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PROJECT 903

MAJOR ITEM

PRICE UPDATE PROCEDURES

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MAJOR ITEM PRICE UPDATE PROCEDURES

LOGISTICS STUDIES OFFICE

PROJECT 903

FINAL REPORT
DECEMBER 1979

By

JOSEPH A. DODGE

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ABSTRACT

This study outlines a procedure for developing and maintaining current year LIN level planning prices for the 4,000 plus LINs representing over 6,400 NSNs of Class VII major items in the Army inventory as listed in Chapter 2, SB 700-20. Approval of the recommended procedure, with publication in and an annual price update of SB 710-1-1, Standard Study Number System, would provide the current year base price to which planners would apply inflation guidance for out-year pricing of materiel acquisitions.

Report Title: Major Item Price Update Procedures

Study Number: LSO 903

Study Initiator and Sponsor: Director for Plans, Doctrine, and Systems
(DRCPS-S), U. S. Army Materiel
Development and Readiness Command

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EXECUTIVE SUMMARY

1. Authority for the Study. The Director for Plans, Doctrine, and Systems (DRCPS-S), U. S. Army Materiel Development and Readiness Command (DARCOM), is the sponsor of this study. Tasking was by letter, DRCPA-S, HQ DARCOM, 8 February 1979, subject: Request for Logistics Studies.
2. Problem Statement. This study examines the persistent and universal need for current pricing of major items in the Army's inventory. Once acquired and fielded, most major items or their product-improved versions are not placed on follow-on procurement for varying periods of time, often ten or more years. Over time, the original acquisition price becomes less valid for materiel planning in support of force development, conversions, or readiness. There are many factors contributing to the deterioration of price currency, with inflation being the principal component over the past ten years.
3. Objectives. The objectives of this study are:
 - a. To develop a simple, easily applied method for periodic updating of major item prices in order to facilitate the materiel planning functions in implementation of the Program Objective Memorandum (POM).

b. To perform an update of major item prices to the 1980 time frame.

c. To develop procedures for the transmittal of updated prices from the originators to a publication which will provide quick availability and ease of application to the out-year or years under consideration.

4. Scope of Study.

a. This study is DARCOM-wide. It is concerned with price update considerations of those supply class VII items listed in Chapter 2, SB 700-20, which have Commodity Management Codes (CMC) of B, G, H, K, L, or M, and Appropriation and Budget Activity Codes of A through Q. Study results apply to the five years of the POM.

b. This study directly supports two of the DARCOM Objectives for FY 1979, namely the Management Objective MG-5, Strengthen the DARCOM resource justification process, and the Readiness Objective RE-2, Provide adequate levels of operable/quality materiel for active and reserve forces.

5. Methodology.

a. The 4,028 Line Item Numbers (LINs) in Chapter 2 of SB 700-20 (dated 1 July 1979) include 6,408 National Stock Numbers (NSNs) in 254 Federal Supply Classification (FSC) codes within 45 Federal

Supply Groups (FSG). Within each LIN, the NSN having the highest standard price was selected for updating. Available SB 700-20 price histories for the period 1969-1978 were researched and the year noted in which that highest price was established. Twenty-four (24) MRC-developed historical price indexes and 21 selected Producer Price Indexes (PPI) were used to accomplish price updates. Following MRC guidance, each FSC was assigned to one of the indexes. The particular index series value used to update a given LIN price was identified by the index number assigned to the FSC and the year of the last price change. The index series were used to update prices to the 1978 time frame; then the DOD/DA, DARCOM inflation guidance was used to further update the prices to 1980, the first year of anticipated TAEDP implementation. The methodology resulted in an updated price for each of the selected 4,028 LINs in Chapter 2, SB 700-20.

b. It is anticipated that the updated LIN level prices will be published in the principal materiel planning reference, SB 710-1-1, Standard Study Number System and Replacement Factors. Materiel planners may then, using DARCOM inflation guidance, further update the 1980 prices to the desired POM year. It is proposed that implementation requirements be described in DARCOM Regulation 700-5,

Major Item Management, as shown in Appendix O, Proposed Change to DARCOM Regulation 700-5 and SB 710-1-1.

c. Annual updating of the SB 710-1-1 planning prices will be necessary. MRCs will update their inflation indexes annually and provide the new values plus any changes of FSC assignments to index series to the Commander, Depot Systems Command (DESCOM). MRC price updates resulting from new procurements or other actions during the year will need to be identified. Items whose prices have not been updated by the item manager during the year will require automated updating.

6. Findings and Conclusions.

a. Findings:

(1) When first established, standard prices based on production unit cost and first destination charges are adequate for estimating APA materiel planning costs.

(2) Less than 10 percent of major item prices are updated annually.

(3) DODD 7200.7 and AR 37-60 do not recognize the need for price updates unless additional procurements are contemplated/ executed.

(4) The standard price may not be appropriate for all of its intended applications.

b. Conclusions:

(1) Update techniques and indexes are readily available.

(2) The methodology satisfies an urgent requirement for major item pricing.

(3) The proposed procedures can be accommodated within current resources.

7. Recommendations.

a. The methodology be implemented for TAEDP enhancement, specifically for the materiel planning function in the POM years.

b. A follow-on study be conducted to develop methodologies to adjust the standard price for its various other uses.

c. No change to AR 37-60 be undertaken and no change to DODD 7200.7 be recommended pending the results of the proposed follow-on study.

MAIN REPORT

I. Background. Materiel planners have no quick, single-source means for acquiring or developing major item pricing to meet POM requirements or to respond to congressional or other inquiries concerning costs of materiel shortages, readiness improvements, or force conversions. The Army Master Data File (AMDF) includes a price field which reflects acquisition or reacquisition pricing. Updating on a regular basis is accomplished only for the 200 to 400 major items appearing annually in the Army Materiel Plan (AMP). For many other items, this means a long period of time between price updates; 25 percent of the major items, for example, have not had price updates for 10 years or more. Thus, the accuracy of any AMDF price for planning purposes is unknown, and materiel planning estimates are often deficient cost-wise. This study develops a procedure for maintaining current year planning prices for the approximately 6,400 Class VII major items in the Army's inventory. Application of DOD/DA/DARCOM inflation guidance during the materiel planning function would then provide planning prices for the desired outyear in the Program Objective Memorandum, or POM.

A. Direction for pricing of major items of materiel is found in DODD 7200.7, Accounting and Pricing for Materiel Financed by

Procurement Appropriations for Military Functions, and AR 37-60, Pricing for Materiel and Services.

1. DODD 7200.7 defines standard price as the unit production cost plus first destination transportation charges. These costs are funded by the Army Procurement Appropriation (APA, formerly PEMA). The standard price applies to all units bearing the NSN, regardless of condition.

a. The standard price is established on such evidence as current contracts, purchase orders, invoices, and pending contract price revisions. If no future procurement is planned, the standard price remains unchanged. This lack of recognition of the role of inflation in price maintenance or update in DODD 7200.7 may be attributed to the fact that the basic directive is dated 16 December 1964, before inflation had grown to its current levels.

b. The standard price does not include expense of procurement administration and supply functions, e. g., inspection, warehousing, redistribution, and repacking and handling. For items under current procurement, standard prices normally should be reviewed once a year and revised when a significant change occurs. The DOD directive does not define "significant," although implementing AR 37-60 defines a significant change as plus or minus five percent.

2. Chapter 2, AR 37-60, implements DODD 7200.7 concerning standard pricing.

a. AR 37-60 amplifies DODD 7200.7 policies, to include the use of a current, documented procurement price or production cost in establishing a standard price. The AR expands the DOD directive price evidence to include a representative recent procurement, current manufacturer's price and discount listings, market price quotations, production cost records, and cost/price analysis studies. It requires emphasis on current procurement process or production costs rather than either historical or projected future costs. The regulation repeats DOD direction that, where no further procurement is planned, the standard price determined under then current procurement will be continued.

b. The five objectives of standard pricing as stated in AR 37-60 are to promote uniformity and accuracy in accounting and inventory control functions, to facilitate budget estimates, to provide a basis for reimbursement of Army appropriations, to report current value of Army inventories, and to reimburse the Army Stock Fund when required. Although perhaps implied, the need for uniformity and accuracy in materiel planning is not stated as an objective of standard pricing. Price changes are not a serious consideration during periods of relative price stability; however, they may be critical during inflationary periods.

c. Although not identified in AR 37-60, there is a sixth application for standard prices--that of providing the basis for maintenance expenditure limits, or MEL. The TB-43 series bulletins implement AR 750-1 policies by providing repair expenditure limits applicable each time an item becomes unserviceable. MELs are specified time-phased percentages against which is compared the ratio of the repair cost estimate to the standard price of the end item. An end item loses its repair eligibility if the ratio of the estimated cost of repair to the standard price exceeds the MEL. Standard prices which do not reflect current prices may result in loss of repair eligibility of major items which would qualify for repair under normal repair/replace criteria. The TBs refer maintenance users to the Army Master Data File (AMDF) for the standard price.

d. SB 700-20, Army Adopted/Other Items Selected for Authorization/List of Reportable Items, is the medium which broadcasts, by printed copy and microfiche, standard prices for major items. Standard prices also are entered into the Commodity Command Standard System (CCSS) records. The insertion of updated planning prices into either CCSS or SB 700-20 is not addressed in this study. Any such insertion would require extensive software reprogramming and reformatting. Instead, it is proposed that planning prices be entered in the principal

materiel planning document, SB 710-1-1, Standard Study Number System and Replacement Factors; this can be accomplished relatively easily and would expedite enhancement of the Total Army Equipment Distribution Program (TAEDP).

II. Objectives. The objectives of this study are:

a. To develop a simple, easily applied method for periodic updating of major item prices in order to facilitate the materiel planning functions in implementation of the Program Objective Memorandum (POM).

b. To perform an update of major item prices to the 1980 time frame.

c. To develop procedures for the transmittal of updated prices from the originators to a publication which will provide quick availability and ease of application to the out-year or years under consideration.

