
June 1996

Defense Acquisitions Issue Area Plan

Fiscal Years 1996-98



Foreword

As the investigative arm of Congress and the nation's auditor, the General Accounting Office is charged with following the federal dollar wherever it goes. Reflecting stringent standards of objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose waste, fraud, abuse, and mismanagement in federal programs; help Congress target budget reductions; assess financial information management; and alert Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and uses hundreds of databases or creates its own when information is unavailable elsewhere.

To ensure that GAO's resources are directed toward the most important issues facing Congress, each of GAO's 32 issue areas develops a strategic plan that describes the significance of the issues it addresses, its objectives, and the focus of its work. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

The Defense Acquisitions issue area covers programs of the Department of Defense (DOD), the individual military services, and other supporting defense agencies. It also is responsible for GAO's work on the National Aeronautics and Space Administration (NASA). Its work focuses on (1) the justification for new systems; (2) development and acquisition (or major modification) of weapon and space systems; (3) DOD's and NASA's budgeting for their procurement and research, development, test, and evaluation (RDT&E) accounts; (4) acquisition reform initiatives and reductions in acquisition infrastructure; and (5) defense technologies and international competitiveness. The principal issues in the defense acquisitions area are

- the adequacy of the justifications for systems selected for development or modification;
- the efficient, effective, and economical acquisition of systems;
- assurance that funds budgeted for procurement and for RDT&E can be and should be spent as indicated;
- cost savings from acquisition reform initiatives and related infrastructure reductions; and
- the protection of critical defense technologies and the enhancement of U.S. international competitiveness.

Foreword

In the pages that follow, we describe our key planned work on these issues.

Because events may significantly affect even the best of plans, our process allows for updating the plan and responding quickly to emerging issues. If you have any questions or suggestions about this plan, please call me at (202) 512-4841.

A handwritten signature in black ink that reads "Louis J. Rodrigues". The signature is written in a cursive style with large, flowing letters.

Louis J. Rodrigues
Director
Defense Acquisitions Issues

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Table I: Key Issues

Issue	Significance
Weapon and space systems justification: Are DOD and NASA selecting for development only those systems and modifications that are adequately justified?	Many of the military systems that are in planning or under development were designed to counter a Soviet threat that no longer exists. The notion of an all-out confrontation in Europe has given way to concerns over regional instabilities. In light of these changes, justifications for weapon systems must be revisited to determine whether the system supports a new strategy focused on regional instabilities and to ensure that the appropriate tradeoffs are being made in the current constrained budget environment. NASA systems need to be considered in light of significant reductions in resources to achieve NASA's mission.
Weapon and space systems acquisition: Are DOD and NASA ensuring that systems are being acquired in an efficient, effective, and economical manner?	Despite the many attempts at acquisition reform, significant problems continue to occur. Major commitments to systems are still made before adequate testing ensures that the system will meet critical performance requirements. Costs for systems continue to escalate. Some recent systems have doubled in price. Schedules for the delivery of systems continue to slip. New reform initiatives are opening the door to government use of the best acquisition practices in the private sector. Use of these best practices can improve the acquisition process and help ensure that systems are acquired in the most efficient, effective, and economical manner.
Budget analysis: Do acquisition-related budgets reflect current needs and should prior-year funds be rescinded?	Over \$150 billion was requested in fiscal years 1996 and 1997 for the acquisition of military systems and support items. Analyzing planned budgetary expenditures is necessary to identify those that are unnecessary and those that can and should be delayed.
Acquisition management: Are DOD and NASA streamlining and improving their acquisition processes, practices, and infrastructure while ensuring public funds are properly spent?	The Federal Acquisition Streamlining Act and the Federal Acquisition Reform Act require GAO to evaluate the implementation of several provisions across the federal government. In addition, DOD has numerous reengineering initiatives and pilot programs underway designed to further acquisition reform and is expecting to see reductions in the acquisition infrastructure. The success of these reform initiatives and reductions in infrastructure are intended to improve the way DOD buys its goods and services and provide DOD a major source of the future funding for its modernization program. At the same time, defense acquisition and DOD and NASA contract management remain high-risk areas for misuse of billions of dollars in public funds.

