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Foreword

This report was prepared primarily to inform Congressional members and key staff of ongoing assignments in the General Accounting Office's Defense Acquisition issue area. This report contains assignments that were ongoing as of January 2, 1996, and presents a brief background statement and a list of key questions to be answered on each assignment. The report will be issued quarterly.

This report was compiled from information available in GAO's internal management information systems. Because the information was downloaded from computerized data bases intended for internal use, some information may appear in abbreviated form.

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Defense Acquisition

WEAPON SYSTEMS JUSTIFICATION

TITLE: STATUS OF NAVY TACTICAL AIRCRAFT MODERNIZATION EFFORTS (707072)

BACKGROUND : The Navy plans to replace the F/A-18C/D fleet with an E/F version of the aircraft. The F/A-18E/F, currently under development, is projected to have a total program cost of \$89 billion. At the same time, the Joint Advanced Strike Technology (JAST) program is expected to develop an aircraft which is intended to cost less to produce and have more capability than the F/A-18E/F.

KEY QUESTIONS : (1) Does F/A-18E/F cost, schedule, and performance status warrant continuation of the program, and is the JAST program a viable alternative? (2) Is the JAST program properly structured, or should it be managed under normal DOD acquisition regulations and the DAB process?

TITLE: SHALLOW WATER ANTISUBMARINE WARFARE LIGHTWEIGHT TORPEDO (707082)

BACKGROUND : The Mk-46 torpedo, the oldest torpedo in the fleet, and the Mk-50 are experiencing performance deficiencies against a diesel submarine in shallow, littoral water. As a result, the Navy plans to expend over \$600 million upgrading these torpedoes and developing a new lightweight hybrid torpedo.

KEY QUESTIONS : (1) In times of budgetary constraints, should the Navy be conducting these three efforts and if not; which program will be of greater benefit to the fleet? (2) To what extent will the improvements increase torpedoe performance (probability of kill), at what cost, and will performance be demonstrated prior to a commitment to production?

TITLE: REVIEW OF AV-8B REMANUFACTURE PROGRAM (707096)

BACKGROUND : The Navy has initiated a modification program to remanufacture the Marine Corps AV-8B aircraft. The program converts 72 of its day attack models to night attack radar equipped aircraft. This requires disassembly; modification of some components; and reassembly of selected original, modified, and new component parts. The program is estimated to cost \$2.2 billion.

KEY QUESTIONS : (1) Is disassembling the day attack AV-8B and reusing its assemblies and parts to produce a night attack radar capable aircraft the most efficient and effective use of scarce resources?

WEAPON SYSTEMS JUSTIFICATION

TITLE: COMBAT AIR POWER ASSESSMENT--SURVEILLANCE AND RECONNAISSANCE (707098)

BACKGROUND : The services and other agencies collect, relay, process, and disseminate surveillance and reconnaissance data to support national intelligence requirements and the warfighter in the conduct of military operations. Due to threat changes, force reductions, and declining budgets, there may be a need to realign and consolidate intelligence gathering responsibilities.

KEY QUESTIONS : (1) What assets and capabilities are available to conduct surveillance and reconnaissance, and what are the plans for modernization? (2) To what extent do the services and agencies intelligence roles, assets, and capabilities overlap? (3) Are there opportunities to improve collection and timely dissemination of information to the warfighter?

TITLE: ACQUISITION OF THE JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM) (707107)

BACKGROUND : The \$13.7 billion stealth Tri-Service Standoff Attack Missile (TSSAM) program is being terminated because of significant development problems and unit cost growth. Congress has rescinded \$281.8 million in unobligated appropriations. Part of nearly \$280 million in unliquidated obligations may also be available for rescission after the program is terminated.

KEY QUESTIONS : (1) Are excess prior-year funds for TSSAM available for rescission? (2) Are the services plans for a follow-on program realistic in terms of cost, performance, and schedule? (3) Have the services fully considered using existing systems or modifications to existing systems to meet their stated requirements?

TITLE: THE NAVY'S EFFORTS TO DEVELOP A COMBAT SYSTEM FOR THE NSSN (707112)

BACKGROUND : The Navy plans to develop a new combat system for its' new attack submarine (NSSN). The system is a major cost driver, therefore, affordability through use of commercial off the shelf (COTS) equipment is planned. We have previously reported that combat system design concurrent with sub construction has caused delays and raised costs (BSY1

KEY QUESTIONS : (1) What options were considered in choosing the planned acquisition strategy and do less costly alternatives exist? (2) What is the cost to design and build the system? (3) How will the combat system differ from the BSY1 and BSY2? (4) How will the Navy avoid repeating prior mistakes?

WEAPON SYSTEMS JUSTIFICATION

TITLE: DEPLOYMENT OF THAAD PROTOTYPE UNIT FOR CONTINGENCIES PRIOR TO AVAILABILITY OF OPERATIONAL SYSTEM (707114)

BACKGROUND : Deployment of a fully-operational THAAD system will begin in FY 2002. In FY 1997, however, the Ballistic Missile Defense Organization (BMDO) plans to deploy a small prototype battery consisting of 2 radars, 2 launchers, and 40 interceptors. The Army plans to award a contract early in FY 1996 costing \$231 million to build 40 prototype interceptors.

KEY QUESTIONS : (1) What is the capability and cost of the prototype battery? (2) Will the prototype possess the capabilities claimed for it when proposed to Congress? (3) What are pros and cons of deploying the prototype? (4) Are there ABM Treaty issues for deploying the prototype that need to be resolved?

