

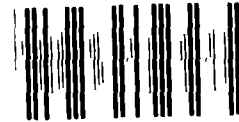
GAO

Briefing Report to the Chairman,  
Subcommittee on Defense, Committee  
on Appropriations,  
House of Representatives

June 1986

# ARMY BUDGET

## Potential Reductions to Aircraft Budgets



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

NATIONAL SECURITY AND  
 INTERNATIONAL AFFAIRS DIVISION

June 20, 1986

B-223087

The Honorable Bill Chappell, Jr.  
 Chairman, Subcommittee on Defense  
 Committee on Appropriations  
 House of Representatives

Dear Mr. Chairman:

As requested on January 28, 1986, we examined selected Army aviation procurement line items in the Army's fiscal year 1987 budget request. Specifically, we reviewed the requests for the AH-64A Apache, the UH-60A Black Hawk, the CH-47D Chinook, the OH-58D Army Helicopter Improvement Program (AHIP), the AH-1S Cobra/TOW, and the EH-60A Quick Fix aircraft. Our review concentrated on the Army's justifications for the fiscal year 1987 estimates and the execution of the fiscal year 1986 and prior year programs.

As shown in table 1, we identified \$66.8 million in the fiscal year 1987 Aircraft Procurement, Army, funding request and \$136.4 million in prior year Aircraft Procurement, Army, funds that we believe have a potential for reduction.

Table 1

Summary of Potential Reductions

<u>Army aircraft program</u>	<u>Potential fiscal year 1987 reductions</u>	<u>Potential prior years' reductions</u>	<u>Total</u>
	- - - - - (millions) - - - - -		
AH-64A Apache	\$ 21.6	\$ 61.7	\$ 83.3
UH-60A Black Hawk	7.1	7.6	14.7
CH-47D Chinook	1.5	10.0	11.5
OH-58D AHIP	31.0	18.4	49.4
AH-1S Cobra/TOW	1.8	32.3	34.1
EH-60A Quick Fix	<u>3.8</u>	<u>6.4</u>	<u>10.2</u>
Total	\$ <u>66.8</u>	\$ <u>136.4</u>	\$ <u>203.2</u>

We arrived at these potential reductions by recalculating budget estimates using contract information more current than what was used by the Army when preparing the budget, revised Office of the Secretary of Defense inflation rates, and revised Army cost estimates. Appendix I discusses these potential reductions in detail, including program officials' plans for alternative uses for some of the excess funds.

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In order to provide this report in time for the Committee's review of the fiscal year 1987 Army budget, we did not obtain agency comments. We did, however, discuss the report's content with program officials responsible for developing and procuring the aviation systems reviewed and incorporated their comments, where appropriate.

We are sending copies of this briefing report to the Chairmen, Senate Committee on Appropriations and House and Senate Committees on Armed Services; the Director, Office of Management and Budget; and the Secretaries of Defense and the Army. Copies will be made available to other interested parties upon request.

Should you need any additional information or have any questions on the contents of this document, please contact Mr. Thomas J. Brew, Associate Director, on (202) 275-4133.

Sincerely yours,



Frank C. Conahan  
Director

POTENTIAL REDUCTIONS TO ARMY AIRCRAFT BUDGETSOBJECTIVES, SCOPE, AND METHODOLOGY

On January 28, 1986, the Chairman, Subcommittee on Defense, House Committee on Appropriations, asked us to review the basis of and justification for the Army's fiscal year 1987 budget estimates and the execution of prior year programs for (1) missile procurement, (2) weapons and tracked combat vehicles procurement, (3) aircraft procurement, and (4) ammunition procurement. Because of time constraints, the Chairman requested that we limit our review to major programs, new programs, and programs with major changes. This report addresses the Army aircraft procurement segment of our work. The results of our analyses of the other budget accounts are being addressed in separate reports to the Subcommittee.

