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May 21, 2003

The Honorable Duncan Hunter
Chairman
The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
House of Representatives

Subject: *Posthearing Questions Related to Strategic Human Capital Management
and Endangered Species*

We are responding to questions for the record from your May 1, 2003, hearing on “The Defense Transformation for the 21st Century Act.”¹ Congressmen Neil Abercrombie and Sylvestre Reyes submitted the questions.

Questions from Congressman Abercrombie

1. Has GAO been able to gather a comprehensive list of bases/ranges and types of training activities affected by the need to comply with the Endangered Species Act and the Marine Mammal Protection Act?

Our prior work in this area identified various examples to illustrate how compliance with the Endangered Species Act and the Marine Mammal Protection Act have affected military training on various military bases; however, we have not, nor has the Department of Defense (DOD), attempted to aggregate this information for all bases.² Nonetheless, on the basis of our observations and discussions with officials at installations and major commands we visited last year here in the United States, we obtained numerous examples where encroachment issues, such as those related to compliance with the Endangered Species Act and the Marine Mammal Protection Act, had affected some training range capabilities, requiring workarounds—or adjustments to training events—and, in some cases, limited training. For example, endangered species habitat considerations have limited off-road vehicle training at Fort Lewis, Washington, to preserve an endangered plant and at Yakima Training Center, Washington, to protect the western sage grouse habitat. In addition, prior to the beginning of live-fire exercises in the Atlantic, Navy aircraft and ships search the

¹ U.S. General Accounting Office, *Defense Transformation: DOD’s Proposed Civilian Personnel System and Governmentwide Human Capital Reform*, GAO-03-741T (Washington, D.C.: May 1, 2003).

² U.S. General Accounting Office, *Military Training: DOD Lacks a Comprehensive Plan to Manage Encroachment on Training Ranges*, GAO 02-614 (Washington, D.C.: June 11, 2002) and *Military Training: DOD Approach to Managing Encroachment on Training Ranges Still Evolving*, GAO-03-621T (Washington, D.C.: Apr. 2, 2003).

training area and then maintain a constant watch for marine mammals during exercises. If a mammal enters the training area, the exercise is suspended until it leaves.

2. Is there quantitative evidence to prove that military readiness has been degraded by the need to comply with the Endangered Species Act and the Marine Mammal Protection Act? If so, can you please provide these numbers?

DOD has accumulated limited quantitative information to fully assess the magnitude of any impact of compliance with environmental statutes on military training. Our prior work found that, despite concerns voiced repeatedly by DOD officials about the effects of encroachment on training, DOD's readiness reports did not indicate the extent to which encroachment was adversely affecting training readiness and costs. This suggests inadequate efforts on the part of DOD to fully assess and report on the magnitude of the encroachment problem.

In the Bob Stump National Defense Authorization Act for Fiscal Year 2003, Congress required the Secretary of Defense to develop a comprehensive plan for using existing authorities available to the Secretary of Defense and the secretaries of the military departments to address training constraints on the use of military lands, marine areas, and airspace that are available in the United States and overseas for training. As part of the preparation of the plan, the Secretary of Defense was expected to conduct an assessment of current and future training range requirements of the armed forces and an evaluation of the adequacy of current DOD resources (including virtual and constructive training assets as well as military lands, marine areas, and airspace available in the United States and overseas) to meet those current and future training range requirements. The act also requires annual reports to Congress dealing with encroachment issues beginning this year and requires GAO to review those reports. The first of those reports was required to be submitted along with the President's budget for fiscal year 2004. That report was to describe the progress in developing a comprehensive plan to address training constraints. However, DOD has not completed a comprehensive plan or provided Congress with the progress report. Officials of the Office of the Secretary of Defense said that they plan to report to Congress later this calendar year. The act also requires the submission of a report not later than June 30, 2003, on the department's plans to improve its readiness reporting to reflect the readiness impact that training constraints have on specific units of the armed forces.

