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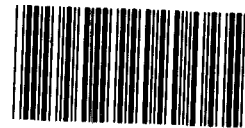
United States General Accounting Office

Briefing Report to Congressional Requesters

February 1993

B-2 BOMBER

Acquisition Cost Estimates



148552

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**National Security and
International Affairs Division**

B-250079

February 10, 1993

The Honorable Ronald V. Dellums
Chairman, Committee on Armed Services
House of Representatives

The Honorable Patrick Leahy
United States Senate

You requested that we evaluate cost estimates and summarize the status of funding for the B-2 program. In response to your request, we evaluated the differences between the B-2 acquisition cost estimates for the 75 aircraft program, the 20 aircraft program, and a 15 aircraft program. We also identified how appropriated funds have been applied by the program and how the Air Force plans to apply future funds. We briefed your staffs on our evaluation on May 5 and May 6, 1992, and continued our evaluation through November 1992 to clarify issues concerning the cost estimates. As agreed with your staffs, we will address the B-2 aircraft operational capability and logistics costs in our future reports.

Background

The Air Force began full-scale development of the B-2 bomber in 1981 and planned to acquire 132 operational bombers. The estimated cost to acquire and construct facilities for 132 aircraft, expressed in then-year dollars, increased by \$19 billion, from \$58.2 billion in 1986, when B-2 cost estimates were first made public, to \$77 billion in 1990, representing a cost increase of 32 percent. The estimated cost calculated in constant 1992 dollars grew from \$60.2 billion to \$74.3 billion, an increase of 23 percent.

In April 1990, the Secretary of Defense, as the result of a major aircraft review, announced a reduction in the B-2 quantities, from 132 to 75. As a result, in January 1991, the Air Force estimated the cost to develop, procure, and construct facilities for 75 aircraft at \$64.8 billion in then-year dollars. In January 1992, the President reduced B-2 quantities from 75 to 20 operational aircraft. The Air Force estimated the cost of the 20 aircraft program, including construction of facilities, at \$45.3 billion in then-year dollars. Table 1 summarizes these changes in B-2 program cost estimates in then-year and constant 1992 dollars.¹

¹Our use of constant 1992 dollars is intended to provide the reader with information about the cost estimates as adjusted for changes in the purchasing power of the dollar. We chose to display constant 1992 dollars because they reflect, for the total program, the approximate current purchasing power of the dollar.

Table 1: Air Force Estimates of B-2 Program Development, Procurement, and Construction Cost in Then-Year and Constant 1992 Dollars

Dollars in billions				
	1986 estimate	1990 estimate	1991 estimate	1992 estimate
Operational aircraft	132	132	75	20
Estimated cost in then-year dollars	\$58.2	\$77.0	\$64.8	\$45.3
Estimated cost in constant 1992 dollars	\$60.2	\$74.3	\$62.4	\$47.3

The 20 aircraft program includes 5 of 6 development aircraft to be reworked, refurbished, and delivered for Air Force operations and 15 procurement aircraft; all 20 will require retrofits.²

In December 1991, the Congress requested the Air Force to provide its best estimate for the B-2 program if it were terminated after manufacturing 15 operational aircraft. These aircraft would be comprised of the 5 development aircraft to be delivered for operations and 10 aircraft authorized for procurement through fiscal year 1991. At that time, the Air Force estimated the cost to develop and procure the 15 aircraft at \$41.8 billion in then-year dollars.

Results in Brief

Estimating the cost of acquiring the B-2 has been a challenge for the Air Force. Schedule delays in development, changes in procurement schedules, and funding restrictions have contributed to difficulties in estimating cost.

When the program quantity was reduced from 75 to 20 aircraft, the estimated program costs were reduced by \$19.5 billion in then-year dollars—a decrease of 30.1 percent. In constant 1992 dollars estimated costs decreased by \$15.1 billion, or 24.2 percent. The most significant change, whether measured in constant or then-year dollars, was the reduction in estimated procurement cost resulting from the reduction in quantity. The reduction in procurement cost was partially offset by increases in the estimated costs for development, for retrofitting accepted aircraft, and for acquiring support equipment. According to the Air Force,

²The Air Force defines rework as that work necessary to bring the item used in a development program up to requirements; rework is paid for with development funding. It defines refurbishment as the process of reconditioning aircraft that were subjected to wear and tear during testing; refurbishment is paid for with procurement funding. The Air Force defines retrofit as the modification of accepted items. Components for modifications and their installation are paid for with procurement funding.

the estimated cost to acquire support equipment was based on incomplete and preliminary information. Thus, the estimate is likely to change further.