III. Scope and Limits. This study is DARCOM-wide. It is concerned with price update considerations of supply class VII items under Commodity Management Codes B, G, H, K, L, and M. These major items of equipment, which are authorized in MTOEs and TDAs, are listed in Chapter 2, SB 700-20. The study is limited to items having Appropriation and Budget Activity (ABA) alpha codes A through Q, as

defined in AR 710-1, Centralized Inventory Management of the Army Supply System. The study is not concerned with validation of initial price or cost, nor with support, operations, or maintenance costs. Because implementing recommendations will concern the materiel planning function only, study results apply to the five years of the Program Objective Memorandum (POM). Because of the diverse applications of standard prices, among them financial inventory accounting, this study will not recommend changes to DODD 7200.7 or to AR 37-60.

IV. Methodology. The approach to the major item price update process includes evaluating current procedures, synthesizing a methodology, and determining changes to regulatory documents. It must use available resources, tools, and data, be within present capabilities, be ready in time for TAEDP, and must define annual update requirements and the procedures for implementing them.

A. Two opposite approaches to the pricing function are micro (bottom up) and macro (top down). Materiel Readiness Command (MRC) cost analysis effort in support of procurement is micro, involving collection and analysis of data from the several functional areas involved in development, procurement, management, and support of major items. This level of effort is devoted only to the few

hundred items in the AMP each year; obviously it cannot be expended in updating annually the remaining 6,000 or more items in the inventory. At the other end of the spectrum, the purely macro approach would apply OSD/DA/DARCOM inflation guidance across all items in a given commodity area. This approach fails to consider differences in price movements among the FSCs.

B. In the methodology of this study, each FSC is assigned an appropriate index, each index representing a time series of price update factors. Since each FSC covers items which are homogeneous in physical and performance characteristics, technology, and materiel and labor mix, each National Item Identification Number (NIIN) within an FSC should experience the same relative price changes. Price indexes were taken from two sources. Indexes developed by the MRCs were utilized as well as Producer Price Indexes (PPIs) developed by the U. S. Bureau of Labor Statistics. The 24 MRC-developed indexes are listed in Appendix B, Historical Price Indexes for Class VII Materiel. Twenty-one (21) additional index series were selected from the Producer Price Indexes for comparison and possible use. They are listed in Appendix C, Selected Producer Price Indexes (PPI). Values for the 45 series are listed in Appendixes D and E, Index Series for 1978 and 1980 Base Periods, respectively. The historical indexes shown in

Appendix D, both MRC and PPI, permitted updating to the 1978 time frame. The 1980 indexes in Appendix E were then developed by using projected yearly increases of 8 1/2 percent in 1979 and 1980, uniformly applied to all index series values in Appendix D. The index code number assigned to each FSC is indicated in Appendix F. With one exception, MRC-developed indexes and MRC-used PPI series were assigned. The exception was FSC 2310, Passenger Motor Vehicles, where the PPI title was more descriptive.

C. Within the same FSC, NIINs of difference magnitudes of physical and performance characteristics are grouped under different LINs. The methodology results in one updated price for each LIN, not an updated price for each NSN within a LIN. The NSN within each LIN that had the highest standard price in the July 1979 version of SB 700-20 was the one chosen for updating. The reason for this was that the NSN with the highest standard price is most likely to be the most recently procured model, to be the NSN with the most product improvements, and to most nearly resemble the item to be procured. The published standard prices for major items were secured from magnetic tape, current as of 1 July 1979, furnished by the Catalog Data Activity (CDA). The tape contained selected data from 6,709 NSN records in SB 700-20; 301 records of other than Class VII NSNs were deleted.

The remaining 6,408 NSNs were cataloged into 4,028 LINs in 254 FSCs under 45 FSGs. The highest standard price within each LIN was identified. LIN price histories were then researched in SB 700-20 back through December 1969 to determine the time period when the highest standard price was first established. Each LIN was assigned a year code, 1 through 8, which identified the time period. The period associated with each of the year codes is shown in Appendix A, Summary of LIN Price Update Actions by MRC.

D. The 6,408 NSN data file was sorted by Commodity Management Code (CMC) and the applicable year code was added to the record for each LIN in the file. Using the file which assigns each FSC an index number and the LIN/NSN file with its year codes, the standard prices were updated to a 1980 base by utilizing the appropriate factors as shown in Appendix E. After the FY 80 updated price for a LIN is computed, it in turn can be further updated for the desired POM outyear planning by application of appropriate factors disseminated in DARCOM planning guidance.

E. The computer listings by CMC of the standard prices as updated to 1980 have been provided to the study sponsor and to Commander, DESCOM. The first page of the listing for each CMC is shown in Appendixes H through M, with the column heading explanations shown

in Appendix G. In the listings only one NSN is shown for each LIN. The NSN with the highest unit price within the LIN was selected for the printout. Where two or more NSNs within a LIN had the same price, the highest numbered NSN was selected for the final printout--the rationale being that there is a greater probability that the newer item will have the highest numbered NSN. An example of a representative price update calculation is shown in Appendix N.

F. The methodology described above indirectly considers most of the change factors which are embedded or nested within the pricing function. Any alternative methodology would burden the MRCs and item managers with identification and quantification of change factors--inflation, product improvement, frequency of procurement, price/quantity relationships, modification work orders, and differences in warm base versus cold base production costs. This would require an annual cost/price analysis effort for each item in the entire major item inventory. Another argument against the need for a full analysis of change factors is the fact that many major items are similar to their civilian equivalents, and so "ride" the same production facilities, are composed of similar mixes of labor, materials, and technology, and may be measured cost/pricewise by the PPIs.

V. Implementing Actions. It is proposed that the Commander, DESCOM, as proponent of SB 710-1-1, would enter the updated prices in that SB. Materiel planners then, by application of DARCOM inflation guidance, will further update the 1980 prices to the desired POM year. The MRCs, as proponents of commodity inflation indexes, would update their indexes annually and advise DESCOM of the new values and of any changes of assignment of indexes to FSCs. These requirements will be disseminated in DARCOM Regulation 700-5. Recommended changes to DARCOM Regulation 700-5 and to SB 710-1-1 are shown in Appendix O. The process flow used for the one-time price updates to 1980 is shown in Appendix P. The procedure for subsequent annual DESCOM price updates is discussed in Appendix Q.

VI. Discussion.

A. The methodology represents a somewhat gross update, oriented toward the material planning function in the outyears. Use of its results for other purposes in execution and budget years may not be appropriate since precise values are necessary for the multitude of diverse applications in budgeting, accounting, inventory control, inventory valuation, and reimbursements. As indicated earlier, the scope of this study was limited to planning in the POM years in order to meet a deadline for input to TAEDP.

B. Another possible application of the updated prices obtained from the methodology is as the base for decisions regarding maintenance expenditure limits (MELs). As discussed earlier, SB 700-20 standard prices appear unsatisfactory for this purpose; however, further study is indicated before any recommendations can be made regarding the basis for MELs.

C. The question of publication in SB 700-20 of the planning prices resulting from the methodology of this study merits further study. It might be feasible either to add a second price field to each NSN record or to enter an updated price against each LIN, leaving the standard price against each NSN within the LIN.

VII. Findings and Conclusions.

A. Findings:

1. When first established, standard prices based on production unit cost and first destination charges are adequate for estimating APA materiel planning costs.
2. Less than 10 percent of major item prices are updated annually.
3. DODD 7200.7 and AR 37-60 do not recognize the need for price updates unless additional procurements are contemplated/ executed.
4. The standard price may not be appropriate for all of its intended applications.

B. Conclusions:

1. Update techniques and data are readily available.
2. The methodology satisfies an urgent requirement for major item pricing.
3. The proposed procedures can be accommodated within current resources.

VIII. Recommendations.

A. The methodology be implemented for TAEDP enhancement, specifically for the materiel planning function in the POM years.

B. A follow-on study be conducted to develop methodologies to adjust the standard price for its various other uses.

C. No change to AR 37-60 be undertaken and no change to DODD 7200.7 be recommended pending the results of the proposed follow-on study.

REFERENCES

Army Regulation 37-60, 27 April 1976, Pricing for Materiel and Services; specifically Chapter 2, Standard Pricing.

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USGPO, Statistical Abstract of the United States, 1978.

SUMMARY OF LIN PRICE UPDATE ACTIONS BY MRC

Year Code	Period When Last Updated	CERCOM (B16)		TARCOM (AKZ)		ARRCOM (B14)		MICOM (B64)		TSARCOM-AIR (B17H)		TSARCOM-GROUND (B17B)		ALL MRCs	
		No. of LINES	Percent	No. of LINES	Percent	No. of LINES	Percent	No. of LINES	Percent	No. of LINES	Percent	No. of LINES	Percent	No. of LINES	Percent
1	Prior to Dec 69	499	24.0	113	29.2	130	25.6	72	26.1	23	14.5	170	27.3	1007	25.0
2	Dec 69 - May 71	223	10.7	35	9.0	21	4.1	27	9.8	14	8.9	37	5.9	357	8.8
3	May 71 - Jun 72	104	5.0	10	2.6	22	4.3	13	4.7	1	0.6	12	1.9	162	4.0
4	Jun 72 - Dec 73	576	27.8	32	8.3	20	3.9	25	9.1	8	5.1	59	9.5	720	17.9
5	Dec 73 - Jun 75	185	8.9	18	4.7	41	8.1	15	5.4	7	4.4	60	9.6	326	8.1
6	Jun 75 - Dec 76	215	10.4	23	5.9	54	10.6	56	20.3	14	8.9	70	11.3	432	10.7
7	Dec 76 - Jul 78	136	6.6	77	19.9	81	15.9	42	15.2	21	13.3	121	19.4	478	11.9
8	Jul 78 - Jul 79	137	6.6	79	20.4	140	27.5	26	9.4	70	44.3	94	15.1	546	13.6
TOTALS		2075	100.0	387	100.0	502	100.0	276	100.0	158	100.0	623	100.0	4028	100.0