1. Do you believe that DOD is going too far, too fast?

We believe that many of the basic principles underlying DOD's civilian human capital proposals have merit and deserve serious consideration.³ However, given the massive size of DOD and the nature and scope of the changes that are being considered, DOD's proposal also has important precedent-setting implications for federal human capital management in general, and the Office of Personnel Management (OPM), in particular. As a result, the National Security Personnel System (NSPS) should be considered in that context. Several critical questions are raised by the department's proposal, including should DOD and/or other agencies be granted broad-based exemptions from existing law, and if so, on what basis; and whether they have the institutional infrastructure in place to make effective use of the new authorities.

In our view, it would be more prudent and appropriate for Congress to address certain authorities that DOD is seeking on a governmentwide basis and in a manner that assures that appropriate performance management systems and safeguards are in place before the new authorities are actually implemented (or operationalized) in any respective agency. This approach would accelerate needed human capital reform throughout the government in a manner that assures reasonable consistency on key principles within the overall civilian workforce. It also would provide agencies with reasonable flexibility while incorporating key safeguards to help maximize the chances of success and minimize the chances of abuse. It would also serve to prevent further fragmentation within the civil service system.

We believe that agencies should have the institutional infrastructure to make effective use of new authorities. This includes, at a minimum, a human capital planning process that integrates the agency's human capital policies, strategies, and programs with its program goals and mission and desired outcomes; the capabilities to effectively develop and implement a new human capital system; and importantly, the existence of a modern, effective, and credible performance management system that includes adequate safeguards, including reasonable transparency and appropriate accountability mechanisms, to ensure the fair, effective, and nondiscriminatory implementation of a new system.

- 2. In your written testimony to the Government Reform Committee you state, "Quite frankly, in the absence of the right institutional infrastructure, granting additional human capital authorities will provide little advantage and could actually end up doing damage if the new flexibilities are not implemented properly." In your opinion, does DOD have the right infrastructure?**

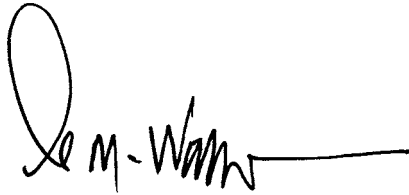
³ U.S. General Accounting Office, *Defense Transformation: DOD's Proposed Civilian Personnel System and Governmentwide Human Capital Reform*, GAO-03-741T (Washington, D.C.: May 1, 2003) and *Defense Transformation: Preliminary Observations on DOD's Proposed Civilian Personnel Reforms* (Washington, D.C.: April 29, 2003).

Based on our experience, while the DOD leadership has the intent and the ability to implement the needed infrastructure, it does not have the needed infrastructure in place across most of DOD at the present time. Our work has shown that while progress is being made, additional efforts are needed by DOD to integrate its human capital planning process with the department's program goals and mission. In addition, the practices that have been shown to be critical to the effective use of flexibilities provide a validated roadmap for DOD and Congress to consider.

3. Do you believe that DOD has provided the sufficient safeguards in its proposal to ensure the fair, merit-based, transparent, and accountable implementation of its proposed changes to the civil service system?

In our view, Congress should consider establishing additional safeguards to ensure the fair, merit-based, transparent, and accountable implementation of NSPS. As we were asked at the hearing, we have provided suggestions for possible safeguards for Congress to consider to help ensure that DOD's NSPS is designed and implemented in a manner that maximizes the chance of success and minimizes the possibility for abuse. A copy of that correspondence, dated May 6, 2003, will be provided to Congressman Reyes.

For additional information on our work on human capital issues at DOD, please contact me on 512-5500 or Derek Stewart, Director, Defense Capabilities and Management, on 512-5559 or at stewartd@gao.gov or J. Christopher Mihm, Director, Strategic Issues, on governmentwide human capital issues at 512-6806 or at mihmj@gao.gov.

A handwritten signature in black ink that reads "D M Walker" with a long horizontal line extending to the right.

David M. Walker
Comptroller General
Of the United States

(450219)

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