

June 2011

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

Actions Are Needed to Increase Integration and Efficiencies of DOD's ISR Enterprise



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Why GAO Did This Study

The success of intelligence, surveillance, and reconnaissance (ISR) systems in collecting, processing, and disseminating intelligence information has fueled demand for ISR support, and the Department of Defense (DOD) has significantly increased its investments in ISR capabilities since combat operations began in 2001. In fiscal year 2010, intelligence community spending—including for ISR—exceeded \$80 billion. Section 21 of Public Law 111-139 mandated that GAO identify programs, agencies, offices, and initiatives with duplicative goals and activities. This report examines the extent to which: (1) DOD manages and oversees the full scope and cost of the ISR enterprise; (2) DOD has sought to identify and minimize the potential for any unnecessary duplication in program, planning, and operations for ISR; and (3) DOD's ISR Integration Roadmap addresses key congressionally directed management elements and guidance.

What GAO Recommends

GAO recommends that DOD compile and aggregate complete ISR funding data, establish implementation goals and timelines for its efficiency efforts, and give priority to examining efficiency in ISR collection activities. DOD agreed or partially agreed with these GAO recommendations. GAO also suggests that Congress consider holding DOD accountable to address required elements of the ISR roadmap.

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

Actions Are Needed to Increase Integration and Efficiencies of DOD's ISR Enterprise

What GAO Found

The Under Secretary of Defense for Intelligence (USD[I]) has the authority to oversee DOD's ISR enterprise; however, the broad scope and complex funding arrangements of DOD's ISR enterprise make it difficult to manage and oversee. The scope of the ISR enterprise and capabilities include many different kinds of activities conducted by multiple agencies. As a result, ISR activities may be funded through any of several sources, including the Military Intelligence Program, the National Intelligence Program, overseas contingency operations funding, and military service funds. To manage DOD's large ISR enterprise, the USD(I) serves as DOD's senior intelligence official, responsible for providing strategic, budget, and policy oversight over DOD's ISR enterprise. However, the USD(I) does not have full visibility into several budget sources that fund DOD's ISR enterprise, such as national intelligence capabilities, dual use assets, urgent operational needs, and military personnel expenses related to ISR. The USD(I)'s inability to gain full visibility and clarity into all of DOD's ISR financial resources hinders efforts to develop an investment strategy for ISR and to achieve efficiencies.

DOD has developed general guidance in directives and other documents emphasizing the need to identify efficiencies and eliminate duplication or redundancies in its capabilities, which provides a foundation for further action. In August 2010, the Secretary of Defense directed that the department begin a series of efficiency initiatives to reduce duplication, overhead, and excess. However, the scope of the review pertaining to ISR was limited to analysis activities and excluded activities associated with collecting ISR data—one of the largest areas of growth in ISR spending. Additionally, two ISR efficiency initiatives are in the early stages of development and do not have implementation goals and timelines. Without goals and timelines, it will be difficult to determine whether these initiatives will make progress in achieving efficiencies.

The National Defense Authorization Act for Fiscal Year 2004 required DOD to develop a roadmap to guide the development and integration of DOD ISR capabilities over a 15-year period and report to Congress on the contents of the roadmap, such as goals and an investment strategy to prioritize resources. DOD responded to both of these requirements by issuing an ISR roadmap. GAO's review of DOD's 2007 and 2010 ISR roadmaps found that DOD has made progress in addressing the issues that Congress directed to be included, but the 2007 and 2010 roadmaps did not address certain management elements identified by Congress. In 2008, Congress restated the 2004 requirements and provided additional guidance to the USD(I). However, the 2010 roadmap still does not represent an integrated investment strategy across the department because it does not clearly address capability gaps or priorities across the enterprise and still lacks investment information. Until DOD develops an integrated ISR investment strategy, the defense and intelligence communities may continue to make independent decisions and use resources that are not necessarily based on strategic priorities.