HISTORICAL PRICE INDEXES FOR CLASS VII MATERIEL

LSO-903 NUMBER	DEVELOPER	COMMODITY
01	TARADCOM	Construction Equipment
02	TARADCOM	Tactical Vehicles
03	TARADCOM	Motor Vehicle Parts
04	TARADCOM	M60A1
05	TARADCOM	M113A1
06	TARADCOM	Other Combat Vehicles
07	TARADCOM	Internal Combustion Engine
08	TSARCOM	Airframe
09	TSARCOM	Aircraft Engine
10	TSARCOM	Avionics
11	TSARCOM	Aggregate Air Vehicle (excl avionics)
12	TSARCOM	Aggregate Air Vehicle (incl avionics)
13	TSARCOM	Spec Ind Mach and Equip
14	TSARCOM	Electrical Machinery and Equip
15	TSARCOM	Transportation Equip
16	TSARCOM	Motor Vehicles and Equip
17	TSARCOM	Railroad Equip
18	MICOM	Missiles
19	MICOM	Missile Ground Support Equip
20	MICOM	Missile Composite
21	CERCOM	Electronics
22	ARRCOM	Combined Ordnance and Access
23	ARRCOM	Sighting and Fire Control
24	ARRCOM	Rifles, Repeating, Center Fire

SELECTED PRODUCER PRICE INDEXES (PPI)

LSO-903 NUMBER	COMMODITY
25	Miscellaneous Metal Products
26*	General Purpose Machinery and Equipment
27*	Special Industry Machinery and Equipment
28*	Electrical Machinery and Equipment
29	Miscellaneous Machinery and Equipment
30	Electronic Equipment
31*	Motor Vehicles and Equipment
32	Motor Vehicles
33*	Railroad Equipment
34	...Small Arms...
35	Photographic Equipment and Supplies
36*	Machinery and Equipment
37*	Fabricated Structural Metal Products
38*	Industrial Commodities
39*	Metal Containers
40*	Hardware
41*	Heating Equipment
42*	Rubber and Plastic Products
43*	Transportation Equipment
44*	Construction Machinery and Equipment
45*	Metalworking Machinery and Equipment

* These 15 indexes are also listed by TSARCOM for use in contingency planning for APA and OPA troop support items.

INDEX SERIES FOR 1978 BASE PERIOD

Index	Year Code*					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
01	2.061	1.911	1.837	1.720	1.314	1.131
02	1.932	1.772	1.690	1.545	1.253	1.137
03	1.883	1.763	1.662	1.576	1.270	1.111
04	2.170	2.010	1.899	1.737	1.343	1.161
05	2.118	2.003	1.917	1.742	1.325	1.172
06	2.122	1.993	1.897	1.735	1.320	1.169
07	1.935	1.820	1.751	1.700	1.347	1.151
08	1.838	1.727	1.619	1.435	1.213	1.093
09	1.858	1.692	1.651	1.485	1.212	1.088
10	1.617	1.523	1.479	1.380	1.226	1.119
11	1.843	1.719	1.626	1.446	1.213	1.092
12	1.821	1.700	1.612	1.440	1.214	1.095
13	1.908	1.775	1.716	1.485	1.268	1.105
14	1.535	1.460	1.441	1.397	1.168	1.073
15	1.649	1.531	1.471	1.425	1.223	1.087
16	1.597	1.496	1.436	1.397	1.211	1.085
17	2.194	2.026	1.914	1.743	1.266	1.094
18	1.550	1.490	1.431	1.316	1.195	1.117
19	1.845	1.727	1.613	1.448	1.323	1.150
20	1.598	1.534	1.468	1.339	1.214	1.121
21	1.598	1.488	1.439	1.374	1.204	1.097
22	2.005	1.790	1.690	1.580	1.330	1.160
23	1.825	1.660	1.550	1.470	1.310	1.155
24	1.690	1.570	1.550	1.495	1.300	1.165
25	1.855	1.727	1.653	1.445	1.134	1.072
26	1.908	1.764	1.719	1.525	1.179	1.076
27	1.914	1.784	1.745	1.544	1.233	1.105
28	1.541	1.476	1.460	1.362	1.146	1.073
29	1.721	1.618	1.581	1.447	1.171	1.078
30	0.937	0.942	0.949	0.952	0.941	0.984
31	1.611	1.496	1.457	1.386	1.189	1.084
32	1.553	1.446	1.411	1.354	1.191	1.085
33	2.198	2.033	1.910	1.663	1.222	1.094
34	1.504	1.431	1.410	1.294	1.105	1.057
35	1.380	1.347	1.340	1.272	1.095	1.036
36	1.753	1.652	1.618	1.469	1.182	1.083
37	2.021	1.861	1.797	1.546	1.164	1.100
38	1.886	1.784	1.727	1.471	1.187	1.080
39	2.130	1.918	1.812	1.576	1.216	1.113
40	1.786	1.663	1.616	1.469	1.191	1.085
41	1.587	1.486	1.449	1.346	1.137	1.060
42	1.602	1.566	1.565	1.389	1.138	1.047
43	1.652	1.538	1.492	1.413	1.199	1.087
44	1.989	1.853	1.789	1.599	1.214	1.092
45	1.892	1.790	1.747	1.552	1.224	1.090

*Appendix A shows periods covered by year codes. Indexes for year code 7 (1978) are 1.000. Year codes 1, 4, and 6 values are the means of indexes for 1969-70, 1973-74, and 1976-77, respectively.

INDEX SERIES FOR 1980 BASE PERIOD

Index	Year Code *					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
01	2.426	2.250	2.163	2.025	1.547	1.331
02	2.274	2.086	1.990	1.819	1.475	1.339
03	2.217	2.075	1.957	1.855	1.495	1.308
04	2.555	2.366	2.236	2.045	1.581	1.367
05	2.493	2.358	2.257	2.051	1.560	1.380
06	2.498	2.346	2.233	2.042	1.554	1.376
07	2.278	2.143	2.061	2.001	1.586	1.355
08	2.164	2.033	1.906	1.689	1.428	1.287
09	2.187	1.992	1.944	1.748	1.427	1.281
10	1.904	1.793	1.741	1.625	1.443	1.317
11	2.170	2.024	1.914	1.702	1.428	1.286
12	2.144	2.001	1.898	1.695	1.429	1.289
13	2.246	2.090	2.020	1.748	1.493	1.301
14	1.807	1.719	1.696	1.645	1.375	1.263
15	1.941	1.802	1.732	1.678	1.440	1.280
16	1.880	1.761	1.690	1.645	1.426	1.277
17	2.583	2.385	2.253	2.052	1.490	1.288
18	1.825	1.754	1.685	1.549	1.407	1.315
19	2.172	2.033	1.899	1.705	1.557	1.354
20	1.881	1.806	1.728	1.576	1.429	1.320
21	1.881	1.752	1.694	1.618	1.417	1.291
22	2.360	2.107	1.990	1.860	1.566	1.366
23	2.148	1.954	1.825	1.731	1.542	1.360
24	1.990	1.848	1.825	1.760	1.530	1.371
25	2.184	2.033	1.946	1.701	1.335	1.262
26	2.246	2.077	2.024	1.795	1.388	1.267
27	2.253	2.100	2.054	1.818	1.452	1.301
28	1.814	1.738	1.719	1.603	1.349	1.263
29	2.026	1.905	1.861	1.703	1.379	1.269
30	1.103	1.109	1.117	1.121	1.108	1.158
31	1.897	1.761	1.715	1.632	1.400	1.276
32	1.828	1.702	1.661	1.594	1.402	1.277
33	2.588	2.393	2.248	1.958	1.439	1.288
34	1.771	1.685	1.660	1.523	1.301	1.244
35	1.625	1.586	1.577	1.497	1.289	1.220
36	2.064	1.945	1.905	1.729	1.391	1.275
37	2.379	2.191	2.115	1.820	1.370	1.295
38	2.220	2.100	2.033	1.732	1.397	1.271
39	2.507	2.258	2.133	1.855	1.432	1.310
40	2.103	1.958	1.902	1.729	1.402	1.277
41	1.868	1.749	1.706	1.585	1.339	1.248
42	1.886	1.844	1.842	1.635	1.340	1.233
43	1.945	1.811	1.756	1.663	1.411	1.280
44	2.342	2.181	2.106	1.882	1.429	1.286
45	2.227	2.107	2.057	1.827	1.441	1.283

* Appendix A shows periods covered by year codes. Indexes for year code 7 (1978), 8 (1979), and 9 (1980) are 1.177, 1.085, and 1.000, respectively.