TITLE: EVALUATION OF THE ARMY'S LAND WARRIOR PROGRAMS INCLUDING THE 21ST CENTURY LAND WARRIOR (707116)

BACKGROUND : The Army's "Next Century Soldier" (NCS) concept seeks to make a quantum leap in individual soldier capabilities. The Army plans to research, develop, and equip soldiers with (1) individual computers/ radios, (2) integrated headgear and (3) weapons interface software. NCS will likely cost billions of dollars to field because one brigade will cost about \$300 million.

KEY QUESTIONS : (1) What are the requirements for NCS and the costs/benefits of those requirements? (2) What is the potential system's cost, affordability, and end-item density? (3) How will the system be integrated with other battlefield C4 systems?

TITLE: EVALUATION OF THE ARMY'S DEVELOPMENT AND ACQUISITION OF JOINT STARS GROUND STATION MODULES (707119)

BACKGROUND : Joint STARS is a joint Air Force/Army radar system designed to detect, track, classify, and support the attack of ground targets. It consists of air and ground segments. The Army is developing and acquiring the ground components at a cost of more than \$950 million. A preliminary review of test results indicates that development of the ground systems may be in trouble.

KEY QUESTIONS : (1) What is the Army's requirement to begin fielding the Common Ground Station (CGS) in fiscal year 1998 and thus force two years of LRIP? (2) Will the likely CGS production contract be flexible enough to allow procurement of no more than the minimum number of CGS systems needed for testing until after the CGS has passed testing?

Defense Acquisition

WEAPON SYSTEMS JUSTIFICATION

TITLE: SURVEY OF THE ARMY'S INTELLIGENCE AND ELECTRONIC WARFARE COMMON SENSOR (IEWCS) (707129)

BACKGROUND : The Army's Intelligence and Electronic Warfare Common Sensor (IEWCS) is intended to provide a common suite of direction-finding and jamming equipment for light and heavy combatants, and an airborne package carried aboard an EH-60 helicopter. The Army is producing parts of the system before operational testing and without the jamming component.

KEY QUESTIONS : (1) Does demonstrated performance of the IEWCS justify proceeding with production? (2) Will the IEWCS be effective without its countermeasures component? (3) How will the Army assure that the countermeasures component will ever perform as intended and be satisfactorily integrated into the system?

TITLE: ACQUISITION OF MISSILES AND MUNITIONS TO DEFEAT MOBILE MISSILE LAUNCHERS (707138)

BACKGROUND : The services requested \$1.5 billion for fiscal years 1996-97 for 5 systems that, among other things, are designed to attack mobile missile launchers. Indications are that DOD has not determined which of the systems or improvements are most cost-effective, whether all are required, and what quantities are needed for each system, considering the parallel efforts.

KEY QUESTIONS : (1) What systems or improvements are designed to destroy mobile missile launchers and what are the projected acquisition costs and schedules for them? (2) Has DOD demonstrated that these systems or improvements are the most cost-effective means to defeat the mobile missile launcher threat? (3) Can mobile missile launchers be located in sufficient time to destroy them?

WEAPON SYSTEMS ACQUISITION PROCESS

TITLE: THE ARMY'S FAMILY OF MEDIUM TACTICAL VEHICLES TESTING (707089)

BACKGROUND : Reliability problems with the Family of Medium Tactical Vehicles (FMTV) identified during production quality and operational testing resulted in the suspension of both tests. Rather than delay the full-scale production decision, the Army modified its testing procedures to allow the FMTV to demonstrate its reliability.

KEY QUESTIONS : (1) What is the current status of FMTV testing? (2) How were the problems that resulted in the test suspension corrected? (3) Has the FMTV demonstrated sufficient improvement for the FMTV program to enter full-scale production?

Defense Acquisition

WEAPON SYSTEMS ACQUISITION PROCESS

TITLE: IS DOD OBTAINING COST-EFFECTIVE WARRANTIES ON MAJOR WEAPON SYSTEMS? (707099)

BACKGROUND : Due to concerns about the reliability of U.S. weapon systems, Congress passed laws in 1984 and 1985 that require DOD to obtain warranties on major weapon systems. In 1989, GAO reported that DOD had little assurance that warranty benefits were being fully realized. We also found that the services had difficulty in obtaining accurate information concerning warranty claims.

KEY QUESTIONS : (1) Does DOD's warranty administration process have weaknesses that may lead program offices to procure non-cost-effective warranties? (2) Is DOD's warranty waiver process effective? (3) Are essential performance requirement warranties beneficial for all contracts?

TITLE: REVIEW OF DOD'S ACQUISITION OF THE ALR-67(V)3 ADVANCED SPECIAL RECEIVER (707104)

BACKGROUND : The ALR-67(V)3 ASR is to be the Navy's next generation radar warning device for the F/A-18 E/F fighter. It will be the most expensive radar warning receiver (RWR) ever built with a unit cost of about \$1m and a program cost of \$1b. Senator Roth's letter raises concerns about the Navy's acquisition strategy, particularly the absence of operational testing prior to LRIP.

KEY QUESTIONS : (1) Is the planned LRIP acquisition justified? (2) Is the LRIP consistent with operational test and evaluation statutes? (3) Is the acquisition strategy consistent with the recommendations made in our LRIP report, NSLAD-95-18?

TITLE: C-17 COST REDUCTION EFFORTS AND AFFORDABILITY (707109)

BACKGROUND : In December 1993, the Secretary of Defense announced that the C-17 program would be stopped at 40 aircraft unless McDonnell Douglas could produce the aircraft at a reasonable cost. Although C-17 unit cost is decreasing, the rate of decrease has not been as rapid as planned by the Air Force. As a result, total program cost has increased \$4 billion.