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Abbreviations

DOD	Department of Defense
DNI	Director of National Intelligence
IED	improvised explosive device
ISR	intelligence, surveillance, and reconnaissance
JIEDDO	Joint Improvised Explosive Device Defeat Organization
ODNI	Office of the Director of National Intelligence
USD(I)	Under Secretary of Defense for Intelligence

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United States Government Accountability Office
Washington, DC 20548

June 3, 2011

Congressional Committees

Intelligence, surveillance, and reconnaissance (ISR) systems have proved critical to the combatant commanders to plan and execute military operations in Iraq and Afghanistan by providing them timely and accurate information on adversaries' capabilities and vulnerabilities. The success of ISR systems in collecting, processing, and disseminating useful intelligence information has fueled growing demand for more ISR support, and the Department of Defense (DOD) has increased its investments in ISR capabilities significantly since 2002. In fiscal year 2010, intelligence spending across the national and military intelligence communities—which includes ISR—exceeded \$80 billion. As demand for ISR has increased and DOD has moved quickly to develop and acquire new ISR capabilities, integrating and managing DOD's ISR enterprise has become more complex and challenging. In September 2010, the Deputy Secretary of Defense acknowledged that the growth of intelligence organizations within DOD has not been centrally directed or managed and there is a high probability that inefficiencies exist. In January 2011, Congress expressed the need to continue with oversight over certain ISR efforts given the growth and demand of ISR.

Since 2004, Congress and we have reported on the need for greater integration and efficiencies across DOD's ISR enterprise. In the National Defense Authorization Act for Fiscal Year 2004,¹ Congress required DOD to develop a fully integrated ISR roadmap and coordinate activities across the military services, defense agencies, and combatant commands. In 2008, a congressional committee provided additional guidance stating the need for an ISR investment strategy. We have also reported that ISR activities are not integrated and efficient; effectiveness may be compromised by lack of full visibility into operational use of ISR assets; and agencies could better collaborate in the acquisition of new capabilities. Although DOD has designated the Under Secretary of Defense for Intelligence (USD[I]) to manage ISR investments as a departmentwide portfolio, the Under Secretary of Defense for Acquisition, Technology and Logistics has been designated to lead the task force responsible for oversight of issues related to the management and acquisition of unmanned aircraft systems that

¹Pub. L. No 108-136, § 923(b)-(c), codified in part at 10 U.S.C. § 426 (2003).

collect ISR data. We have concluded that DOD has not articulated a clear vision of the ISR enterprise and a unified investment approach to manage the enterprise.² A new statutory requirement mandates that GAO identify federal programs, agencies, offices, and initiatives with duplicative goals and activities within departments and governmentwide.³ Under that mandate, this review examines the extent to which: (1) DOD manages and oversees the full scope and cost of the ISR enterprise; (2) DOD identified and minimized the potential for any unnecessary duplication in program, planning, and operations for ISR; and (3) DOD's ISR Integration Roadmap addresses key management elements required by law or directed by congressional committees.

To determine the full scope and cost of DOD's ISR enterprise we assessed DOD's ISR funding and budget elements reported in the Military Intelligence Program, analyzed DOD's ISR spending plans in the Future Years Defense Program, and conducted discussions with DOD, military service, and intelligence agency officials regarding ISR funding and capabilities. To determine the extent to which DOD manages and oversees the full scope and cost of this enterprise, we reviewed DOD directives regarding the capability portfolio management, the role of the USD(I), and the Military Intelligence Program and compared information found in DOD strategy and briefing documents along with relevant meetings and discussions with USD(I), military service, and intelligence agency officials against the directives. We met with three of DOD's combat support agencies—the National Security Agency, the National Geospatial-Intelligence Agency, and the Defense Intelligence Agency—to obtain information on how they use Military Intelligence Program funds and their role in DOD's ISR enterprise. We discussed national intelligence funding and efforts to assess duplication, fragmentation, and overlap in the National Intelligence Program with an official in the Office of the Director of National Intelligence (ODNI). ODNI also provided us classified information on the extent to which the National Intelligence Program budget funds each of the combat support agencies, excluding the National Reconnaissance Office. We also determined that the data contained in both the Future Years Defense Program and Military Intelligence Program along with data received from the military services were reliable for our

²GAO, *Intelligence, Surveillance, and Reconnaissance: DOD Can Better Assess and Integrate ISR Capabilities and Oversee Development of Future ISR Requirements*, [GAO-08-374](#) (Washington, D.C.: Mar. 24, 2008).

