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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548  
by the



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The Honorable Les Aspin  
House of Representatives

R Dear Mr. Aspin:

Enclosed is a comparison of the estimated cost data as of June 30, 1972, with the estimated cost data as of March 31, 1972, for the 47 major weapon systems on the Selected Acquisition Reporting (SAR) System (See Attachment I), as requested by your letter of October 11, 1972. Also, Attachment I shows the cost changes during the quarter ending June 30, 1972, by military service and by individual weapon system. This information was obtained from the Selected Acquisition Reports released by the Department of Defense. We have made no audit or verification of the reported data.

In addition to the summary data we have included a chart showing the planning estimates, development estimates and current estimates for all 47 major weapon systems reported through the SAR as of June 30, 1972, (See Attachment II).

As you know, we plan to review the June 30, SARs in connection with the preparation of our Acquisition of Major Weapon Systems Report on the status of these and other weapon systems early in the next calendar year.

Sincerely yours,

Comptroller General  
of the United States

Enclosures - 2

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COMPARISON OF THE ESTIMATED COST DATA AS OF JUNE 30, 1972  
WITH THE ESTIMATED COST DATA AS OF  
MARCH 31, 1972, FOR 47 WEAPON SYSTEMS

(\$ In Millions)

NUMBER OF SYSTEMS	PLANNING ESTIMATE	DEVELOPMENT ESTIMATE	COST CHANGE		CURRENT ESTIMATE
			QUANTITY (Decrease)	OTHER	
ARMY <sup>1/</sup> (11)	\$ 9,469.8	\$ 10,531.7	\$ ( 553.7)	\$ 1,353.9	\$ 11,331.9
NAVY <sup>2/</sup> (23)	26,491.6	34,804.9	677.7	6,015.0	41,497.6
AIR FORCE (12)	34,997.7	41,482.1	(3,767.7)	9,817.3	47,531.7
DCA ( 1)	251.8	261.0	0	15.4	276.4
TOTAL (47) as of 6/30/72	<u>\$71,210.9</u>	<u>\$87,079.7</u>	<u>\$(3,643.7)</u>	<u>\$17,201.6</u>	<u>\$100,637.6</u>
TOTAL (47) as of 3/31/72	<u>\$71,210.9</u>	<u>\$87,079.7</u>	<u>\$(4,910.1)</u>	<u>\$16,180.4</u>	<u>\$ 98,350.0</u>
DIFFERENCE	<u>--- 0 ---</u>	<u>--- 0 ---</u>	<u>\$ 1,266.4</u>	<u>\$ 1,021.2</u>	<u>\$ 2,287.6</u>

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NOTE:

The amounts indicated above for current estimate show a net increase of \$2,287.6 million as compared to the total as of March 31, 1972. This net increase consists of an increase of \$9.6 million for the Army, an increase of \$2,299.4 million for the Navy, a decrease of \$29.6 million for the Air Force, and an increase of \$8.2 million for the Defense Communication Agency (DCA).

<sup>1/</sup> Cost estimates do not include any costs for the SAFEGUARD program which is currently being reevaluated by the Army as a result of the SALT agreements.

<sup>2/</sup> Cost estimates do not include any costs for the TRIDENT, HARPOON or ... by the Navy

The Selected Acquisition Reporting (SAR) System reported status data on 49 major weapon systems as of March 31, 1972. Subsequent to March 31, 1972, 2 systems were removed from the SAR because program funds were over 90 percent obligated and production was nearly completed. These systems were the SSN637 with a current estimate of \$2,944.0 million and the DE-1052 with a current estimate of \$1,430.6 million at March 31, 1972.

During the quarter ending June 30, 1972, the 47 major weapon systems on the SAR had a net cost increase of \$2,287.6 million, excluding cost changes related to the Navy's TRIDENT, HARPOON, and BQQ5 Program which are classified. These cost changes in the current estimate are shown below by military services and by individual weapon system.

ARMY Net increase \$9.6 million

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Improved MAWK: Decrease - \$3.5 million

This reduction was primarily due to a decrease in the scope of several Research and Development efforts.

CHEYENNE: Increase \$.4 million

This increase was the result of the CHEYENNE's participation in the Combat Development Experimentation Command field exercise to determine helicopter vulnerability in a simulated hostile environment. The Army canceled the CHEYENNE program on August 9, 1972.

LANCE: Increase \$2.4 million

This increase was the result of increases for engineering services which were offset by deletion of non-nuclear effort, and decreases for price adjustments and initial spares.

M60A2: Decrease \$.7 million

This decrease was due to a reduction in initial spares which was offset in part by an increase in the quantity of Laser rangefinders being procured for turret trainers.

DRAGON: Decrease \$.4 million

This decrease was an adjustment in the FY 1972 estimate of development costs.

TOW: Decrease \$.3 million

This decrease was primarily the result of the termination of the Laser Gated Night Sight Program.

