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SELECTED ACQUISITION REPORTS - HIGHLIGHTS AS OF JUNE 30, 1980

Selected Acquisition Reports of 46 major acquisitions transmitted to the Congress for June 30, 1980, reflect a total Current Estimate of Program Acquisition Cost of \$260,132.5M. This compares to a Current Estimate of \$255,583.3M for the same 46 major acquisitions reported in the March 31, 1980 quarter.

The changes in Current Estimate between March 1980 and June 1980 are summarized below:

	Current Estimate (\$ Millions)
March 1980 (46 SARs)	\$255,583.3
June 1980 (46 SARS)	260,132.5
Net Changes	<u>\$+ 4,549.2</u>
Reasons for Change:	
Quantity Changes	- 85.7
Engineering Changes	+ 2.2
Support Changes	- 170.0
Schedule Changes	+ 14.5
Estimating Changes	- 53.9
Total in Base-Year Constant Dollars	<u>\$- 292.9</u>
Economic Escalation	+ 4,703.7
Program Change Related Escalation	+ 136.4
Total	<u>\$+ 4,549.2</u>

The net increase between March 1980 and June 1980 is \$4,549.2M. The \$4,549.2M (1.8%) increase includes an increase of \$1,079.3M (1.9%) for the Army, an increase of \$2,733.6M (2.0%) for the Navy, and an increase of \$736.3M (1.2%) for the Air Force. The most predominant cause of the cost growth this quarter is due to the application of higher inflation rates used in the amended budget for FY81 and the supplemental budget for FY 1980 and higher anticipated inflation rates for the program outyears. The overall cost for the 46 SAR programs is \$260.1B.

The significant cost changes and program highlights reported in the SARs this quarter are summarized below:

1. DIVAD Gun - Program costs increased by \$208.2M due to the net result of application of higher anticipated escalation rates in the program outyears (\$+85.7M), (2) program stretchout (\$+367.2M), (3) changes in estimating methodology and availability of updated pricing information (\$+9.3M), and (4) elimination of ammunition costs beyond build-up period FY83-87, which are D&S costs, and were erroneously included in the previous SAR and revised estimate of peculiar support equipment and spares (\$-122.7M).
2. FVS - Program costs increased by \$127.4M due primarily to the application of higher anticipated escalation rates in the program outyears.
3. MLRS - Program costs increased by \$110.1M due to the application of higher anticipated escalation rates in the program outyears.
4. XM-1 - Program costs increased by \$213.3M due to the net result of (1) the application of higher anticipated escalation rates in the program outyears (\$+229.3M), and (2) reduction in training devices procurement for FY81 due to the slippage in the training devices procurement schedule (\$-16.0M).
5. CVN-71 (CVN-68 Class) - Program costs increased by \$+108.9M due to the application of higher anticipated escalation rates in the program outyears.
6. SSN-688 Class - Program costs increased by \$161.1M due to the application of higher anticipated escalation rates in the program outyears.
7. F-18 - Program costs increased by \$585.5M due primarily to the application of higher anticipated escalation rates in the program outyears.
8. CG-47 AEGIS Cruiser - Program costs increased by \$800.3M due to the application of higher anticipated escalation rates in the program outyears.
9. LAMPS MK III - Program costs increased by \$+176.1M due to the application of higher anticipated escalation rates in the program outyears.
10. TRIDENT - Program costs increased by \$+510.4M due to the net result of (1) the application of higher anticipated escalation rates in the program outyears (+524.1M), and (2) reduction in estimating due to recoupment of prior year funds (\$-13.7M).
11. DSCS III - Program costs increased by \$+142.6M due to (1) the application of higher anticipated escalation rates in the program outyears (\$+24.3M), (2) rephasing of the DSCS III production program (\$+68.5M), and (3) reestimate of the production program (\$+49.8M).
12. F-16 - Program costs increased by \$287.4M due to the net result of (1) the application of higher anticipated escalation rates in the program outyears (\$+304.3M), and (2) adjustment of the prior years escalation estimates (\$-16.9M).