ASSIGNMENT OF INDEXES TO FEDERAL SUPPLY GROUPS (FSG) OR FEDERAL SUPPLY CLASSES (FSC)

FSG OR FSC		INDEX		
Number	Title	Code	Title	Source
10 (-)	Weapons	22	Combined Ordnance & Accessories	ARRCOM
1005	Guns, Through 30 MM	24	Rifles, Repeating, Center Fire	ARRCOM
1080	Camouflage & Decept Equip	38	Industrial Commodities	PPI*
11	Nuclear Ordnance	22	Combined Ordnance & Accessories	ARRCOM
12 (-)	Fire Control Equip	23	Sighting & Fire Control	ARRCOM
1260	Fire Contr Desig & Indic Equip	19	Missile Gnd Spt Equip	MICOM
13	Ammunition & Explosives	22	Combined Ordnance & Accessories	ARRCOM
14 (-)	Guided Missiles	19	Missile Gnd Spt Equip	MICOM
1427	Guided Missile Subsystems	18	Missiles	MICOM
1440	Guided Missile Systems, Complete	20	Missile Composite	MICOM
15	Acft; & Airframe Struct Comp	11	Aggregate Air Veh (Excl Avionics)	TSARCOM
1610	Aircraft Propellers	09	Aircraft Engine	TSARCOM
1680	Misc Acft Access & Comp	11	Aggregate Air Veh (Excl Avionics)	TSARCOM
17	Acft Lndg, Lndg, & Gnd Hdl Equip	38	Industrial Commodities	PPI*
19	Ships, Sm Crft, Pntns, & Fltg Docks	26	Gen Purp Mach & Equip	PPI*
20	Ship & Marine Equip	38	Industrial Commodities	PPI*
22	Railway Equip	13	Railroad Equipment	TSARCOM
23 (-)	Gnd Eff Vehs, Mtr Vehs, Trls & Cycles	02	Tactical Vehicles	TARADCOM
2310	Passenger Motor Vehs	32	Motor Vehicles	PPI
2350**	Cbt, Aslt, & Tac Vehs, Trkd	06	Other Combat Vehicles	TARADCOM
24 (-)	Tractors	01	Construction Equipment	TARADCOM
2450	Vehicular Furn & Access	19	Missile Ground Spt Equip	MICOM
2590	Misc Vehicular Comps	03	Motor Vehicle Parts	TARADCOM
28	Engines, Turbines, & Comps	38	Industrial Commodities	PPI*
32	Woodworking Mach & Equip	38	Industrial Commodities	PPI*
34	Metalworking Machinery	45	Metalworking Mach & Equip	PPI*
35	Service & Trade Equip	38	Industrial Commodities	PPI*
36	Special Industry Mach	38	Industrial Commodities	PPI*
37	Agri Mach & Equip	38	Industrial Commodities	PPI*

Continued

FSG OR FSC		INDEX		
Number	Title	Code	Title	Source
38 (-)	Constr, Mng, Exc, & Hwy Mnt Equip	01	Construction Equipment	TARADCOM
3835	Petrol Prod & Distr Equip	38	Industrial Commodities	PPI*
39	Mat Holg Equip	36	Machinery & Equipment	PPI*
41	Ref, AC, & Air Circ Equip	41	Heating Equipment	PPI*
42	Firefgtg, Rescue, & Sfty Equip	36	Machinery & Equipment	PPI*
43	Pumps & Compressors	44	Construction Mach & Equip	PPI*
45	Plmbg, Hting, & San Equip	38	Industrial Commodities	PPI*
46	Water Pur & Sewage Treat Equip	38	Industrial Commodities	PPI*
49 (-)	Maint & Rep Shop Equip	38	Industrial Commodities	PPI*
4910	Mtr Veh Maint & Rep Shp Spec Equip	31	Motor Vehicles & Equip	PPI*
4925	Ammo Maint, Rep, & Chkout Spec Equip	22	Combined Ordnance & Access	ARRCOM
4931	Fire Cntl Maint & Rep Shop Spec Equip	23	Sighting & Fire Control	ARRCOM
4933	Weap Maint & Rep Shop Spec Equip	22	Combined Ordnance & Access	ARRCOM
4935	Guided Msl Maint, Rep, & Checkout Spec Eq	19	Missile Gnd Spt Equip	MICOM
51	Hand Tools	38	Industrial Commodities	PPI*
54 (-)	Prefab Struct & Scaffolding	37	Fabricated Struct Metal Prods	PPI*
5430	Storage Tanks	42	Rubber & Plastic Products	PPI*
56	Construction & Budg Mat	38	Industrial Commodities	PPI*
58	Comm, Detect, & Coherent Radiation Eq	21	Electronics	CERCOM
59	Elect & Electronic Equip Comps	21	Electronics	CERCOM
61 (-)	Elect Wire, & Pwr & Dist Equip	36	Machinery & Equipment	PPI*
6110	Elect Control Equip	21	Electronics	CERCOM
6130	Converters, Elect, Nonrotating	21	Electronics	CERCOM
6145	Wire & Cable, Electrical	21	Electronics	CERCOM
62	Lighting Fixtures & Lamps	38	Industrial Commodities	PPI*
63	Alarm & Signal Systems	38	Industrial Commodities	PPI*
66 (-)	Instruments & Lab Equip	27	Spec Industry Mach & Equip	PPI*
6610	Flight Instruments	21	Electronics	CERCOM
6615	Auto Pilot Mech & Abn Gyro Comps	21	Electronics	CERCOM
6625	Elect & Electronic Properties & Testing Instruments	21	Electronics	CERCOM

Continued

FSG OR FSC		INDEX		
Number	Title	Code	Title	Source
6645	Time Measuring Instruments	21	Electronics	CERCOM
6650	Optical Instruments	23	Sighting & Fire Control	ARRCOM
6660	Metro Instr & Apparatus	21	Electronics	CERCOM
6695	Combination & Misc Instruments	19	Missile Gnd Spt Equip	MICOM
67 (-)	Photographic Equipment	21	Electronics	CERCOM
6740	Photo Dev & Finishing Equip	38	Industrial Commodities	PPI*
69 (-)	Training Aids & Devices	38	Industrial Commodities	PPI*
6920	Armament Tng Devices	06	Other Combat Vehicles	TARADCOM
6940	Communication Tng Devices	21	Electronics	CERCOM
70	Gen Purpose ADP, Software, Supplies, & Spt Equip	21	Electronics	PPI*
73	Food Prep & Svc Equip	38	Industrial Commodities	CERCOM
74	Office Machines, Visible Record Equip, and Data Processing Equip	21	Electronics	PPI*
79	Cleaning Equipment & Supplies	38	Industrial Commodities	CERCOM
81 (-)	Containers, Packaging, & Packing	38	Industrial Commodities	PPI*
8145	Specialized Shipping & Storage Containers	39	Metal Containers	PPI*
99	Miscellaneous	21	Electronics	CERCOM

*PPI Indexes used by TSARCOM in contingency planning for APA & OPA troop spt items.

**Except V13101 and V13270, tank, combat, full tracked, which is index code 04; and D12087, carrier, personnel, full tracked, armored, which is index code 05.

COLUMN IDENTIFICATION FOR LIN PRICE UPDATE APPENDIXES

LIN	Line Item Number
NSN	National Stock Number
LCC	Logistics Control Code
OLD U/P	Old Unit Price
ABA	Appropriation and Budget Activity Account Code
CMC	Commodity Management Code
RIC	Routing Identifier Code
YC	Year Code (See Appendix <u>A</u>)
NX	Index (See Appendix <u>B</u> , Historical Price Indexes for Class VII Materiel and Appendix <u>C</u> , Selected Producer Price Indexes)
New U/P	New Unit Price

Appendix G-1

AKZ TARCOM

First Page Listing of 9 Pages

LIN	NSN	L C C	OLD U/P	A C		Y N	NEW U/P
				B M	A C		
A56243	4910-001242554	T	3317.00	W	K	AKZ 6 31	4233.00
A93125	2350-001405151	A	294930.00	H	K	AKZ 7 06	347199.00
B01756	3820-009314509	A	14635.00	W	K	AKZ 4 01	29633.00
B42388	3895-007799123	A	5039.00	W	K	AKZ 1 01	12226.00
B43025	3895-006293617	A	8883.00	W	K	AKZ 1 01	21552.00
B63711	3895-008281136	A	1967.00	W	K	AKZ 1 01	4772.00
C18491	3820-010488120	A	2000.00	W	K	AKZ 8 01	2170.00
C20414	5420-005229599	A	70138.00	W	K	AKZ 6 37	90825.00
C29490	3815-001093357	A	2043.00	W	K	AKZ 2 01	4596.00
C30997	3815-003793645	A	853.00	W	K	AKZ 3 01	1845.00
C31134	3815-005852685	A	1698.00	W	K	AKZ 1 01	4120.00
C36100	2590-009444903	B	11800.00	H	K	AKZ 5 03	17642.00
C36120	2590-007083563	A	36560.00	H	K	AKZ 8 03	39668.00
D06124	2320-001682620	B	33707.00	J	K	AKZ 7 02	39681.00
D10726	2350-000710732	A	91367.00	H	K	AKZ 8 06	99133.00
D10741	2350-000769002	A	101845.00	H	K	AKZ 8 06	110502.00
D10990	2350-004112057	A	32479.00	H	K	AKZ 2 06	76203.00
D11049	2350-000784545	A	87421.00	H	K	AKZ 6 06	120307.00
D11401	2350-009376189	B	47500.00	H	K	AKZ 1 06	118658.00
D11538	2350-000566808	A	88868.00	H	K	AKZ 8 06	96422.00
D11521	2350-009878900	B	37811.00	H	K	AKZ 5 06	58756.00
D12087	2350-009686321	A	77714.00	H	K	AKZ 8 06	84320.00
D12703	2350-008735418	B	31107.00	H	K	AKZ 5 06	48338.00
E02395	2330-001682259	B	3100.00	L	K	AKZ 4 02	5638.00
E02570	2330-005422831	A	4756.00	L	K	AKZ 8 02	5160.00
E02807	2330-003312307	A	3638.00	L	K	AKZ 8 02	3947.00
E02944	2330-000872883	A	2270.00	W	K	AKZ 4 02	4129.00
E56578	2350-007951797	A	676796.00	H	K	AKZ 8 06	734324.00
E56896	2350-010451123	T	144400.00	H	K	AKZ 7 06	169991.00
E61518	3895-010244064	A	50820.00	W	K	AKZ 7 01	59827.00
E72557	4310-007973417	B	8794.00	W	K	AKZ 4 44	16554.00
E72804	4310-009527142	A	8794.00	W	K	AKZ 3 44	18521.00
E73352	4310-006204056	B	14322.00	W	K	AKZ 1 44	33535.00
E73489	4310-006798697	B	12313.00	W	K	AKZ 1 44	28831.00
F06424	3910-007902175	A	7476.00	W	K	AKZ 7 36	8801.00
F06561	3910-005146263	A	5261.00	W	K	AKZ 2 36	10231.00
F06598	3910-008179170	A	7818.00	W	K	AKZ 1 36	16134.00
F06835	3910-002711839	A	926.00	W	K	AKZ 1 36	1911.00
F06972	3910-002711898	A	1293.00	W	K	AKZ 1 36	2668.00
F07109	3910-002987176	A	5096.00	W	K	AKZ 1 36	10516.00
F35316	3930-009730660	A	4526.00	W	K	AKZ 1 36	9340.00
F36354	3810-007289943	A	125000.00	W	K	AKZ 1 01	303283.00
F38957	3950-004026705	A	32079.00	W	K	AKZ 4 36	55476.00
F39104	3950-007233295	A	16451.00	W	K	AKZ 2 36	31994.00
F39172	3810-009215055	B	55105.00	W	K	AKZ 8 01	59789.00
F39241	3810-009480407	B	65429.00	W	K	AKZ 8 01	70990.00

