Congressional Committees

Military Readiness: DOD Has Not Yet Incorporated Leading Practices of a Strategic Management Planning Framework in Retrograde and Reset Guidance

Following operations in Iraq and Afghanistan, the Department of Defense (DOD) has been retrograding and resetting equipment to a desired level of combat effectiveness in line with current mission requirements and available resources. Because DOD and the military services do not separately track the “reconstitution” of units, which includes personnel and training costs, we focused on the retrograde and reset of equipment. According to the DOD Dictionary of Military and Associated Terms, “retrograde” refers to the process for the movement of nonunit equipment and materiel from a forward location to a reset program or to another directed area of operations, while “reset” refers to a set of actions to restore equipment to a desired level of combat capability commensurate with a unit’s future mission. According to an official from the Office of the Under Secretary of Defense (Comptroller) office, in fiscal year 2017 DOD identified $9.5 billion in overseas contingency operations funding as associated with equipment reset and readiness and an additional $9.1 billion associated with reset and readiness in fiscal year 2018. Section 324 of the National Defense Authorization Act (NDAA) for Fiscal Year 2014 required DOD to establish a policy regarding the retrograde, reconstitution, and replacement of units and materiel used to support overseas contingency operations and to submit a plan for the implementation of the policy within 90 days of the enactment of the NDAA. It also required DOD to submit annual updates (for the next 3 years) to congressional defense committees on its progress toward meeting the goals of the plan. The act included a provision for us to review and report on DOD’s policy, implementation plan, and annual updates.

In April 2014, we reported that DOD had not established a retrograde and reset policy. DOD issued its initial report in November 2014 and its first annual update in April 2015. In our May 2016 review of DOD’s first annual update, we recommended the following:

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1 The President announced the end of major combat operations in Iraq on August 31, 2010. Similarly, he announced the end of the combat mission in Afghanistan on December 28, 2014.

2 Joint Chiefs of Staff, DOD Dictionary of Military and Associated Terms (as of Apr. 2018).

3 See Pub. L. No. 113-66, § 324 (2013). DOD was required to submit an update on progress toward meeting the goals of the implementation plan no later than 1 year after submission and annually thereafter for 2 years. See § 324(b)(3).


5 DOD, Office of the Under Secretary of Defense for Personnel and Readiness, Retrograde, Reconstitution, and Replacement of Operating Forces Used to Support Overseas Contingency Operations (Nov. 2014)(S/INF) and DOD,
(1) DOD should establish a strategic policy that incorporates key elements of leading practices for sound strategic management planning to inform the military services’ plans for retrograde and reset,
(2) DOD should develop and require the use of consistent information and descriptions of key terms regarding retrograde and reset in relevant policy and other guidance, and
(3) the Army, the Navy, and the Air Force should develop service-specific implementation plans for retrograde and reset that incorporate elements of leading practices for sound strategic management planning.\(^6\)

In May 2016, DOD issued its second annual update.\(^7\) Based on our review of DOD’s second update, in a June 2017 report we concluded that DOD had not established a strategic policy for the retrograde and reset of equipment consistent with leading practices on sound strategic management planning and that DOD had not yet determined which DOD organization will lead its effort to do so. We noted that our May 2016 recommendation for DOD to develop a strategic policy for retrograde and reset that incorporates key elements of strategic planning is valid.\(^8\) In June 2017, DOD provided, for the final time, as required by the mandate, a third report to the congressional defense committees.\(^9\)

For this report on DOD’s third and final annual update, we evaluated the extent to which DOD has addressed our May 2016 recommendations. Specifically, we assessed the extent to which (1) DOD established a strategic policy consistent with leading practices on sound strategic management planning for the retrograde and reset of equipment that supports overseas contingency operations, (2) DOD has developed and required the use of consistent information and descriptions of key terms regarding retrograde and reset in relevant policy and other guidance, and (3) each of the military services has developed and implemented a service-specific plan consistent with leading practices on sound strategic management planning for the retrograde and reset of equipment that supports overseas contingency operations.

For objective one, we reviewed DOD’s June 2017 report to the congressional defense committees in response to the requirements in the NDAA for Fiscal Year 2014 and other relevant DOD documents related to retrograde and reset.\(^10\) For objective two, we reviewed and analyzed guidance and other documents identified by DOD and the four military services to determine whether key terms and information related to retrograde and reset were used consistently. We also reviewed DOD Instruction 5025.12 (Standardization of Military and Associated Terminology) and the DOD Dictionary of Military and Associated Terms, which is

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\(^6\)We found that the Marine Corps had developed an implementation plan that incorporated the elements of sound strategic planning. GAO, Military Readiness: DOD Needs to Incorporate Elements of a Strategic Management Planning Framework into Retrograde and Reset Guidance, GAO-16-414 (Washington, D.C.: May 13, 2016).