Department of Defense
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FUNDING STATUS OF SAR SYSTEMS
As of JUN 30 80
(\$In Millions)

Weapon System	Current & Prior Year	FY 1981	Balance of FYDP	Balance of Program	Total Current Estimate
		Funds			Funds
CONGRESSIONAL SAR SUBMISSION					
ARMY					
PATRIOT (Fire Sections)	\$ 2,261.1	\$ 546.1	\$ 2,610.2	\$ 816.7	\$ 6,234.1
PERSHING II	256.1	147.4	1,242.9	118.0	1,764.4
HELLFIRE	234.0	76.4	632.5	79.0	1,021.9
CH-47 MODERNIZATION	142.3	152.9	1,036.9	1,045.7	2,377.8
UH-60A (BLACK HAWK)	1,634.6	341.2	1,024.4	2,987.0	5,987.2
AH-64 (AAH)	874.4	223.8	2,905.8	1,852.3	5,856.3
SOTAS (Division Sets)	142.7	55.6	705.0	149.7	1,053.0
FVS (MICV)	648.7	624.5	3,632.9	2,903.3	7,809.4
XM-1	1,963.6	1,217.6	5,651.0	4,250.2	13,082.4
ROLAND(Fire Units)	808.5	428.0	702.3	-	1,938.8
COPPERHEAD (CLGP)	260.2	128.2	608.7	165.6	1,162.7
DIVAD Gun	120.5	169.6	2,649.7	1,177.7	4,117.5
MLRS (GSRS)	257.1	182.8	1,355.7	2,209.4	4,005.0
M-198	138.9	45.3	70.4	-	254.6
NAVY					
E-2C	1,940.3	262.2	1,057.9	-	3,260.4
F-14A	8,911.1	811.2	1,943.4	-	11,665.7
F-18	3,630.9	1,768.5	12,270.8	12,044.2	29,714.4
P-3C	3,287.7	279.8	1,905.3	457.2	5,930.0
LAMPS MK III	586.3	226.8	3,460.3	1,129.8	5,403.2
CAPTOR	412.1	13.1	-	-	425.2
HARM	222.3	82.2	621.1	1,066.0	1,991.6
HARPOON	1,155.3	182.2	997.0	-	2,334.5
PHOENIX	1,285.5	144.3	590.0	-	2,019.8
SIDEWINDER AIM-9L	232.1	42.4	159.1	-	433.6
SPARROW AIM-7F	551.4	123.9	649.7	225.4	1,550.4
TOMAHAWK	791.5	242.0	1,245.6	-	2,279.1
TRIDENT	14,375.2	1,937.7	10,181.9	2,266.6	28,761.4
5-inch Guided Proj	93.9	31.0	160.7	69.1	354.7
SURTASS	222.8	190.4	179.7	0.1	593.0
TACTAS	104.7	23.1	639.0	427.4	1,194.2
SSN-688	8,929.1	606.4	2,482.7	71.8	12,090.0
CG-47 (DDG-47)	1,806.9	1,634.2	14,095.4	398.7	17,935.2
FFG-7	6,350.2	1,122.9	3,862.3	132.7	11,468.1
PHM	388.5	6.4	18.6	-	413.5
CVN-71	2,362.4	120.2	78.8	51.1	2,612.5
AIR FORCE					
A-10	4,178.4	512.7	1,353.1	-	6,044.2
F-15	11,640.4	879.8	1,681.8	-	14,202.0
F-16	5,676.4	1,941.7	6,669.3	4,463.5	18,750.9
E-3A (AWACS)	3,419.7	329.9	616.4	-	4,366.0
E-4 (AABNCP)	471.4	7.1	754.8	-	1,233.3
EF-111A	471.7	297.0	578.3	-	1,347.0
PLSS	150.5	30.2	462.2	-	642.9
HARM (AGM-88)	8.1	8.2	1,036.5	809.7	1,862.5
MAVERICK (IIR)	109.1	36.7	1,335.9	1,050.8	2,532.5
SIDEWINDER AIM-9L	417.1	46.9	99.4	-	563.4
SPARROW AIM-7F	613.9	123.4	200.5	-	937.8
DSCS III (Space Seg)	206.8	107.0	520.9	264.9	1,099.6
ALCM	1,496.1	755.3	2,132.9	946.6	5,330.9
GLCM	141.3	190.0	1,429.5	363.1	2,123.9
SUMMARY (% of Total) a/					
ARMY	9,742.7(17.1)	4,339.4(7.6)	24,828.4(43.8)	17,754.6(31.3)	56,665.1(100.0)
NAVY	57,640.2(40.4)	9,850.9(6.9)	56,599.3(39.7)	18,340.1(12.8)	142,430.5(100.0)
AIR FORCE	29,000.9(47.5)	5,265.9(8.6)	18,871.5(30.9)	7,898.6(12.9)	61,036.9(100.0)
GRAND TOTAL	\$ 96,383.8(37.0)	\$ 19,456.2(7.4)	\$ 100,299.2(38.5)	\$ 43,993.3(16.9)	\$ 260,132.5(100.0)

a/ Percent of total may not equal 100% because of roundoff.

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