

In readiness and support. We have had problems in this area for quite some time because of cutbacks in funds or overruns. Too often, production planning and support equipment have been robbed and pushed off into later years for the sake of prime hardware. When we have gotten through to the development phase, and we have decided to go into production, it has been discovered too often in the past that the production planning and the support planning has not been made.

Consequently, mistakes are made; costs are increased as a result, and subsequent administrations or subsequent Congresses or Department of Defense managers pay that price.

We are going to make a much more concerted effort to provide more discipline into protecting the production planning funding and the support effort that needs to be done during the development phase.

Funds are being redistributed to where they are really needed to support the system.

Mr. Chairman, we are now consolidating about six separate initiatives on this. One thrust toward policy implementation on this is largely complete.

The implementation is being monitored much more closely by the DSARC process. We are focusing at the production decision on fixing the reliability, maintainability and support resource problems which have been treated after the fact at this point. We are going to hit those problems much earlier and focus during the development phase on structuring programs to head off the problems that have been created in the past in this area.

In doing so, we expect to achieve substantial readiness gains, and in the long run, we go a long way toward reducing life cycle costs.

The continuing thrust of this, of course, would involve increasing the front end attention and the funding. It would mean more service discipline and commitment to holding production planning and support funding intact. We need to improve the techniques for readiness modeling, support cost estimating, and the application of contractor incentives.

Senator COHEN. Mr. Chairman, could I interrupt? Where does the cost analysis improvement group come into play in this chart? Where are those estimates?

Mr. DELAUER. Senator Cohen, the CAIG comes in all three of the areas you talked to but primarily in independent cost estimates this is where they make their major impacts, and where they show up in a participative way in the DSARC.

Senator COHEN. Does the CAIG provide a cost estimate for each weapon system?

Mr. DELAUER. Well, as you can see in this one chart—why don't you put that one back up—we have not done it for every program up to now, but we have done it for every DSARC program as the bottom bullet says.

Senator COHEN. But historically, the CAIG has been much more accurate than some of the service estimates.

Mr. DELAUER. Absolutely.

Senator COHEN. Of course, the Congress never gets a chance to see the CAIG. I was wondering, do you think, as a policy, should we insist that the CAIG analysis be done on every major weapons