

we can be of help. We will also contact you if other possible areas of inquiry come to our attention in the future.

It has been my pleasure to work with you and your Committee during my career with the General Accounting Office.

Sincerely yours,

W. H. SHELEY, Jr.,
Director.

Enclosure.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., February 17, 1983.

Hon. JOHN G. TOWER,
*Chairman, Committee on Armed Services,
U.S. Senate.*

DEAR MR. CHAIRMAN: On February 5, 1982, you asked us to examine all unit cost reports submitted to the Congress and, as part of a longer term effort, to study the Selected Acquisition Reporting (SAR) system and suggest improvements.

In an earlier report,¹ we advised you of the results of our review of 19 unit cost reports. We felt the Department of Defense (DOD) had made a dedicated and reasonably successful effort to comply with the unit cost reporting requirements of Public Law 97-86. We also said that, in the interest of improving the efficiency of reporting, consideration should be given to combining unit cost reports with a modified SAR system.

Since that time, the 1983 Defense Authorization Act (Public Law 97-252, Sept. 8, 1982) modified SAR legislation and gave permanence to the requirement for submitting unit cost reports to the Congress. These changes, which took effect January 1, 1983, should improve congressional oversight of major defense acquisitions. At this point, it appears desirable to allow the new procedures to function for a period of time before suggesting any additional changes. As part of our continuing interest in the quality of the information reported by the DOD to the Congress, we will monitor DOD's efforts to comply with the revised reporting requirements.

Regarding unit cost reports, we will promptly review and analyze those reports after they are submitted to the Congress.

We are sending copies of this letter to the Chairmen, House Committee on Armed Services, House and Senate Committees on Appropriations, House Committee on Government Operations, and Senate Committee on Governmental Affairs. Copies are also being sent to the Secretary of Defense.

Sincerely Yours,

W. H. SHELEY, Jr.,
Director.

Chairman ROTH. Gentlemen, I appreciate your being here very much. Again, I want to thank you and congratulate you for your good work.

Mr. SHELEY. Thank you, sir.

[Mr. Sheley's prepared statement and responses to written questions from Senator Roth to GAO follow:]

¹ GAO/MASAD-82-86, May 10, 1982.