

surprising since most actions are taken by personnel located at field installations and activities. The following examples are representative of the many actions reported:

A. *Napalm bombs*.—The Army obtained permission to insert the explosive components in the bombs after they had been placed aboard ship. This permitted the loading of bombs over general cargo facilities at Long Beach, Calif., rather than at ammunition terminals. Lower ocean terminals costs and reduced ship loading time resulted. Fiscal year 1967 savings of \$207,243 were realized.

B. *Stevedoring rates*.—Lower rates were obtained at NSD, Seattle, through use of a 2-year negotiated contract. Previously stevedoring was obtained on a "spot bid" vessel-by-vessel method under terms and conditions of the master agreement. This action saved \$185,223 in fiscal year 1967.

C. *Change in negotiating technique*.—Savings of \$3.7 million were realized on four routes as a result of Military Sea Transportation Service negotiations of ocean cargo rates with individual ocean carriers instead of negotiating with ocean carrier associations as was the previous practice.

D. *QUICKTRANS*.—Institution of exclusive use truck service between Quonset Point and the Boston Naval Shipyard permitted elimination of QUICKTRANS flights into Boston's Logan International Airport and NAS, Quonset Point. Savings totaling \$97,674 were realized in fiscal year 1967 from this action.

E. *Reduction in airlift costs*.—Commercial airlift costs for fiscal year 1967 were reduced approximately \$24 million as a result of an intensified management action by the Military Airlift Command pricing team. Based upon a comprehensive cost analysis, significant turbojet rate reductions were obtained for commercial airlift procured by the DOD.

III.C.3. EQUIPMENT MAINTENANCE MANAGEMENT

I. Scope and objective

This area includes the maintenance of all types of end items of equipment except noncombat vehicles which are included in area III.C.4. The primary objective of the area is to initiate management improvement actions which will reduce the cost of maintenance performed on equipment and items owned by the DOD.

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.....	\$10	\$6	\$7	\$5	\$18	\$25
Navy.....	7	11	17	15	43	25
Air Force.....	8	15	10	7	32	14
Total.....	25	32	34	27	93	64