TACFIRE: Increase \$12.3 million

This increase was primarily due to an increase in quantities of equipment.

HLH: Decrease \$.5 million

This decrease was due to the transfer of the Multi Lift exploration effort from the HLH program.

UTIAS: Decrease \$.1 million

This decrease reflects the correction of an error in the previous SAR estimate.

NAVY Net Increase \$2,299.4 million

MARK 48: Increase \$24.9 million

This increase is primarily due to adding support costs for items not included in original back up program such as automatic workshop equipment, spares, MILCON, and test and certification.

SSN-688: Increase \$1,021.0 million

This increase is the result of adding one more year's procurement of submarines to the program including outfitting and post delivery costs.

AEGIS: Decrease \$.2 million

This decrease is the result of a downward adjustment of the cost estimate because the FY 1972 portion of the January 1972 civilian pay raise was not funded.

SPARROW E: Increase \$7.9 million

This increase is a result of a small increase in quantity of missiles, initial spares and fleet support costs.

SPARROW F: Increase \$50.6 million

This increase is due to extending the years of missile procurement and redefinition of initial spares.

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CONDOR: Increase \$144.3 million

This increase is attributed to an increase in quantities -\$110 million, settlement of contractor claims -\$28 million, and increased initial operational test and evaluation requirements -\$5 million.

EA6B: Increase \$356.4 million

This increase is a result of an increase in quantity of aircraft and their related Government-Furnished Equipment -\$303 million, and spares, training costs, and other support costs -\$53 million.

PHOENIX: Decrease \$137.7 million

This decrease is the net result of a reduction in the quantity of missiles to be procured -\$170 million, and an increase in support equipment as a result of a repricing action -\$32 million.

E2C: Increase \$15.7 million

This increase is the result of a reassessment of the requirement for spares, peculiar ground support equipment, publications and contractor engineering technical services.

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HARRIER: Increase \$5.8 million

This increase is for mobilization spare engines and for additional tests of the Stencil seat.

VAST: Decrease \$8.2 million

This decrease is due to a decrease for revised requirements for F-14 and S-3A aircraft -\$12 million, an increase in spares requirement -\$4 million, and other minor adjustments to reflect actual costs.

A-7E: Increase \$625.6 million

This increase is due to an increase in quantity of aircraft -\$391 million, and the development and production of Target Recognition Attack Multi-sensors (TRAM) for the A-7E -\$94 million, and related support and initial spares -\$140 million.

P-3C: Increase \$197.5 million

This increase is attributed to increase for quantity -\$79 million, program stretchout -\$44 million, escalation due to program stretchout -\$31 million, engineering improvements -\$30 million, reestimation of support requirements -\$9 million, revised planning data for investment spares requirement -\$7 million, and a decrease due to cost savings in spares -\$2 million.

DD-963: Decrease \$4.2 million

This decrease reflects a revised cost estimate based on updated information using actual BLS indices for labor through March 1972 and material through May 1972.

AIR FORCE Net decrease \$29.6 million

F-15: Increase \$.3 million

This increase is the result of the allocation of funds to the F-15 program for an ECM Pod Study.

SRAM: Decrease \$6.0 million

This decrease is the result of the negotiated settlement of the development contract.

A-7D: Decrease \$23.9 million

This decrease reflects an adjustment in the FY 70 and 71 cost estimates resulting from lower than estimated costs for airframe, peculiar support and development effort.

DCA Net Increase \$8.2 million

DSCS - Phase II: Increase \$8.2 million

This increase is primarily the result of engineering changes, revised cost estimates and additional effort related to light terminal development.

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SCHEDULE OF PROGRAM COST DATA APPEARING ON  
THE JUNE 30, 1972 SARs  
(\$ IN MILLIONS)