KEY QUESTIONS : (1) Will current funding allow for an NDAA acquisition program? (2) What criteria will the DAB use to determine the number of C-17's to be acquired? (3) How effective are initiatives to reduce program cost? (4) How will MRS BURU assumptions be used in the Strategic Airlift Force Mix Analysis to determine the number of C-17's to acquire?

WEAPON SYSTEMS ACQUISITION PROCESS

TITLE: C-17 RELIABILITY, MAINTAINABILITY AND AVAILABILITY EVALUATION (707111)

BACKGROUND : The C-17 development contract requires the Air Force to conduct a 30-day reliability, maintainability and availability evaluation (RM&AE) of the C-17 to (1) assess RM&A compliance and (2) determine if the contractor qualifies to receive a \$12 million RM&A incentive fee. The RM&AE results will be used by the Defense Acquisition Board to support the upcoming C-17 milestone IIIB.

KEY QUESTIONS : (1) Does the RM&AE reflect how the C-17 will be used in war and peace? (2) Are controls adequate to assure the validity of evaluation data and collection procedures? (3) Is the C-17 utilization rate model based on reasonable assumptions? (4) How will RM&AE data be used in the C-17 utilization rate model to establish a utilization rate and how will this information be used?

TITLE: REVIEW OF B-2 COST AND TECHNICAL PERFORMANCE (707125)

TITLE: REVIEW OF DOD'S EFFICIENT PRODUCTION RATE DECISIONS (707126)

BACKGROUND : In light of DOD's declining budgets, the services are buying fewer units of systems and producing them over longer periods of time resulting in higher unit cost. Items being produced at inefficient rates cause increased systems acquisition cost and require longer maintenance and support cost for systems being phased out.

KEY QUESTIONS : (1) To what extent is DOD producing systems at inefficient rates ? (2) Why does this inefficiency exist? (3) How can DOD produce its systems more efficiently? (4) Are there systems that could more easily accommodate a delayed production strategy to fund the more efficient production of others? (5) What would be the budget and cost impact of buying systems more efficiently?

WEAPON SYSTEMS ACQUISITION PROCESS

TITLE: EVALUATION OF PRODUCTION AND IMPROVEMENT PLANS FOR THE ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM) (707127)

BACKGROUND : Air Force plans to spend \$534 million to improve AMRAAM's performance against current threats and countermeasures. These improvements are to be incorporated in production missiles over the next 10 years. Only 815 missiles, or 7.4 percent of the AMRAAM inventory will have all improvements. Congressional committees have expressed concern about the need for some improvements.

KEY QUESTIONS : (1) What are the estimated costs, schedules, and technical status of planned improvements? (2) Has Air Force justified the need for improvements based on current threats? (3) What are the Air Force plans for retrofitting improvements? (4) Have the services compared benefits of the improvements with other methods of providing the capability to reduce cost & risks?

TITLE: ASSESSMENT OF NAVY'S DEVELOPMENT OF LOWER TIER THEATER MISSILE DEFENSE SYSTEM (707128)

BACKGROUND : For FY93, Congress earmarked \$90 million to begin investigating ship-based systems for destroying theater ballistic missiles. In 1994, DOD reported to Congress that the acquisition cost of the Navy's lower-tier system would be approximately \$4.8 billion. Plans submitted to Congress for FY96 show a big increase in spending from \$154 million to \$254 million.

KEY QUESTIONS : (1) Has Navy demonstrated the system will meet effectiveness requirements? (2) How many AEGIS ships should get new system? (3) Is the system ready to enter production? (4) Is there need to deploy the User Operational Evaluation System (UOES) on 1 or more ships 2 years before deployment of a fully operational system?

TITLE: DOD'S SPACE-BASED INFRARED SATELLITE PROGRAM (707130)

BACKGROUND : DOD plans to spend billions of dollars during the next several years acquiring a new space-based infrared satellite system for detecting ballistic missile launches. The House Appropriations National Security Subcommittee is interested in ensuring that limited resources are prudently spent for the required capability to meet the warfighters' needs.

KEY QUESTIONS : (1) Are key operational requirements achievable within funding constraints, and if not, what cost effective options would be acceptable? (2) Is it prudent to accelerate the LEO segment, considering the numerous risks involved? (3) Is the Air Force and BMDO adequately coordinating their programs to ensure efficient and effective operational results?

WEAPON SYSTEMS ACQUISITION PROCESS

TITLE: DOD'S EXPENDABLE SPACE LAUNCH VEHICLES (707131)

BACKGROUND : The Congress required DOD to initiate development of a new family of expendable launch vehicles to reduce overall launch costs. DOD plans to spend \$2 billion in evolving a medium and heavy launch capability for the nation. The House Appropriations National Security Subcommittee is interested in ensuring that the vehicle program goals are achieved as intended.

KEY QUESTIONS : (1) Will DOD's Evolved Expendable Launch Vehicle (EELV) program be affordable? (2) Will it require more developmental effort than originally envisioned? (3) How will existing vehicles, payloads, and launch facilities be affected? (4) Will the system satisfy the needs of all four space sectors? (5) How is acquisition reform being implemented under the program?

TITLE: REVIEW OF F-22 PROGRAM COST, SCHEDULE AND PERFORMANCE (707139)

BACKGROUND : In fiscal year 1997, the Department of Defense plans to request the first increments of production funding for the F-22 fighter. Total program funding to acquire 442 aircraft is currently expected to exceed \$73 billion.

