



# Selected Acquisition Reports

The Department of Defense has released details on major defense acquisition program cost and schedule changes since the December 1998 reporting period. This information is based on the Selected Acquisition Reports (SAR) submitted to the Congress for the June 30, 1999, reporting period.

SARs summarize the latest estimates of cost, schedule, and technical status. These reports are prepared annually in conjunction with the president's budget. Subsequent quarterly exception reports are required only for those programs experiencing unit cost increases of at least 15 percent or schedule delays of at least six months. Quarterly SARs are also submitted for initial reports, final reports, and for programs that are re-baselined at major milestone decisions.

The total program cost estimates provided in the SARs include research and development, procurement, military construction, and acquisition-related operation and maintenance. Total program costs reflect actual costs-to-date as well as anticipated costs for future efforts. All estimates include allowances for anticipated inflation.

The current estimate of program acquisition costs for programs covered by SARs for the prior reporting period (December 1998) was \$715,284.6 million. After subtracting the costs for eight final reports and adding the costs for one new program (TACTICAL TOMAHAWK) in December 1998, the adjusted current estimate of program acquisition costs was \$706,935.6 million. There was no net cost change during the current reporting period (June 1999). The cost changes between December 1998 and June 1999 are summarized below:

	Current Estimate (\$ in Millions)
<b>December 1998 (78 programs)</b>	
<i>Less final reports on completed programs (AFATDS, ASAS, CSSCS, FAAD C2I, MHC 5I, TOMAHAWK TBIP, DMSP, and JSIPS)</i>	-10,212.4
<i>Plus one new program, TACTICAL TOMAHAWK</i>	+1,863.4
<b>December 1998 Adjusted (71 programs)</b>	<b>\$ 706,935.6</b>
<i>Excludes classified costs for the Air Force's MILSTAR program.</i>	
<b>Changes Since Last Report</b>	
<i>Economic</i>	\$ 0.0
<i>Quantity</i>	0.0
<i>Schedule</i>	0.0
<i>Engineering</i>	0.0
<i>Estimating</i>	-0.3
<i>Othe</i>	0.0
<i>Support</i>	+0.3
<i>Net Cost Change</i>	\$ 0.0
<b>June 1999 (71 programs)</b>	<b>\$706,935.6</b>

For the June 1999 reporting period, there was no net cost change reported. The six quarterly exception reports were submitted due to schedule delays of six months or more:

## AIM-9X

The SAR was submitted to report a 15-month schedule slip in completing Initial Operational Test and Evaluation (IOT&E) from August 2001 to November 2002, and a 12-month schedule slip to the Milestone III Service Acquisition Executive Review, now scheduled in March 2003. The schedule slips were based on technical difficulties with the Control Actuation System. There were no net cost changes reported as a result of the schedule delay.

### **E-2C REPRODUCTION**

The SAR was submitted to report a 12-month schedule slip to the Mission Computer Upgrade Milestone III, now scheduled to occur in May 2001. The change was necessitated by software testing delays. There were no net cost changes reported as a result of the schedule delay.

### **MIDS-LVT (Multi-Functional Information Distribution System - Low Volume Terminal)**

The SAR was submitted to report greater than six-month schedule slips in completion of IOT&E for the Low Volume Terminal (LVT) and Initial Operational Capability (IOC). The slips are primarily caused by the lack of available Engineering and Manufacturing Development terminals necessary for the completion of IOT&E. There were no net cost changes reported as a result of the schedule delay.

### **NESP (Navy EHF [Extremely High Frequency] SATCOM [Satellite Communications] Program)**

The SAR was submitted to report a 25-month schedule slip to the Medium Data Rate Operational Test, now scheduled to occur November 2000. The delay was caused by the MILSTAR Flight 3 satellite launch failure on April 30, 1999. There were no net cost changes reported as a result of the schedule delay.

*Excludes classified costs for the Air Force's MILSTAR program.*

### **STRATEGIC SEALIFT**

The SAR was submitted to report an eight-month slip to Operational Test & Evaluation for New Construction, now scheduled for June 2000, and a nine-month slip to Milestone III, now scheduled for October 2000. These changes were necessitated by the late delivery of *USNS Bob Hope* and her subsequent operational requirements. There were no net cost changes reported as a result of the schedule delay.

### **MILSTAR**

The SAR was submitted to report schedule delays as a result of the loss of MILSTAR Flight 3. Flight 3 launched on schedule April 30, 1999, but the satellite failed to reach geo-synchronous orbit and was declared a mission failure. As a result of this loss, the MILSTAR Joint Program Office is developing acquisition strategies and associated cost estimates for potential mission replacements. The schedule milestones of MILSTAR II IOT&E Complete, IOC II and Full Operational Capability (FOC) will be delayed by more than six months because of this failure.

#### **New SAR (As of June 30, 1999)**

The Department of Defense has submitted an initial SAR for NTW (Navy Theater Wide) missile system. This report does not represent cost growth. The baseline established on this program will be the point from which future changes will be measured. The current cost estimate is provided below:

Program	Current Estimate (\$ in Millions)
<b>NTW (Navy Theater Wide missile system)</b>	<b>\$4,464.3*</b>

\*Pre-Milestone II program reporting development (Research, Development, Test and Evaluation) costs only, in accordance with the provisions of Section 2432, Title 10, United States Code.

**Editor's Note:** This information is in the public domain at <http://www.defenselink.mil/news> on the World Wide Web.