



Highlights of [GAO-05-182](#), a report to the Subcommittee on Defense, Committee on Appropriations, U.S. Senate

## Why GAO Did This Study

DOD has more than \$1 trillion worth of major defense acquisition programs, on which it must report to Congress, including a comparison of a current program's costs to a baseline containing its cost, quantity, schedule, and performance goals. When these goals are changed, the program is "rebaselined" to reflect current status. However, measuring current estimates against the most recent baseline without additional perspectives may obscure for Congress how programs are performing over time.

Concerned over this, you asked GAO to examine how DOD's use of rebaselining has affected the adequacy of data provided to Congress on major defense acquisition programs.

## What GAO Recommends

To provide Congress with more complete, timely, and accessible information, GAO recommends that the Secretary of Defense implement the following changes: measure and report a full history of unit cost performance in constant dollars; notify Congress when a program is rebaselined; and separately report classified and unclassified data.

DOD concurred with GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-05-182](http://www.gao.gov/cgi-bin/getrpt?GAO-05-182).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Levin at (202) 512-4841 or [levinr@gao.gov](mailto:levinr@gao.gov).

## DEFENSE ACQUISITIONS

# Information for Congress on Performance of Major Programs Can Be More Complete, Timely, and Accessible

## What GAO Found

DOD could be reporting more complete information beyond what is required by law on the unit cost performance of major defense acquisition programs to Congress for its authorization and appropriations deliberations. DOD does present Congress with valuable information about a program's performance by comparing the latest unit cost estimate against the most recent approved baseline. However, this provides only one perspective on performance because rebaselining shortens the period of performance reported and resets the measurement of cost growth to zero. Other meaningful perspectives are not reported. First, DOD does not report the cumulative unit cost growth, in constant dollars, that a program has experienced since the first full baseline was established. For example, DOD reported in the 2003 Selected Acquisition Report (SAR), the most recent available, that the F/A-22 Raptor program's unit cost decreased by 0.33 percent in the previous 4 months—since the latest rebaselining. DOD did not report that the program's unit cost had cumulatively increased by 72 percent in the last 143 months. Second, the change in unit cost between one budget request to Congress and the next is not measured or reported. For example, DOD reported in the 2003 SAR that unit cost for the Stryker program increased by 1.34 percent in the 2 months since the latest rebaselining; it did not report that unit cost had grown by 21 percent in the previous 12 months.

DOD could be more timely in reporting to Congress that it has rebaselined individual programs. A key factor is that DOD is not required by statute or its own policies to report a program's rebaseline to Congress. Although DOD includes the latest rebaselining actions in the April SARs, a rebaseline approved after early April may not be reported to Congress before it enacts the authorization and appropriations legislation. For example, the DD(X) Destroyer program established a new baseline on April 23, 2002, but did not report this new baseline to Congress in a SAR until April 2003. As a result, between April 2002 and the passage of the fiscal year 2003 defense budget, the SAR provided Congress did not reflect the approved baseline for the DD(X) program.

Congressional oversight of DOD's adherence to established cost and schedule baselines is unnecessarily constrained because DOD classifies about 50 percent of the SARs it submits to Congress, despite the fact that only a small amount of data in each of these SARs is actually classified. This reporting practice restricts access to the unclassified cost, quantity, and schedule data for congressional staff without security clearances and requires special handling procedures of that unclassified data by those with clearances.