\(^7\)DOD, Office of the Under Secretary of Defense for Personnel and Readiness, Update on the Retrograde, Reconstitution, and Replacement of Operating Forces Used to Support Overseas Contingency Operations (May 2016)(S/NF).


\(^9\)DOD, Office of the Under Secretary of Defense for Personnel and Readiness, Update on the Retrograde, Reconstitution, and Replacement of Operating Forces Used to Support Overseas Contingency Operations (June 2017)(S/NF).

\(^10\)Consistent with our previous reports, the focus of this report is on retrograde and reset activities involving equipment only.
used when DOD components are preparing policy, strategy, doctrine, and planning documents.\textsuperscript{11} We requested explanations from service officials to clarify how they defined key terms. For objective three, we reviewed DOD guidance and plans for retrograde and reset and interviewed officials from each of the four military services on the progress they have made toward service-specific plans. For the services that did have plans, we interviewed key officials about any progress they had made toward implementing their plans. For the services that did not have plans, we obtained information from key officials to determine whether they had made any progress or intended to develop a plan in the future. For all three objectives, we interviewed service officials from the following offices to corroborate our understanding of any documents provided: the Department of the Army Headquarters, the Office of the Deputy Chief of Staff of the Army for Logistics, the Sustainment Maintenance Directorate; the Office of the Deputy Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Plans, Programs, and Resource Integration; the Office of the Under Secretary of Defense for Personnel and Readiness; the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (now the Office of the Under Secretary of Defense for Acquisition and Sustainment); the Joint Staff's Office of Logistics; the Marine Corps Enterprise Ground Equipment Management Office; the Assistant Secretary of the Navy (Financial Management and Comptroller); Air Force Operations, Plans and Requirements (AF/A3); and Air Force Logistics, Engineering and Force Protection (AF/A4).

We conducted this performance audit from January 2018 to August 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**Results in Brief**

DOD has not established a strategic policy for the retrograde and reset of equipment during contingency operations that incorporates key elements of leading practices for sound strategic management planning.\textsuperscript{12} In addition, DOD has not yet determined which DOD organization will lead the effort to establish a strategic policy consistent with leading practices. Furthermore, we found that there was no consensus among the officials we spoke with regarding which organization should lead the effort. We continue to believe that our May 2016 recommendation for DOD to develop a strategic policy for retrograde and reset that incorporates key elements of strategic management planning is valid. Although the Under Secretary of Defense (Comptroller) has provided definitions of terms for the services to use in reporting the cost of contingency operations, DOD has not ensured that the services use consistent information and descriptions of key terms regarding retrograde and reset in policy and guidance. In December 2017, DOD updated the relevant chapter of the *Financial Management Regulation*\textsuperscript{13} to include definitions of “reset” and “retrograde.” However, we found that the terms retrograde and reset are not used or defined consistently by the department and the services. As a result, to fully meet the intent of our May 2016


\textsuperscript{12}The six elements we identified as key to creating a sound strategic management plan are identified in GAO-16-414, app. II. A sound strategic management plan should include (1) a mission statement, (2) long-term goals, (3) strategies to achieve goals, (4) external factors that could affect goals, (5) use of metrics to gauge progress, and (6) evaluations of the plan to monitor goals and objectives.

recommendation, DOD needs to take action to ensure that these terms are uniformly defined and consistently used throughout the services. The Marine Corps has been implementing its plan for the retrograde and reset of its equipment, but the Army, the Navy, and the Air Force have no immediate plans to develop reset plans. Marine Corps officials reported that the implementation of reset activities for Operation Enduring Freedom in Afghanistan is 99-percent complete and will be completed in May 2019. Navy and Air Force officials cited the need for a DOD-wide policy before they can establish service-specific plans for resetting equipment for contingency operations. We continue to believe that our May 2016 recommendation for the Army, the Navy, and the Air Force to develop service-specific implementation plans for the retrograde and reset of equipment used during contingency operations remains valid. Furthermore, we continue to believe that DOD needs to establish a strategic policy consistent with leading practices on sound strategic management planning to guide and inform the services’ plans, as previously discussed.

