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United States Government Accountability Office
Washington, DC 20548

August 12, 2005

The Honorable Donald H. Rumsfeld
The Secretary of Defense

Subject: *Defense Management: Munitions Requirements and Combatant Commander's Needs Still Require Linkage*

Dear Mr. Secretary:

In October 2002 we reported¹ that inadequate linkage existed between near-term munitions needs of the combatant commanders and the purchases made by the military services. The Department of Defense (DOD) concurred with our recommendations and took steps to address them by rewriting the overarching DOD Instruction for determining munitions requirements.² Related to our ongoing work on prepositioned stocks, we assessed whether DOD's efforts thus far and initiatives planned for the future will ensure the required linkage since successful implementation of operational war plans is contingent on the availability of the right mix and quantity of munitions. To make our assessment, we obtained and analyzed information from cognizant organizations within DOD, Joint Chiefs of Staff (JCS), Headquarters and subordinate units of the Military Services, and U.S. Forces Korea (USFK). We conducted our analysis of DOD's munitions requirements process in accordance with generally accepted government auditing standards.

Results in Brief

While the revised DOD Instruction established requirements to create the needed linkage between the combatant commander's munitions needs and the military services procurement decisions, limited implementation has been achieved. The Instruction, which was revised in October 2003, in response to our recommendation, identified key timeline dates and requirements for each of the DOD organizations involved in the process. The Instruction was modified to create a linkage between the combatant commander's munitions needs and the purchasing decisions of the military services. However, this linkage did not occur because there has been little, if any, compliance by DOD organizations with the Instruction's requirements. Our recent assessment of prepositioned munitions supporting the operational war plan of USFK revealed that key timeline dates were missed and required coordination with USFK was not accomplished. For instance, threat reports developed by the Defense Intelligence Agency that are used to identify key targets were late. As a result, USFK

¹ U.S. General Accounting Office, *Defense Management: Munitions Requirements and Combatant Commanders' Needs Require Linkage*, GAO-03-17 (Washington, D.C.: October 15, 2002).

² Department of Defense Instruction 3000.4, *DOD Munitions Requirements Process*, October 23, 2003.

officials told us they had to identify target lists based on dated information. DOD officials stated that the specific timeline and other requirements were not met because formal communication links needed to ensure compliance were not established. The department recognizes that further changes are needed and is revising the Instruction a second time. Our review of the current draft Instruction raises two concerns. First, the draft Instruction does not include additional oversight and control criteria to ensure compliance by all organizations involved in the munitions requirement process. Second, the draft Instruction does not require combatant commander participation in risk assessments performed prior to and after the Program Objective Memorandum (POM) submission occurs. Combatant commanders are in the best position to identify the impact of not having munitions needed to support the operational plan. Non-compliance by any of the myriad of organizations involved in the munitions requirements process could result in procurement decisions that will not support operational war plans and impact the war fighter's ability to execute them.

Based on our follow-up efforts and analysis, this letter includes recommendations to ensure that there is adequate linkage between combatant commanders' munitions needs and the purchases made by the military services. In commenting on a draft of the letter, DOD concurred with our recommendations and identified steps that it is taking to implement them.

Background

Our October 2002 report revealed that inadequate linkage existed between near-term munitions needs of the combatant commanders and the purchases made by the military services based on computations derived from the department's munitions requirements process. This disconnect resulted in the combatant commanders and the services identifying different munitions needs and, ultimately, in the combatant commanders reporting shortages. The disconnect occurred because DOD's munitions requirements determination process did not fully consider the combatant commander's preferences for munitions and weapon systems to be used against targets identified in projected scenarios. We recommended that DOD establish a direct link between the munitions needs of the combatant commanders and the purchasing decisions made by the military services. In concurring with this report, DOD stated that the lack of linkage between the combatant commander's needs and the requirements established by the military services had been studied and that a solution would be documented in the next update of the DOD Instruction 3000.4 in Fiscal Year 2003.

On October 23, 2003, DOD Instruction 3000.4, DOD Munitions Requirements Process was reissued. The new Instruction identified specific responsibilities for each organization involved in the Munitions Requirements Process and identified multiple instances of required coordination with combatant commanders to ensure a linkage between the combatant commander's needs and the munitions purchased by the military services.

