

We believe this should be emphasized because it is the expenditure budget that must be primarily looked at to curb deficits in the short run. If it becomes necessary to slow down or stretch out major weapon systems under a multiyear contract, it will reopen the terms and conditions of the contract and we are faced with a very complex restructuring of the contract for the convenience of the government. This may also be looked upon as the program stability issue. If expenditures must be cut, do we destabilize a few larger programs or many smaller ones? Multiyear contracts could exacerbate the decision.

GAO intends to closely monitor DOD's efforts to use multiyear contracting on major weapon systems and, at the request of the Chairmen, Subcommittee on Defense, House Appropriations Committee and Senate Appropriations Committee, is currently assessing the proposed fiscal year 1984 candidates and is conducting an in-depth case study of the Blackhawk helicopter airframe multiyear contract.

EXECUTIVE ORDER 12352

Before closing, I would like to discuss the most recent procurement reform initiative affecting DOD--Executive Order