³Pub. L. No. 111-139 § 21, 124 Stat. 8, 29 (2010).

purposes by conducting a data reliability assessment. To evaluate the extent to which DOD has identified and minimized the potential for unnecessary duplication, we assessed the progress of DOD efforts to identify and implement efficiencies. We reviewed directives and budget guidance documents to assess to what extent the need to eliminate unnecessary duplication and fragmentation was emphasized as a priority. We evaluated DOD's guidance to determine to what extent it incorporated best practices we previously identified, such as developing performance metrics, timelines, and goals for implementation of efficiency efforts. We evaluated the extent to which DOD took actions to resolve instances of fragmentation and duplication they identified by reviewing ISR capability assessments and recent ISR efficiency initiatives. Finally, to assess the extent to which DOD's ISR Integration Roadmap addresses management elements required by law or directed by congressional committees, two of our analysts independently evaluated the 2010 ISR Integration Roadmap against key elements of congressionally directed actions. We also compared the 2010 ISR Integration Roadmap to the 2007 ISR Integration Roadmap to determine what progress DOD has made in addressing these elements.

We conducted this performance audit from August 2010 through June 2011, 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. More detailed information on our scope and methodology is provided in appendix I.

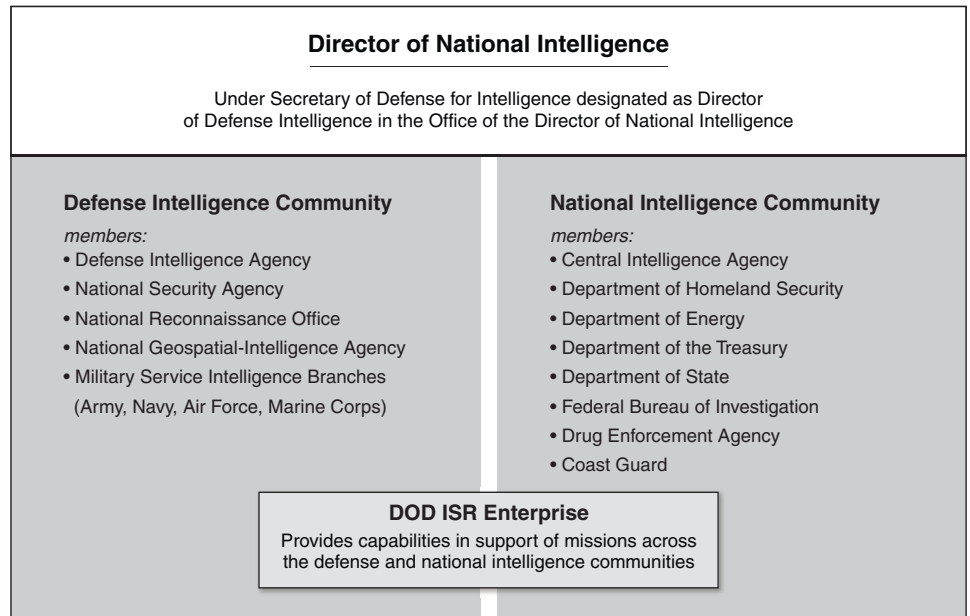
Background

GAO has conducted various assessments related to DOD's ISR enterprise including efforts assessing (1) unmanned aircraft system development, acquisition, and operations; (2) how new ISR requirements are generated; (3) the intelligence information processing, exploitation, and dissemination processes; and (4) other intelligence-related topics.⁴ DOD's

⁴For examples, see GAO, *Defense Acquisitions: DOD Could Achieve Greater Commonality and Efficiencies among Its Unmanned Aircraft Systems*, [GAO-10-508T](#) (Washington, D.C.: Mar. 23, 2010); *Intelligence, Surveillance, and Reconnaissance: Establishing Guidance, Timelines, and Accountability for Integrating Intelligence Data Would Improve Information Sharing*, [GAO-10-265NI](#) (Washington, D.C.: Jan. 22, 2010); [GAO-08-374](#); and *Unmanned Aircraft Systems: Advanced Coordination and Increased Visibility Needed to Optimize Capabilities*, [GAO-07-836](#) (Washington, D.C.: July 11, 2007).