We found that the Air Force used some different information and made some different assumptions to estimate the acquisition cost of 15 aircraft in December 1991 and of 20 aircraft in March 1992. For example, the estimate for 15 aircraft, which totaled \$41.8 billion in then-year dollars, included about \$1.4 billion of costs in two categories that were higher than costs for the same categories included in the estimate for 20 aircraft. Air Force officials stated that the information available for estimating these categories of costs for a 15 aircraft program was less precise than the information available in early 1992 that was used to estimate the cost of 20 aircraft.

As authorized by the Congress, the Air Force has continued long lead effort to support acquisition of 20 aircraft. Termination of the long lead effort for the last 5 of those aircraft would be required if only 15 aircraft are to be acquired. The cost of a 15 aircraft program will grow larger as long as the program continues to progress toward a goal of acquiring 20 aircraft.

The Congress has appropriated \$20.5 billion for B-2 development, \$14.3 billion for procurement, and \$436 million for military construction, for a total of \$35.2 billion through fiscal year 1992. The Air Force had obligated \$31.5 billion through September 1992.

Comparison of Cost Changes Between the 75 and 20 Aircraft Programs

A comparison of the Air Force's January 1991 cost estimate for 75 aircraft and its March 1992 cost estimate for 20 aircraft showed that the estimate of development costs increased by \$2.3 billion, procurement costs decreased by \$21.6 billion, and construction costs decreased by \$204 million, all in then-year dollars. Table 2 provides a comparison of the two estimates in then-year and in constant 1992 dollars.

Table 2: Comparison of Air Force Estimated Acquisition Costs for the 75 and 20 Aircraft Programs in Then-Year and Constant 1992 Dollars

Dollars in billions				
	Development	Procurement	Construction	Total
Then-year dollars				
75 aircraft	\$21.873	\$41.802	\$1.084	\$64.759
20 aircraft	24.212	20.180	0.880	45.272
Increase (decrease)	2.339	(21.622)	(0.204)	(19.487)
Percentage increase (decrease)	10.7	(51.7)	(18.8)	(30.1)
Constant 1992 dollars				
75 aircraft	\$24.679	\$36.691	\$0.984	\$62.354
20 aircraft	26.868	19.569	0.827	47.264
Increase (decrease)	2.189	(17.122)	(0.157)	(15.090)
Percentage increase (decrease)	8.9	(46.7)	(16.0)	(24.2)

The largest factor in overall program cost changes was the reduction of the number of aircraft. This reduced the amount of labor and material necessary to build production aircraft and allowed the Air Force to plan on completing the production of 20 aircraft in fewer years than 75 aircraft. Appendix I provides a comparison of the cost estimates for 75 and 20 B-2 aircraft by fiscal year in then-year and constant 1992 dollars.

Other factors affecting cost estimates were extensions of the development schedule, changes in the pace of production, and changes to the retrofits planned for accepted aircraft. A more detailed analysis of these changes to the estimates is presented below.

Estimated Development Cost

The development program includes the cost to design the B-2, manufacture six aircraft and two test articles, rework five of these aircraft to a baseline production configuration, and plan and execute the test program. The content of the development program did not change significantly as a result of reducing the program to 20 aircraft. At the time of the reduction in the B-2 program from 75 to 20 operational aircraft, the Air Force increased the estimated cost of development from \$21.9 billion to \$24.2 billion in then-year dollars, an increase of \$2.3 billion, or 10.7 percent. Measured in constant 1992 dollars, the increase was 8.9 percent, as shown in table 2. These increases were caused mostly by schedule delays and changes to work load, both factors that were not influenced by the reduction in procurement quantities. The Air Force

attributed the increase in its development cost estimate (in then-year dollars) to

- extension of the test program and other efforts (a \$961 million increase),
- increased work load for integrating computer software (an \$812 million increase),
- redesign of components to correct problems discovered in flight test (a \$283 million increase),
- rework of development aircraft to a production configuration (a \$586 million increase),
- higher costs to manufacture development aircraft (a \$262 million increase),
- decreased estimates for the impact of inflation on the development program as a result of changing inflation rates (a \$26 million decrease), and
- transfer of the estimated cost of depot test equipment to the procurement cost category (a \$539 million decrease).