Our analysis of the aircraft procurement request was limited to six major Army systems: the AH-64A Apache, the UH-60A Black Hawk, the CH-47D Chinook, the OH-58D Army Helicopter Improvement Program (AHIP), the AH-1S Cobra/TOW, and the EH-60A Quick Fix. We made our analysis on the basis of data provided by the U.S. Army Aviation Systems Command, St. Louis, Missouri, and the Signals Warfare Center, Warrenton, Virginia.

In examining the justification for, and execution of, selected aviation procurement requests, we analyzed fiscal year 1987 budget justification documents sent to the Congress and determined the degree to which they were adequately and properly supported by approved cost estimates, valid program requirements, and sound methodology. We determined if any changes had occurred in the programs or cost estimates since the fiscal year 1987 budget estimate was prepared. We also reviewed the Army's budget execution of the fiscal years 1982 through 1986 budgets to determine how funds were spent and what impact reprogramming actions had on budget lines and to identify the availability of excess funds for any of those years. Additionally, we evaluated planned system improvements and the relationship of these program changes to budget requests and budget execution. Test results, production reviews, and current program status documentation also were examined. We interviewed Army officials responsible for the management, development, and procurement of aviation systems. Our work was performed at

- Headquarters, Department of the Army, Washington, D.C.;
- U.S. Army Aviation Systems Command, St. Louis, Missouri;
- Program Manager's Office, AH-64A Apache, St. Louis, Missouri;

- Project Manager's Office, UH-60A Black Hawk, St. Louis, Missouri;
- Project Manager's Office, CH-47D Chinook, St. Louis, Missouri;
- Project Manager's Office, OH-58D AHIP, St. Louis, Missouri;
- Project Manager's Office, AH-1S Cobra, St. Louis, Missouri;
- Project Manager's Office, Special Electronics Mission Aircraft, St. Louis, Missouri; and,
- U.S. Army Signals Warfare Center, Warrenton, Virginia.

In order to provide this report in time for the Committee's review of the fiscal year 1987 Army budget, we did not obtain agency comments. We did, however, discuss the report's content with program officials who are responsible for developing and procuring the aviation systems we reviewed. We made changes to the report or incorporated their comments, where appropriate, to reflect their views. We performed our work in accordance with generally accepted government auditing standards.

#### AH-64A APACHE

The Army requested about \$1.19 billion in fiscal year 1987 for 144 Apache helicopters.

The AH-64A Apache was designed for night precision attack, increased standoff and adverse weather capabilities, and increased survivability. It is a twin engine, two-man helicopter, capable of carrying up to 16 Hellfire missiles or 76 2.75-inch rockets and various amounts of 30 mm ammunition. The system's minimum requirements call for a 145-knot cruise speed and a 450-foot vertical rate of climb per minute with a primary mission endurance of 1.83 hours.

Although none of the 76 aircraft delivered through March 1986 met contract specifications, the Army accepted them on a contingency or waiver basis. The Army plans to have the contractor fix these aircraft at the contractor's expense to bring them into compliance with contract specifications. For example, the contractor will have to install survivability kits for electronic countermeasures, strengthen the internal structure of the tail boom, and redesign/rework the wiring harness around the ammunition chute.

### Potential Reductions to the Fiscal Year 1987 Budget Request

We identified a potential reduction of \$21.6 million in the Army's fiscal year 1987 budget request--\$8.3 million resulting from reduced requirements for aircraft engines and \$13.3 million in unneeded funding for Engineering Change Orders (ECOs).

We believe \$8.3 million is available for reduction because the Army budgeted funds for 20 more engines than the number provided for in the Army's 3-year multiyear contract. The current contract is for 240 engines and can be modified to increase the quantity by an additional 28 engines, or a total of 268 engines. The budget, however, was based on procuring 288 engines. Therefore, the \$8.3 million included for 20 engines is questionable and has a potential for reduction. Further, according to Army program office officials, the Army does not have a plan to exercise the contract option for the 28 engines. If the option is not exercised, the budgeted amount for the engines (\$11.5 million) could also be reduced, making the total reduction \$19.8 million, rather than \$8.3 million.

