

controlling costs, scheduling and technical changes, and inventory control.

The seven acquisition initiatives that dealt with the DoD decision-making process have been fully accomplished. A Council on Integrity and Management chaired by the Deputy Secretary with the three Service Under Secretaries represented, has been established to monitor the implementation of the management reforms. To satisfy another initiative, the Service Secretaries are now formal members of the DSARC, a move that promotes participatory management and more coordinated decisions. Paperwork has been cut roughly in half, with coordination and oversight maintained through regular channels of communication. The number of programs which we review in depth has been reduced and there are fewer formal DSARC milestones. When things are going smoothly on a program, decisions are frequently delegated to the Services. Through regular Secretary's Performance Reviews, we have a means to keep abreast of progress and closely scrutinize programs when there are signs of trouble. During the past year there were about twenty performance reviews. Perhaps most significantly, the Pentagon's two major systems affecting the acquisition of weapons -- the DSARC process and the planning, programming, and budgeting system (PPBS) have been more closely integrated.

#### Initiatives on Which I Will Focus

One of the most successful initiatives -- producing savings of \$4.5B in 27 programs -- is multiyear procurement. It will continue as a major initiative because it offers a number of advantages. Because it provides the opportunity to make large