Estimated Procurement Cost

The procurement program includes the cost to manufacture 15 aircraft and acquire support equipment for those aircraft, refurbish development aircraft, and retrofit all 20 aircraft with repairs or design changes discovered during the test program. As a result of reducing the number of B-2 aircraft from 75 to 20, a 73-percent reduction, the Air Force reduced the total estimated cost of procurement from \$41.8 billion to \$20.2 billion, or 51.7 percent in then-year dollars. Measured in constant 1992 dollars, the decrease was 46.7 percent, as shown in table 2. The estimated flyaway costs³ and initial spares costs decreased, but support and retrofit costs increased, as shown in table 3.

³Flyaway costs are those labor and material costs associated with manufacturing the aircraft. In the B-2 program, these are costs for airframe, engines, avionics, weapon delivery systems, government furnished property, sustaining engineering, program management, engineering change orders, warranty, and nonrecurring costs.

Table 3: Comparison of Air Force Estimated Procurement Costs for the 75 and 20 Aircraft Programs in Then-Year and Constant 1992 Dollars

Dollars in billions				
Costs	75 aircraft	20 aircraft	Increase (decrease)	Percentage increase (decrease)
Then-year dollars				
Flyaway	\$36.017	\$15.184	(\$20.833)	(57.8)
Initial spares	2.548	1.059	(1.489)	(58.4)
Support	3.196	3.509	0.313	9.8
Retrofit	0.041	0.428	0.387	^a
Total	\$41.802	\$20.180	(\$21.622)	(51.7)
Constant 1992 dollars				
Flyaway	\$31.660	\$15.009	(\$16.651)	(52.6)
Initial spares	2.227	1.028	(1.199)	(53.9)
Support	2.769	3.192	0.423	15.3
Retrofit	0.035	0.340	0.305	^a
Total	\$36.691	\$19.569	(\$17.122)	(46.7)

^aThe increase in retrofit cost from the 75 aircraft estimate to the 20 aircraft estimate results from additional retrofit tasks, not increased cost to similar tasks.

The Air Force's estimates of aircraft flyaway costs and initial spare parts combined decreased by \$22.3 billion, or 58 percent in then-year dollars. Measured in constant 1992 dollars, the decrease was 53 percent. We found that this percentage decrease is less than would be indicated by the 73-percent reduction in quantities because (1) fixed costs, such as sustaining labor required to support the manufacturing process, do not decrease as quantities are reduced and (2) the Air Force recognized that more labor hours would be necessary to build the 20 aircraft than it had estimated in the past.

An example of the impact of fixed cost on the production estimate is that the Air Force reduced sustaining labor hours by only about 2 percent because this labor is not dependent on aircraft quantities. As a result, the Air Force included more labor hours for each aircraft in its estimate for 20 aircraft than it had in its estimate for 75 aircraft.

The Air Force also reduced estimated labor hours for engineering, manufacturing, and integration of aircraft components by only 40 percent because it had more labor hour information indicating that the actual labor to produce the first several aircraft was higher than that assumed in past

estimates and reduced quantities do not allow workers to take advantage of learning to the same extent as higher quantities. Further, the estimated cost of 20 aircraft included about \$133 million in then-year dollars for correcting deficiencies to the aircraft's aft deck that was not included in the estimated cost of the 75 aircraft program.

The estimated support costs, which included those of data, training, peculiar support equipment,⁴ and software support, were not based on a comprehensive analysis by the Air Force. Justification provided by the Air Force for the costs was incomplete, based on other weapon systems, or preliminary in nature. B-2 program officials stated that the cost estimate for support of the B-2 is not firm because the overall support concept for the 20 aircraft program has not yet been decided. They stated that a more accurate estimate of support cost will be available when the 1994 President's budget is announced.

The estimated retrofit cost for 20 B-2s increased significantly because the Air Force recognized the need to modify components and install items after aircraft delivery and to solve the low observability problem encountered during testing. The Air Force estimated that \$322 million in then-year dollars would be needed to solve the low observability problem and \$106 million in then-year dollars would be required for aircraft modification and installation of items such as the global positioning system and advanced receiver.

