

management problem within the Navy. This situation has been brought to the attention of Navy telecommunication personnel on numerous occasions.

III. Examples

During fiscal year 1967 there were more than 3,000 individual management actions reported in this area. However, only 10 of these actions resulted in savings of more than \$100,000 each. A few examples follow:

A. *Consolidation of communications facilities.*—Two physically separated communication centers were consolidated during fiscal year 1967. A reduction in space, equipment, and manpower resulted from this action. Savings of \$342,200 have been realized by the Air Force.

B. *Discontinuance of leased teletype circuits.*—Cancellation of the SAC teletype net was made possible a year earlier than planned as a result of intensified management reviews. Savings of \$0.6 million were realized in fiscal year 1967.

C. *Reduction in operating costs of the DEW line and the TVOR-Barter Island and NARS-Thule C-E complex.*—Savings of \$3.9 million a year will be realized in the 3-year period, fiscal years 1967–69, as a result of innovations which permitted competitive bidding on a contract awarded for operation of the DEW line, TVOR, and NARS complexes. Previously the contract has been awarded on a noncompetitive basis.

III.C.2. TRANSPORTATION AND TRAFFIC MANAGEMENT

I. Scope and objective

This area encompasses the movement of persons and things by in-house or commercial land, sea, and air resources. It also includes the operational aspects of transportation systems and facilities throughout the DOD. The primary objective of the area is to initiate management improvement actions which will reduce transportation costs.

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		Fiscal year 1968 estimated	Fiscal year 1969 estimated	Fiscal year 1967–69	
	Goal	Realized			Total	Goal
Army.....	\$4	\$5	\$4	\$1	\$10	\$8
Navy.....	5	5	5	15	15	5
Air Force.....	30	43	48	24	115	60
Total.....	39	53	57	30	140	73

B. The results for fiscal year 1967 have been most encouraging. In view of the ever increasing transportation requirements, continued emphasis will be necessary to insure that transportation costs are kept at a minimum consistent with DOD requirements.

III. Examples

Over 700 validated actions were reported in fiscal year 1967. All except 45 produced savings of less than \$100,000 each. This is not