KEY QUESTIONS : (1) What technical performance challenges remain? (2) Have DOD criteria for proceeding to low rate production been satisfied? (3) Has the Air Force satisfied the issues defined in the Defense Science Board report on concurrency? (4) Have independent cost estimates been completed? (5) Have production readiness reviews been completed and is the aircraft design stable?

TITLE: MULTIYEAR PROCUREMENT PLAN FOR THE JAVELIN ANTITANK WEAPON SYSTEM (707140)

BACKGROUND : Army has requested approval to negotiate a 3-year contract for procuring Javelin. However, this \$4 billion weapons program may not meet congressional and DOD criteria for multiyear procurement. Its design and production quantities are not stable, various changes are being made during low-rate initial production, and the fiscal year 1997 quantities may be reduced.

KEY QUESTIONS : (1) Is Javelin's design and procurement stable? (2) Is Javelin's cost realistic and are the projected multiyear procurement cost savings significant? (3) Is DOD requesting sufficient funds for the multiyear contract?

Defense Acquisition

BUDGET ANALYSIS

TITLE: ANALYSIS OF FISCAL YEAR 1997 DOD SYSTEMS RDT&E AND PROCUREMENT BUDGET (707136)

BACKGROUND : Prior budget work resulted in substantial funding reductions. Due to attritions and field office closures, we are re-visiting our approach to the acquisition budget requests "scrub". This code provides time to review lessons learned from prior year's efforts, develop a plan for this year's effort, and prepare for transition into review when the budget is released.

KEY QUESTIONS : (1) Should fiscal year 1997 budget requests be denied or reduced in view of changes in requirements, performance, cost options, force structure and potentially more economical production and delivery rates/schedules? (2) Does DOD have unused funds from prior years that could be used to offset a reduction to the fiscal year 1997 request?

OTHER ISSUE AREA WORK - DA

TITLE: FOREIGN DIRECT INVESTMENT IN THE U.S. DEFENSE INDUSTRY (705039)

BACKGROUND : As defense budgets shrink, defense industries are increasingly merging with or selling components of their businesses to foreign interests. While there are benefits from foreign direct investments, there are also risks to U.S. national security and competitiveness. Congress is concerned that oversight of foreign takeovers of defense firms is inadequate.

KEY QUESTIONS : (1) Are reviews of foreign acquisitions adequately considering the impact on national security? (2) What are the national security and competitiveness risks? (3) What are the foreign investment patterns, by industry and country? (4) What is DOD's role in assessing risks?

TITLE: PRACTICES FOR ACQUIRING R&D SERVICES (705045)

BACKGROUND : Declining budgets and evolving missions have led DOD's \$9.5 billion science and technology community to expand the use of dual-use technology and better integrate the civil-military industrial base. To facilitate these efforts, Congress passed legislation enabling the use of cooperative agreements and other transactions.

KEY QUESTIONS : (1) What instruments are available to DOD to facilitate their dual-use and civil-military integration goals? (2) What has been DOD's experience in using these instruments? (3) Do these instruments appear to be achieving either the goals of the enabling legislation or DOD's dual-use or civil-military integration goals?

Defense Acquisition

OTHER ISSUE AREA WORK - DA

TITLE: COMPARISON OF DOD-FFRDC PROFESSIONAL STAFF AND MANAGERS COMPENSATION TO SIMILAR POSITIONS IN THE CIVIL SERVICE (705064)

BACKGROUND : Assignment derives from the FY 92 Defense Appropriations Conference Report 102-328, requesting that GAO compare the compensation of DOD FFRDC professional staff and management to similar positions in the federal civil service to see which personnel costs isignificantly increase when doing research at DOD's FFRDCs.

KEY QUESTIONS : (1) What compensation data are available on the 11 DOD FFRDCs' personnel and similar federal civil service positions? (2) How can these data be accessed, recorded, and aligned for the purposes of comparison? (3) Can the methodology developed for this assignment be used to add comparisons of personnel data from other federal and private sector operations?

TITLE: DOD VOLUNTARY DISCLOSURE PROGRAM (705079)

BACKGROUND : The Defense Industry Initiative on Business Ethics led to the establishment of the voluntary disclosure program which is the formal administrative process used by contractors to advise DOD of matters discovered through internal compliance programs. Senator Grassley asked GAO to review the administration of DOD's voluntary disclosure program.

KEY QUESTIONS : 1. What has been the performance of the voluntary disclosure program as a vehicle for contractor disclosure of fraud? 2. What can be done to improve the structure and/or administration of the program? 3. To what degree are there overlaps between contractor voluntary disclosures and related qui tam actions?

TITLE: PRICING OF SPARE PARTS FOR THE C-17 AIRCRAFT (705082)

BACKGROUND : Within defense procurements, pricing of spare parts has been a high visibility issue in the past. Congressman Rose has expressed concern about procurement practices within DOD and believes that a review of pricing of spare parts for the C-17 would be an appropriate start for determining if prior mismanagement/abuses continue to exist.

KEY QUESTIONS : (1) Are the prices being paid for C-17 spare parts fair and reasonable? (2) Are the processes being used to negotiate and finalize the prices for parts in accordance with prescribed regulations?

OTHER ISSUE AREA WORK - DA

TITLE: DOD EFFORTS TO ADDRESS DEFICIENCIES IN THE OPERATION AND MANAGEMENT OF FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS (705084)

BACKGROUND : As the Department of Defense (DOD) downsizing continues, attention has turned to the infrastructure supporting DOD's research and technology programs. In particular, congressional concerns have again been raised about the need for and management of DOD-sponsored Federally Funded Research and Development Centers. Some of these issues date back to the 1960s.

