

growth that is built-in, that is, cost growth that could have been avoided if more time, attention, and realism was used in developing estimates. All too often optimistic estimates are used to gain approval for acquisitions. Once a decision is made on the basis of faulty estimates, it may take years before real costs surface. During the intervening years, the Congress and agency management are trying to make informed decisions about initiating, continuing, modifying, and canceling projects.

At your request, Mr. Chairman, we initiated a study of DOD's cost estimating process. I plan to discuss the status of that work later on in my statement.

ISSUES FROM REVIEWS OF SELECTED WEAPON SYSTEMS

Each year we select some 20 to 25 individual weapon systems for a detailed review. If appropriate, we prepare reports on these systems and furnish them to the Congress.

Many of these reports are classified and for several years now we have issued a report which summarizes, in an unclassified form, the issues in our reports. Since these systems are in various stages of the acquisition process and the categories are interdependent, an issue may become more or