

DOCUMENT RESUME

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[Department of Energy Participation in Defense System Acquisition Review Council Review]. FSAD-79-4; B-165546. November 7, 1978. 2 pp.

Report to Harold Brown, Secretary, Department of Defense; by Jerome H. Stolarow, Director, Procurement and Systems Acquisition Div.

Issue Area: Science and Technology: Management and Oversight of Programs (2004); Federal Procurement of Goods and Services: Notifying the Congress of Status of Important Procurement Programs (1905).

Contact: Procurement and Systems Acquisition Div.

Budget Function: National Defense: Atomic Energy Defense Activities (053); National Defense: Defense-related Activities (054).

Organization Concerned: Department of Energy; Department of Defense: Defense Systems Acquisition Review Council.

Congressional Relevance: House Committee on Armed Services; Senate Committee on Armed Services.

The Department of Energy (DOE) is developing a common warhead for the Air Force's Air Launched Cruise Missile and the Navy's Sea Launched Cruise Missile. Before gaining approval to enter the next phase of development or production, the military services must demonstrate to a Defense System Acquisition Review Council that predetermined milestones on major weapons programs have been accomplished. Although it is a key part of the weapons program, the DOE's warhead program does not require similar evaluation by the Council. The Under Secretary of Defense disagreed with the recommendation that a DOE official should participate in each Defense System Acquisition Review Council and concluded that procedures allow DOE participation if the Chairman of the Council requests such participation. However, DOE should present the warhead's status, program alternatives, and issues needing decisions at all Council reviews involving nuclear weapons. This would allow the Council to evaluate the entire weapon system before making recommendations on how, or if, the program should proceed. (RRS)



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

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PROCUREMENT AND SYSTEMS
ACQUISITION DIVISION

B-165546

November 7, 1978

The Honorable Harold Brown
The Secretary of Defense

Attention: Assistant for Audit Reports
Room 3A336
ASD (Comptroller)

Dear Mr. Secretary:

We have reviewed the Cruise Missile Warhead program for which the Department of Energy is developing a common warhead for the Air Force's Air Launched Cruise Missile and the Navy's Sea Launched Cruise Missile. A preliminary report was submitted to the Departments of Defense and Energy for comment.

The report identifies the need for Defense to provide definitive requirements when requesting Energy to begin an engineering development program for nuclear weapons (warhead, bombs, etc.) and the need for Energy to participate in each Defense System Acquisition Review Council review where a nuclear weapon is involved. The Under Secretary of Defense, Research and Engineering advised us that procedures have been implemented to better define requirements. However, Energy's participation in each Defense System Acquisition Review Council is not necessary. A brief discussion on this matter follows.

NEED FOR ENERGY'S PARTICIPATION

Before gaining approval to enter the next phase of development or production, the military services must demonstrate to a Defense System Acquisition Review Council that important predetermined milestones on major weapons programs have been accomplished. However, the progress of Energy's warhead program, although a key part of the weapon program, does not require similar evaluation by the Council. The Council has no Energy representative.

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As stated earlier, the Under Secretary of Defense disagrees with our recommendation that an Energy official should participate in each Defense System Acquisition Review Council. He concluded existing procedures already allow this if the Chairman of the Council requests such participation.

We considered the Under Secretary of Defense's position but still believe that Energy should present the warhead's status, program alternatives, and issues needing decisions at all Council reviews involving nuclear weapons. This presentation would allow the Council to evaluate the entire weapon system before making recommendations on how, or if, the program should proceed. Direct participation is important since the Council makes recommendations on decisions that have an impact on Energy's nuclear weapons operations and budget. The Council provides the formal discipline and mechanism for considering actions needed by top management in acquiring critical nuclear weapons. We issued a January 30, 1978, report (PSAD-78-14) strongly supportive of the Council as a management tool for high-level control over major weapons acquisitions within Defense.

We are sending copies of this letter to the Secretary of Energy and the Director, Office of Management and Budget. We are also sending copies to the Chairmen of the House and Senate Committees on Appropriations and Armed Services; the House Committee on Government Operations, and the Senate Committee on Governmental Affairs.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We would appreciate advice of any specific action taken regarding this matter.

Sincerely yours,



J. H. Stolarow
Director