report on implementing the initiatives was excellent; however, the July 1982 report was not as comprehensive. Another report is planned for April or May 1983. DOD has stated that its efforts this year are directed toward working level implementation. We have been and will continue to monitor their progress.

I will discuss today two of the initiatives--efforts to amend Cost Accounting Standard 409 and multiyear contracting.

Initiative number 5 which encourages defense contractors to invest in capital assets and to increase productivity is of special concern to GAO. It sets forth eight actions, each of which is designed to provide increased profits and/or increased cash flow for defense contractors. Each of these suggested actions involves a significant element in the procurement system. We believe that it is necessary that each be more precisely defined before further work on implementing the actions is performed. This added definition is necessary to quantify what effect each proposed action might have on the defense budget. DOD's failure to quantify any of the eight recommended actions raises serious questions. We are especially concerned with the potential cost impact to the federal budget if all eight actions were to be implemented simultaneously.