Also, we believe that because the Army has consistently overstated its requirements for ECO funds for this program, \$13.3 million of the \$21.3 million requested for ECOs has a potential for reduction. Our analysis of funding for ECOs over the past four fiscal years showed that the Army only obligated an average of \$8 million of its annual ECO budget and used the excess funds for other purposes. Thus, unless the Army can justify the need for additional ECO funds above the rate of usage for prior years, we believe that the amount requested could be reduced by \$13.3 million (\$21.3 million less the \$8 million yearly average).

### Potential Reductions to Prior Year Programs

We believe the Apache's prior year funding needs for fiscal years 1982 through 1986 can potentially be reduced by \$61.7 million, as shown in table I.1, because of contract savings, overstated budget estimates, and undisbursed funds.

Table I.1Potential Prior Year Reductions  
to the Apache Program

<u>Fiscal year</u>	<u>Amount</u>
	(millions)
1986	\$36.5
1985	6.8
1984	6.5
1983	5.8
1982	<u>6.1</u>
Total	<u>\$61.7</u>

In our opinion, the fiscal year 1986 Apache program has the potential for a \$36.5 million reduction. This reduction consists of (1) \$5.4 million, which exceeds the February 1986 firm fixed-price contract amount for the engines; (2) \$10.1 million budgeted for ECOs, which will not be needed based on prior year funding trends for ECOs; and (3) \$21 million in excess funds because the fiscal year 1986 program system support contract was awarded for \$15 million less than budgeted and the Target Acquisition Designation Sights and Pilot Night Vision Sensors (TADS/PNVS) contract for termination liability was \$6 million less than planned. Program officials stated they plan to use the \$21 million for other program cost elements, such as the airframe.

For fiscal year 1985, the Apache program has a potential reduction of \$6.8 million. Budgeted funds for the firm fixed-price TADS/PNVS contract were \$6.8 million more than the April 1985 contract award price. Program officials speculated that the savings resulted from obtaining items from the government rather than from a contractor.

We believe there is potential to reduce the fiscal year 1984 Apache program by about \$6.5 million. The program has \$806,000 more for the firm fixed-price engine contract than the contract amount, including finalized fiscal year 1985 ECOs. Apache program officials plan to reprogram the \$806,000 excess. Additionally, the fiscal year 1984 TADS/PNVS advance procurement has \$5.7 million more budgeted than is required to execute the contract. Program officials were unable to support the need for the \$5.7 million.



We believe a potential reduction of \$5.8 million exists in fiscal year 1983 funding. We identified \$4 million from fiscal year 1983 Apache airframe procurement currently being held by the program management office in a contingency fund. In addition, the engine budget could be reduced by \$312,000 since the contract amount has been disbursed, and this amount remains available. Likewise, \$1.5 million remains undisbursed from the TADS/PNVS contract for factory test program sets that have been delivered. Program management officials said there may be a future need for these funds because the contract has not been audited.

We believe the potential exists to reduce the fiscal year 1982 Apache program by \$6.1 million. The program management office is currently holding \$449,000 from the logistics support contract, although the contract was completed several years ago. An additional \$5.7 million may no longer be required by the Apache program management office for the TADS/PNVS contract. This amount includes \$1.8 million for testing that has been completed and \$3.9 million for publications that also have been completed. Even though these contracts have been completed and there has been no disbursement of these funds, program management officials said these contracts have not been audited by the Defense Contract Audit Agency, and thus these funds may be needed.

#### UH-60A BLACK HAWK

The Army requested \$350.4 million for the Black Hawk helicopter program in fiscal year 1987, as shown in table I.2.

Table I.2

Fiscal Year 1987 Budget Request  
for the Black Hawk Program

	<u>Amount</u>
	(millions)
Black Hawk (78 aircraft)	\$379.4
Less: prior year advance procurement	<u>224.0</u>
Current year program	\$155.4
Plus: current year advance procurement	<u>195.0</u>
Total	<u>\$350.4</u>

The UH-60A Black Hawk is a twin engine helicopter that is used to transport troops and equipment into combat and to resupply troops while in combat and for other missions such as aeromedical evacuation, repositioning of reserves, and command and control.

