

GAO Highlights

Highlights of [GAO-17-557](#), a report to congressional committees

Why GAO Did This Study

DOD and DOE are undertaking an extensive effort to sustain and modernize aging U.S. nuclear weapons capabilities. This effort is expected to take decades and cost hundreds of billions of dollars. Section 1043 of the National Defense Authorization Act for Fiscal Year 2012, as amended, requires submission of an annual report to congressional committees on DOD's and DOE's plans for related matters and includes a provision that GAO review aspects of that joint report. GAO has previously recommended that future joint reports provide more thorough documentation of methodologies and context for significant changes from year to year.

GAO assessed the extent to which the fiscal year 2017 joint report provides (1) budget estimates that are consistent with the departments' internal funding and modernization plans and (2) complete and transparent information on the methodology used to develop the estimates. GAO analyzed the departments' internal plans and budget estimates for sustaining and modernizing the nuclear deterrent and interviewed DOD and DOE officials.

What GAO Recommends

GAO recommends that DOD (1) improve the completeness and transparency of future joint reports, for example by explaining how it selects NC3 program elements, and (2) provide additional context in the report to identify any significant changes to the Air Force's estimates from the prior year and the reasons for such changes. DOD agreed with GAO's recommendations. GAO did not make any new recommendations to DOE.

View [GAO-17-557](#). For more information, contact Joe Kirschbaum at (202) 512-9971 or kirschbaumj@gao.gov or David Trimble at (202) 512-3841 or trimbled@gao.gov.

July 2017

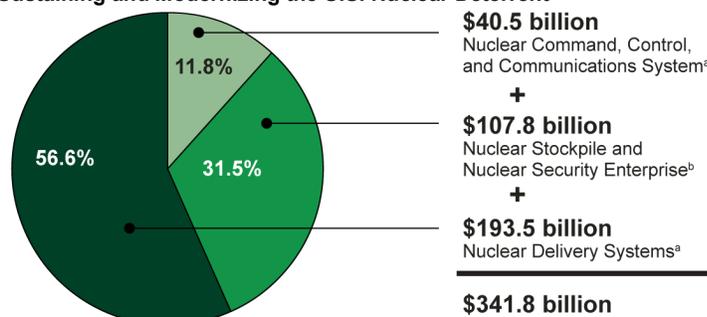
NUCLEAR WEAPONS SUSTAINMENT

Budget Estimates Report Contains More Information than in Prior Fiscal Years, but Transparency Can Be Improved

What GAO Found

The fiscal year 2017 joint report submitted by the Department of Defense (DOD) and the Department of Energy (DOE) in August 2016 includes 10-year budget estimates for sustaining and modernizing U.S. nuclear weapons (see figure below), and these estimates are generally consistent with the two departments' internal funding and modernization plans—with some exceptions. GAO could not verify that DOD's nuclear command, control, and communications (NC3) estimates were fully consistent with its internal funding plans. GAO also identified concerns about the alignment of DOE's modernization funding needs with potential future budgets; GAO recently recommended in a separate report that DOE address these concerns.

Departments of Defense (DOD) and Energy (DOE) Fiscal Year 2017 10-Year Estimates for Sustaining and Modernizing the U.S. Nuclear Deterrent



Source: GAO analysis of Department of Defense (DOD) and Department of Energy (DOE) data. | GAO-17-557

^aDOD provides budget estimates for the nuclear command, control, and communications system and for delivery systems.

^bDOE provides budget estimates for the nuclear weapons stockpile and the nuclear security enterprise.

The fiscal year 2017 joint report generally includes more information than the fiscal year 2016 joint report did, but it continues to omit explicit information about all assumptions and limitations in DOD's and DOE's methodologies and reasons for year-to-year programmatic changes in some estimates—information that could improve transparency for decision makers in Congress. For example, DOD's NC3 estimate methodology does not describe how it selects program elements, determines its weighted analysis ratios, or differentiates methodologies for some funding streams. Additionally, DOD's methodology does not fully explain programmatic changes with Air Force line items or the effect these changes may have on the joint report's year-to-year comparisons. Unless the report includes thorough documentation of the methodologies used and identifies significant changes from prior years, it may be difficult for Congress to understand the basis for the estimates or assess long-term affordability when allocating resources. The joint report leaves out certain components of the methodology by which DOE's estimates are developed; however, DOE provides further information in other sources, including the annual *Stockpile Stewardship and Management Plan*.