



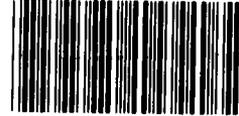
UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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PROCUREMENT AND SYSTEMS
ACQUISITION DIVISION

OCTOBER 24, 1980

B-200836



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The Honorable Harold Brown
The Secretary of Defense

Attention: Assistant for Audit Reports

Dear Mr. Secretary:

Subject: The Department of Defense Should Determine
the Cost Effectiveness of the Gator Mine Sys-
tem (PSAD-81-13)

The Air Force currently plans to complete development of the air-delivered Gator Mine System in fiscal year 1981 but has canceled plans to enter production. Gator will be an "on-the-shelf" mine system ready for production if needed. The Navy, the other participant in this joint program, is assessing the impact of the Air Force decision on its funding and production plans. However, the Navy will not begin production before fiscal year 1984, if at all.

We began our review of the Gator program before the Air Force decided to cancel production. We were especially concerned that Gator might enter production without the benefit of an adequate cost-effectiveness study. Through fiscal year 1980, development costs are estimated at \$48.6 million, and an additional \$6.8 million will be needed to complete development in fiscal year 1981.

We now understand that the Air Force's Armament Division is preparing a contract, scheduled for award about February 1981, for a detailed analysis of Gator and other antiarmor weapon systems. The draft contract notes that "funding constraints will force hard decisions on what mix and quantity of weapons will produce the best, most timely and most cost-effective capability." The proposed contract will provide information needed to make these decisions.

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Presumably, the detailed analysis to be made under the contract will include a cost-effectiveness study that will consider all the essential elements that are necessary to make an informed decision on future acquisitions. Accordingly, we would appreciate being advised of the details of the proposed analysis, its objectives, and planned completion as soon as that information is available. In any event, Gator should not be approved for production without first making a cost-effectiveness study.

Copies of this letter are being sent to the Director, Office of Management and Budget, and the Secretaries of the Air Force and Navy. We are also sending copies to the Chairmen of the Senate Committees on Appropriations, Armed Services, and Governmental Affairs and the House Committees on Appropriations, Armed Services, and Government Operations.

Sincerely yours,

A handwritten signature in cursive script, appearing to read 'W. H. Sheley, Jr.', written in dark ink.

W. H. Sheley, Jr.
Acting Director