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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

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Dear Mr. Chairman:

Enclosed is the updated summary of estimated cost data, concerning the status of 45 selected major weapon systems included both in our report thereon dated March 18, 1971 (See Attachment I), and in the March 31, 1971, SARs as requested by your letter of September 20, 1971. This information was obtained from the March 31, 1971, Selected Acquisition Reports (SARs) as 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 schedule of program cost data for each of the individual systems included on the Selected Acquisition Reporting System as of March 31, 1971 (See Attachment II).

As you know, we do plan to review the SAR's issued as of June 30th in connection with the preparation of our Major Acquisition Reporting System report on the status of these and other weapon systems early in the next calendar year.

Sincerely yours,

James B. Parsons

Comptroller General
of the United States

Attachments

The Honorable William Proxmire, Chairman
Subcommittee on Priorities and Economy in Government
Joint Economic Committee
Congress of the United States

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SUMMARY OF ESTIMATED COST DATA AS OF MARCH 31, 1971
(\$ IN MILLIONS)

<u>NUMBER OF SYSTEMS</u>	<u>PLANNING ESTIMATE</u>	<u>DEVELOPMENT ESTIMATE</u>	<u>COST CHANGE</u>		<u>CURRENT ESTIMATE</u>
			<u>QUANTITY</u>	<u>OTHER</u>	
ARMY (10)	\$13,088.3	\$12,757.2	\$(2,081.4)	\$4,354.2	\$15,030.00
NAVY (24)	31,012.4	38,035.3	1,508.02	7,129.78	46,673.10
AIR FORCE (11)	<u>35,055.1</u>	<u>42,863.6</u>	<u>(4,871.8)</u>	<u>9,553.5</u>	<u>47,545.30</u>
TOTAL (45)	<u>\$79,155.8</u>	<u>\$93,656.1</u>	<u>\$(5,445.18)</u>	<u>\$21,037.48</u>	<u>\$109,248.4</u>
TOTAL (45) as of 6/30/70	<u>\$78,615.5</u>	<u>\$87,884.6</u>	<u>\$ 3,476.6</u>	<u>\$18,940.5</u>	<u>\$110,301.7</u>
DIFFERENCE 6/30/70 - 3/31/71	<u>\$ 540.3</u>	<u>\$ 5,771.5</u>	<u>\$(8,921.78)</u>	<u>\$ 2,096.98</u>	<u>\$ (1,053.3)</u>

NOTE:

The amounts indicated above for current estimate show a net decrease of \$1,053.3 million as compared to the similar total as of June 30, 1970, reflected in the GAO report (B-163058, dated March 18, 1971). This net decrease consists of an increase of \$1,235.2 million for the Army, a decrease of \$4,876.7 million for the Navy and an increase of \$2,588.2 million for the Air Force.

The systems accounting for the major changes are as follows:

ARMY

SAFEGUARD: Increase - \$229 million

Significant increases were primarily due to revision of previous estimates, historic inflation and stretchout costs. These increases were partially offset by quantity reductions.

SAM-D: Increase - \$508.3 million

This increase is primarily due to revised cost estimates to update the constant dollar base from FY 1970 to FY 1971 and to reflect the "best estimates" of the amounts ultimately to be paid, specifically incorporating anticipated changes in future prices.

ARMY (Cont'd)

MBT-70: Increase - \$394.3 million

This increase is primarily due to revised cost estimates to update the constant dollar base from FY 1970 to FY 1971 and to reflect the "best estimates" of the amounts ultimately to be paid, specifically incorporating anticipated changes in future prices.

TOW: Increase - \$47.8 million

This increase is primarily due to revised cost estimates to update the constant dollar base from FY 1970 to FY 1971 and to reflect the "best estimates" of the amounts ultimately to be paid, specifically incorporating anticipated changes in future prices.

M-60A1E2: Increase - \$31.1 million

This increase is primarily due to price escalation and incorporation of SHILLELAGH equipment previously reported in SHILLELAGH SAR.

NAVY

SSN-688: Increase - \$1,467.8 million

This increase is primarily due to an increase in the number of units to be procured.

DLGN-38: Decrease - \$3,972.0 million

This decrease is primarily due to a reduction in the number of units to be procured.

DD-963: Decrease - \$1,461.4 million

This decrease is primarily due to a reduction in the number of units to be procured.

LHA: Decrease - \$467.8 million

This decrease is primarily due to a reduction in the number of units to be procured.

MARK-48: Decrease - \$1,196.7 million

This decrease is primarily due to a reduction in the number of torpedoes to be procured, and refinement of production costs.

AIR FORCE

B-1: Increase - \$1,016.3 million

This increase is primarily due to escalation of procurement estimate from FY 1970 to Then Year Dollars.

F-111: Increase - \$295.2 million

This increase is primarily due to a program cost estimate reassessment reflecting results of an independent cost estimate completed in January 1971 and other developments such as the Norden Settlement.

Minuteman II: Increase - \$297.9 million

This increase is primarily due to an upgrading of the silo program.