ISR enterprise consists of multiple intelligence organizations that individually plan for, acquire, and operate manned and unmanned airborne, space-borne, maritime, and ground-based ISR systems. The Under Secretary of Defense for Acquisition, Technology and Logistics oversees the space and unmanned aircraft systems acquisition programs. In addition to the intelligence branches of the military services, there are four major intelligence agencies within DOD: the Defense Intelligence Agency; the National Security Agency; the National Geospatial-Intelligence Agency; and the National Reconnaissance Office. The Defense Intelligence Agency is charged with providing all-source intelligence data to policy makers and U.S. armed forces around the world and provides defense human intelligence. The National Security Agency is responsible for signals intelligence and information assurance and has collection sites throughout the world. The National Geospatial-Intelligence Agency prepares the geospatial data, including maps and computerized databases, that are used by ISR systems necessary for targeting for precision-guided weapons. The National Reconnaissance Office develops and operates reconnaissance satellites. As figure 1 shows, DOD's ISR enterprise is related to other elements of the U.S. national intelligence community.

Figure 1: DOD's ISR Enterprise Relationship to the U.S. Intelligence Community



Source: GAO.

Spending on most ISR programs is divided between the defense intelligence budget, known as the Military Intelligence Program—totaling \$27 billion in fiscal year 2010—and the national intelligence budget, known as the National Intelligence Program—totaling \$53.1 billion in fiscal year 2010. The Military Intelligence Program encompasses DOD-wide intelligence programs and most intelligence programs supporting the operating units of the military services. The USD(I) is responsible for compiling and developing the Military Intelligence budget and issuing detailed procedures governing the Military Intelligence Program process and timelines associated with budget development. The agencies, services, and offices that are included in the Military Intelligence Program are: the Office of the Secretary of Defense, the military departments, the U.S. Special Operations Command, the Defense Intelligence Agency, the National Geospatial-Intelligence Agency, the National Reconnaissance Office, the National Security Agency, the Defense Threat Reduction Agency, the Defense Information Systems Agency, and the Defense Security Service. Each office, agency, and service designates a manager who is charged with responding to guidance from the USD(I) and managing programs and functions within the budget, among other things. The USD(I) guides and oversees the development of the Military Intelligence Program in coordination with the Under Secretary of Defense (Comptroller), Under Secretary of Defense for Policy, Under Secretary of Defense for Personnel and Readiness, Chairman of the Joint Chiefs of Staff, and the Director of the Office of the Secretary of Defense’s Office of Cost Assessment and Program Evaluation.

The national intelligence community, which primarily provides support to national decision makers, also supports DOD ISR activities. The line between military intelligence activities and national strategic intelligence activities has blurred as DOD’s tactical ISR supports strategic decisions and national intelligence collection informs military operations. The National Intelligence Program, which funds national intelligence activities, also funds a portion of DOD’s ISR activities to support military operations. The Director of National Intelligence (DNI) is responsible for compiling and reviewing the annual National Intelligence Program budget.

To encourage integration of DOD’s ISR enterprise, in 2003 Congress required the USD(I) to develop a comprehensive plan, known as the ISR Integration Roadmap, to guide the development and integration of ISR capabilities. The law also required the USD(I) to report back to congressional committees on this effort. In response to this requirement, DOD issued an ISR Integration Roadmap in May 2005 and updated it in January 2007. However, we reported that this 2007 roadmap still did not

meet all the management elements the USD(I) was required to address.⁵ In 2008,⁶ the House Committee on Armed Services restated the need for the USD(I) to address these requirements and provided the USD(I) with additional guidance for the roadmap. The USD(I) issued an updated roadmap in March 2010.