The Black Hawk is in the tenth year of production. To achieve its procurement objective of 1,107 aircraft, the Army has procured 699 aircraft from fiscal years 1977 through 1985, and plans to procure an additional 408 aircraft by fiscal year 1990.

#### Potential Reductions to the Fiscal Year 1987 Budget Request

We identified a potential reduction of \$7.1 million in the Army's fiscal year 1987 budget request based on the following:

- The advance procurement budget includes \$4.1 million for which no requirement exists.
- The Army's budget cost estimates, which were based on March 1985 inflation indices, are overstated by \$2.4 million when the Office of the Secretary of Defense's (OSD's) February 1986 inflation indices are applied to the Army's cost estimates.
- The Army's budget for engines is overstated by \$611,000 because after preparing the estimates, the Army decided to use a lower cost engine.

Program officials agreed with our calculations.

#### Potential Reductions to Prior Year Programs

The Army's funding requirements for fiscal years 1982 through 1985 can potentially be reduced by \$7.6 million, as shown in table I.3.

Table I.3Potential Prior Year Reductions  
to the Black Hawk Program

<u>Fiscal year</u>	<u>Amount</u>
	(millions)
1985	\$ 3.1
1984	1.2
1983	.1
1982	<u>3.2</u>
Total	\$ <u>7.6</u>

The Black Hawk program office has identified \$3.1 million in fiscal year 1985 funds and \$1.2 million in fiscal year 1984 funds that are excess to program needs and that we believe are available for potential reductions. We also believe there is a potential to reduce fiscal year 1983 funding by \$109,000 because these funds were unused and returned to higher headquarters. Finally, there is a potential to reduce fiscal year 1982 funds by \$3.2 million. The program office has deobligated these funds since the beginning of fiscal year 1986 and, according to program officials, they have no need for the funds.

CH-47D CHINOOK

The Army has requested \$267 million in fiscal year 1987 to modernize 48 aircraft.

The CH-47D Chinook medium lift helicopter provides the Army with a highly mobile and responsive means to move troops and such items as ammunition, repair parts, artillery and special weapons, and disabled aircraft and vehicles. The CH-47 helicopter was developed in the late 1950s. Because the earlier models used 1950's technology and because of the age of the fleet, the Army has initiated a program to modernize and upgrade the Chinook fleet's capability.

The Chinook modernization program is now in its sixth year. Through March 1986, 87 of the planned 436 aircraft had been converted to the D model and delivered to the Army. In April 1985, the Army signed a 5-year multiyear contract with Boeing-Vertol to modernize 240 aircraft from fiscal years 1985 through 1989.

Potential Reductions to the  
Fiscal Year 1987 Budget Request

The Army's fiscal year 1987 budget request for the CH-47D modernization program has a potential for a \$1.5 million reduction on the basis of lower inflation indices. The Army developed its fiscal year 1987 budget request of \$267 million on the basis of a baseline cost estimate (using contract, historical, and engineering cost estimates) and then escalated the estimated cost using a March 1985 inflation index. The majority of the cost elements (\$218.7 million of \$267.0 million) are for the firm fixed-price multiyear procurement. By applying OSD's February 1986 inflation index to the remainder (\$48.3 million), we identified an overstatement of \$1.5 million.

Potential Reductions  
to Prior Year Programs

The Army's prior year funding requirements for fiscal years 1982 through 1986 can be potentially reduced by \$10 million, as shown in table I.4.