Estimated Military Construction Cost

The construction program includes the cost to construct facilities necessary to maintain the B-2 during its operational life cycle. The Air Force reduced the estimated construction cost from \$1.1 billion for 75 aircraft to \$880 million for 20 aircraft, in then-year dollars, on the basis of the quantity reduction (see table 2 for constant 1992 dollars). After we discussed the military construction cost estimate for 20 aircraft with officials at Whiteman Air Force Base and Oklahoma City Air Logistics Center, the Air Force agreed that the construction cost estimate for 20 aircraft should be reduced to \$557 million in then-year dollars.

Basis for Cost Estimate for 15 Aircraft

In December 1991, the Secretary of the Air Force testified that the estimated cost to acquire the 15 operational B-2 bombers was \$41.8 billion, excluding military construction costs. We reviewed the Air Force's cost estimate as it was provided to us in then-year dollars (see table 4).

⁴Peculiar support equipment is equipment that is designed specifically to support the operation and maintenance of the B-2 weapon system.

Table 4: Air Force Estimated Cost for 15 Operational B-2 Bombers (then-year dollars in billions^a)

Cost element	Air Force estimate
Development	\$24.408
Procurement	
Estimated cost of current contracts	10.320
Support cost	2.892
Termination cost	0.879
Unrecoverable cost for aircraft 16-20	0.712
Other government cost	0.371
Impact to overhead cost	0.565
Additional labor cost	0.855
Refurbishment cost	0.607
Retrofit cost	0.209
Total procurement	17.410
Total program	\$41.818

^aDepartment of Defense policy states that the Air Force is required to maintain an estimate of the program being executed (for example, 75 or 20 aircraft). Air Force officials stated that they did not prepare the estimate for 15 aircraft with the same level of support and detail as the estimates for 75 and 20 aircraft that were required by the Department of Defense. As a result, we could not accurately convert the estimate to constant 1992 dollars.

We compared the information used and assumptions made by the Air Force to prepare the cost estimates for both 15 and 20 aircraft to identify major unexplained differences. We found that the Air Force used some different information and made some different assumptions to estimate the acquisition cost of 15 aircraft in December 1991 and 20 aircraft in March 1992. For example, the estimate for 15 aircraft included about \$1.4 billion of costs in two categories that were higher than costs for the same categories included in the estimate for 20 aircraft. Those differences are described below.

- The cost estimate to complete 15 aircraft indicated that the refurbishment of 5 development aircraft for use in the operational force would cost \$607 million. In its cost estimate for 20 aircraft, the Air Force allocated only about \$25 million for this purpose.
- The estimate for 15 aircraft included an adjustment to add \$855 million for additional labor costs—\$655 million for sustaining labor above the amount in the contract for the production of 10 aircraft and \$200 million representing potential increases to labor rates. The cost estimate for 20 aircraft did not include a comparable adjustment.

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Air Force officials stated that, because this estimate was prepared in December 1991 with less cost and schedule information available than in March 1992, it assumed higher costs in these areas than were assumed in the 20 aircraft estimate.

As authorized by the Congress, the Air Force has continued long lead effort to support a 20 aircraft program. Termination of long lead effort for 5 of those aircraft would be required if only 15 aircraft are to be acquired. The cost of a 15 aircraft program will grow larger as long as the program continues to progress toward a goal of acquiring 20 aircraft.

Status of Appropriated and Future B-2 Funds

The Congress has appropriated \$35.2 billion for the B-2 program through fiscal year 1992. The Air Force has applied most of these funds to the development of the B-2 (including five operational aircraft); the procurement of 10 aircraft, long lead effort for operational aircraft 16 through 20, and initial spare parts and support equipment; and construction of facilities. The Air Force requested \$4 billion in fiscal year 1993, and it plans to request \$6 billion in fiscal years 1994 through 2000 to complete the development of the B-2 and delivery of the test aircraft, the procurement of aircraft 16 through 20, and the construction of facilities.

Status of Appropriated B-2 Funds

Of the \$35.2 billion that the Congress has appropriated for the B-2 program, \$20.5 billion is for development, \$14.3 billion is for procurement, and \$0.4 billion is for military construction. As of September 30, 1992, about \$3.4 billion of procurement funds were unobligated. Table 5 summarizes the current funding status for the B-2 program, including development, procurement, advance procurement, and construction.