In 2008, DOD began an effort to manage ISR capabilities across the entire department, rather than by military service or individual program. Under this capability portfolio management concept, DOD intended to improve the interoperability of future capabilities, minimize capability redundancies and gaps, and maximize capability effectiveness.⁷ The USD(I) was designated as the civilian lead office for the portfolio of ISR activities, which is known as the Battlespace Awareness Portfolio. As the portfolio manager for ISR investments, the role and authorities of the USD(I) are limited to two primarily advisory functions: (1) reviewing and participating in service and DOD agency budget deliberations on proposed ISR capability investments, and (2) recommending alterations in service or agency spending to the Secretary of Defense as part of the established DOD budget review process. Also in 2008, the Secretary of Defense established the ISR Task Force to increase ISR capacity in Iraq and Afghanistan, as well as improve operational integration and efficiency of ISR assets across the services and defense agencies. The ISR Task Force's primary focus was on regional capabilities and capabilities that could be delivered more quickly than in the standard DOD acquisition cycle. The task force is currently assisting the USD(I) and the services in deciding how to integrate into the long-term base budget more than 500 ISR capabilities that were developed to meet urgent operational requirements in Iraq and Afghanistan.

We have previously reported on DOD's challenges in improving the integration of ISR efforts, including difficulties in processing and sharing information that is already collected and developing new capabilities. We reported in 2010 that DOD's efforts to make intelligence data accessible across the defense intelligence community have been hampered by not having integration of service programs and a concept of operations for

⁵[GAO-08-374](#).

⁶H.R. Rep. No. 110-652, at 423 (2008).

⁷Department of Defense Directive 7045.20, *Capability Portfolio Management* (Sept. 25, 2008).

intelligence sharing.⁸ The services have each pursued their own versions of a common data processing system to share information, the Distributed Common Ground/Surface System, which was initiated in 1998. Although the services can share limited intelligence data, their progress toward full information sharing has been uneven. Moreover, as we reported in March 2011,⁹ although DOD created the Joint Improvised Explosive Device (IED) Defeat Organization (JIEDDO) to lead and coordinate all of DOD's counter-IED efforts, which include some ISR capabilities, many of the organizations engaged in the counter-IED defeat effort, such as the Army, Marine Corps, and Navy, continued to develop, maintain, and expand their own IED-defeat capabilities. Even though urgent operational needs include ISR capabilities, the USD(I) does not have a direct role in determining urgent operational needs.

The Complexity of DOD's ISR Enterprise Funding Presents Challenges for Managing and Overseeing the Scope and Cost

The USD(I) has the authority to exercise oversight responsibility over DOD's ISR's enterprise; however the broad scope and complex funding arrangements of DOD's ISR enterprise make it difficult to manage and oversee. The scope of the ISR enterprise and capabilities include many different kinds of activities—from collection of information through dissemination of analysis compiled from multiple sources—conducted by multiple agencies. As a result, ISR activities may be funded through any of several sources, including the Military Intelligence Program, the National Intelligence Program, overseas contingency operations funding, and service appropriations, or by a combination of these sources. To manage DOD's large ISR enterprise, the USD(I) serves as DOD's senior intelligence official, responsible for providing strategic, budget, and policy oversight over DOD's ISR enterprise.¹⁰ However, the USD(I) does not have full visibility into several budget sources that fund DOD's ISR enterprise, such as national intelligence capabilities, capabilities used for ISR and non-ISR purposes, urgent operational needs, and military personnel expenses related to ISR. Figure 2 illustrates that the USD(I) does not have full visibility into many capabilities included in DOD's ISR enterprise. The USD(I)'s inability to gain full visibility into all of DOD's ISR financial

