

DOD Has Opportunities to Improve Internal Communication and Oversight

GAO-26-108249

August 2026

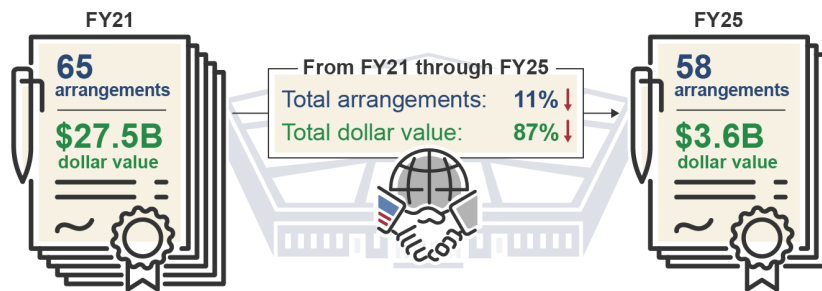
A report to congressional committees

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What GAO Found

The Department of Defense (DOD) uses international agreements and arrangements to achieve political, economic, and military objectives. For example, these could include cooperatively developing and producing a military system with a foreign partner. From fiscal years 2021 through 2025, DOD established 303 acquisition-related international arrangements with an associated dollar value of \$64 billion. However, both the number and dollar value of these arrangements declined over this period. DOD officials said that factors like personnel shortages and lengthy review and approval timelines contributed to this decline.

Decline in DOD International Arrangements, Fiscal Years (FY) 2021–2025



B: Billions

Source: GAO analysis of Department of Defense (DOD) data; Semper Fidelis/stock.adobe.com (Pentagon icon); SkyLine/stock.adobe.com (handshake and contract icons). | GAO-26-108249

DOD's internal coordination and communication for international arrangements varied. Apart from occasional difficulties, officials said that coordination between the Under Secretary of Defense (USD)-level offices—Acquisition and Sustainment (A&S), Office of General Counsel, and Policy—is working relatively well. However, communication between USD-level offices and the military departments about some key changes has not been timely. For example, changes to the application of cost-sharing requirements were not broadly communicated when they occurred and were instead shared on an agreement-by-agreement basis. According to military department officials, they subsequently had to adjust and renegotiate multiple arrangements, and some foreign partners opted out of arrangements entirely.

DOD has not yet fully identified or responded to the challenges it faces in establishing these arrangements, and its approach to managing these challenges has at times been ad hoc and reactive. Using a tailored version of GAO's enterprise risk management framework, GAO identified benefits that DOD could realize by implementing a more systematic approach for managing challenges. For example, USD(A&S) could use available data to better leverage resources and pinpoint and monitor challenges to improve oversight. Ultimately, a more systematic approach could help ensure that DOD is better positioned to meet strategic goals for cost-sharing and defense industrial base improvements, while also reducing rework, wasted effort, and costs.

Why GAO Did This Study

DOD relies on international arrangements to achieve various purposes, including for acquisition activities like increasing access to needed parts, technologies, and resources. Responsibilities for developing these arrangements are dispersed throughout DOD, with the military departments developing and negotiating them, and USD offices reviewing and approving them.

A Senate report includes a provision for GAO to review DOD's coordination for international arrangements. GAO's report examines (1) data trends for selected arrangements for fiscal years 2021–2025; and (2) the extent to which DOD offices coordinate and communicate regarding these arrangements; and (3) assesses DOD's approach to identifying and addressing challenges for these arrangements.

To conduct this work, GAO analyzed military department data for selected arrangements established during fiscal years 2021–2025; reviewed relevant statutes, regulations, and DOD policies; and interviewed DOD officials.

What GAO Recommends

GAO is recommending that DOD establish a mechanism to ensure timely communication about key changes; and implement a systematic, proactive approach for managing the challenges it faces with acquisition-related international arrangements. DOD concurred with both recommendations and identified actions to improve internal communication and oversight.