KEY QUESTIONS : (1) What are the key issues concerning the structure and management of DOD's FFRDCs? (2) What efforts has DOD taken to effectively address these issues?

TITLE: DOD-FFRDC TRUSTEE AND DIRECTOR COMPENSATION (705088)

BACKGROUND : On 10/6/94 the Defense Appr. Subcommittee staff expanded assignment 705064 in several ways including the request that GAO issue a separate product comparing the compensation of the Defense Science Board members with FFRDC trustees and other employees brought in to direct or evaluate DOD FFRDC operations.

KEY QUESTIONS : (1) What FY 1993 compensation was paid to FFRDC trustees and other part-time management advisory employees? (2) What compensation is available to DSB members? (3) How does DOD FFRDC compensation compare to DSB compensation?

TITLE: IMPLEMENTING REGULATIONS FOR THE 1994 ACQUISITION STREAMLINING ACT (705091)

BACKGROUND : Section 10002 of the Federal Acquisition Streamlining Act (FASA) mandates proposed revisions to the Federal Acquisition Regulation (FAR) and other regulations necessary to implement FASA. Under FASA section 10003, GAO is required to report on compliance with section 10002 within 180 days after final regulations are issued.

KEY QUESTIONS : (1) Are all regulations necessary to implement FASA being issued? (2) Is the executive branch complying with requirements for timeliness, public comment, and clarity? (3) Are the regulations consistent with the purposes of FASA to streamline the acquisition process?

Defense Acquisition

OTHER ISSUE AREA WORK - DA

TITLE: BASELINE DATA TO MEASURE EFFECTIVENESS OF ACQUISITION REFORM (705098)

BACKGROUND : Section 10003 of the Federal Acquisition Streamlining Act (FASA) of 1994 requires GAO to report on the results of implementing the reforms envisioned by the Act. To meet this mandate, we need to collect baseline procurement data and other information.

KEY QUESTIONS : (1) What Federal Procurement Data System (FPDS) data elements are appropriate and useful in evaluating the effectiveness of FASA reforms? (2) What other data can be collected to supplement FPDS data? (3) What indicators do agency procurement staff consider useful for evaluating the effectiveness of FASA reforms?

TITLE: FOREIGN COUNTRIES' LAWS, POLICIES, AND PRACTICES REGARDING FOREIGN INVESTMENTS IN THEIR DEFENSE AND KEY STRATEGIC INDUSTRIES (705101)

BACKGROUND : DOD is looking increasingly at opportunities for international cooperation to leverage limited procurement dollars. DOD supports international industrial partnerships, subject to national and economic security considerations. U.S. law (Exon-Florio) allows the President to block an investment on national security grounds.

KEY QUESTIONS : (1) What are the incentives and barriers to U.S. investment in the national security-related industries of France, Germany, the U.K., and Japan? (2) How are the four countries' policies and practices different from those of the United States?

TITLE: ARE VOTING TRUSTS, PROXY AGREEMENTS, AND SSAS EFFECTIVE? (705103)

Defense Acquisition

OTHER ISSUE AREA WORK - DA

TITLE: REVIEW OF THE IMPLEMENTATION OF DOD REGULATIONS ON DEFENSE CONTRACTOR RESTRUCTURING ACTIVITIES (705104)

BACKGROUND : The National Defense Authorization Act of 1995 required DOD to prescribe regulations on the allowability of restructuring costs associated with defense contractor business combinations and provide annual reports to the Congress. The Act requires GAO to review and periodically report on DOD's implementation of the regulations

KEY QUESTIONS : (1) Is DOD implementing the restructuring regulations in accordance with the intent of Congress? (2) What assurance does DOD have that savings for each business combination exceeds restructuring costs? (3) How effectively is DOD complying with the congressional reporting requirements of the Act?

TITLE: DEPARTMENT OF DEFENSE FEDERALLY FUNDED RESEARCH DEVELOPMENT CENTERS (FFRDCS) FACT SHEET (705106)

BACKGROUND : In 1988, GAO issued a fact sheet on the size and scope of Federally Funded Research and Development Centers (FFRDCs) (GAO/NSIAD-88-116FS). The requester has asked us to update this fact sheet and to provide additional staffing, compensation, and contracting information.

KEY QUESTIONS : For each DOD FFRDC, what is the: (1) purpose, mission, and scope of work, (2) DOD oversight and/or chain of command, (3) placement of work, (4) number of employees, and (5) extent to which taskings are contracted out to other private companies.

TITLE: OFFSET REQUIREMENTS ON DEFENSE EXPORTS (705108)

BACKGROUND : Foreign governments often require U.S. and other defense companies to offset military purchases by purchasing their domestic goods, investing in production facilities, or transferring technology. Recent information indicates that foreign governments have increased offset demands and are becoming more rigid in the criteria for giving U.S. companies offset credits.

KEY QUESTIONS : (1) How have buying countries' offset demands changed? (2) What are buying countries offset requirements? (3) What type of offset activities are being undertaken to satisfy these requirements?

Defense Acquisition

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TITLE: EVALUATION OF THE U.S. GOVERNMENT'S EXPLOSIVES AND NARCOTICS DETECTION TECHNOLOGY (705112)

BACKGROUND : Following the bombing of the World Trade Center, details became known about new terrorist techniques to bomb U.S. airlines. The committee would like to know what explosives and narcotics detection technology is available to counter the threat of terrorist attacks as well as to detect narcotics, which the committee believes poses even more of a threat to this country.

