

year, but I am not willing to accept it as a trend, at this point in time, in which you are going to see ever decreasing costs in weapons systems.

Chairman ROTH. Would you be able to point out any weapons systems where you think there has been improvement or, on the other hand, other weapon systems that are glaring examples of increased costs?

Mr. SHELEY. Two systems that come to mind appear to me to be the relatively well-managed systems over the period of time: One is the F-16 airplane program. There were a lot of things going for it at the time that program began, but nevertheless, the involvement of European allies in that program, I think, has been a factor in it as well. I have been impressed with that one. When I am asked to comment upon a good program, I will comment on that particular one as having been a good program. The multiple-launch rocket system, incidentally built by Secretary Thayer's old firm, was a reasonably good program, too.

Chairman ROTH. What was the latter one?

Mr. SHELEY. The multiple launch rocket system.

Chairman ROTH. OK.

Mr. SHELEY. There were bad ones over the years, the Viper anti-tank weapon, was a disgrace. We recommended killing that program I don't know how many times. It is now being competed against some foreign systems.

Tests begin next month. With the requests from Senator Rudman, we will be observing those tests and making sure that the game is played square and we get a fair shake.

That is one bad system. There are others.

Chairman ROTH. Let me ask you: Is there anything that we can extract from those activities? Why is the F-16 mentioned? The European involvement?

What are the factors that made that an effective procurement, whereas in these other cases, we find the opposite?

Is it personnel? Is it the nature of the weapon or what?

Mr. SHELEY. Well, it is a combination, of all of those. First and foremost in the case of the F-16, it represented a rather large buy of aircraft, the first one in quite awhile, with the European buys included with the U.S. buy on the aircraft. Also at the time, the aerospace industry itself was not at the peak of health. The contractors were willing to get their pencils pretty sharp.

The Air Force also had the ability to go out, particularly at the subcontract level, and buy a 998 ship set buy. That is a large quantity buy in the airplane business today, but they were able to do that at the subcontractor level because of the commitment of the United States and the allies to the program. Those were very plus factors in that case.

Chairman ROTH. Let me add a comment on that, because, as you probably know, several of us, Senator Nunn, Senator Glenn, and myself, have pushed broader procurement. We think NATO ought to begin to buy weapons systems as a unit to get the economy of size.

As I understand what you are saying here, you are saying the reason for the savings and the effectiveness of the procurement is