



E. R. ZUMWALT, JR.
ADMIRAL, U. S. NAVY (RET.)

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Honorable Richard D. DeLauer
Under Secretary of Defense for
Research and Engineering
Department of Defense
Washington, D.C. 20301

Dear Dick:

I recently have been made aware of ways to save significant amounts of funding in the RDT&E budget for both current and out years. It is my intention to outline the problem and provide recommendations to address this most important issue.

The DOD/Navy review process for Major Programs and selected less-than-major programs is fairly thorough and extensive. However, these projects typically constitute less than one-half of the annual RDT&E budget. For instance; the FY-81 RDT&E budget was \$4.8B. Major Programs amounted to \$2.1B and "all other" programs accounted for \$2.7B. Several years ago, in 1973, an approach was made by me, as CNO, to determine whether or not the less-than-major programs were complying with the then new Initial Operational Test and Evaluation requirements. They, in fact, were, but the information collected through a review of only 58 projects, revealed weak program management, questionable program starts, lack of a product after several years in R&D, and a divergence from published priorities. The consensus of the members of the study group

Honorable Richard D. DeLauer
21 March 1983
Page Two

was that 20 percent of the projects should have been abolished. Dick, to give you an appreciation of the magnitude of funding involved in these relatively low visibility programs, the RDT&E funding was \$1.5B, and \$3.6B was attributed to 35 projects which had progressed to the procurement level. A reduction of only 20 percent of the \$5.1B aggregate would have saved considerable monies. I believe that similar conditions exist today and undoubtedly would apply, as well, to the Army and Air Force.

Based on my experience with the 1973 in-house study, I recommend that an outside software contractor be used to conduct an in-depth review of the less-than-major programs. In-house participants tend to polarize along warfare specialties; however, in-house participation is encouraged for development of a methodology to carry out the effort. You may wish to establish a DOD oversight committee. If you do, I have recommendations for naval members.

Although a great deal has been written and testimony has been provided on this subject, I am convinced that an in-depth review is warranted. I would be most happy to assist in any way to launch this most important initiative.

Sincerely,



E. R. Zumwalt, Jr.

1500 Wilson Boulevard
Arlington, Virginia 22209
703/841-8960