B14 ARRCOM

First Page Listing of 12 Pages

LIN	NSN	L C C	OLD U/P	A C			Y N	NEW U/P
				B M	A C	RIC C		
A11485	1190-009338051	A	180.00	E M	B14	5 22	282.00	
A15040	1135-006890921	A	.01	E M	B14	3 22	.00	
A15148	1135-009679948	A	.01	E M	B14	3 22	.00	
A15202	1135-009649078	A	.01	E M	B14	3 22	.00	
A15530	1135-000785260	A	6807.00	E M	B14	1 22	16067.00	
A15667	1135-006890924	A	6807.00	E M	B14	1 22	16067.00	
A15941	1135-000508243	A	37600.00	E M	B14	1 22	88749.00	
A16008	1135-001573632	A	38075.00	E M	B14	5 22	59614.00	
A16078	1135-009679949	A	17287.00	E M	B14	1 22	40803.00	
A22496	1290-006140008	A	1267.00	J M	B14	5 23	1954.00	
A32060	6665-009356955	A	1682.00	Q M	B14	6 27	2188.00	
A32316	6665-001691446	A	2314.00	Q M	B14	6 27	3010.00	
A32444	6665-001691447	A	1929.00	Q M	B14	6 27	2509.00	
A32508	6665-001691448	A	1944.00	Q M	B14	6 27	2529.00	
A32540	6665-001691449	A	1940.00	Q M	B14	6 27	2524.00	
A32556	6665-001691450	A	3407.00	Q M	B14	3 27	6999.00	
A32564	6665-001691451	A	1993.00	Q M	B14	6 27	2593.00	
A32568	6665-001691452	A	2339.00	Q M	B14	6 27	3043.00	
A32570	6665-001691453	A	2298.00	Q M	B14	6 27	2989.00	
A32571	6665-001691454	A	2333.00	Q M	B14	6 27	3035.00	
A32572	6665-005616218	A	14203.00	Q M	B14	1 27	32002.00	
A54836	6675-001152416	A	76238.00	Q M	B14	5 27	110661.00	
A83602	1095-001690300	A	7000.00	H M	B14	3 22	13927.00	
A89320	1005-009305597	B	16910.00	A M	B14	5 24	25879.00	
A89992	1005-001338193	B	44865.00	A M	B14	3 24	81865.00	
A90118	1005-009070720	A	2368.00	A M	B14	5 24	3624.00	
A90123	1005-007631404	A	1808.00	A M	B14	5 24	2767.00	
A90155	1005-009336242	B	22149.00	A M	B14	5 24	33897.00	
A90344	1005-000872046	A	1248.00	A M	B14	5 24	1910.00	
A90427	1090-009235971	A	45317.00	A M	B14	5 22	70953.00	
A90437	1090-009336701	B	67031.00	A M	B14	5 22	104951.00	
A90461	1010-007385811	A	31192.00	A M	B14	5 22	48838.00	
B67492	6650-008635657	A	960.00	J M	B14	3 23	1752.00	
B68766	1005-007116202	A	34.84	J M	B14	1 24	69.00	
C16681	3441-002657137	A	1849.00	Q M	B14	6 45	2373.00	
C17092	3441-001903295	A	1529.00	Q M	B14	6 45	1962.00	
C64198	1190-008784153	J	120.00	E M	B14	1 22	283.00	
C64746	1190-009734189	B	36.40	K M	B14	2 22	77.00	
D20060	1095-010366886	J	7000.00	A M	B14	8 22	7595.00	
D97018	1145-000785651	B	154.00	K M	B14	1 22	363.00	
E11043	4240-010482923	A	4492.52	Q M	B14	8 36	4874.00	
E47022	1135-004401331	J	9641.00	K M	B14	1 22	22756.00	
E52412	4240-000614539	A	13900.00	Q M	B14	2 36	27032.00	
E52453	4240-007367743	A	7278.00	Q M	B14	1 36	15019.00	
E52457	4240-009377030	A	7464.00	Q M	B14	1 36	15403.00	
E52461	4240-009377031	A	9094.00	Q M	B14	1 36	18767.00	

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First Page Listing of 46 Pages

LIN	NSN	L C C	ULD U/P	A C		Y N	NEW U/P
				B M	A C R I C		
A02251	5450-003784719	A	1465.00	P G	B16	1 37	3485.00
A11502	6605-008160329	B	4940.00	A G	B16	6 27	6426.00
A14752	6760-008780591	A	2000.00	P G	B16	4 21	3235.00
A23058	5895-002354520	A	71147.00	P G	B16	4 21	115081.00
A23246	5841-000823534	A	12578.00	A G	B16	6 21	16243.00
A23371	5826-001689420	A	36173.00	A G	B16	5 21	51271.00
A27035	5895-001339225	B	125000.00	C G	B16	1 21	235151.00
A27159	5895-001378548	A	12626.00	C G	B16	7 21	14864.00
A28933	5895-001681576	B	49780.00	C G	B16	3 21	84329.00
A32744	5895-001151776	A	9000.00	P G	B16	6 21	11623.00
A32746	5895-002960247	A	900.00	P G	B16	5 21	1276.00
A32747	5895-003079262	A	900.00	P G	B16	5 21	1276.00
A32769	5895-010174738	A	11000.00	P G	B16	7 21	12949.00
A32770	5895-010174737	A	5000.00	P G	B16	7 21	5886.00
A32777	5895-004178204	A	2775.00	P G	B16	6 21	3584.00
A32983	6350-007599845	A	19.20	P G	B16	1 38	43.00
A33001	6350-001791851	B	308.00	P G	B16	5 38	430.00
A33017	6350-001691235	B	60214.00	P G	B16	6 38	76556.00
A33026	6350-001601306	B	2550.00	P G	B16	5 38	3563.00
A33051	6350-001827653	B	1500.00	P G	B16	5 38	2096.00
A33086	5895-002436034	A	100.00	P G	B16	6 21	129.00
A34457	6625-004892673	A	12538.00	P G	B16	5 21	17771.00
A34531	6625-009523241	A	10000.00	P G	B16	1 21	18812.00
A35490	6780-000645112	A	3991.00	P G	B16	1 21	7508.00
A36332	5841-001447417	A	8601.00	A G	B16	4 21	13912.00
A41435	6625-009538220	A	1350.00	P G	B16	6 21	1743.00
A44929	5820-001948303	A	116.00	P G	B16	1 21	218.00
A46436	5805-005030914	A	1240.00	P G	B16	1 21	2333.00
A46573	5820-001647288	A	117.42	P G	B16	1 21	221.00
A46541	5895-009284870	A	19.90	P G	B16	4 21	32.00
A46549	5805-001472550	A	172.00	P G	B16	4 21	278.00
A49929	6110-006788507	A	421.00	A G	B16	8 21	457.00
A51556	5805-009339821	A	391.00	P G	B16	4 21	632.00
A52327	5820-006793430	B	22500.00	P G	B16	1 21	42327.00
A53012	5820-005033283	A	1300.00	P G	B16	1 21	2446.00
A53149	5820-009733383	A	266.00	P G	B16	8 21	289.00
A53947	6625-004334181	A	2700.00	P G	B16	5 21	3827.00
A54108	5815-005380972	A	259.00	P G	B16	1 21	487.00
A54786	5805-001104133	B	2500.00	P G	B16	4 21	4044.00
A54787	5805-001104131	B	1500.00	P G	B16	3 21	2541.00
A54788	5805-001188752	B	1500.00	P G	B16	3 21	2541.00
A54789	5805-001104132	B	1500.00	P G	B16	3 21	2541.00
A55156	6625-009879391	A	7994.00	A G	B16	2 21	14003.00
A55293	6625-007592882	B	1322.70	C G	B16	1 21	2488.00
A55300	6130-001491516	A	3000.00	C G	B16	6 21	3874.00
A55356	6625-003505714	A	2500.00	P G	B16	4 21	4044.00

B17B TSARCOM (Ground)

