

GAO Highlights

Highlights of [GAO-16-88](#), a report to congressional committees

Why GAO Did This Study

DOD's 2014 *Strategy* states that to achieve a seamless and effective supply chain, DOD needs to have end-to-end visibility of its assets from acquisition to disposal and all points between. The Fiscal Year 2014 NDAA required DOD to submit to Congress a comprehensive strategy and plans for improving asset tracking and in-transit visibility, including 11 statutory elements that were specified in the mandate. The NDAA also included a provision that GAO assess the extent to which DOD's strategy and accompanying implementation plans include the 11 statutory elements; incorporate industry best practices related to automated information and data-capture technology; effectively execute DOD's IUID policies; and contain initiatives that align with DOD's overarching goals and objectives, and that have been implemented.

This report discusses the extent to which DOD's *Strategy*, plans and other documentation address the items specified by the mandate. GAO assessed DOD's 2014 *Strategy* and accompanying implementation plans submitted to Congress in response to the mandate, interviewed cognizant officials, and reviewed DOD's October 2015 *Strategy*.

What GAO Recommends

GAO made recommendations to DOD in its prior work to strengthen asset visibility. DOD agreed and has taken or is planning on taking action to address them. Consequently, GAO is not making any new recommendations in this report. GAO provided a draft of this report to DOD for advance review and comment. DOD did not provide any comments to include in this report.

View [GAO-16-88](#). For more information, contact Zina Merritt at 202-512-5257 or merrittz@gao.gov.

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DEFENSE LOGISTICS

DOD Has Addressed Most Reporting Requirements and Continues to Refine Its Asset Visibility Strategy

What GAO Found

The Department of Defense's (DOD's) 2014 *Strategy for Improving DOD Asset Visibility (Strategy)* and accompanying implementation plans fully address 6 of the 11 statutory elements required by the Fiscal Year 2014 National Defense Authorization Act (NDAA) and partially address the remaining 5. For example, the *Strategy* fully addressed asset visibility goals and objectives, and roles and responsibilities for overseeing its strategy, as required by the mandate. However, the *Strategy* did not fully address elements such as including an estimate of costs associated with executing its asset visibility implementation plans. In October 2015, DOD published its 2015 *Strategy for Improving DOD Asset Visibility (2015 Strategy)* in which it more fully addressed 4 of the 5 elements that were partially addressed in the 2014 *Strategy*. For example, the 2015 *Strategy* fully addresses steps DOD is taking to facilitate collaboration with industry to capture best practices, as required by the mandate. However, with the 2015 *Strategy*, DOD has not fully addressed the cost estimates element for three of its 2014 implementation plans as GAO recommended in January 2015. DOD officials said that they did not include the cost estimates for three of the implementation plans because the funding for these plans was embedded within the overall program funding and in these cases components could not isolate detailed cost estimates. DOD officials said they plan to amend their guidance before the next update to the *Strategy*, expected in fall 2016, to instruct the components on how to explain and document such cases.

DOD has also taken other actions as GAO recommended in May 2012 that GAO was required to assess with respect to asset visibility. For example, DOD's 2014 *Strategy* established milestones for implementing Item Unique Identification (IUID) to better track assets. In its 2015 *Strategy*, DOD updated these milestones. However, it is not always clear what progress DOD has made against all of the milestones set in its 2014 *Strategy*. For example, the milestones associated with updating automated information systems in the 2015 *Strategy* do not reflect progress made to date for each of the military services. GAO has previously reported that milestones provide decision makers with the information they need to assess progress and estimate realistic completion dates. If the updates to the *Strategy* do not clarify what progress DOD has made in meeting its previous milestones, the utility of these milestones will be limited. Officials agreed and commented they plan to take further action in the next update to the *Strategy* to ensure that progress that has been made is more easily understood. Finally, DOD's 2014 *Strategy* contains 22 implementation plans, which outline initiatives intended to improve DOD's asset visibility. GAO reported in January 2015 that 6 of those 22 plans had been implemented but that it was not clear how the plans linked to the goals and objectives in the *Strategy*. Since it issued the 2014 *Strategy*, DOD has implemented an additional 10 of its original 22 implementation plans, and has added information to its 2015 *Strategy* linking each of the ongoing plans to the overarching goals and objectives in the 2015 *Strategy*. By creating a clear link between the goals and objectives in the *Strategy* and implementation plans, DOD should be better positioned to monitor progress toward the implementation of its initiatives and achievement of its overarching goals and objectives for asset visibility.