Table I.4

Potential Prior Year Reductions  
to the Chinook Program

<u>Fiscal year</u>	<u>Amount</u>
	(millions)
1986	\$ 1.0
1985	.5
1984	4.3
1983	3.5
1982	<u>.7</u>
Total	<u>\$10.0</u>

We believe that the fiscal year 1986 Chinook modernization program has a potential for a \$1 million reduction on the basis of more recent inflation indices. Like the fiscal year 1987 budget estimate, the fiscal year 1986 budget estimates are overstated as a result of using the March 1985 inflation index. After applying the February 1986 inflation index, we found that recurring costs were overstated by \$500,000, avionics costs were understated by \$300,000, nonrecurring costs were overstated by \$700,000, and other costs were overstated by \$100,000. The net result is a potential \$1 million reduction.

For fiscal year 1985, we determined the program could be reduced by \$540,000. The program includes funds to "buy-back" 11 CH-47C model helicopters from the Italian government. The Army committed \$102.5 million for the procurement, including \$540,000 for contingency purposes. The Army is in the process of reaching a final settlement on this "buy-back" and the contracting officer said that he anticipates the final price will be about \$102 million. Therefore, the \$540,000 being held for contingency purposes is a potential reduction.

The fiscal year 1984 funding for the Chinook modernization program could potentially be reduced by \$4.3 million on the basis of an anticipated contract underrun (\$3 million) and the withholding of program funds by Army headquarters (\$1.3 million).

The fiscal year 1983 funding has the potential to be reduced by \$3.5 million because of an anticipated contractor underrun and a deobligation of funds by the program office. A program official told us that the February 1986 final cost performance report for the airframe contract showed that the airframe contractor had a \$3 million cost underrun. In addition to these funds, the program office has deobligated \$451,000 resulting from cancelled requisitions and lower than expected contract prices.

We believe that \$651,000 in fiscal year 1982 funding is available for potential reduction because the Army no longer has a need for these funds. The program office recently deobligated these funds, making them available for potential reduction.

#### OH-58D AHIP

For fiscal year 1987 the Army is requesting \$210.3 million to modernize 48 aircraft, as shown in table I.5.

Table I.5

#### Fiscal Year 1987 Budget Request for the AHIP

<u>Item</u>	<u>Amount</u>
	(millions)
Advance procurement	\$ 45.4
Recurring	160.4
Nonrecurring cost	<u>4.5</u>
Total	<u>\$210.3</u>

The OH-58D AHIP is a major modernization of the OH-58A observation helicopters. Instead of developing aircraft to meet increased needs, the Army decided to extensively modify 578 of its OH-58A observation helicopters. The modifications are a four-bladed, instead of a two-bladed, main rotor; a modernized control display system; an upgraded engine and drive system; an improved "nap-of-the-earth" flight capability; a Stinger missile capability; and, a newly developed mast-mounted sight to perform target acquisition and designation during day and night and in adverse weather. AHIP production began in fiscal year 1984, and the Army had 99 aircraft scheduled for production through fiscal year 1986.

Potential Reductions to the  
Fiscal Year 1987 Budget Request

We believe the Army's fiscal year 1987 budget request of \$210.3 million for the AHIP may be overstated by \$31 million. Our calculations show overestimated budgets for advance procurement (\$23.6 million) and ECOs (\$7.4 million).

The Army's budget estimate for fiscal year 1987 advance procurement was based on buying material and support for producing 72 aircraft in fiscal year 1988. In October 1985, the Secretary of Defense reviewed the system's operational tests and concluded that (1) the system failed to support the attack and air cavalry missions and (2) procurement should be limited to support the field artillery aerial observer role. The Army determined that 179 aircraft would be needed for this observer mission. The Army has since reduced the planned fiscal year 1988 procurement quantity to 32 aircraft. Because of this reduction, there is a potential to reduce the funding by up to \$23.6 million.

We believe the fiscal year 1987 budget estimate of \$11.1 million for ECOs is overstated by \$7.4 million. We calculated that, historically, the Army has only obligated one-third of the program's ECO budget and has used the excess funds for cost overruns in other program areas. Since the Army has budgeted \$11.1 million for ECOs in fiscal year 1987, we believe there is a potential to reduce the request by two-thirds, or \$7.4 million. Program officials agreed the ECO budget estimate was overstated, but said about one-half, or \$5.5 million, was needed. Unless the Army can justify the need for additional ECO funds above the rate of usage for prior years, we believe that the amount requested could be reduced by \$7.4 million.