First Page Listing of 14 Pages

LIV	NSN	L C C	OLD U/P	A C		Y	N	NEW U/P
				B	M			
A23567	4120-009351608	A	3704.00	Q	B	B17	8 41	4019.00
A23584	4120-009351607	A	5283.00	Q	B	B17	8 41	5732.00
A23701	4120-009261151	A	3347.00	Q	B	B17	8 41	3631.00
A23770	4120-009778504	A	1317.00	Q	B	B17	1 41	2460.00
A23928	4120-004115442	A	5086.00	Q	B	B17	8 41	5518.00
A23938	4120-009351609	A	3487.00	Q	B	B17	6 41	4351.00
A23907	4120-004927055	D	1805.00	Q	B	B17	6 41	2250.00
A23955	4120-004115444	A	3930.00	Q	B	B17	8 41	4264.00
A23960	4120-009351611	A	4142.00	Q	B	B17	8 41	4494.00
A23970	4120-004115445	A	4399.00	Q	B	B17	8 41	4773.00
A23975	4120-009351610	A	1919.00	Q	B	B17	2 41	3357.00
A23988	4120-004115443	A	3361.00	Q	B	B17	6 41	4194.00
A23990	4120-009351612	A	1690.00	Q	B	B17	2 41	2956.00
A24017	4120-004113729	A	4852.00	Q	B	B17	7 41	5712.00
A24044	4120-007592632	A	1751.00	Q	B	B17	2 41	3063.00
A24112	4120-009355367	A	1552.00	Q	B	B17	1 41	2900.00
A24191	4120-006791339	D	1108.00	Q	B	B17	1 41	2070.00
A24318	4120-009261203	A	4138.00	Q	B	B17	8 41	4490.00
A24455	4120-009734589	D	5017.00	Q	B	B17	6 41	6261.00
A24453	4120-004113730	A	4279.00	Q	B	B17	8 41	4643.00
A24575	4120-004113731	A	5687.00	Q	B	B17	8 41	6387.00
A24592	4120-009269567	D	5440.00	Q	B	B17	8 41	5902.00
A24729	4120-007010763	D	1678.00	Q	B	B17	1 41	3135.00
A24753	4120-009519697	U	4116.00	Q	B	B17	4 41	6522.00
A24930	4120-009355421	A	4738.00	Q	B	B17	4 41	7508.00
A24956	4120-009261117	D	2285.00	Q	B	B17	1 41	4269.00
A24900	4120-009355348	A	5652.00	Q	B	B17	7 41	6654.00
A24934	4120-009355418	A	4234.00	Q	B	B17	4 41	6709.00
A25140	4120-004741238	A	22981.00	Q	B	B17	1 41	42934.00
A25277	4120-009264280	A	8918.00	Q	B	B17	1 41	16661.00
A25482	4120-009741239	A	11221.00	Q	B	B17	1 41	20964.00
A25551	4120-009145686	A	5049.00	Q	B	B17	1 41	9433.00
A25925	4120-006795578	D	3448.00	Q	B	B17	1 41	6442.00
A25359	4120-009355417	A	5050.00	Q	B	B17	1 41	9435.00
A25960	4120-009355416	A	5474.00	Q	B	B17	2 41	9576.00
A26271	4120-009305700	D	4749.00	Q	B	B17	1 41	8872.00
A26373	4120-008070669	A	5237.00	Q	B	B17	1 41	9784.00
A26510	4120-008070670	D	12573.00	Q	B	B17	1 41	23490.00
A26715	4120-009261204	A	15100.00	Q	B	B17	1 41	28211.00
A32939	6350-000395267	D	4000.00	Q	B	B17	4 38	6927.00
A32995	6350-001880633	D	1530.00	Q	B	B17	4 38	2649.00
A32998	6350-001880590	D	16667.00	Q	B	B17	4 38	28862.00
A65924	6350-001791854	D	600.00	Q	B	B17	5 38	838.00
A95593	6655-006644654	A	6538.00	Q	B	B17	8 27	7094.00
D18373	7310-009035402	A	9568.00	Q	B	B17	1 38	21243.00
D18548	7360-010100787	A	99296.00	Q	B	B17	7 38	105121.00

B17H TSARCOM (Air)

First Page Listing of 4 Pages

LIV	NSN	L C C	OLD U/P	A C		Y N	NEW U/P
				B M	A C		
A08409	1730-004357816	A	1200.00	C H	B17	2 38	2520.00
A29576	1510-010055461	A	680883.00	A H	B17	7 11	801553.00
A30053	1510-009291012	B	16200.00	A H	B17	3 11	31010.00
A30221	1510-007159379	B	976437.00	A H	B17	1 11	2118503.00
A30271	1510-007159380	A	1058540.00	A H	B17	1 11	2296636.00
A30296	1510-008693654	A	2033066.00	A H	B17	2 11	4114214.00
A30444	1510-003688440	U	2500000.00	A H	B17	6 11	3213825.00
A30465	1510-009459998	B	295250.00	A H	B17	1 11	640582.00
A30585	1510-008043641	B	875004.00	A H	B17	2 11	1770702.00
A30591	1510-003943320	U	1501200.00	A H	B17	6 11	1929837.00
A30593	1510-004348993	U	2500000.00	A H	B17	7 11	2943063.00
A30596	1510-008727908	A	102907.00	A H	B17	4 11	175175.00
A30521	1510-005081494	F	122740.00	A H	B17	1 11	266300.00
A30571	1510-005080604	F	99529.00	A H	B17	1 11	215941.00
A30721	1510-005747938	B	115250.00	A H	B17	1 11	250049.00
A30921	1510-007012233	B	144593.00	A H	B17	1 11	313713.00
A30931	1510-009124084	B	114687.00	A H	B17	1 11	248828.00
A30943	1510-008784336	B	1259760.00	A H	B17	8 11	1366840.00
A30921	1510-005925423	S	148200.00	A H	B17	1 11	321539.00
A30946	1510-009338223	A	348844.00	A H	B17	2 11	705938.00
A30951	1510-001690295	A	494800.00	A H	B17	5 11	706562.00
A30953	1510-001401627	A	391218.00	A H	B17	6 11	502922.00
A30971	1510-009649780	B	55824.00	A H	B17	1 11	121117.00
A30989	1510-010111462	A	714945.00	A H	B17	7 11	841651.00
E84531	8145-000425792	A	4684.00	C H	B17	7 39	5514.00
F43003	3810-004337174	F	25000.00	C H	B17	6 01	33286.00
H30929	1520-010429396	A	1667000.00	A H	B17	7 11	1962434.00
H31972	1520-010434949	A	619000.00	A H	B17	8 11	671615.00
J42115	6115-001278544	B	16775.00	C H	B17	4 36	29010.00
K29560	1520-009999821	A	509833.06	A H	B17	2 11	1031724.00
K29594	1520-005049112	A	1173600.00	A H	B17	7 11	1381591.00
K29762	1520-008043635	A	531679.00	A H	B17	4 11	905060.00
K30378	1520-006336836	B	990717.00	A H	B17	2 11	2004864.00
K30383	1520-009902941	B	1063448.00	A H	B17	2 11	2152047.00
K30449	1520-008717308	A	2956896.00	A H	B17	5 11	4222371.00
K30515	1520-009649601	B	2847305.00	A H	B17	7 11	3351917.00
K30516	1520-001135776	B	3014803.00	A H	B17	7 11	3549102.00
K30548	1520-003688442	U	350000.00	A H	B17	5 11	499791.00
K30545	1520-009181523	A	140450.00	A H	B17	6 11	180553.00
K31042	1520-001897137	A	143782.00	A H	B17	6 11	184836.00
K31153	1520-007580289	A	35590.00	A H	B17	2 11	72022.00
K31749	1520-007139912	B	244760.00	A H	B17	2 11	495309.00
K31757	1520-009978862	B	224415.00	A H	B17	2 11	454137.00
K31786	1520-008592870	B	237504.00	A H	B17	2 11	480625.00
K31795	1520-000877637	A	618055.00	A H	B17	6 11	794528.00
K31904	1520-008092631	B	247758.00	A H	B17	2 11	501375.00

B64 MIRCOM

First Page Listing of 6 Pages

LIN	NSN	L C C	OLD U/P	A C		Y N	NEW U/P
				B M	A C		
A03198	1450-001795318	A	1727.00	E L	B64	2 19	3511.00
A03204	1450-001795317	A	1488.00	E L	B64	2 19	3025.00
A16277	4935-001347640	A	2163.00	E L	B64	3 19	4107.00
A26868	1425-010236141	A	2188189.00	G L	B64	7 20	2575991.00
A26874	1425-001382296	A	2239690.00	G L	B64	7 20	2636619.00
A35010	4935-000459864	A	971.00	E L	B64	3 19	1844.00
A35027	4935-009338823	A	5338.00	E L	B64	6 19	7227.00
A55304	6130-010249968	d	6257.00	E L	B64	7 21	7366.00
A80256	1260-010401494	U	3300.00	P L	B64	8 19	3581.00
A80343	1430-005865002	S	12806.00	E L	B64	1 19	27814.00
A80480	1430-007768890	A	15150.00	E L	B64	1 19	32906.00
A80534	1430-004339143	A	257105.00	E L	B64	4 19	438267.00
A80548	1430-004339144	A	162798.00	E L	B64	4 19	277509.00
A80517	1430-000866861	A	599178.00	E L	B64	1 19	1301403.00
A80991	1430-009732535	A	92151.00	E L	B64	3 19	174982.00
A81028	1430-009730394	A	532743.00	E L	B64	1 19	1157107.00
A81439	1430-005864996	A	141319.00	E L	B64	1 19	306942.00
A81576	1430-007750266	S	162798.00	E L	B64	1 19	353594.00
A81713	1430-005865000	S	140908.00	E L	B64	1 19	306049.00
A81950	1430-007750265	S	257105.00	E L	B64	1 19	558427.00
A90371	1440-009963769	A	24840.00	E L	B64	1 19	53952.00
B07752	1430-008328306	A	49350.00	E L	B64	6 19	66810.00
B07785	1430-003995318	A	65789.00	E L	B64	5 19	102464.00
B52090	1450-001685436	A	640.00	E L	B64	7 19	753.00
B52464	1450-006653234	A	362.00	E L	B64	7 19	426.00
C60381	1430-003835480	A	1450.00	E L	B64	6 19	1963.00
C60384	1430-000874243	A	13903.00	E L	B64	2 19	28266.00
C60385	1430-001068445	A	5995.00	E L	B64	6 19	8116.00
C60442	1430-001793990	A	101376.00	E L	B64	7 19	119342.00
C60499	1430-007687047	d	21358.00	E L	B64	2 19	43422.00
C61389	1430-003835479	A	4500.00	E L	B64	5 19	7009.00
C65800	1430-010301437	A	103.00	E L	B64	8 19	112.00
C67897	3895-009679837	A	10650.00	E L	B64	1 01	25840.00
C68171	1450-009679733	A	1163.00	E L	B64	1 19	2526.00
C99921	6130-010246922	A	4811.00	E L	B64	8 21	5220.00
D11568	1450-009308749	A	106925.00	E L	B64	6 19	144756.00
D11581	1450-001762697	A	85197.00	E L	B64	6 19	115340.00
D13271	1055-004408834	A	11500.00	E L	B64	1 22	27144.00
D75585	1720-008583289	d	7829.00	G L	B64	6 38	9954.00
099860	6130-000871528	A	10791.00	E L	B64	5 21	15295.00
E02533	2330-005423491	A	13669.00	E L	B64	8 02	14831.00
E54320	4931-001570958	A	16900.00	E L	B64	6 23	22979.00
E82469	1430-009030924	d	70800.00	E L	B64	2 19	143941.00
E98120	1440-007687048	d	1150.00	E L	B64	1 19	2498.00
E88198	1440-001788455	A	16723.00	E L	B64	7 19	19687.00
E89527	1440-000784865	A	7707.00	E L	B64	1 19	16739.00