**Background**

Section 324 of the NDAA for Fiscal Year 2014 required DOD to establish a policy setting forth the programs and priorities of the department for the retrograde, reconstitution, and replacement of units and materiel used to support overseas contingency operations. The policy is to take into account national security threats; combatant command requirements; the current readiness of military department operating forces; and the risk associated with strategic depth and the time necessary to reestablish required personnel, equipment, and training readiness in such operating forces. Additionally, section 324 required DOD to submit a plan for the implementation of the policy within 90 days of enactment and to provide an update on progress toward meeting the goals of the plan not later than 1 year after submission and annually thereafter for 2 years.

We reported in April 2014 that DOD had not established a policy or submitted an implementation plan to congressional committees within the mandated time limit, but we noted that DOD was in the process of developing these documents and that we would continue to monitor DOD’s progress and review the policy and implementation plan as they became available. In November 2014, DOD completed a classified report and subsequently submitted it to the congressional defense committees in response to section 324. In April 2015, DOD submitted the first of its three required annual updates. In May 2016, we issued a report based on our review of both DOD’s initial (November 2014) report and its first (April 2015) update. In June 2017, we issued a report based on our review of DOD’s second (May 2016) update.

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15§ 324(b)(1), (3).
19GAO-16-414.
20GAO-17-530R.
The report is based on our review of DOD’s third (June 2017) update. As in DOD’s previous reports, we determined that the June 2017 update provides broad information about each of the services’ efforts concerning various activities, such as reset and readiness. It also provides some budget information related to reset and high-level information on progress made since the previous update.

In our May 2016 report we found that instead of developing new policies for retrograde and reset, DOD identified in the November 2014 classified report it submitted to the congressional defense committees existing guidance documents that DOD relied on as its policy for retrograde and reset activities in support of overseas contingencies. The documents DOD identified were the Quadrennial Defense Review, the Guidance for the Employment of the Force, and the Defense Planning Guidance. However, we found that these documents did not include key elements for sound strategic management planning of the retrograde and reset of equipment used in support of contingency operations. We also found that DOD does not ensure the use of consistent information and descriptions in policy and other departmental documents used to inform budget reporting on retrograde and reset costs. Lastly, we found that the Marine Corps had published an implementation plan for the retrograde and reset of equipment, but the Army, the Navy, and the Air Force had not developed implementation plans. As previously discussed, we made three recommendations to DOD to address these issues.

DOD has not established a strategic policy for retrograde and reset of equipment that is consistent with leading practices on sound strategic management planning.

DOD has not established a strategic policy for the retrograde and reset of equipment used during contingency operations consistent with leading practices on sound strategic management planning. In addition, DOD has not yet determined which DOD organization will lead its effort to establish such a policy. As previously discussed, in May 2016 we recommended that the Under Secretary of Defense for Acquisition, Technology and Logistics establish a strategic policy for the retrograde and reset of equipment that is consistent with leading practices of sound strategic planning. While DOD concurred with our recommendation, in written comments on our report DOD did not agree that the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics should be the lead organization. DOD instead stated that it would select the appropriate organization to lead the development of a strategic policy.

Similarly to what we reported in June 2017, there is no consensus among the officials we spoke with regarding which organization should lead the effort to establish a strategic policy for the retrograde and reset of equipment. For example, officials from the Office of the Under

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22 As we reported in May 2016, DOD officials indicated that the military services are responsible for developing implementation plans related to retrograde and reset. DOD reports in response to section 324 of the NDAA for Fiscal Year 2014 describe overall service goals and objectives, among other things, but service-specific implementation plans that incorporate best practices could better position the services to plan, carry out, and track the further implementation of these overarching goals and objectives.


24 GAO-16-414.

25 GAO-17-530R.
Secretary of Defense for Personnel and Readiness, the lead organization for compiling and submitting DOD’s June 2017 update, told us they believed the Office of the Assistant Secretary of Defense for Logistics and Materiel Readiness should lead the effort. However, an official from the Office of the Assistant Secretary of Defense for Logistics and Materiel Readiness stated that the Office of the Under Secretary of Defense for Policy would be better suited to fulfill this responsibility. An official from the Joint Staff also agreed that the Under Secretary of Defense for Policy should lead this effort. An official from the Office of Cost Assessment and Program Evaluation chose not to provide a recommendation for who should be responsible for developing the strategic policy.