Potential Reductions  
to Prior Year Programs

We believe funding requirements for fiscal years 1984 through 1986 can be reduced by \$18.4 million as shown in table I.6 because of contract savings, lower inflation estimates, reprogramming actions, and overstated budget estimates.

Table I.6

Potential Prior Year Reductions  
to the AHIP Program

<u>Fiscal year</u>	<u>Amount</u>
	(millions)
1986	\$10.6
1985	0.4
1984	<u>7.4</u>
Total	<u>\$18.4</u>

For fiscal year 1986, \$10.6 million is available for potential reduction because of revised program estimates for several budget lines and accelerated procurement in prior years. The \$20.9 million for advance procurement for fiscal year 1986 is overestimated by \$3.8 million. Government-furnished communication/navigation systems may be overstated by \$1.6 million because the Army plans to use fiscal year 1984 funds for part of the requirement. In addition, officials told us they do not plan to spend \$5.2 million of budgeted amounts for warranty and engineering changes in fiscal year 1986. Program officials agreed with our calculations that several budget line items were overstated for fiscal year 1986. They stated they plan to use the \$10.6 million excess to buy engines and to purchase additional ground support equipment.

For fiscal year 1985, we identified \$442,712 as available for potential reduction as a result of lower than expected contract costs, and lower than estimated inflation.

For fiscal year 1984, \$7.4 million is available for potential reduction--\$4.1 million from airframe contract savings and \$3.3 million from reprogramming funds. Program officials said they plan to use most of these funds (\$5.5 million) for earlier procurement of the communication/navigation equipment, and another \$1.7 million for an unfunded requirement of classroom system trainers.

AH-1S COBRA/TOW

The Army requested \$61 million in fiscal year 1987 for a variety of Cobra modifications, as shown in table I.7.

The AH-1S Cobra/TOW helicopter modification program is made up of (1) the Laser Augmented Airborne TOW (LAAT) system, which will provide precise range data to the cockpit; (2) the Cobra night program (C-NITE), which will improve visibility by providing a thermal night sight and TOW II electronics; and (3) the Cobra Fleet Life Extension (C-FLEX), which incorporates numerous service life extension modifications, including rotor improvements, improved TOW and TOW test set reliability, and upgraded radios.

Table I.7

Fiscal Year 1987 Budget Request  
for the Cobra/TOW Program

<u>Item</u>	<u>Amount</u>
	(millions)
LAAT	\$ 9.3
C-FLEX	3.1
C-NITE	<u>48.6</u>
Total	<u>\$61.0</u>

Potential Reductions to the  
Fiscal Year 1987 Budget Request

We believe \$1.8 million of the amount requested for LAAT has a potential for reduction. Although the Army budgeted \$9.3 million for the LAAT contract, the Army awarded a fiscal year 1985 contract for a similar effort at a lower cost. By applying OSD's February 1986 inflation indices to this fiscal year 1985 contract cost, we calculated that the fiscal year 1987 budget request was overstated by \$1.8 million.

Cobra program officials agreed that the fiscal year 1987 contract for LAAT is expected to be awarded for less than the budgeted amount. They told us that they plan to use the excess funds for additional unfunded C-FLEX requirements.



Potential Reductions to  
Prior Year Programs

We believe \$32.3 million is available for potential reduction in fiscal years 1984 through 1986 programs, as shown in table I.8, because of contract savings and revised budget needs.

Table I.8

Potential Prior Year Reductions  
for the Cobra/TOW Program

<u>Fiscal year</u>	<u>Amount</u>
	(millions)
1986	\$ 9.3
1985	14.7
1984	<u>8.3</u>
Total	<u>\$32.3</u>

We estimate that \$9.3 million in fiscal year 1986 funds is available for potential reduction. The LAAT program could be reduced by \$1.9 million on the basis of a contract award for the fiscal year 1985 LAAT program and the C-FLEX program could be reduced by \$7.4 million because of a lower contract price history and lowered inflation indices.

