

quite proud of their performance. A monthly joint review of the total program is conducted by the Air Force and the several contractors concerned.

This simply illustrates the very sophisticated type of control which is now being generated as we move away from the cost-plus environment into a highly detailed and planned environment employing either fixed-price or incentive contracts. The next slide, please.

The third and last of the key objectives which the Secretary set up for us is to reduce operating costs. And here there are three principal projects involved. The first is to terminate unnecessary overhead operations. The second is to standardize and simplify procedures. And the third is to consolidate and increase efficiency of operations. Let me quickly illustrate each of these. The next slide, please.

One of the most widely discussed, I guess, of all the efforts that we've been talking about is the closure or reduction of bases and installations. These always generate much visibility and much emotion. But the actions taken have been tremendous in the past three years. Over 400 actions have been completed, which are resulting first, in the release of some 645,000 acres of real estate, with improvements in many cases. These include some 58 industrial plants being made available for sale to private users.

Importantly, the release for reassignment or actual reduction in payroll of over 71,000 personnel, about half military and half civilian; the equivalent annual savings from these actions to date is \$479 million. The goal by