

Negotiating Better Acquisitions

In responding to the third topic you asked that I address -- Negotiating Better Acquisitions -- I will be giving you an update on the progress report that Frank Carlucci provided you last year. Considering the new budget, the Defense Department estimates that the 32 acquisition initiatives and other improvements to management and operations will produce about \$30 billion in savings by the end of FY-88. In addition they offer us a means of shortening the acquisition cycle, increasing readiness, and strengthening the defense industrial base.

It was a courageous decision to tackle such a broad spectrum of initiatives. The easier way would have been to develop and implement the initiatives a few at a time. But that would have been a piecemeal approach that would not have overcome quickly the many pressing problems faced by the Defense Department and would not have resulted in the economies and efficiencies that have already been realized.

My intention now is to narrow the focus of the thirty-two initiatives. Some have been fully implemented, others have become an integral part of the way DoD does business and are working well. They do not need my attention -- or interference. Because a few others proved infeasible or offered only minimal returns, we are no longer going to spend time on them. That leaves five or six major initiatives remaining that promise additional savings in the future on which I plan to focus my attention. In addition I will be studying several new areas for future emphasis, to include administrative improvements,