



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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DEFENSE DIVISION

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The Honorable  
The Secretary of Defense

Attention: Assistant Secretary of Defense  
(Comptroller)

Dear Mr. Secretary:

In October 1970, we requested your comments on our draft report on the "Need for Better Controls Over Development and Product Improvement of Munitions" (GAO Code 67017, OSD Case No. 3197).

In our draft report, we proposed that you take the necessary actions to assure that engineering development projects are ordinarily initiated and continued only in response to a properly approved requirements document and that we be advised on the progress to make the processing of these documents more timely.

We also proposed that the Secretary of the Army initiate certain procedures which should tighten controls over the use of funds for product improvement programs, and investigate to determine if similar situations exist in other Army programs.

In addition, we proposed that the Commanding General of the Munitions Command take actions to improve the validity of initial cost and time estimates of engineering development projects and to institute procedures to cause needed information to be transmitted to Command-level managers.

The Assistant Secretary of the Army (Research and Development) in his reply, on your behalf, dated January 4, 1971, cited a series of actions that had been taken to:

- Improve the current requirements process.
- Establish procedures requiring the U. S. Army Munitions Command to review initial and revised cost and time estimates for engineering development projects.

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--Initiate a review of the product improvement projects still being performed by the U. S. Army Munitions Command's subordinate installations to determine if these projects had been approved by the offices of both the Deputy Chief of Staff for Logistics and the Assistant Chief of Staff for Force Development, and to determine if this situation exists at other subordinate commands of the U. S. Army Materiel Command.

--Revise Army Regulation 700-35 to tighten control over the use of funds for product improvement.

In view of the above, we do not plan to pursue our assignment further at this time. We are, however, planning to make a follow-up review of the Army's product improvement program to determine the Army's effectiveness in implementing the revised Army Regulation 700-35.

Copies of this letter are being sent today to the Secretary of the Army, the Director of Defense Research and Engineering, and the Assistant Secretary of Defense (Installations and Logistics).

Sincerely yours,

*E. M. Bailey*  
Director