As of April 2018, DOD has not determined which office would lead this effort. We continue to believe that without a strategic policy for retrograde and reset that incorporates key elements of strategic management planning, DOD cannot ensure that its efforts to develop retrograde and reset guidance provide the necessary strategic planning framework to inform the military services’ implementation plans for retrograde and reset. A necessary first step, as DOD has indicated and as we stated in our May 2016 report, is the selection of an appropriate organization to lead the development of the policy. For this reason, we continue to believe that our prior recommendation is valid.

DOD Has Defined Key Terms Regarding Retrograde and Reset in Guidance but Has Not Ensured That the Services Consistently Use These Terms

Although the Under Secretary of Defense (Comptroller) has provided definitions of terms for the services to use in reporting the cost of contingency operations, DOD has not ensured that the services use consistent information and descriptions of key terms regarding the retrograde and reset of equipment. As previously discussed, in May 2016 we recommended that DOD develop and require the use of consistent information and descriptions of key terms regarding the retrograde and reset of equipment in relevant policy and other guidance. In March 2016, the Office of the Under Secretary of Defense (Comptroller) updated the “Fiscal Year (FY) 2016 Cost Breakdown Structure” to include a definition of “reset.” This definition, as well as a definition of “retrograde,” is now included in the relevant chapter of the Financial Management Regulation, updated December 2017.26 According to an official from the Comptroller’s office, this has resulted in the Comptroller’s office being able to more precisely reconcile the services’ financial data to execution data captured by the Defense Finance and Accounting Service.

Although DOD has included definitions of key terms in the Financial Management Regulation, the services still use the terms inconsistently. The definition of “reset” in the Financial Management Regulation expands upon the definition found in the DOD Dictionary of Military and Associated Terms.27 However, we again found that, while some services were using the

26 The relevant chapter of the Financial Management Regulation defines “reset” as including “a series of actions taken to restore units that have participated in contingency operations to a desired level of combat capability commensurate with the units’ future mission. It encompasses both maintenance and supply activities that restore and enhance combat capability to unit and pre-positioned equipment that was destroyed, damaged, stressed, or worn out beyond economic repair due to combat operations by repairing, rebuilding, or procuring replacement equipment. These maintenance and supply activities involve both recapitalization and Depot and Field Level repairs/overhauls centrally managed to specified standards. Included are Procurement and Operation and Maintenance funded major repairs/overhauls and recapitalization (Rebuild or Upgrade) that enhance or restore existing equipment inventories through the insertion of new technology or restoration of selected equipment to a zero-miles/zero-hours condition. Reset includes replacement of equipment lost during operations in theater.” “Retrograde” is described as “[a]mounts obligated to retrograde personnel and equipment. Equipment retrograde refers to the movement of non-unit equipment and material from a forward location to a reset program or another directed area of operation.” DOD 7000.14-R, vol. 12, ch. 23.

27 DOD components—including the military departments—are instructed to use the DOD Dictionary of Military and Associated Terms as the primary terminology source when preparing correspondence, including policy, strategy, doctrine, and planning documents. See DOD Instruction 5025.12, para. 3. The DOD Dictionary of Military and
term reset as defined, others were not. For example, Marine Corps officials we spoke with used a high-level definition of reset that is similar to the Under Secretary of Defense (Comptroller) definition and is published in the *United States Marine Corps Operation Enduring Freedom Ground Equipment Reset Strategy*. Also, we found that the Navy uses the definition of reset found in the most recent version of the relevant *Financial Management Regulation* chapter. However, according to Army officials, the Army uses two definitions for “reset,” distinguishing between the reset of personnel, training, and equipment and reset that covers only the equipment portion of the process. According to Air Force officials, the Air Force has decided to use the term “reconstitution” rather than “reset.” The Air Force, according to officials, defines “reconstitution” as the process of returning units back to their full combat capability in a short time, which includes the “reset for the individual Airmen,” as well as the reset of equipment. While “reconstitution” is a broad term that generally encompasses equipment and personnel, the Air Force use of the term instead of reset may lead to inconsistency. Additionally, while the Air Force uses reset in connection with personnel, personnel costs are not included in the *Financial Management Regulation* definition of reset.

Similarly, we found that DOD and the services use different definitions for “retrograde.” The Office of the Under Secretary of Defense (Comptroller) describes “retrograde” as including the movement of personnel and nonunit equipment. However, in the *DOD Dictionary of Military and Associated Terms*, “retrograde” is defined only with reference to equipment. The services more consistently use the term to apply not to the movement of personnel but only to the movement of equipment.