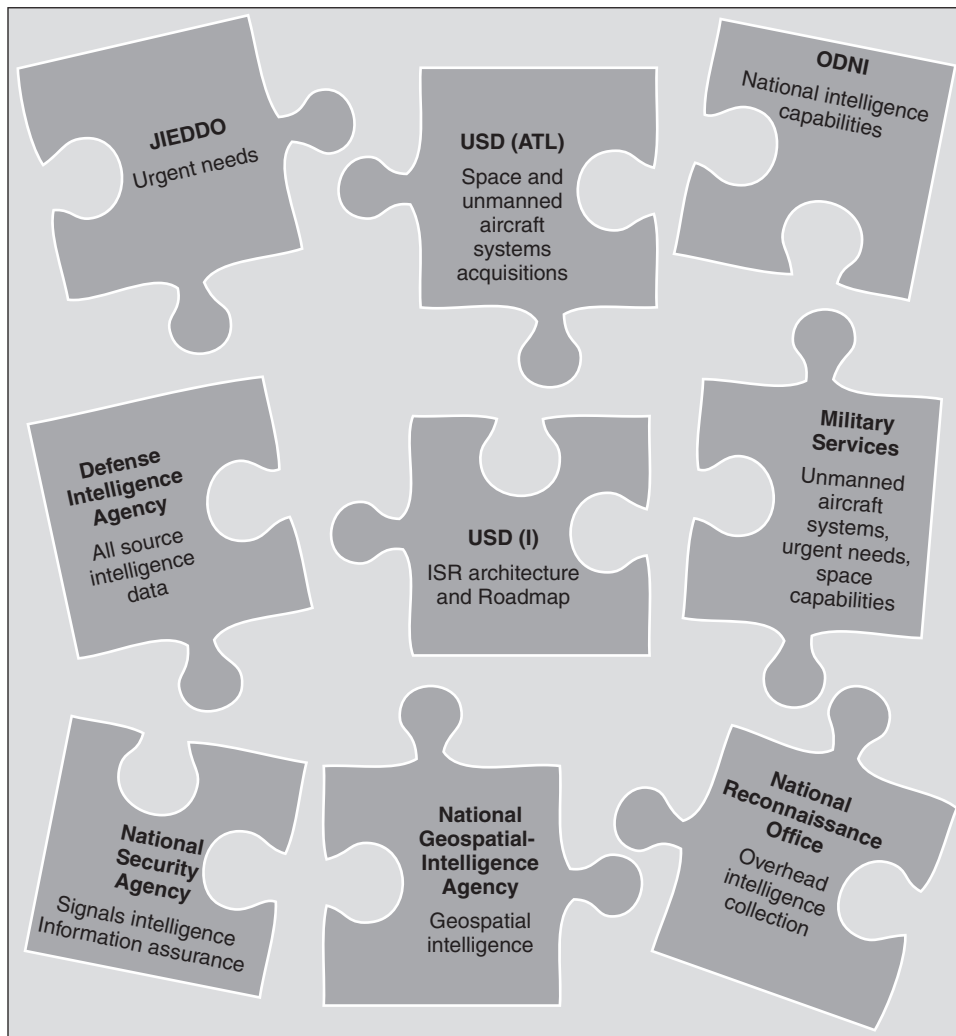
⁸GAO-10-265NI.

⁹GAO, *Warfighter Support: DOD's Urgent Needs Processes Need a More Comprehensive Approach and Evaluation for Potential Consolidation*, GAO-11-273 (Washington, D.C.: Mar. 1, 2011).

¹⁰DOD Directive 5143.01, *Under Secretary of Defense for Intelligence (USD(I))* (Nov. 23, 2005).

resources may hinder efforts to develop an investment strategy for ISR, to consider tradeoffs across military services and programs, and to address potential duplication, fragmentation, and overlap.

Figure 2: Offices That Oversee Various DOD ISR Capabilities



USD (ATL): Under Secretary of Defense for Acquisition, Technology, and Logistics
USD (I): Under Secretary of Defense for Intelligence
ODNI: The Office of the Director of National Intelligence
JIEDDO: Joint Improvised Explosive Device Defeat Organization

Source: GAO analysis of DOD's ISR structure.

