EUROPEAN REASSURANCE INITIATIVE

DOD Needs to Prioritize Posture Initiatives and Plan for and Report their Future Cost

What GAO Found

Since 2014, the Department of Defense (DOD) has expanded the European Reassurance Initiative’s (ERI) objectives, increased its funding, and planned enhancements to European posture. DOD expanded ERI's objectives from the short-term reassurance of allies and partners to include deterring Russian aggression in the long term and developing the capacity to field a credible combined force should deterrence fail. With respect to funding, DOD will have requested approximately $4.5 billion for ERI's posture enhancements through the end of fiscal year 2017 (about $3.2 billion for fiscal year 2017 alone), and in July 2016 EUCOM identified funding needs for future posture initiatives. The expansion of ERI's objectives has contributed to DOD's enhancing its posture in Europe. Specifically, DOD has increased the size and duration of Army combat unit deployments, planned to preposition Army equipment in Eastern Europe, added new enduring locations (e.g., locations that DOD expects to access and use to support U.S. security interests for the foreseeable future), improved infrastructure, and negotiated new agreements with European nations. As of April 2017, DOD was considering further force enhancements under ERI as part of the department's ERI budget request. DOD also was reviewing whether new enduring locations to support ERI were needed and was considering other improvements to existing infrastructure.

DOD's process for planning ERI has not established priorities among posture initiatives funded under ERI relative to those in its base budget, nor estimated long-term sustainment costs for some posture initiatives funded under ERI, nor communicated future costs to Congress. ERI is being planned using a separate process from DOD's established processes and is funded from DOD's overseas contingency operations (OCO) appropriations. GAO found several weaknesses:

- **Lack of prioritization**: DOD establishes priorities among ERI posture initiatives but has not evaluated them against base budget initiatives using its posture management process. As a result, DOD lacks an understanding of the relative importance of ERI initiatives and may be investing in projects that it will not continue should OCO funding become unavailable.

- **Lack of sustainment costs**: EUCOM and the military services have not fully estimated the long-term costs to sustain equipment and construction funded under ERI. Based on DOD’s approach for calculating rough order sustainment costs, GAO determined that these costs could be substantial. DOD officials said that GAO correctly applied DOD’s approach for estimating sustainment costs, but noted that actual costs may be lower, because the military services may not fully fund sustainment. In the absence of comprehensive estimates, DOD has been limited in its ability to assess affordability and plan for future costs.

- **Not communicating future costs**: DOD limits Congress's visibility into the resources needed to implement ERI and achieve its objectives because it does not include future costs in its ERI budget request.

This is a public version of a classified report issued in August 2017. Information on specific posture planning, guidance, and budget estimates that DOD deemed to be classified have been omitted from this report.