

GAO Highlights

Highlights of [GAO-14-777](#), 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 that is needed to meet contingency and other emergency requirements. Section 2464 requires DOD to provide a Biennial Core Report to Congress that includes three elements: (1) core capability requirements, (2) planned workload, and (3) a detailed rationale and mitigation plans for any shortfalls between core capability requirements and planned workload. Section 2464 mandated that GAO review DOD's Biennial Core Report for compliance and completeness.

GAO assessed the extent to which the report complies with the three elements of the statute and the completeness of the report. GAO reviewed relevant legislation, DOD's 2014 Biennial Core Report, the military services' submissions to support the report, and related DOD guidance.

What GAO Recommends

GAO recommends that DOD assess its review processes and implement needed improvements to ensure that future submissions of the Biennial Core Report will be more accurate and complete. DOD concurred with this recommendation.

View [GAO-14-777](#). For more information, contact Zina Merritt at (202) 512- 5257 or merrittz@gao.gov.

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DEPOT MAINTENANCE

Accurate and Complete Data Needed to Meet DOD's Core Capability Reporting Requirements

What GAO Found

The Department of Defense's (DOD) 2014 Biennial Core Report to Congress complies with two of the three required reporting elements of Section 2464—core capability requirements and planned workload. It partially complies with the third element—a detailed explanation or rationale for shortfalls and accompanying mitigation plans. Specifically, the report includes mitigation plans for the Marine Corps' shortfall but does not clearly provide an explanation of the identified shortfall. In February 2013, GAO recommended that DOD improve its Biennial Core Report by including detailed explanations of why the military services do not have the workload to meet core capability requirements for each identified shortfall. DOD concurred and stated that it would include such explanations in future reports. Fully implementing the recommendation would provide Congress visibility into whether the military services' plans will address the causes of the shortfalls.

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

Required Reporting Elements	Compliance ^a
Core Capability Requirements	Complied
Planned workload	Complied
Explanations and mitigation plans for any shortfalls	Partially Complied

Source: GAO analysis of DOD data from its 2014 Biennial Core Report. | GAO-14-777

^aNote: Complied refers to the report explicitly including all parts of the required reporting element. Partially complied refers to the report including some, but not all, aspects of the required reporting element.

Regarding completeness—including accurate data and supporting information from the military services—the report contains data errors for the first two elements and incomplete information for the third element. The information on core capability requirements is complete for the Army and the Air Force. However, the information on core capability requirements for the Navy and Marine Corps is incomplete due to errors such as under stated or misidentified data. For example, DOD incorrectly identified and included workload for the Marine Corps' Sea Ships category as a core capability requirement. DOD reports complete information for the Air Force's planned workload available for supporting its core capability, but GAO identified data errors in the information for the other military services. Specifically, the planned workload reported for both the Navy and Marine Corps are inaccurate, as are the estimated costs of planned workload reported for the Army, Navy, and Marine Corps. According to DOD officials, the data errors in its report resulted from inadvertently not obtaining data from subordinate military service organizations, transposing numbers, and unintentionally misidentifying information when preparing the final report. While the report provides an explanation for the Air Force's identified shortfall, it does not provide detailed information in the mitigation plan about how the Air Force's intended actions will address the effects of the shortfall. Officials from the Office of the Secretary of Defense stated that they had reviewed each military service's information submission and, before DOD's final report was issued, the military services had been given the opportunity to review and correct the report. By assessing the processes used to review the military services' submissions and prepare the final report, DOD would be better positioned to ensure that the report is complete and accurate.