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April 1995

Acquisition Policy,  
Technology, and  
Competitiveness Issue  
Area Plan

Fiscal Years 1995-97





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# Foreword

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The Acquisition Policy, Technology, and Competitiveness issue area is one of the General Accounting Office's 35 issue areas. Relying heavily on input from congressional committees, as well as industry, academia, agency officials, and other experts, GAO develops issue area plans to ensure that our resources are directed towards the most important concerns of the Congress.

GAO serves as a source of timely, accurate information and unbiased analysis for decisionmakers in the Congress and executive agencies. For each issue area, GAO's strategic plan describes the significance of the issues, our objectives, and the focus of our work. Our work includes such products as reports, briefings, and testimonies.

GAO's work in the Acquisition Policy, Technology, and Competitiveness issue area focuses on policies and processes of the Department of Defense (DOD) and civil agencies that are designed to make affordable acquisitions as well as sustain the health, technological leadership, and international competitiveness of the industrial base in a period of downsizing.

The principal issues in the issue area are

- ensuring the industrial and technology base is being restructured to best serve U.S. security interests;
- examining whether defense exports are maintaining critical industrial capabilities and reducing unit costs of weapons for the Department of Defense (DOD) while retaining technological leadership and competitiveness; and
- evaluating progress and new initiatives in federal acquisition reforms and best/commercial practices for streamlining and improving acquisition processes and practices while ensuring public funds are properly spent.

In the pages that follow, we describe our objectives and planned work on these issues.

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**Foreword**

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Because unanticipated events may affect this plan, GAO's planning process allows for updating the plan and responding to emerging issues. If you have any questions or suggestions about this plan, please call me at (202) 512-4125.

A handwritten signature in black ink that reads "David E. Cooper". The signature is written in a cursive style with a large, prominent initial "D".

David E. Cooper  
Director  
Acquisition Policy, Technology and  
Competitiveness Issues

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**Table I: Key Issues**

<b>Issue</b>	<b>Significance</b>
<b>Industrial base:</b> Is the industrial and technology base being restructured to best serve U.S. security interests?	The defense industrial and technology base is downsizing in response to declines in DOD and world markets. Mergers and acquisitions in the defense industry continue while major defense conversion and adjustment programs are funded and implemented. Concerns remain over maintaining critical production and technology capabilities for future national security needs. Concerns are also being raised about the value of and returns on multibillion dollar federal investments in conversion programs.
<b>Technology and competitiveness:</b> Is defense technology being protected while promoting competitiveness?	As the defense industrial and technology base downsizes, pressures increase to export and transfer more advanced, frontline weapons and technologies to maintain the base and jobs. The challenge is to promote exports that maintain critical industrial capabilities and help reduce unit costs of weapons for DOD while retaining technological leadership and superiority.
<b>Federal acquisition reform:</b> Are DOD and civil agencies streamlining and improving their acquisition processes and practices while ensuring that public funds are properly spent?	The Federal Acquisition Streamlining Act requires GAO to evaluate the implementation of several provisions' of the act throughout the federal government. In addition, DOD has numerous reengineering initiatives and pilot programs underway designed to further acquisition reform. At the same time, defense acquisition and contract management remain high-risk areas for misuse of billions of dollars in public funds.

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**Contents**

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**Objectives**

—Evaluate whether DOD is retaining critical technology and production capabilities needed for national security as downsizing takes place.

—Assess whether defense conversion programs designed to preserve national security interests are cost-effective and identify opportunities for savings.

—Contribute to effective policies and programs designed to maintain, promote, and protect critical defense technologies while enhancing U.S. international competitiveness.

—Evaluate implementation of government-wide acquisition reform legislation and costs/benefits of new proposals.

—Identify best commercial practices for the acquisition process.

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**Focus of work**

- Extent and progress in defense downsizing
- Oversight and contributions of Federally Funded Research and Development Centers (FFRDCs)
- Technology reinvestment projects and other defense conversion programs
- Extent of and need for U.S. government support for defense exports
- DOD's defense industrial base initiatives

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- Foreign investments in U.S. defense and key strategic industries and foreign countries' laws, policies, and practices in this area
  - DOD's science and technology plan, priorities, and spending
  - Adequacy of international weapons development and data exchange agreements and U.S. export controls
  - Nature and effects of offsets connected with foreign military sales

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- Mandated government-wide evaluations of Federal Acquisition Streamlining Act implementation
  - Selected DOD initiatives to promote acquisition of commercial products and apply best practices
  - Efforts to streamline DOD acquisition organizations
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# Table II: Planned Major Work

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Issue	Planned major job starts
<b>Industrial base</b>	—Assess technology reinvestment projects —Review Federally Funded Research and Development Centers —Assess defense industry downsizing —Examine DOD's industrial base planning
<b>Technology and competitiveness</b>	—Analyze the changing nature and effects of offsets associated with foreign military sales —Review foreign countries' laws, policies, and practices regarding foreign investment in their defense and key strategic industries —Review export controls over stealth and other critical military technologies —Review international weapons codevelopment/data exchange agreements —Review science and technology spending priorities
<b>Federal acquisition reform</b>	—Evaluate government-wide Federal Acquisition Streamlining Act regulations —Assess electronic commerce implementation government-wide and its costs/benefits —Develop baseline data to assess results of selected acquisition reform initiatives at key federal buying activities —Assess government-wide acquisition work force downsizing and efforts to streamline DOD acquisition organizations —Review performance-based acquisition management —Identify and evaluate selected DOD and industry initiatives to use best commercial practices

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# Table III: GAO Contacts

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Director	David E. Cooper	(202) 512-4125
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