\$28	\$5	\$1	\$48

III.B. REDUCING OPERATING EXPENSES

I. Scope and objective

Savings from all valid actions which do not fall within the scope of any other area are reportable in this area of the cost reduction program. The primary objective is to initiate management improvement actions which will reduce operating expenses throughout the Department of Defense.

II. Goals and accomplishments

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