



THE SECRETARY OF THE NAVY
WASHINGTON, D. C. 20350-1000

February 6, 2007

The Honorable Carl Levin
Chairman, Committee on
Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Title 10 United States Code Section 2433 requires Congress be notified if the unit cost of a major defense acquisition program increases by at least 15 percent over the current or original Unit Cost Report (UCR) baselines. When the unit cost increases by at least 25 percent from the current UCR baseline or at least 50 percent from the original UCR baseline, the Secretary of Defense must also submit a written certification, which will be forwarded separately no later than 60 days after the December 2006 annual Selected Acquisition Report (SAR) is due.

As of February 5, 2007, I have determined that the Program Acquisition Unit Cost and Procurement Unit Cost for the Expeditionary Fighting Vehicle program exceed both the current UCR and Original UCR baselines by at least 25 and 50 percent respectively. The Office of the Secretary of Defense will submit a SAR to provide details of the unit cost increases in conjunction with the FY2008 President's Budget.

A similar letter has been sent to the President of the Senate, Speaker of the House of Representatives and Chairmen Inouye, Murtha and Skelton. As always, if I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald C. Winter".

Donald C. Winter

Copy to:
The Honorable John S. McCain
Ranking Minority Member