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SELECTED ACQUISITION REPORTS SHOW FIRST
YEAR END DECREASE IN COSTS IN TEN YEARS

Secretary of Defense Caspar W. Weinberger announced today a significant net decrease in the December 31, 1982, Selected Acquisition Reports (SARs).

This is the first time in ten years that a decrease in weapons systems cost has been reported for a year-end reporting period.

These favorable results were partly caused by a lower defense commodity inflation index resulting from the administration's anti-inflation program. The reduced cost growth also reflects DoD's continued management efforts and acquisition improvement initiatives to reduce cost growth in weapon systems.

If the reductions due to economic and quantity changes are excluded, there is an increase of \$7.5 billion (1.3 percent) due primarily to engineering, schedule and support change. This increase is still the smallest total dollar increase since December of 1975 and the lowest percent increase since 1973.

The SARs are sent to Congress quarterly and provide the latest estimates of technical, schedule, quantity and cost information on major weapons systems. This quarter's SARs are the first to include new programs required to be reported under provisions of the Fiscal Year 1983 Defense Authorization Act.

The reports include total program acquisition costs updated to reflect actual cost on delivered systems, as well as anticipated costs for future procurement which may extend well into the 1990's.

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A summary of the December 31, 1982, SARs is available in the Defense News Branch, Room 2E757, the Pentagon.