

system, and second, should that information also be available to the Congress? In this way, we can make an evaluation as to whether or not the service estimate is more accurate in DOD than what the CAIG has supplied to you.

Mr. DELAUER. As we point out here, one of the initiatives we are going to pursue is to use independent cost estimates to arrive at program cost estimates. Now, that is an iterative process. The CAIG has their views on certain things, and that is what the DSARC process is for, to be sure. I sit there to be sure we modulate that and insure the result that comes out shows up in the SAR report.

So you see the consequences of it. No, I do not support the fact that we ought to send all our pricing information and costing information over here and let it be picked apart. You have given us the job to manage. Now you want to be sure that we do manage, and that we keep our commitment to you that we will use independent costing.

Senator COHEN. Part of the problem with the SAR, No. 1, is its complexity. Kelly Burke has trouble figuring it out. I would assume most people would.

But No. 2, there is information not always included in the SAR. I think Secretary Thayer indicated some of the systems that we are currently working on have not been included in the SAR's because of the classification or because a final determination has not been made as to whether we go with the F-18 or F-15's or so forth.

So all I am suggesting to you is that by the time it comes to Congress, you are way down the production line, at least, before we even know what is in that SAR.

Mr. THAYER. What we want to do, Senator, is to renegotiate the formula for the SAR with the Congress, because it is not helpful in a good many ways. It is not a very complete tool to use to compare on a relative basis, from year to year, the way that the system is being managed.

We have talked about this recently. I have asked Dr. DeLauer and the bureaucracy to put together what we consider to be a more useful format, not only to you, but to us, as well.

Senator COHEN. How does the Office of Program Analysis and Evaluation factor into your costs analysis, Dr. DeLauer?

Mr. DELAUER. David Chu manages PA&E. They are also a DSARC principal, so they look at the administration problem, and analyze whether or not the effectiveness of the program in concert with other programs is proper. They participate in the DSARC as a principal. They also look at the questions of whether you should buy more or less, and is the inventory objective proper.

A point you just raised—let me just try to settle it here and show you the problems of the SAR. You mentioned the F-18.

Senator COHEN. Right.

Mr. DELAUER. We have inventory objectives as you know from the release that Secretary Thayer has made that we will be examining over the next 4 or 5 months. We will be deciding about what goes into those objectives. But the F-18 SAR—this is the SAR that we have just submitted has been talked about. The F-18 is generally characterized as a \$40 billion program, actually \$39.8 billion.