Cobra program officials agreed that the fiscal year 1986 LAAT contract would probably cost \$1.9 million less than expected and said the excess funding would be used for unfunded requirements in the C-FLEX program. These same officials disagreed that \$7.4 million in contract savings would materialize in the C-FLEX program. They contend that the fiscal year 1986 contract cost is uncertain because of possible higher labor rates at the prime contractor. However, they did not have revised labor rate estimates.

For fiscal year 1985, we believe \$14.7 million is available for potential reduction on the basis of contract savings in the C-FLEX program. Program officials told us that they plan to use part of these unused funds for additional unfunded requirements in the C-FLEX program and any remaining funding for possible contract overruns in the C-Nite program.

For fiscal year 1984, we identified \$8.3 million that is available for potential reduction because of contract savings

associated with the C-FLEX project and the procurement of radar jammers. The program office plans to use these excess funds for the C-FLEX hub springs project, an unfunded requirement.

#### EH-60A QUICK FIX

The Army requested \$151.9 million for the Quick Fix helicopter program in fiscal year 1987.

The EH-60A Quick Fix system is a modified UH-60A Black Hawk helicopter, produced by Sikorsky Aircraft Company, with various electronic monitoring and surveillance equipment. The first production buy of 12 aircraft was in fiscal year 1984, with an additional 18 aircraft procured in both fiscal years 1985 and 1986. The first production aircraft was delivered in December 1985. The final production buy is scheduled for fiscal year 1988.

#### Potential Reductions to the Fiscal Year 1987 Budget Request

The fiscal year 1987 Quick Fix budget request includes \$7.7 million for AN/TLQ-17A jamming devices, components of the overall mission equipment, of which \$3.8 million is available for potential reduction because the Army no longer has a fiscal year 1987 requirement for these system components. The Army's requirement was met by using fiscal years 1985 and 1986 funds to procure its total program requirements for these jamming devices from the Marine Corps. The program office plans to use \$3.9 million of the \$7.7 million requested for jamming devices to fund a fiscal year 1986 program requirement for the DF Antenna De-Ice efforts, which had been deferred until fiscal year 1987 so that fiscal year 1986 funds could be used for critical unprogrammed, unfunded requirements.

Quick Fix program officials told us that some of the \$3.8 million identified as potential for reduction will be needed to offset a higher than anticipated contract price for the Quick Fix and Trailblazer interoperability effort, a nonrecurring cost element in the Quick Fix budget.

#### Potential Reductions to Prior Year Programs

The Army's fiscal years 1984 and 1986 programs can potentially be reduced by \$6.4 million, as shown in table I.9.

Table I.9Potential Prior Year Reductions  
to the Quick Fix Program

<u>Fiscal year</u>	<u>Amount</u>
	(millions)
1986	\$ 3.9
1984	<u>2.5</u>
Total	\$ <u>6.4</u>

The fiscal year 1986 Quick Fix budget contains \$3.9 million for AN/TLQ-17A jamming devices, which is available for potential reduction. In the fiscal year 1986 Quick Fix budget, \$7.4 million was requested to procure AN/TLQ-17A jamming devices. Of this amount, \$3.5 million will be used primarily to procure the last jamming device needed to satisfy the total program requirements and to start procuring the DF Antenna De-Ice effort, leaving \$3.9 million for potential reduction. Quick Fix project office officials agreed that these funds were excess and available for reduction.

The fiscal year 1984 budget includes \$2.5 million of unobligated funds that are available for potential reduction. These funds were for repair of government-furnished equipment relating to the mission equipment contract, but are no longer needed for this contract. So that these funds will not expire, the Quick Fix project office is considering using this \$2.5 million to start the Quick Fix and Trailblazer interoperability efforts in fiscal year 1986, rather than in fiscal year 1987.

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