A REPRESENTATIVE CALCULATION

From the CDA tape of 1 July 1979:

<u>LIN</u>	<u>NSN</u>	<u>TC</u>	<u>U/P</u>	<u>CMC</u>
C86076	6720-00-069-8868	A	\$ 9,100	B16
	6720-00-890-7610	A	\$20,000	B16
	6720-00-936-5430	B	\$10,000	B16

(LIN C86076 is Camera, Still Picture: KA-60)

The highest price among the three NIINs is \$20,000.00. SB 700-20 research indicates that the price of \$20,000.00 was first established sometime during the period between May 1971 and June 1972 (Year Code 3). The Index Code assigned to FSC 6720 is 21 (Electronics). From Appendix E, the value for Index Code 21, Year Code 3 is 1.694

Updated U/P = \$20,000.00 x 1.694 = \$33,880.00.

From the Computerized Output Record:

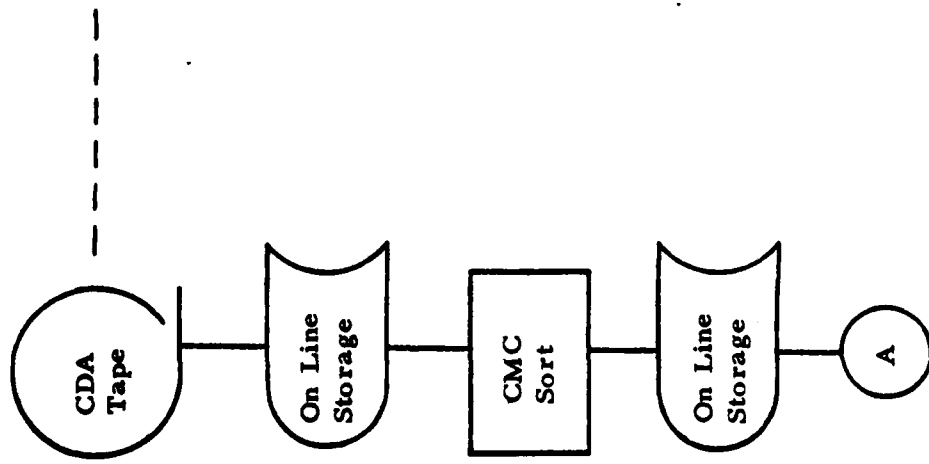
LIN	NSN	L	Old U/P	A	C	RIC	Y	NX	New U/P
		C		B	M		C		
C86076	6720-00-890-7610	A	20000.00	P	G	B16	3	21	33881.00

RECOMMENDED CHANGES TO PUBLICATIONS AND BLANK FORMS						DATE
Per use of this form, see AR 310-1; the proponent agency is the US Army Adjutant General Center.						Use Part II (reverse) for Repair Parts and Special Tool Lists (RPSTL) and Supply Catalogs/Supply Manuals (SC, SM).
TO: (Forward to proponent of publication or form) (Include ZIP Code)				FROM: (Activity and location) (Include ZIP Code)		
Proposed change to DARCOM Reg 700-5						
PART I - ALL PUBLICATIONS (EXCEPT RPSTL AND SC/SM) AND BLANK FORMS						
PUBLICATION/FORM NUMBER				DATE	TITLE	
DARCOM-R 700-5				July 1978 w/C1	Major Item Management	
ITEM NO.	PAGE NO.	PARA-GRAPH	LINE NO.*	FIGURE NO.	TABLE NO.	RECOMMENDED CHANGES AND REASON (Exact wording of recommended change must be given)
1	3-9	IV	3			<p>Add: <u>AND PLANNING PRICES FOR MAJOR ITEMS.</u></p> <p>Reason: All recommended changes adapt this regulation to include major item price updates under the methodology and procedures described in LSO Study 903.</p>
2	3-9	3-10	5			<p>After "... data.", add <u>and for the development and publication of planning prices for Class VII major items under ABA codes A through Q.</u></p>
3	3-9	3-11c	2			<p>After "... factors," add <u>planning prices for selected major items.</u></p>
4	3-10	3-12a(3)	2			<p>After "... factors.", add <u>and planning prices for selected major items.</u></p>
5	3-10	3-12b	9			<p>Add: <u>Planning prices for major items will be developed annually by DESCOM, using current FY historical indexes developed by MRCs.</u></p>
6	3-11	3-13b				<p>Add: (7) <u>On 1 June, provide to Commander, DESCOM, the FSG/FSC historical price index values which will update prices from the previous FY to the current FY. The index will normally include two components: the first a correction value for the previous FY if that previously submitted value was based on tentative data or DARCOM guidance; the second, a value for the current FY, based on tentative data or DARCOM guidance. The algebraic sum of the</u></p>
*Reference to line numbers within the paragraph or subparagraph.						
TYPED NAME, GRADE OR TITLE				TELEPHONE EXCHANGE/AUTOVON. PLUS EXTENSION		SIGNATURE

RECOMMENDED CHANGES TO PUBLICATIONS AND BLANK FORMS						DATE
For use of this form, see AR 310-1; the proponent agency is the US Army Adjutant General Center.						Use Part II (reverse) for Repair Parts and Special Tool Lists (RPSTL) and Supply Catalogs Supply Manuals (SC SM).
TO: (Forward to proponent of publication or form) (Include ZIP Code)						FROM: (Activity and location) (Include ZIP Code)
Proposed change to DARCOM Reg 700-5 (Cont'd)						
PART I - ALL PUBLICATIONS (EXCEPT RPSTL AND SC SM) AND BLANK FORMS						
PUBLICATION/FORM NUMBER				DATE	TITLE	
DARCOM-R 700-5				July 1978 w/C1	Major Item Management	
ITEM NO.	PAGE NO.	PARA-GRAPH	LINE NO.*	FIGURE NO.	TABLE NO.	RECOMMENDED CHANGES AND REASON (Exact wording of recommended change must be given)
6	3-11	3-13b				(Cont'd) <u>two components is the price index for the current FY. CY and FY indexes may be used interchangeably because prices are to be updated only annually. Note: For FY 81 only, include correction values for FY 79 as well as FY 80 because these two years were updated based only upon DARCOM guidance of 8.5% for each year. Note: By Change 1, the previous subparagraph 3-13b(7) was renumbered (6).</u>
7	3-12	3-13c				Add: <u>(9) Establish and maintain necessary computer programs for development of the major items planning price file.</u>
8	3-15	3-18b				Add: <u>MRCs will forward by letter to DESCOM the annual historical price index values.</u>
9	3-15	3-18(d)1	2			Add: <u>, except for the major item planning price file, which will be updated annually in June for the next semiannual publication of SB 710-1-1.</u>
10	3-16	3-18(d)3				Add: <u>(c) Annual magnetic tape file of major item planning prices, two years. Note: Previous subparagraph (c) was deleted by Change 1.</u>
*Reference to line numbers within the paragraph or subparagraph.						
TYPED NAME, GRADE OR TITLE				TELEPHONE EXCHANGE/AUTOVON, PLUS EXTENSION		SIGNATURE

