

GAO Highlights

Highlights of [GAO-17-81](#), a report to congressional committees

Why GAO Did This Study

DOD uses both military depots and contractors to maintain many complex weapon systems and equipment. Recognizing the key role of the depots and the risk of overreliance on contractors, Section 2464 of Title 10 of the U.S. Code requires DOD to maintain a core maintenance capability—a government-owned and operated combination of personnel, facilities, equipment, processes, and technology. Section 2464 requires DOD to provide a Biennial Core Report to Congress that includes information for the next fiscal year on three elements of depot workload.

Section 2464 included a provision that GAO review DOD's Biennial Core Reports for compliance and completeness. In reviewing DOD's 2016 Biennial Core Report, GAO assessed the extent to which (1) the report complies with the three elements of the statute and provides complete information and (2) any changes to Section 2464 could enhance transparency. GAO reviewed relevant legislation, DOD guidance, and the 2016 Biennial Core Report.

What GAO Recommends

Congress should consider requiring DOD to include additional information in future reports that could better inform oversight. GAO recommends that DOD update its guidance to clarify, among other things, how to calculate workload shortfalls. DOD concurred with the recommendation, but expressed concerns with Congress requiring it to include additional information in the report. GAO continues to believe that its matter for Congressional consideration is valid, as discussed in this report.

View [GAO-17-81](#). For more information, contact Zina Merritt at (202) 512-5257 or merrittz@gao.gov

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DEPOT MAINTENANCE

Improvements to DOD's Biennial Core Report Could Better Inform Oversight and Funding Decisions

What GAO Found

The Department of Defense's (DOD) 2016 Biennial Core Report to Congress complied with two of the three reporting elements required by Section 2464—core capability requirements and planned workload. It partially complied with the third element—a detailed explanation or rationale for shortfalls and accompanying mitigation plans—because DOD did not include rationales and mitigation plans for all identified shortfalls. In a prior report, GAO recommended that DOD improve its Core Report by including detailed explanations for each identified shortfall. DOD concurred with this recommendation and stated that it was taking steps to implement it. Including rationales and mitigation plans in future core reports will provide Congress visibility into whether the armed services' plans address the causes of the core shortfalls.

The Extent to Which the Department of Defense's Report Complied with the Law

Required Reporting Elements	Compliance ^a
1. Core Capability Requirements	Complied
2. Planned Workload	Complied
3. Explanations and mitigation plans for any shortfalls	Partially Complied

Source: GAO analysis of DOD's 2016 Biennial Core Report. | GAO-17-81

^a Complied means that the report explicitly included all parts of the required reporting element.

Partially complied means that the report included some—but not all—parts of the required reporting element. For example, some of the armed services did not provide rationales for shortfalls identified and a plan to either correct or mitigate the effects of the shortfall.

Regarding completeness—including accurate data and supporting information from the armed services—the armed services are not calculating their shortfalls consistently. For example, the Army and Air Force calculate their own shortfalls, while the Navy and Marine Corps' shortfalls are calculated by DOD. The armed services are not calculating their shortfalls consistently because DOD does not provide guidance on, among other things, how to calculate the shortfalls. Therefore, DOD cannot be sure that the armed services are calculating their shortfalls accurately to support the information in the Core Report.

While DOD generally reports on the elements required by Section 2464, additional information currently not required by the statute could help improve the transparency of the report so that it would better inform oversight and funding decisions. This would include information on issues such as workload shortfalls, mitigation plans, work breakdown structure categories, and whether the core requirements reported in previous core reports have been executed. To require such information in the report, Congress would need to amend the statute.