

Mr. DELAUER. That was in the last SAR. I think we have the MX out of this one because of the fact that Congress didn't approve it to go into production.

Senator BINGAMAN. So how do we show a decrease if it is not—I don't understand how we can compare a previous year price to a nonexistent price and get a decrease.

Mr. DELAUER. This was September's SAR, and it might have had the MX in it. It might have had the MX/R&D program in it.

Which one have we got?

Senator BINGAMAN. The MX is the fifth one down on the list there. I just didn't understand. If it shows that it is going to cost \$34 billion now and that that is a 10-percent reduction, I guess it used to cost \$37 or \$38 billion.

Mr. DELAUER. This is a GAO number. We have never had a SAR for the MX, because we have not put it into production. I don't know how the GAO got the change. It could be just a different inflation rate. They could have changed it from one reporting period to the next, or something like that. I don't know.

Senator BINGAMAN. You don't really know the answer to that?

Mr. DELAUER. The MX missile has never been a SAR system so there is no SAR baseline to compare it against. The data you quote from Chairman Roth's opening statement doesn't clearly indicate what GAO used as a baseline that then indicates a 10-percent decrease for MX. It will be necessary for GAO to clarify the MX decrease that they reported to Chairman Roth.

Senator BINGAMAN. How about the ALCM, which is the bottom one on that same chart? It shows a 1,504-percent increase per air-launched cruise missile.

Mr. DELAUER. For the ALCM, its base year was 1977, and it shows an escalation of almost 33 percent due to inflation. That is what brought the number up. I don't think there has been a quantity change in ALCM, but I would have to take a look at it.

Senator BINGAMAN. I am trying to focus in on this unit change, percentage change in unit cost which is the right-hand figure. It says that the percentage change in the unit cost of ALCM is going to go up 1,504 percent.

Is that wrong or is there an explanation for it?

Mr. THAYER. I think we need to give you a complete breakdown on that. I don't think we can do that here.

Senator BINGAMAN. OK. Well, I would appreciate, Mr. Chairman, if we could get that for the record, because I have difficulty understanding how it is arrived at.

Mr. THAYER. I have difficulty understanding that, too. I cannot believe that that is a good number.

Senator BINGAMAN. It seems excessive to me.

Chairman ROTH. It is so requested.

[The information referred to follows:]

The December 31, 1982, SAR shows a quantity reduction of 1,901 missiles from the 1977 development estimate of 3,459 missiles down to the current estimate of 1,547. This decrease in quantity reported in the SAR caused the 1977 development estimate of \$958K unit procurement cost to rise to a current procurement cost of \$1,738M (in escalated dollars). This is an 80.89 percent increase in unit cost and is obviously much different than the 1,504 percent reported by Chairman Roth in his opening statement. Chairman Roth's \$8,497M total program cost does not reflect the