Table 5: Use of Appropriations Through Fiscal Year 1992 (as of September 30, 1992)

Then-year dollars in billions

Fiscal year	Funding	Appropriation ^a	Obligation	Unobligated balance	Purpose of obligation
1981 to 1992	Development	\$20.500	\$20.290	\$0.210	Development program, including six development aircraft
1991 and prior	Procurement	10.786	9.596	1.190	10 B-2 procurement aircraft
	Advance procurement	0.460	0.460	0.000	Long lead effort for aircraft 16-20
		0.260	0.258	0.002	Exercise of fixed-price subcontract options
1992	Procurement	2.086	0.125	1.961	Long lead effort for aircraft 16. Procurement of engines, training devices, and other equipment
	Advance procurement	0.645	0.444	0.201	Long lead effort for aircraft 17-20
		0.068	0.000	0.068	Exercise of fixed-price subcontract options
1986 to present	Military construction	0.436	0.297	0.139	B-2 support facilities
Total		\$35.241	\$31.470	\$3.771	

^aBeginning in fiscal year 1991, the Appropriations Committees did not distinguish between procurement and advance procurement funds for the B-2 program; amounts for those years are based on information provided to the Congress by the Air Force.

The Defense Authorization Act of 1992 and 1993 authorized and the Congress appropriated \$2.8 billion for procurement for the B-2 program. The act restricted the obligation of \$1 billion for the 16th operational aircraft until the Secretary of Defense submits specified reports and certifications on the B-2's performance.⁵ Since then, the Congress has voted to rescind \$500 million of those funds. As of September 30, 1992, the Secretary of Defense had not yet certified B-2 performance capabilities as required by the act.

Planned Use of Future B-2 Funding

The Air Force estimated that it would require \$10 billion for development, procurement, and military construction funding in fiscal years 1993 through 2000. The Air Force plan indicates that about \$4.1 billion is

⁵The act required certifications related to aerodynamic flight problems, fiscal year 1991 performance milestones, original radar cross-section performance, detection and survivability, and various other performance related aspects of the B-2. For further information, see our report entitled *B-2 Bomber: Status of Compliance with the 1992 and 1993 Defense Authorization Act* (GAO/NSIAD-93-46, Dec. 4, 1992).

needed for completion of the development contract and military construction and that \$5.9 billion is needed to complete the procurement of 20 operational B-2s. Table 6 shows the Air Force's planned use of procurement funding in fiscal years 1993 through 1998.

Table 6: Air Force's Current Estimated Procurement Funding for B-2 Aircraft in Fiscal Years 1993-98 (then-year dollars in billions)

Cost element	Fiscal year			Total
	1993	1994	1995-98	
Recurring flyaway	\$1.294	\$0.549	\$0.000	\$1.843
Nonrecurring flyaway	1.032	0.268	0.000	1.300
Peculiar support	0.297	0.410	0.559	1.266
Initial spares	0.000	0.234	0.133	0.367
System support	0.055	0.056	0.554	0.665
Other government cost	0.008	0.000	0.000	0.008
Retrofit	0.000	0.005	0.421	0.426
Total	\$2.686	\$1.522	\$1.667	\$5.875

The content of each of the cost elements is described below.

- The recurring flyaway cost element includes \$1.843 billion to complete funding of procurement aircraft 16 through 20.
- The nonrecurring cost element includes \$1.3 billion, \$430 million to cover curtailment costs, \$420 million to cover the Air Force's termination liability under special termination cost clauses in the production contract and \$450 million for nonrecurring tool maintenance.⁶
- The peculiar support cost element includes \$1.266 billion associated with the support of the production aircraft and simulators, procurement of technical data, and procurement of items for maintenance training equipment.
- The initial spares cost element includes \$367 million to purchase spare parts for production aircraft.
- The system support cost element includes \$665 million associated with interim software support and interim contractor support.⁷
- The retrofit cost element includes \$426 million in fiscal year 1994 and future years for procurement of modified components and installation after aircraft delivery, including \$322 million for modifications to solve the

⁶The issue of obligating funds on contract to cover the Air Force's liability under special termination cost clauses has been an issue of debate between us and the Department of Defense. GAO's Office of General Counsel is continuing to consider whether the Air Force should obligate funds to cover its liability under these clauses in B-2 contracts.

⁷These functions were previously planned to be accomplished by the Air Force, but due to the reduction in quantities, plans are now to have Northrop handle them until the delivery of the last production aircraft in fiscal year 1998.

low observability problem encountered during testing. (Two million dollars is planned for retrofit purposes prior to fiscal year 1993.)