KEY QUESTIONS : (1) What are the threats posed to the United States by the use of both narcotics and explosives? (2) What strategies are used to counter these threats? (3) How does detection technology fit in the threat and counter-threat framework?

TITLE: REVIEW OF THE FEDERAL GOVERNMENT'S USE OF MARKET RESEARCH (705114)

BACKGROUND : Market research--the process used to collect and analyze data about products in the market that could satisfy an agency's needs--has not been very effective in the government. In 1994, Congress enacted requirements to improve such research and required that revised regulations be written by 9/95. GAO is required to report on the use of market research by 10/96.

KEY QUESTIONS : (1) What are the government's market research efforts? (2) Do barriers exist within the market research process or in the use of the results from the process that are not addressed by law or regulatory changes? (3) Is a government-wide database with information on commercial and nondevelopmental items (NDI) feasible?

TITLE: BEST QUALITY ASSURANCE PRACTICES IN THE PRODUCTION PHASE OF ACQUISITIONS (705115)

BACKGROUND : Military quality assurance (QA) practices are a major cost driver in defense programs. Commercial practices stressing "built-in" quality are more efficient and could help DOD avoid non-value added cost, while producing high quality products.

KEY QUESTIONS : (1) What organizations have the best quality assurance practices? (2) What costs and benefits are associated with adopting best practices? (3) How do these practices compare with DOD QA inspections? (4) What are the reasons for major differences among best practices and DOD procedures?

Defense Acquisition

OTHER ISSUE AREA WORK - DA

TITLE: DEFENSE ACQUISITION WORKFORCE IMPROVEMENT ACT WAIVERS - 1995 (705118)

BACKGROUND : The Defense Acquisition Workforce Improvement Act (DAWIA) is intended to improve the education, experience, and training of the defense acquisition workforce by establishing minimum requirements. DAWIA permits DOD to waive certain of these requirements and requires GAO to review and report on these waivers annually through 1998. This assignment covers FY 1995 waivers.

KEY QUESTIONS : (1) What waivers were approved by DOD in FY 1995? (2) What trends are emerging with respect to numbers and categories of waivers and/or positions in the acquisition corps? (3) Do waivers granted reflect implementation issues that need to be addressed?

TITLE: BARRIERS TO INTEGRATED PRODUCTION AT TRW (705119)

BACKGROUND : Integrated military-commercial production is a key acquisition reform outcome. The Air Force has contracted with TRW to build a component for the F-22 and Comanche programs in a commercial facility. The project offers the opportunity to achieve several benefits of military-commercial integration including cost savings.

KEY QUESTIONS : (1) Can the Air Force TRW pilot make a contribution to DOD's acquisition reform objectives? (2) What barriers have been encountered that might prevent wider applicability of any benefits?

TITLE: REDUCING THE COSTS OF OVERSIGHT AND MANAGEMENT OF DEFENSE ACQUISITION CONTRACTS (705120)

BACKGROUND : House Report 104-131 requires GAO to review and report on the cost of oversight and management of defense acquisition contracts. GAO is to make suggestions as to how to reduce these costs. The House report states that oversight and management of defense acquisition contracts represent 15-20 percent of the cost of defense procurement.

KEY QUESTIONS : (1) What major initiatives have been recommended to DOD to reduce oversight cost drivers on contractors? (2) What has DOD done to reduce the cost or increase the efficiency of its internal acquisition management oversight processes? (3) What has been the effect of actions taken? (4) What more can be done to reduce defense contract oversight and management costs?

Defense Acquisition

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TITLE: PROGRESS AND ISSUES IN FEDERAL ACQUISITION COMPUTER NETWORK (FACNET) IMPLEMENTATION (705121)

BACKGROUND : The Federal Acquisition Computer Network (FACNET) is a key feature of the Federal Acquisition Streamlining Act (FASA) and is intended to create a single standards-based electronic commerce capability for all federal agencies.

KEY QUESTIONS : (1) To what extent are the fundamental components of FACNET working in line with the goals and objectives established by the Administration and Congress? (2) To what extent has the Administration resolved business, technical, and management problems associated with FACNET implementation?

TITLE: REVIEW OF THE IMPLEMENTATION OF THE GOVERNMENT PURCHASE CARD PROGRAM (705122)

BACKGROUND : Government purchase cards have the potential for significantly reducing administrative costs for small dollar purchases, speeding up the procurement process, and replacing imprest funds. One study estimated that up to \$265 million a year could be saved if half of the government's small purchases were made with the purchase card.

KEY QUESTIONS : (1) Can significant savings be realized from government-wide use of purchase cards? (2) Can use of the purchase card streamline and speed up the procurement process for small purchases? (3) What is the significance of the existing impediments to expanding use of the purchase card?

TITLE: CASE STUDY OF MARTIN MARIETTA CORPORATION'S ACQUISITION OF GENERAL ELECTRIC AEROSPACE (705127)

BACKGROUND : The 1995 Defense Authorization Act required (1) DOD to issue regulations on the allowability of restructuring costs for contractor business combinations and (2) GAO to periodically report on the implementation of those regulations. Martin Marietta's acquisition of GE Aerospace is only the second combination under the regulations. We are reporting on the first under 705104.