Land Warfare & Munitions Division, Defense Systems, Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L) officials stated that, in November 2004, they convened a conference of the military services, combatant commanders, and DOD organizations who participate in the munitions requirements process to determine what had to be done to establish linkage between the combatant commanders' needs and the munitions purchased by the military services. This conference resulted in a decision to, again, revise DOD Instruction 3000.4 to include more specificity as to when and why combatant commanders must be involved in the munitions requirements determination process and to more closely align munitions requirements to combatant commanders' operational war plans.

Inadequate Linkage Continues to Exist

Despite the department's efforts to establish linkage between combatant commanders' needs and purchasing decisions of the military services, inadequate linkage continues to exist. During our assessment of prepositioned munitions supporting the operational war plan of USFK, we found that specific requirements and timelines established by DOD Instruction 3000.4, as revised in 2003, were not met by DOD organizations. We found that not all organizations complied with the Instruction's requirements in developing the Fiscal Year 2005 munitions budget submission. For example

- The Defense Intelligence Agency (DIA) did not coordinate with combatant commanders prior to developing threat reports. According to USFK officials, updated intelligence information was not included.
- DIA Threat Reports needed by the combatant commanders to produce Phased Threat Distributions³ (PTD) were late. According to USFK officials, they had to develop PTD's on prior year threat reports.
- Only the Air Force coordinated with USFK prior to modeling munitions requirements, the other services developed their requirements independent of USFK involvement.
- None of the services coordinated with USFK on the results of their individual modeling processes prior to development of POM submissions. As a result, there were no assurances that combatant commander munitions needs were met.

DOD officials stated that the specific timeline and other requirements were not met because formal communication links needed to ensure compliance were not established.

DOD is currently revising the Instruction again. According to DOD officials, a new element requires combatant commanders to present and defend operational war plan

³ Phased Threat Distribution allocates targets to each military service and allied forces where political commitments exist.

munitions requirements as part of the Current Year Analytic Agenda Process⁴. This process, separate and apart from the munitions requirements process, results in the development of a current year baseline requirement for munitions needed to support operational war plans. The current year baseline provides the military services with an early look at what they should see in the near year PTDs prepared by the combatant commanders as part of the Munitions Requirements Process. It also provides a level of coordination between the military services and the combatant commanders in determining what is needed to support the operational war plan.

While this procedure, as well as other refinements to the Instruction should result in better linkage between combatant commanders' munitions needs and the munitions purchased by the military services, we identified two main concerns: (1) inadequate mechanisms to ensure compliance with requirements and (2) insufficient combatant commander participation.

We determined that the draft Instruction still assigns responsibility for ensuring compliance with requirements by all organizations involved in the munitions requirement process to USD (AT&L). In our discussions with USD (AT&L) officials, we pointed out that no additional oversight and control measures have been added to the draft to ensure compliance with the Instruction's requirements. We believe and JCS and USD (AT&L) officials agree that without additional oversight and control at a high enough level, compliance by all organizations to meet the Instruction's requirements prior to Program Objective Memorandum submission may not occur.

The draft Instruction also calls for a risk assessment both prior to and after the Program Objective Memorandum submission occurs. According to DOD officials, while the military services and JCS representatives participate in these assessments, combatant commanders are not required to attend. Both JCS and USD (AT&L) officials agreed with our opinion that the combatant commanders need to participate in these assessments because they would be in the best position to identify the impact of not having the munitions needed to support the operational war plan. In addition, their participation in these risk assessments could impact military service procurement decisions and reduce the quantities of munitions shortages that combatant commanders report through Joint Quarterly Readiness Reports.

Recommendations for Executive Action

To ensure that there is adequate linkage between combatant commanders' munitions needs and the purchases made by the military services, we recommend that you

- Direct the incorporation of oversight and control measures into DOD Instruction 3000.4 to ensure that all organizations involved in the munitions requirement process fully comply with all requirements.

⁴ The Current Year Analytical Agenda Process begins with the National Military Strategy and incorporates the requirements of Contingency Planning Guidance, Strategic Guidance Summary, the Joint Strategic Capabilities Plan, Operational Plans, Concept of Operations, and the Current Forces Database to arrive at Current Year Baselines for Munitions requirements.

- Direct combatant commander to participate in pre- and post POM risk assessments.

As you know, 31 U.S.C. 720 requires the head of a federal agency to submit a written statement of the action taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Reform not later than 60 days after the date of this letter. A written statement must also be sent to House and Senate Committees on appropriations with the agency's first request for appropriations made more than 60 days after the date of this letter.

