

GAO Highlights

Highlights of [GAO-15-459](#), a report to
Committee on Armed Services, U.S. Senate

Why GAO Did This Study

DOD depends on commercial SATCOM to support a variety of critical mission needs, from unmanned aerial vehicles and intelligence to voice and data for military personnel. In fiscal year 2011, the most recent information available, DOD spent over \$1 billion leasing commercial SATCOM. In prior work, GAO found that some major DOD users of commercial satellite bandwidth were dissatisfied with DISA's acquisition process seeing it as too costly and lengthy. These users also indicated that the contracts used were too inflexible.

The Senate Armed Services Committee's report accompanying the National Defense Authorization Act for Fiscal Year 2014 included a provision for DOD to report on the future mix of military and commercial SATCOM and for GAO to review DOD's report, issued in August 2014. This report (1) assesses the extent to which DOD efficiently procures bandwidth, (2) analyzes the extent to which DOD has identified its future SATCOM requirements using DOD and commercial satellite services, as well as how those requirements will be met, and (3) identifies the steps DOD is taking to improve its procurements of commercial SATCOM.

To conduct this work, GAO reviewed DOD's reports, DOD SATCOM procurement guidance, prior GAO reports, and interviewed DOD officials.

What GAO Recommends

GAO recommends that DOD (1) enforce current policy requiring DISA to acquire all commercial SATCOM; (2) conduct a spend analysis identifying procurement inefficiencies and opportunities; and (3) assess whether further centralization of commercial SATCOM procurement could be beneficial. DOD concurred.

View [GAO-15-459](#). For more information, contact Cristina Chaplain, (202) 512-4841 or chaplainc@gao.gov.

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DEFENSE SATELLITE COMMUNICATIONS

DOD Needs Additional Information to Improve Procurements

What GAO Found

The Department of Defense's (DOD) procurement of commercial satellite communications (SATCOM), or bandwidth, is fragmented and inefficient. Historically, commercial SATCOM was used to augment military capability, but DOD has become increasingly reliant on commercial SATCOM to support ongoing U.S. military operations. DOD policy requires all of its components to procure commercial SATCOM through the Defense Information Systems Agency (DISA), but GAO found that some components are independently procuring SATCOM to meet their individual needs. DOD's most recent SATCOM usage report estimates that over 30 percent of commercial SATCOM is bought independently by DOD components, even though DOD found the average cost of commercial SATCOM bought through DISA is about 16 percent lower than independently bought commercial SATCOM. Fragmentation limits opportunities for DOD to bundle purchases, share services, and streamline its procurement of commercial SATCOM.

DOD recently completed two studies aimed at identifying the appropriate future mix of military and commercial SATCOM and predicting future SATCOM needs, however, the reports are partially based on incomplete data. First, the 2014 Satellite Communications Strategy Report did not identify the appropriate future mix of military and commercial SATCOM; rather, it outlined a plan that, if successful, may allow DOD to do so at a later time. Second, the 2014 Mix of Media Report based its predictions of future SATCOM requirements and demand on DOD's SATCOM Database, which DOD officials acknowledge lacks comprehensive usage and demand data.

DOD is taking steps to improve its SATCOM procurement and address challenges through "pathfinder" efforts aimed at identifying short- and long-term options. For example, DOD intends to study the potential benefits of using innovative contracting approaches as it procures military and commercial SATCOM, and refine its understanding of DOD's global SATCOM requirements. However, it may be several years before DOD is able to evaluate the results of its pathfinder efforts. For example, all of the 10 pathfinders planned or already underway are expected to be completed in or beyond fiscal year 2017. DOD's efforts to improve its procurement of military and commercial SATCOM will also be hampered by two long-standing challenges—lack of knowledge of what DOD is spending on commercial SATCOM and resistance to centralized management of SATCOM procurement—both of which GAO reported on and made recommendations to improve in 2003—regarding commercial SATCOM. Specifically, GAO recommended that DOD strengthen its capacity to provide accurate and complete analyses of commercial bandwidth spending and implement a strategic management framework for improving the acquisition of commercial bandwidth. DOD generally concurred with GAO's 2003 recommendations and developed a plan to address them, but none of DOD's corrective actions was carried out as intended. These challenges are commonly faced by organizations seeking to strategically source procurements of services, but they can be overcome by employing best practices, which include conducting detailed spend analyses and centralized management of service procurements to identify procurement inefficiencies and opportunities.