KEY QUESTIONS : (1) Were actions applicable to the business combination accomplished in accordance with DOD's regulations? (2) Did DOD take adequate steps to review estimated restructuring costs and savings? (3) What assurance does DOD have that restructuring savings will exceed costs? (4) What evidence exists that savings were incorporated in contract prices?

Defense Acquisition

OTHER ISSUE AREA WORK - DA

TITLE: UNCLASSIFIED REPORT ON NEED FOR EXPLOSIVES AND NARCOTICS DETECTION TECHNOLOGY TO COUNTER THREATS (705128)

BACKGROUND : On 11/7/95, we orally briefed the Committee staff on the results of the first phase of our work conducted under code 705112. In response, the staff requested an unclassified report on that phase. This code is for preparing the unclassified briefing report and responding to agency comments.

KEY QUESTIONS : (1) What are the threats posed to the United States by the use of both narcotics and explosives? (2) What strategies are used to counter these threats? (3) What are the planned acquisitions of the detection technologies by the Federal Aviation Administration and U.S. Customs Service?

TITLE: CLASSIFIED REPORT ON EXPLOSIVES THREAT (705129)

BACKGROUND : On 11/7/95, we orally briefed the Committee staff on the unclassified results of the first phase of our work conducted under code 705112. In response, the staff requested a classified report on that phase. This code is for preparing the classified report and responding to agency comments.

KEY QUESTIONS : (1) What are the threats posed to the United States by the use of explosives? (2) What does the intelligence community say about these threats? (3) What strategies are used to counter these threats?

TITLE: DEVELOPMENT AND DEPLOYMENT OF TECHNOLOGIES TO DETECT EXPLOSIVES AND NARCOTICS (705130)

BACKGROUND : On 11/7/95, we orally briefed the committee staff on the results of the first phase of our work under code 705112. At that time, we informed the staff we would begin the second phase of our work obtaining detailed information on specific detection technologies.

KEY QUESTIONS : (1) What detection technologies are available and under development and how well do they work? (2) What lessons can be learned from foreign countries in deploying detection technologies? (3) What federal, state and local coordination is taking place to develop and deploy both explosives and narcotics detection technologies?

OTHER ISSUE AREA WORK - DA

TITLE: REVIEW OF MISSILE APPROACH WARNING SYSTEMS (707004)

BACKGROUND : The services are now trying to acquire Missile Approach Warning Systems (MAWS) for their tactical fighters. DOD designated the Navy to be lead agency for this common effort because it has contracted for more than 1800 AAR-47 MAWS for helicopter and transport aircraft. We have reported to the Congress in the past that AAR-47s experience false alarm problems.

KEY QUESTIONS : (1) Has the Navy resolved the AAR-47 false alarm problem? (2) Why doesn't the Navy own the data rights to the new software intended to solve the AAR-47 problems? (3) Does the new software work?

TITLE: NAVY'S DEPLOYMENT OF THE AIRBORNE SELF-PROTECTION JAMMER (ASPJ) ON F-14D AIRCRAFT (707048)

BACKGROUND : The Navy terminated the F-14D program after 56 aircraft were produced and the Airborne Self-Protection Jammer (ASPJ) program after 95 units were produced. The ASPJ program was terminated because tests revealed that it could not meet its operational requirements. The Navy now plans to test and possibly deploy the ASPJ on the F-14D aircraft.

KEY QUESTIONS : How has DOD revised its F-14D Test and Evaluation Master Plan to: (1) account for testing of the ASPJ; (2) demonstrate that the F-14D will operate more effectively with rather than without the ASPJ; and (3) reflect ASPJ's reliability, supportability, and suitability relative to the F-14D?

TITLE: FISCAL YEAR 1996 DOD SPACE PROGRAMS AND ACTIVITIES (707093)

BACKGROUND : DOD plans to spend about \$83 billion on defense and intelligence space programs and activities during fiscal years 1996 through 2001. The House Appropriations National Security Subcommittee is concerned about DOD's management in this area and the best use of available space resources.

KEY QUESTIONS : (1) How can the agencies more efficiently use their space dollars in support of the warfighting forces? (2) What actions are being taken to consolidate space management and functions? (3) Are practical, technical, and affordability questions associated with new and evolving space acquisitions being adequately addressed?

OTHER ISSUE AREA WORK - DA

TITLE: SURVEY OF THE INTERCOOLED RECUPERATED ENGINE TESTING PROGRAM (707113)

BACKGROUND : The Navy is developing an Intercooled Recuperated (ICR) Engine. The Navy originally planned to do concurrent developmental engine testing at its own facility, but cancelled that plan citing budget constraints. This engine is planned for the DDG-51 and other combatants.

KEY QUESTIONS : (1) Will the Navy have sufficient and credible information for program decisions? (2) How does the Navy intend to test the ICR engine? (3) When and on what basis will the decision be made for using the ICR engine on the DDG-51? (4) Will funding be sufficient for ICR development and DDG-51 ship integration?

TITLE: REVIEW OF ADVANCED INFRARED COUNTERMEASURE SYSTEM (707122)

BACKGROUND : OSD recently directed that the missile warning component of the Army's Advanced Threat Infrared Countermeasures (ATIRCM) system be a common system for all services. Although the services have agreed to DOD's direction, they have not yet stopped competing programs.

KEY QUESTIONS : (1) Are the Air Force and Navy complying with DOD direction? Have separate acquisition efforts been phased out in a timely manner? (2) Are both ATIRCM and DIRCM (the system being acquired by Special Operations Forces) necessary? (3) Did DOD adequately coordinate the ATIRCM and DIRCM Programs to avoid duplication?