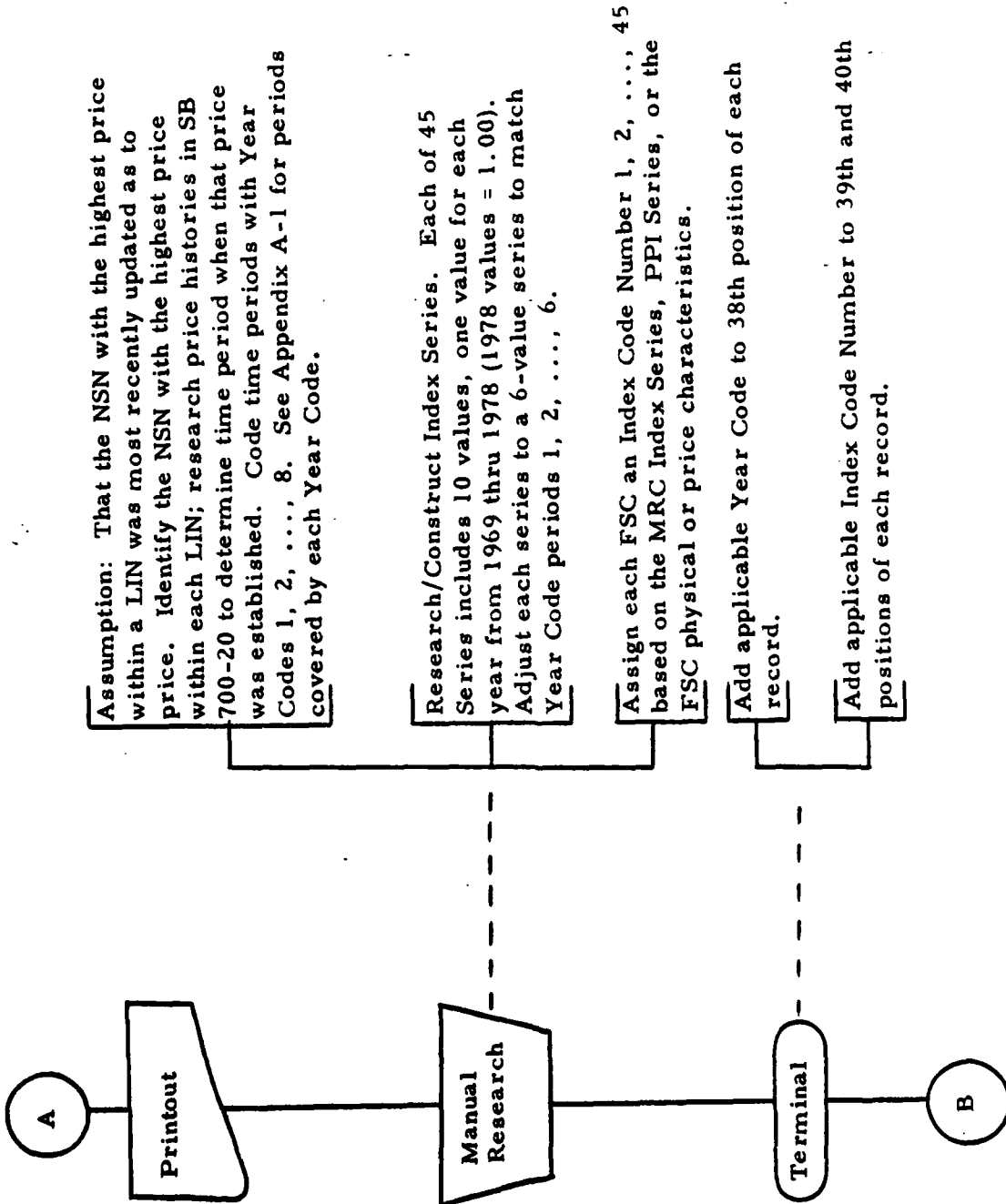
RECOMMENDED CHANGES TO PUBLICATIONS AND BLANK FORMS						Use Part II (reverse) for Repair Parts and Special Tool Lists (RPSTL) and Supply Catalogs/Supply Manuals (SC, SM).		DATE
For use of this form, see AR 310-1; the proponent agency is the US Army Adjutant General Center.								
TO: (Forward to proponent of publication or form) (Include ZIP Code)						FROM: (Activity and location) (Include ZIP Code)		
Proposed change to SB 710-1-1								
PART I - ALL PUBLICATIONS (EXCEPT RPSTL AND SC/SM) AND BLANK FORMS								
PUBLICATION/FORM NUMBER						DATE	TITLE	
SB 710-1-1							Standard Study System and Replacement Factors	
ITEM NO.	PAGE NO.	PARA-GRAPH	LINE NO.*	FIGURE NO.	TABLE NO.	RECOMMENDED CHANGES AND REASON (Exact wording of recommended change must be given)		
						<p>Note: All recommended changes adapt this publication to include major item price updates under the methodology and procedures described in LSO Study 903.</p>		
1	1-1	1-3n	1			Change subparagraph title to read <u>SSN Nomenclature and Price.</u>		
2	1-2					Add paragraph 1-2v. <u>Prices reflect current FY of this SB. Materiel planners may update these prices by DARCOM inflation guidance to the desired outyear of the POM. These prices are not valid for any other purpose.</u>		
3	1-2	1-3v thru ab				ReNUMBER 1-3w through 1-3ac.		
4	2-1 thru 2-551					Add: , <u>Planning Price</u> to heading of column ten. Column will then read <u>SSN/LIN/DODAC/NSN/ACVC Nomenclature, Planning Price.</u>		
5	Same					Place \$ in the last space (now empty) of column ten. Updated price will then appear on the factor line.		
*Reference to line numbers within the paragraph or subparagraph.								
TYPED NAME, GRADE OR TITLE						TELEPHONE EXCHANGE/AUTOVON, PLUS EXTENSION		SIGNATURE

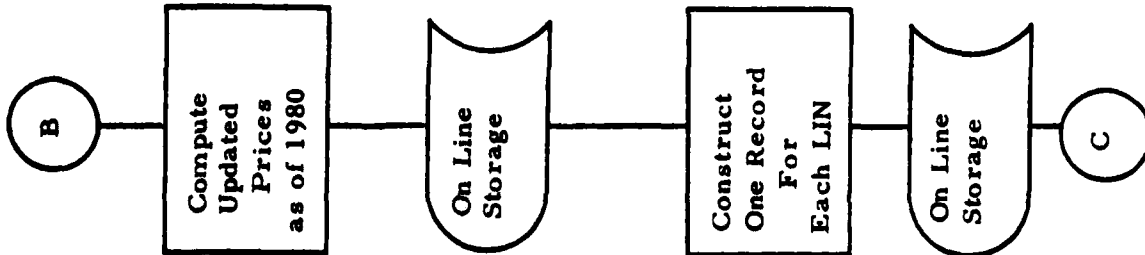
PROCESS FLOW TO UPDATE STANDARD PRICE TO 1980



Records from Chapter 2, SB 700-20, as of 1 July 1979, for Class VII Major Items with ABA Codes A thru Q. Records in LIN major sort, NIIN minor sort. Record format as follows:

LIN	FSC	NIIN	Class	Old UP	ABA	CMC	RIC	TC
1-6	7-10	11-19	20	21-31	32	33	34-36	37
A02251	5450	003784719	7	00000146500	P	G	B16	A





If Year Code = 1, 2, ..., 6: Using the Year Code and the Index Code Number for the NSN, look up the appropriate index value (table of index values placed in computer program). Compute New UP = Old UP X Index Value X (1.085)².

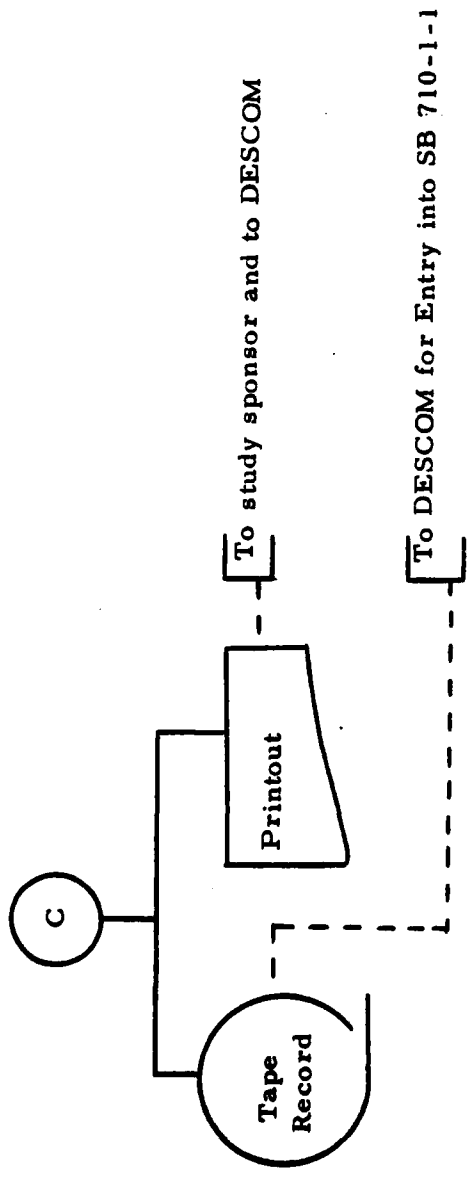
If Year Code = 7, compute New UP = Old UP X (1.085)²

If Year Code = 8, compute New UP = Old UP X 1.085

Add New UP to 41st thru 51st positions of each record;

Find NSN with highest New UP in LIN; round New UP to nearest dollar; format LIN record as follows:

LIN	FSC	NIIN	TC	Old UP	ABA	CMC	RIC	Year Code	Index	New UP
1-6	7-10	11-19	20	21-31	32	33	34-36	37	38-39	40-50
A02251	5450	003784719	A	00000146500	P	G	B16	I 37	000000348500	



PROPOSED PROCESS FOR ANNUAL UPDATE OF SB 710-1-1
PLANNING PRICES

I. MRCs will develop correction factors for each index series. This step requires the MRCs to determine the divergence between the estimated inflation factor(s) used at the last update and the actual inflation factor that has been experienced since the last update. For example, in the 1981 update the following fact must be taken into consideration. All indexes used in this study to update prices to 1980 used estimated inflation factors of 8 1/2 percent per year for each of the two preceding years. Actual index changes between 1978 and 1979 and between 1979 and 1980 should be compared with the 8 1/2 percent rates and the cumulative difference determined for each index series. This difference should then be added to (or subtracted from) the published DOD inflation rates for 1981 to establish the overall 1981 update factor for each index series.

II. CDA will develop a listing of all major items (MIs) that have had price updates by the item manager (whether update was because of new procurement or for other reasons) since the last SB 710-1-1 update. It is assumed that these newly established prices are current and will need no further updating. This list should include the prices of any new LINs/NSNs added in the last year; their prices also are assumed

to be current. This listing might be produced by comparing the then current SB 700-20 tape with that of one year earlier to identify all price changes and added items.

III. DESCOM will update the SB 710-1-1 tape by performing the following steps:

A. For LINs/NSNs found both on the list prepared in Step II and in SB 710-1-1, enter the item manager's updated price in the SB 710-1-1 record.

B. For LINs/NSNs found only on the list prepared in Step II and not in SB 710-1-1, follow current standard procedures for adding new items to SB 710-1-1.

C. For NSNs/LINs found only in SB 710-1-1 and not on the list prepared in Step II, multiply the price shown in SB 710-1-1 by the update factor (from Step I) for the index series assigned to the FSC of the item.