Table I: Key Issues

Objectives	Focus of work
<ul style="list-style-type: none">• Determine whether the justifications for new and modified systems are reasonable and logical and support the national military strategy.• Determine whether DOD, the services, and NASA have adequately considered meeting stated requirements through alternative uses of or modifications to current systems.• Assess whether accurate cost estimates are being developed and used to determine which development programs should be pursued and which systems best meet requirements within limited budgets.• Determine whether DOD, the services, and NASA have selected the lowest risk and least costly acquisition strategies consistent with the need for the planned system or modification.• Determine whether selected acquisition strategies commit the government to production before sufficient testing is accomplished.• Ensure that key milestone decisions in the acquisition process are timely and are adequately supported.• Identify whether technical problems identified during testing affect the system's capability and costs.• Determine whether the services and NASA are incorporating acquisition reform initiatives into their processes for acquiring new systems or modifying current systems.• Determine whether the services and NASA are using the best acquisition practices.	<ul style="list-style-type: none">• Justifications of major systems such as C-17, F-22, V-22, and F/A-18 E/F; helicopter development programs; directed energy weapons; precision-guided munitions; national and theater missile defense; the Navy's new arsenal ship; the new attack submarine; and DOD and NASA space systems• Acquisitions of major systems such as B-2, F-22, Joint Primary Aircraft Training System, F-14, B-1B, Comanche, F/A-18 E/F, and Joint Strike Fighter; DOD and NASA space systems; the Crusader; Navy systems to improve littoral warfare capability; and digitized battlefield systems
<ul style="list-style-type: none">• Identify items in current budget requests that should be considered for denial or reduction.• Identify prior-year appropriations that could be rescinded.• Evaluate the implementation of governmentwide acquisition reform legislation and the costs/benefits of new proposals.• Identify best commercial acquisition practices that can be incorporated into the DOD and NASA acquisition processes.• Determine whether the savings that have been estimated as a result of acquisition reform and infrastructure reductions are likely to materialize.• Identify and report internal control weaknesses in individual systems and in the acquisition process that result in fraudulent, wasteful, or abusive practices in systems acquisitions.	<ul style="list-style-type: none">• Reviews of the RDT&E and procurement budget accounts for aircraft, C3I, ships, ground and DOD space systems, missiles, munitions, ballistic missile defense, Defense agencies, and NASA systems• Acquisition reform initiatives such as the use of off-the-shelf and nondevelopmental technology, Federal Acquisition Streamlining Act evaluations, electronic commerce systems, high-risk area updates, evaluation of best acquisition practices, and acquisition infrastructure adjustments

Table I: Key Issues

Issue	Significance
Technology and competitiveness: Is DOD appropriately protecting technology while promoting competitiveness?	As the defense industrial and technology base downsizes, pressures increase to export and transfer more advanced, front-line weapons and technologies to maintain the base and jobs. The challenge is to promote exports that maintain critical industrial capabilities and help reduce unit costs of weapons for DOD while retaining technological leadership and superiority.

Table I: Key Issues

Objective	Focus of work
<ul style="list-style-type: none">• Evaluate the effectiveness of policies to maintain, promote, and protect critical defense technologies while enhancing U.S. international competitiveness.• Determine whether codevelopment and coproduction programs have sufficient benefit to the United States to justify the risks associated with technology being transferred overseas.• Identify the effect of international collaborative efforts such as cooperative development programs on DOD's or NASA's ability to fund future modernization initiatives.	<ul style="list-style-type: none">• Reviews of the U.S./Japan FS-X fighter program, European defense consolidation, export controls over human viruses and other biological agents, international cooperative activities, justifications for certain technology transfers, and benefits from international data exchange agreements

Table II: Planned Major Work

Issue	Planned major job starts
Weapon and space systems justification	<ul style="list-style-type: none"> —C-17 affordability^a —F/A-18 E/F program^a —Navy’s plans to develop an arsenal ship —Directed energy weapons for defense against ships, tactical aircraft, and missiles —Precision-guided munitions acquisition —Airborne laser boost phase intercept program —Navy’s upper tier theater missile defense program
Weapon and space systems acquisition	<ul style="list-style-type: none"> —B-2 cost and performance^a —F-22 status^a —F-14 modernization programs —Joint Strike Fighter requirements —Joint Primary Aircraft Training System —Comanche helicopter program —Joint direct attack munition —DOD’s space plans, programs, and activities —Army’s Crusader program —Navy’s acquisition strategy in support of its littoral warfare doctrine —Space station development, operational planning, and management —Army’s development of the digitized battlefield
Budget analysis	<ul style="list-style-type: none"> —DOD and NASA’s fiscal year 1997 RDT&E and procurement budget requests for weapon and space systems and intelligence programs^a
Acquisition management	<ul style="list-style-type: none"> —Savings from acquisition reform^a —Best quality assurance practices^a —DOD’s initiative to use commercial off-the-shelf and nondevelopmental item alternatives —Implementation of Federal Acquisition Streamlining Act of 1994 —Comparison of military and commercial engineering practices on major systems —Best practices for source selection —Opportunities to reduce excess aviation acquisition infrastructure —High risk update on defense contract management
Technology and competitiveness	<ul style="list-style-type: none"> —FS-X fighter program^a —Sensitive exports to China^a —European defense consolidation —Export controls over human viruses and other biological agents —U.S. benefits from international data exchange agreements

^aOngoing assignments

Table III: GAO Contacts

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