TITLE: ASSESSMENT OF RETURN ON INVESTMENTS IN AIRCRAFT AND OTHER DEFENSE DELIVERABLE ITEMS (707134)

BACKGROUND : Since at least 1975, the historical record shows a decline in production of military aircraft coupled with substantial growth in unit costs and unprecedented increases in peacetime procurement budgets. Although aircraft capabilities have increased, the quantities were limited and the average age of the aircraft continued to be a concern.

KEY QUESTIONS : (1) What has been our return on the amounts invested in aircraft in the past 2 decades. (2) What trends are obvious through the 20 years? (3) Have procurement plans become more conservative as measured by the achievement of program costs or schedules? (4) What factors have prohibited DOD's procurement of sufficient quantities, despite immense defense procurement budgets?

OTHER ISSUE AREA WORK - DA

TITLE: REVIEW OF DOD'S JOINT-TACTICAL UAV PROGRAM PLANS AND RESULTS (707135)

BACKGROUND : The JTUAV has had problems since production began in 1993. Recent program restructuring requires a user evaluation before a second production decision in 12/95, but crashes since 8/95 have lead to system grounding and delays. This job will address production readiness. Questions 2&3 have been addressed in interim reports under 707097 (Maneuver Strategy) and 707117 (Jointness).

KEY QUESTIONS : (1) Has the Hunter UAV system demonstrated that it is ready for additional production? (2) Has the Program satisfied congressional requirement for jointness? (3) Does DOD's acquisition strategy for the Maneuver UAV include adequate testing before production?

ROUTING SLIP

Problem Form No. _____

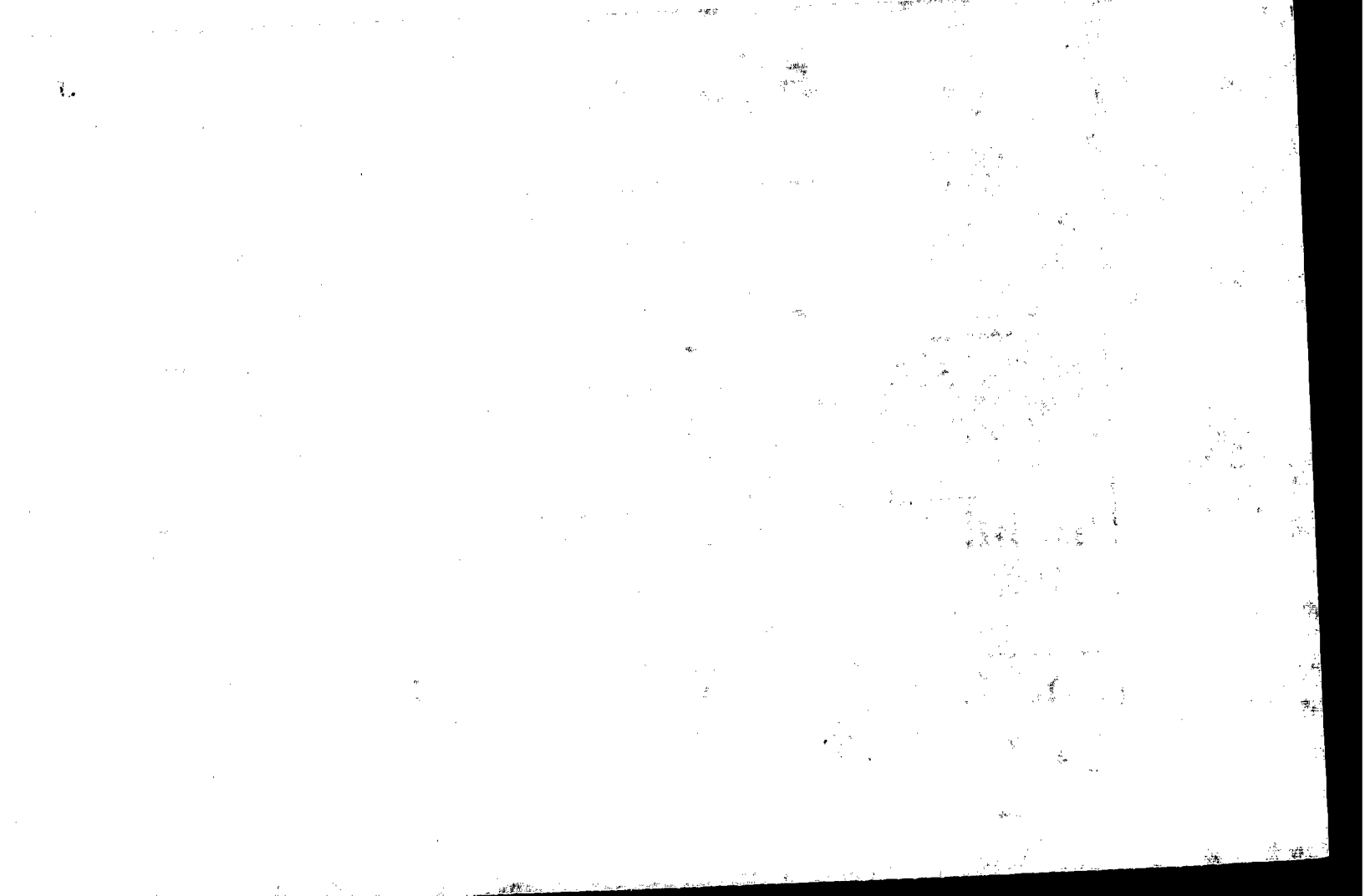
- Form 48
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DATE: 3/14/96

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