Agency Comments

The Department of Defense generally agreed with our report. It suggested that our report should not provide cost estimates in constant 1992 dollars because it would establish a new baseline for comparison that has not been used before. The Department uses 1981 dollars as a constant dollar baseline for the B-2 program, and in 1986 and 1987 estimated the cost of a 132 aircraft program at \$36.6 billion in constant 1981 dollars. Our use of constant 1992 dollars is intended to provide the reader with comparative cost estimates that are adjusted for changes in the purchasing power of the dollar since the program was initiated in 1981. We believe that using an up-to-date constant dollar baseline may assist the reader in understanding the cost of the program. We did not use a 1981 constant dollar baseline because we believe constant 1992 dollars are more relevant today.

Scope and Methodology

To evaluate the Air Force's estimated cost for 20 aircraft, we reviewed the Air Force methodology to estimate costs for 75 and 20 aircraft and identified the changes in program costs in each. We compared the program costs for 75 and 20 aircraft by cost category to analyze the relative change in costs that were associated with the reduction of aircraft quantities. Our analysis focused on the change in procurement cost because it was most significant. We also examined Air Force financial documents to identify how appropriated funds were used through fiscal year 1992.

To compare the estimated costs of 15 and 20 aircraft, we reviewed the methodologies for the Air Force's cost estimates for both the 15 aircraft and the 20 aircraft buys and compared them by selected cost categories in then-year and constant 1992 dollars. Because the estimate for 20 aircraft was approved by Air Force officials and was used as the basis for the Air Force's official budget documentation, but the estimate for 15 aircraft was not, we used the estimate for 20 aircraft as a baseline for comparison with the estimate for 15 aircraft.

We reviewed program data and records, interviewed officials at the B-2 System Program Office at Wright-Patterson Air Force Base, Ohio; the Northrop B-2 Division, Pico Rivera, California; and the Office of the Secretary of Defense and Air Force Headquarters, Washington, D.C. We

performed our review from March to November 1992 in accordance with generally accepted government auditing standards.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days from its issue date. At that time, we will send copies to the Chairmen and Ranking Minority Members of the Senate Committee on Armed Services and the Senate and House Committees on Appropriations; the Ranking Minority Members of the House Committee on Armed Services; the Secretaries of Defense and the Air Force; and the Director of the Office of Management and Budget. Copies will be made available to others on request.

Please contact me on (202) 275-4268 if you or your staff have any questions concerning this report. Major contributors to this report are listed in appendix II.



Nancy R. Kingsbury
Director
Air Force Issues

Cost Estimates for 75 and 20 B-2 Bombers

Cost Estimate for 75 B-2 Bombers by Fiscal Year

Dollars in millions

	Fiscal year												Total
	1991/P ^a	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002+	
Procurement schedule	16	4	7	7	11	11	11	9	0	0	0	0	76 ^b
Constant 1992 dollars:													
Development	\$21,955	\$1,507	\$772	\$298	\$134	\$8	\$5	\$0	\$0	\$0	\$0	\$0	\$24,679
Production	11,746	2,921	3,293	4,241	4,555	3,894	3,217	2,743	37	24	14	5	36,691
Military construction	409	54	75	113	65	116	114	38	0	0	0	0	984
Total 1992 dollars	\$34,111	\$4,482	\$4,141	\$4,652	\$4,754	\$4,018	\$3,336	\$2,781	\$37	\$24	\$14	\$5	\$62,354
Inflation adjustment	(3,232)	341	509	786	1,007	1,020	989	949	15	10	6	3	2,404
Total then-year dollars	\$30,879	\$4,823	\$4,650	\$5,438	\$5,761	\$5,038	\$4,325	\$3,730	\$52	\$34	\$20	\$8	\$64,759

Cost Estimate for 20 B-2 Bombers by Fiscal Year

Dollars in millions

	Fiscal year												Total
	1991/P ^a	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002+	
Procurement schedule	16	1	4	0	0	0	0	0	0	0	0	0	21 ^b
Constant 1992 dollars:													
Development	\$21,984	\$1,513	\$1,195	\$968	\$494	\$522	\$138	\$34	\$12	\$8		\$0	\$26,868
Production	11,850	2,605	2,421	1,328	680	169	342	174	0	0		0	19,569
Military construction	410	37	75	95	73	45	30	28	0	0		34	827
Total 1992 dollars	\$34,244	\$4,155	\$3,691	\$2,391	\$1,247	\$736	\$510	\$236	\$12	\$8		\$34	\$47,264
Inflation adjustment	(3,385)	229	337	291	197	130	123	67	3	2		16	(1,990)
Total then-year dollars	\$30,858	\$4,384	\$4,028	\$2,682	\$1,444	\$866	\$633	\$303	\$15	\$10		\$50	\$45,273

Note: Numbers may not add due to rounding.