Although DOD has updated the *Financial Management Regulation* to include definitions for retrograde and reset, we continue to believe that DOD needs to ensure the use of consistent terms—especially retrograde and reset. Without the use of consistent terms as well as consistent descriptions in policy and other departmental documents that are used to inform budget estimates on retrograde and reset, Congress may not receive the consistent and accurate information that it needs to make informed decisions concerning the costs of these processes and any related future costs.

**The Marine Corps Is Implementing Its Plan Consistent with Leading Practices to Complete Equipment Retrograde and Reset, but the Army, the Navy, and the Air Force Have Not Developed Plans**

The Marine Corps has continued to implement its plan for the retrograde and reset of equipment; however, the Army, the Navy, and the Air Force have not developed implementation plans as we recommended in 2016. According to Marine Corps officials, the Marine Corps’ equipment reset efforts for *Operation Enduring Freedom* were 99-percent complete and would be completed in May 2019. On the other hand, the Army, the Navy, and the Air Force have not developed plans for the retrograde and retrograde of equipment for contingency operations:

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*Associated Terms* defines “reset” as a set of actions to restore equipment to a desired level of combat capability commensurate with a unit’s future mission. *DOD Dictionary of Military and Associated Terms* (as of Apr. 2018).

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28DOD defines “reconstitution” as actions taken to rapidly restore functionality to an acceptable level for a particular mission, operation, or contingency after severe degradation. *DOD Dictionary of Military and Associated Terms* (as of Apr. 2018).

29DOD officials indicated that the military services are responsible for developing implementation plans related to retrograde and reset. Moreover, as we reported in May 2016, DOD reports in response to section 324 of the NDAA for Fiscal Year 2014 describe overall service goals and objectives, among other things, but service-specific implementation plans that incorporate best practices could better position the services to plan, carry out, and track the further implementation of these overarching goals and objectives.

30According to Marine Corps officials we met with, the Marine Corps’ *Operation Enduring Freedom Ground Equipment Reset Strategy and Ground Equipment Reset Playbook* have not changed since our previous review. As we found in our May 2016 report, these two documents constitute a service-wide plan for the retrograde and reset of
**Army:** Army officials told us that the Army relies on multiple guidance documents for the reset of equipment and does not currently have plans to develop a unified reset implementation plan. One official told us that the Army adjusts its guidance and plans for reset based on the unique circumstances of each situation.\(^{31}\)

**Navy:** Navy officials stated that since the Office of the Secretary of Defense has not developed a strategic policy for the retrograde and reset of equipment, it would be difficult to develop an overarching plan for implementing retrograde and reset efforts. Although the Navy is continuing to reset necessary platforms (i.e., ships and aircraft) it will wait to develop an overarching implementation plan until receipt of a DOD strategic policy.

**Air Force:** According to Air Force officials, the Air Force does not have an implementation plan for the reset of equipment, nor will any office be tasked to develop such a plan until DOD has developed a unified strategic implementation plan and standard terminology to establish a common operating picture, processes, and procedures for the services to use.

In its written comments in our May 2016 report, DOD partially concurred with our recommendations, stating that the department would determine the appropriate Principal Staff Assistant to lead the development and application of service-related implementation plans. However, DOD has not identified a lead for this effort. We continue to believe that Army, Navy, and Air Force service-specific implementation plans that articulate goals and strategies for retrograde and reset of equipment, among other things, are important. We also believe that reset-related maintenance costs may not consistently be tracked, and resources and funding for retrograde and reset may not be consistently or effectively budgeted for and distributed within each service without implementation plans that incorporate elements of leading practices for sound strategic management planning. For this reason, we continue to believe that our prior recommendation remains valid and that our continued work reinforces the need for DOD to establish a strategic policy consistent with leading practices on sound strategic management planning to guide and inform the services’ plans.

**Agency Comments**

We provided a draft of this report to DOD for review and comment. DOD provided written comments, which are reproduced in an enclosure.