Minuteman III: Increase - \$432.6 million

Program costs have increased primarily due to an upgrading of the silo program. This cost increase was offset by significant cost decreases related to reductions in missiles and related equipment.

SCHEDULE OF PROGRAM COST DATA APPEARING ON MARCH 31, 1971 SARs
 (\$ IN MILLIONS)

<u>SYSTEM</u>	<u>PLANNING ESTIMATE</u>	<u>DEVELOPMENT ESTIMATE</u>	<u>COST CHANGE</u>		<u>CURRENT ESTIMATE</u>
			<u>QUANTITY</u>	<u>OTHER</u>	
<u>ARMY</u>					
CHEYENNE	\$ 125.9	\$ 125.9	\$ -	\$ 76.2	\$ 202.1
SAFEGUARD ^{a/}	4,185.0	4,185.0	830.0	1,153.0	6,168.0
DRAGON	382.2	404.2	(232.7)	92.4	263.9
SAM-D	4,916.8	4,031.0	(1,791.4)	1,682.2	3,921.8
LANCE	586.7	652.9	6.9	105.8	765.6
TOW	410.4	727.3	(282.4)	278.2	723.1
M-60A1E2	162.1	205.6	(15.8)	200.6	390.4
MBT-70	2,126.5	2,100.9	(602.4)	721.5	2,220.0
GAMA GOAT	69.1	163.9	(5.5)	17.1	175.5
TACFIRE	123.6	160.5	11.9	27.2	199.6
<u>NAVY</u>					
SSN-688	1,658.0	5,747.5	-	-	5,747.5
DLGN-38	769.2	769.2	338.32	410.78	1,518.3
S-3A	1,763.8	2,891.1	-	35.6	2,926.7
F-14	6,166.0	6,166.0	2,053.7	157.4	8,377.1
EA-6B	689.7	817.7	(50.7)	295.3	1,062.3
P-3C	1,294.2	1,294.2	971.1	94.8	2,360.1
A-7E	1,465.6	1,465.6	(197.1)	625.4	1,893.9
SQS-23	157.1	170.5	(82.7)	148.7	236.5
VAST 247	241.1	312.0	(180.7)	298.5	429.8
PHOENIX	370.8	536.4	215.5	499.4	1,251.3
CONDOR	356.3	441.0	(213.7)	53.0	280.3
POSEIDON ^{a/}	4,568.7	4,568.7	(243.6)	787.9	5,113.0
SPARROW E	1,215.8	1,269.3	(710.4)	22.5	581.4
SPARROW F	151.5	465.3	267.7	527.9	1,260.9
MARK-48	720.5	714.0	(51.9)	1,898.4	2,560.5
LHA	1,380.3	1,380.3	(480.6)	60.3	960.0
CVAN-68/69	946.5	1,063.2	-	170.6	1,233.8
DE-1052	1,285.1	1,259.7	-	156.1	1,415.8
SSN-637 ^{a/}	2,515.8	2,515.8	-	426.8	2,942.6
SSN-685	100.8	151.7	-	26.2	177.9
DLG CONV.	698.8	698.8	-	286.3	985.1
AMTRAC	324.4	328.5	(126.9)	.9	202.5
DD-963	1,784.4	2,581.2	-	134.0	2,715.2
AEGIS	388.0	427.6	-	13.0	440.6

^{a/} For these programs where the SAR's have shown only a development or a planning estimate, we have made both estimates the same in order to prevent distortion between the totals of these columns.

<u>SYSTEM</u>	<u>PLANNING ESTIMATE</u>	<u>DEVELOPMENT ESTIMATE</u>	<u>COST CHANGE</u>		<u>CURRENT ESTIMATE</u>
			<u>QUANTITY</u>	<u>OTHER</u>	
<u>AIR FORCE</u>					
B-1	\$8,954.5	\$11,218.8	\$ (33.8)	\$ (60.9)	\$11,124.1
F-15	6,039.1	7,355.2	-	(43.6)	7,311.6
C-5A	3,423.0	3,413.2	(736.3)	1,893.4	4,570.3
F-111	4,686.6	5,505.5	(2,686.6)	3,856.6	6,675.5
FB-111	1,781.5	1,781.5	(1,043.3)	545.6	1,283.8
A-7D	1,379.1	1,379.1	(282.6)	309.9	1,406.4
AWACS	2,656.7	2,661.6	-	3.4	2,665.0
MAVERICK	257.9	383.4	(63.5)	52.5	372.4
SRAM	167.1	236.6	125.6	941.9	1,304.1
MINUTEMAN II	3,014.1	4,254.9	4.0	505.4	4,764.3
MINUTEMAN III	2,695.5	4,673.8	(155.3)	1,549.3	6,067.8

NOTE:

For comparison purposes, the above 45 programs on the SAR at March 31, 1971, were also on the SAR at June 30, 1970. Subsequent to June 30, 1970, two programs were completed and dropped from the SAR. Also, three programs were added to the SAR as of December 31, 1970, and March 31, 1971. These five programs are excluded from the schedule because comparable data is not available for March 31, 1971 or June 30, 1970.