

for major weapon systems is a separate issue and have cautioned that DOD proceed slowly until we understand all of its subtleties.

We believe the \$36 billion that DOD has thus far proposed to the Congress for major weapon system multiyear contracting is not consistent with our caution. For example, DOD's fiscal year 1984 request of about \$23 billion for seven major weapon systems represents a four-fold increase over its fiscal year 1982 requests, the first year under the expanded authority. The first executed major weapon systems contract is only in the first year of its 3-year production period and the second proposed major fiscal year 1982 multiyear contract--for the F-16 aircraft--had not been signed when the fiscal year 1984 proposals were made.

GAO's April 29, and September 13, 1982, analyses of DOD's projects proposed for multiyear contracting in fiscal year 1983 raised a number of concerns about (1) the accuracy and validity of the cost savings estimates and whether savings are commensurate with risks, (2) the application of the criteria for identifying programs most suitable for multiyear contracting, and (3) the effects of multiyear contracting on DOD and overall government budgets and whether the Congress' budgeting flexibility is being unduly restricted due to the use of multiyear contracting.