^a1991/P represents all B-2 program funding for fiscal year 1991 and prior years.

^bOne of the six development aircraft will remain in the test program for its entire life cycle, leaving 75 and 20 operational aircraft for these respective estimates.

Major Contributors to This Report

**National Security and
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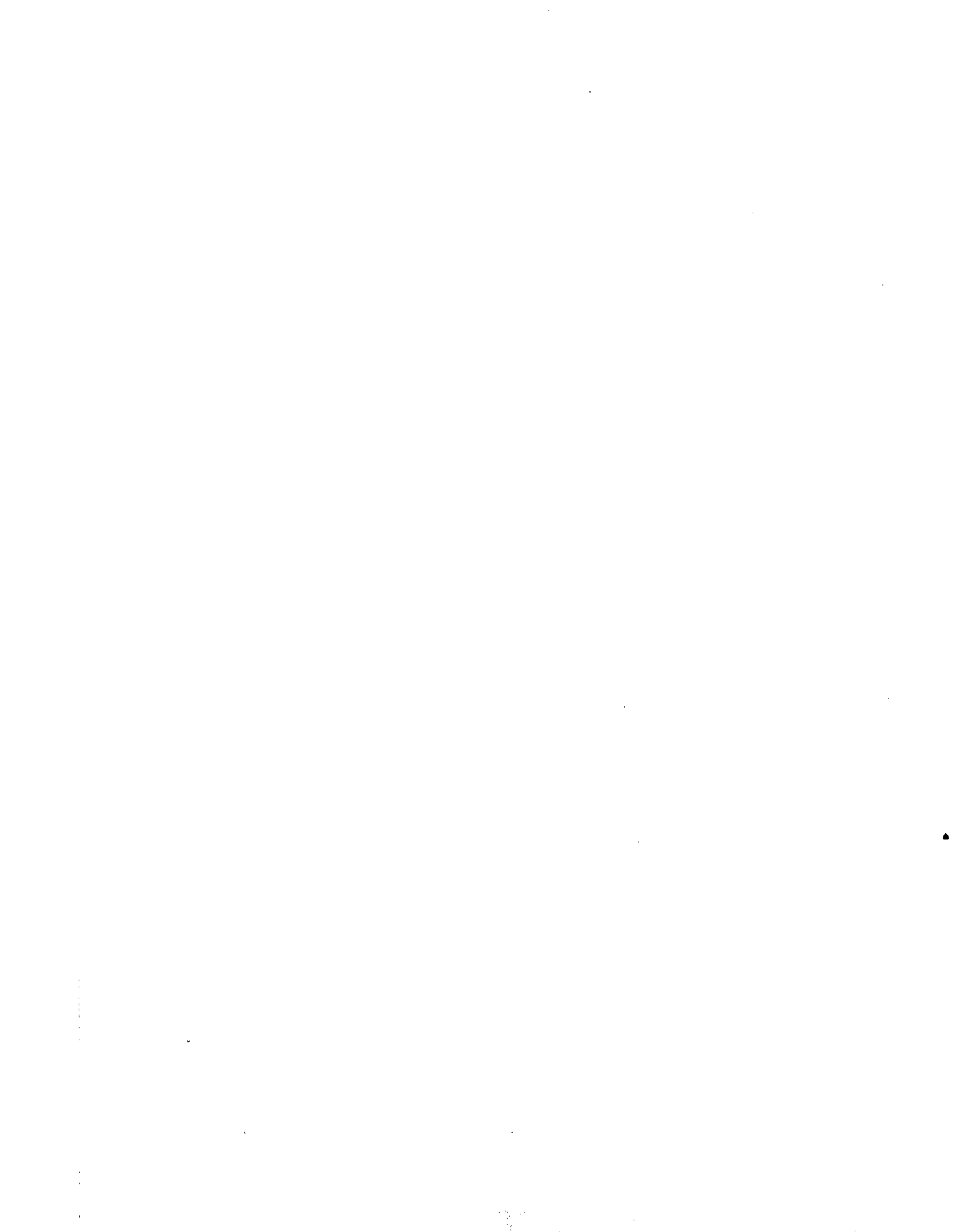
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