SYSTEM	PLANNING ESTIMATE	DEVELOPMENT ESTIMATE	COST CHANGE		CURRENT ESTIMATE
			QUANTITY (Decrease)	OTHER	
<u>ARMY (11)</u>					
CHEYENNE <sup>a/</sup>	\$ 125.9	\$ 125.9	\$ 15.4	\$ 190.3	\$ 331.6
SAFEGUARD <sup>b/</sup>	-	-	-	-	-
DRAGON	382.2	404.2	(131.9)	212.4	484.7
SAM-D	4,916.8	5,240.5	-	-	5,240.5
TOW	410.4	727.3	(307.4)	231.7	651.6
LANCE	586.7	652.9	5.9	117.8	776.6
IMPROVED HAWK	335.5	588.2	(114.1)	284.2	758.3
M60A2	162.1	205.6	( 45.3)	242.5	402.8
HLH <sup>f/</sup>	119.3	119.3	-	3.8	123.1
UTTAS <sup>f/</sup>	2,307.3	2,307.3	( 0.7)	37.9	2,344.5
TACFIRE	123.6	160.5	24.4	33.3	218.2
TOTAL	<u>\$9,469.8</u>	<u>\$10,531.7</u>	<u>\$ (553.7)</u>	<u>\$ 1,353.9</u>	<u>\$ 11,331.9</u>
<u>NAVY (23)</u>					
DLCN-38	\$ 769.2	\$ 820.4	\$ -	\$ -	\$ 820.4
SSN-688	1,658.0	5,747.5	1,986.5	362.1	8,096.1
CVAN 68/69	946.5	1,063.2	-	253.0	1,316.2
DD-963	1,784.4	2,581.2	-	169.1	2,750.3
LHA	1,380.3	1,380.3	(480.6)	70.3	970.0
TRIDENT <sup>e/</sup>	CLASSIFIED				
F-14	6,166.0	6,166.0	(1,116.5)	222.1	5,271.6
A-7E	1,465.6	1,465.6	240.7	1,069.7	2,776.0
HARRIER	503.6	503.6	-	21.9	525.5
E-2C	586.2	586.2	-	287.6	873.8
P-3C	1,294.2	1,294.2	1,028.2	164.6	2,487.0
S-3A	1,763.8	2,891.1	-	260.7	3,151.8
EA-6B	689.7	817.7	101.6	656.3	1,575.6
MARK-48	720.5	1,753.8	( 20.8)	224.9	1,957.9
PHOENIX	370.8	536.4	15.3	562.0	1,113.7
CONDOR	356.3	441.0	(146.6)	230.4	524.8
HARPOON <sup>e/</sup>	CLASSIFIED				
POSEIDON <sup>f/</sup>	4,568.7	4,568.7	(243.6)	425.9	4,751.0
SPARROW E <sup>e/</sup>	687.2	740.7	(527.6)	126.4	339.5
SPARROW F <sup>d/</sup>	151.5	707.7	28.0	541.2	1,276.9
AEGLS	388.0	427.6	-	56.5	484.1
VAST	241.1	312.0	(186.9)	310.3	435.4
BQQ-5 <sup>e/</sup>	CLASSIFIED				
TOTAL	<u>\$26,491.6</u>	<u>\$34,804.9</u>	<u>\$ (77.7)</u>	<u>\$ 6,015.0</u>	<u>\$41,497.6</u>

SCHEDULE OF PROGRAM COST DATA APPEARING ON  
THE JUNE 30, 1972 SARs  
(\$ IN MILLIONS)

SYSTEM	PLANNING ESTIMATE	DEVELOPMENT ESTIMATE	COST CHANGE		CURRENT ESTIMATE
			QUANTITY (Decrease)	OTHER (Decrease)	
<u>AIR FORCE (12)</u>					
B-1	\$ 8,954.5	\$11,218.8	\$ (33.8)	\$ (72.4)	\$11,112.6
F-15	6,039.1	7,355.2	-	446.8	7,802.0
C-5A	3,423.0	3,413.2	(710.3)	1,823.5	4,526.4
F-111	4,686.6	5,505.5	(2,628.0)	4,117.1	6,994.6
A-7D	1,379.1	1,379.1	(282.6)	228.3	1,324.8
F-5E	698.6	315.5	( 5.2)	( 12.9)	297.4
A-X	1,025.5	84.5	-	-	84.5
AWACS	2,656.7	2,661.6	-	( 0.3)	2,661.3
MAVERICK	257.9	383.4	( 82.1)	84.0	385.3
SRAM	167.1	236.6	125.6	963.7	1,325.9
MINUTEMAN II	3,014.1	4,254.9	4.0	647.5	4,906.4
MINUTEMAN III	2,695.5	4,673.8	(155.3)	1,892.0	6,110.5
TOTAL	<u>\$34,997.7</u>	<u>\$41,482.1</u>	<u>\$(3,767.7)</u>	<u>\$9,817.3</u>	<u>\$47,531.7</u>
<u>DCA (1)</u>					
DSCS - PHASE II	<u>\$ 251.8</u>	<u>\$ 261.0</u>	<u>\$ 0</u>	<u>\$ 15.4</u>	<u>\$ 276.4</u>

- a/ The CHEYENNE costs represent research and development costs only. The program was terminated on August 9, 1972, and a final SAR will be prepared after completion of the termination activities.
- b/ The March 1972 SAR showed a current estimate of \$7,975 million for a four site program. On May 26, 1972, the President signed the Treaty on Limitation of Anti-Ballistic Missile Systems which limits deployment of operational ABM Systems to two locations, and further limits hardware which may be deployed to these two locations. The June SAR did not include any costs for SAFEGUARD pending a reevaluation of the program and therefore we have excluded SAFEGUARD costs from our schedules.
- c/ The cost estimates for these systems are not included in this schedule because the costs have been classified by the Navy.
- d/ Cost estimates include Air Force estimates for its portion of the SPARKOW F program.
- e/ Cost estimates for the Air Force portion of this program were deleted from the SAR in December 1971.
- f/ For the programs where the SAR's have shown only a development or a planning estimate, we have made both estimates the same to prevent distortion between the totals of these columns.

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