In its response, DOD specifically responded to three of our findings. DOD stated that it partially concurred with our first finding, which stated that DOD had not established a strategic policy for the retrograde and reset of equipment during contingency operations that incorporates key elements of leading practices for sound strategic management. Specifically, the department stated that the Under Secretary of Defense (Comptroller) has established standardized terms and definitions for the services to use to assess the cost of contingency operations and that the Air Force has recommended OSD form a working group to develop a unified strategic implementation plan and standard terminology, to include a common operating picture. DOD also stated that it concurred with two other findings related to DOD’s need to determine which organizations will lead its effort to establish a strategic policy for retrograde and reset of Marine Corps’ ground equipment used in overseas contingency operations that largely incorporates all of the elements of sound strategic planning.

\(^{31}\)The Army uses a variety of documents that address the reset of equipment. For example, in 2012 the Army published its *Ground Equipment Retrograde and Reset Handbook*, which describes the Army’s retrograde and reset program, process, roles, and responsibilities for ground equipment. In addition, we noted in our June 2017 report that Army officials identified financial management guidance for contingency operations that is used to determine whether a particular repair, recapitalization, or replacement qualifies for reset funding.
equipment consistent with leading practices, and the lack of consensus among officials regarding which DOD organization should lead the effort.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Under Secretary of Defense for Acquisition and Sustainment; the Secretaries of the Air Force, the Army, and the Navy; and the Chairman of the Joint Chiefs of Staff. In addition, the report is available at no charge on the GAO website at http://www.gao.gov. If you or your staff have any questions about this report, please contact me at (202) 512-5431 or russellc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report include Beverly Schladt (Assistant Director), Martin De Alteris, Jeffrey Hubbard, Mae Jones, and Mike Shaughnessy.

Cary B. Russell
Director, Defense Capabilities and Management
List of Committees
The Honorable John McCain
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate
The Honorable Thad Cochran
Chairman
The Honorable Richard J. Durbin
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate
The Honorable Mac Thornberry
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives
The Honorable Kay Granger
Chairwoman
The Honorable Pete Visclosky
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives
(102565)
Mr. Cary Russell  
Director, Defense Capabilities and Management  
U.S. Government Accountability Office  
441 G Street, NW  
Washington DC 20548  

Dear Mr. Russell,  


The GAO noted three findings in this report, and had no recommendations. The Department’s response is detailed in the attachment. We appreciate the opportunity to review and comment on this report.  

If questions should arise, please have your analysts contact Col Stacy Wharton at (703) 693-8637.  

Sincerely,  

Matthew B. Shapley  
Deputy Assistant Secretary of Defense  
Force Readiness  

Attachment:  
DoD Response to GAO Draft Report GAO-18-621R (102565)
FINDING 1: DoD has not established a strategic policy for the retrograde and reset of equipment during contingency operations that incorporates key elements of leading practices for sound strategic management planning.

DoD RESPONSE: Partially concur. The Under Secretary of Defense (USD) (Comptroller) has established standardized terms and definitions for the Services to use to assess the cost of contingency operations. This allows for a common budget framework, while retaining Service flexibility to fulfill their Title 10 responsibilities to man, train, and equip. The Air Force recommends OSD form a working group to develop a unified strategic implementation plan and standard terminology, to include a common operating picture. USD (Acquisition & Sustainment) suggests GAO provide examples of “leading practices for sound strategic management planning.”

FINDING 2: DoD has not yet determined which organization will lead its effort to establish a strategic policy for retrograde and reset of equipment consistent with leading practices.

DoD RESPONSE: Concur.

FINDING 3: There is no consensus among officials on which DoD organization should lead the effort.

DoD RESPONSE: Concur. The Joint Staff notes that the Office of the Secretary of Defense is assessing which office might be appropriate to establish a strategic policy for the retrograde and reset of equipment. USD (Personnel and Readiness) notes that detailed guidelines and processes for the rotation of personnel in contingency and non-contingency operations are in place. If a strategic policy is developed for the retrograde and reset of equipment, consideration should be given to USD (Acquisition and Sustainment) as the lead.

The following organizations concurred without comment: Department of the Army, Headquarters U.S. Marine Corps, Assistant Secretary of the Army (Acquisition, Logistics, and Technology), OSD Cost Assessment and Program Evaluation.
Mr. Cary Russell
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548
JUL 31 2018
Dear Mr. Russell,

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Sincerely,
Matthew B. Shipley
Deputy Assistant Secretary of Defense Force Readiness

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DoD RESPONSE: Concur.

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The following organizations concurred without comment: Department of the Army, Headquarters U.S. Marine Corps, Assistant Secretary of the Army (Acquisition, Logistics, and Technology), OSD Cost Assessment and Program Evaluation.