Agency Comments and Our Evaluation

In commenting on a written draft of this letter, DOD agreed with our recommendations and identified steps that it is taking to implement them. DOD's comments are reprinted in the enclosure.

In commenting on our recommendation to direct the incorporation of oversight and control into DOD Instruction 3000.4, DOD stated that incorporation of oversight and control measures will help ensure that all Military Services follow strict guidelines for munitions requirements determination and validation. Additionally recent changes in the revised Instruction, along with newly instituted communications measures and organizational taskings, have greatly improved the participation and timeliness of the process.

In commenting on our recommendation to direct Combatant Commanders to participate in pre- and post POM risk assessments, DOD stated that Combatant Commander participation in the process is absolutely necessary. The Services have already implemented several actions this past Munitions Requirements Process cycle to facilitate dialog with Combatant Commanders to improve collaboration and engage them in conflict resolution of risk assessment issues. DOD Instruction 3000.4, currently under revision, includes additional control measures to ensure appropriate risk assessments by Combatant Commanders and the Services.

We are sending copies of this letter to the appropriate congressional committees and the director, Office of Management and Budget. The letter is also available on GAO's homepage at <http://www.gao.gov>. If you or any of your staff have any questions on the matters discussed in this letter, please contact me at (202) 512-8365. Key contributors to this letter were John Pendleton, Jeffrey Kans, Enemencio Sanchez, and Robyn Trotter.



William M. Solis, Director
Defense Capabilities and Management

Enclosure

Enclosure



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AUG 04 2005

Mr. William M. Solis
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street NW
Washington, D.C. 20548

Dear Mr. Solis:

This is the Department of Defense (DoD) response to the GAO draft report GAO-05-765R, 'DEFENSE MANAGEMENT: Munitions Requirements and Combatant Commander's Needs Still Require Linkage,' dated June 29, 2005 (GAO Code 350593/GAO-05-765R).

The report recommends that the Secretary of Defense: 1) direct the incorporation of oversight and control measures into DoD Instruction 3000.4 to ensure that all organizations involved in the munitions requirements process fully comply with all requirements; 2) direct the Combatant Commanders to participate in pre- and post-POM risk assessments.

The Department concurs that the DoD Munitions Requirements Process needs to incorporate oversight and control measures to make certain all components fully comply with all requirements and ensure Combatant Commanders participate in risk assessments. These measures will ensure credible requirements are generated. As stated in your draft report, the 3000.4 DoD Instruction is again under revision. The Department is incorporating changes into this revision that will enhance the timeliness of the process, baseline requirements, provide oversight and control measures, and require more involvement from the Combatant Commands in risk assessments. The Department's concurrence is enclosed.

Sincerely,

Glenn F. Lamartin
Director
Defense Systems

Enclosure:
As stated



**GAO DRAFT REPORT – DATED JUNE 29, 2005
GAO CODE 350593/GAO-05-765R**

**“DEFENSE MANAGEMENT: Munitions Requirements and Combatant Commander’s
Needs Still Require Linkages”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE RECOMMENDATIONS**

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense direct the incorporation of oversight and control measures into DoD Instruction 3000.4 to ensure that all organizations involved in the munitions requirement process fully comply with all requirements. (page 5/GAO Draft Report)

DOD RESPONSE: Concur.

The Department concurs with the GAO recommendation. Incorporation of oversight and control measures will help ensure that all Military Services follow strict guidelines for munitions requirements determination and validation. Additionally, recent changes in the revised Instruction, along with newly instituted communication measures and organizational taskings, have greatly improved the participation and timeliness of the process.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense direct combatant commanders to participate in pre- and post POM risk assessments. (page 5/GAO Draft Report)

DOD RESPONSE: Concur.

The Department concurs with the GAO recommendation to direct Combatant Commanders to participate in pre-and post-POM risk assessments. Combatant Commander participation in the process is absolutely necessary and they have been very interested in participating in risk assessments. The Services have already implemented several actions this past Munitions Requirements Process (MRP) cycle to facilitate dialog with the Combatant Commands in an effort to improve collaboration and engage them in conflict resolution of munitions requirements risk assessment issues. Likewise, the 3000.4 DoD MRP Instruction, currently under revision, includes additional control measures to ensure appropriate risk assessments by the Combatant Commanders and the Services.

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