DOD's ISR enterprise comprises many organizations and offices from both the defense intelligence community and the national intelligence

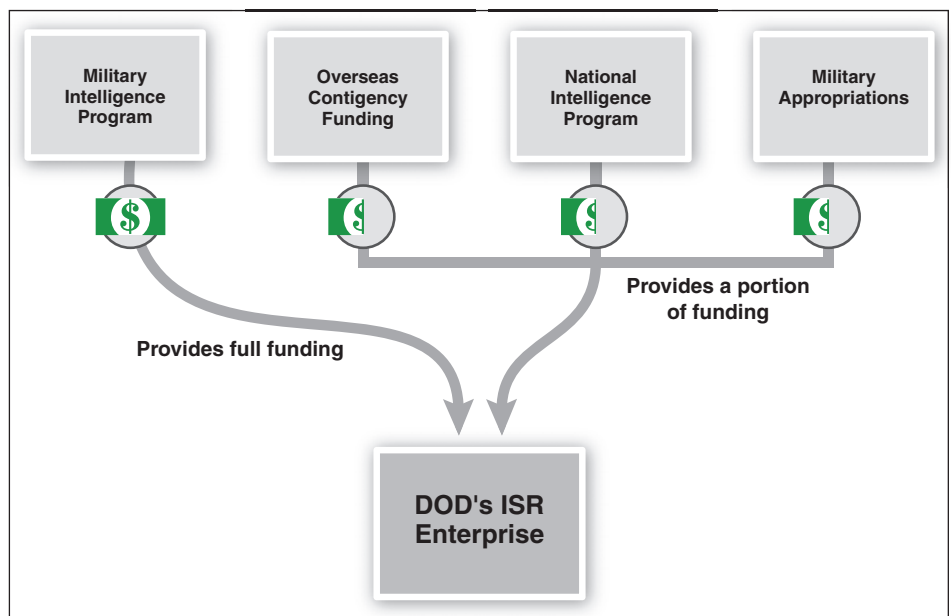
community, which represents a challenge for DOD in integrating capabilities across the ISR enterprise. DOD relies on both its own ISR assets and national ISR assets to provide comprehensive intelligence in support of its joint warfighting force. DOD organizations are involved in providing intelligence information using their respective or joint ISR assets to both the defense and national intelligence communities. Determining the scope of the ISR enterprise precisely is difficult because the intelligence agencies and military services include different activities in discussing their ISR missions and priorities.

Within DOD's ISR enterprise, multiple organizations conduct strategic planning, budgeting, and data processing and analysis across intelligence disciplines in accordance with their own priorities. Within the Office of the Secretary of the Defense, the USD(I), and the Under Secretary of Defense for Acquisition, Technology and Logistics have responsibilities for aspects of ISR that may overlap. Specifically, DOD has designated the USD(I) to manage ISR investments as a departmentwide portfolio. However, as the ISR portfolio manager, the USD(I) has only advisory authority and cannot direct the services or agencies to make changes in their investment plans. Moreover, the Under Secretary of Defense for Acquisition, Technology and Logistics has been designated responsible for heading a task force related to the management and acquisition of unmanned aircraft systems that collect ISR data and are part of the ISR portfolio. The services and defense agencies also conduct ISR activities. The military services each have their own ISR plans and roadmaps that focus on their respective ISR activities and are not integrated with other services' plans. For example, the Air Force maintains its own ISR plan and metrics separate from DOD's ISR Integration Roadmap and the other service roadmaps, and the other services have developed several roadmaps outlining ISR priorities and capability gaps.

Because of the broad scope of ISR and the multiple agencies involved, DOD's ISR enterprise is funded through several budgetary sources, including both DOD and non-DOD organizations. These multiple sources of funding complicate the USD(I)'s role as the office that develops and oversees DOD's ISR enterprise, according to DOD officials. In particular, USD(I) officials noted that the USD(I) does not have complete information on ISR funding by these organizations and that it is difficult to manage planning for ISR funding. As figures 2 and 3 show, the Military Intelligence Program, the National Intelligence Program, and military service budgets are the various sources of funding. Moreover, some ISR programs are funded through combinations of these funding sources. For example, the USD(I) does not have full visibility into space acquisitions, urgent

warfighter needs, and unmanned aircraft systems acquisitions and does not routinely collect data regarding funding information. In fiscal year 2010, DOD's ISR enterprise was funded by the entire Military Intelligence Program budget totaling \$27 billion, along with a portion of the National Intelligence Program¹¹ budget of \$53.1 billion. In 2008, we reported that DOD and the Office of the Director of National Intelligence (ODNI) work together to coordinate funding for programs that support both military and national intelligence missions, but determining how costs for joint ISR programs will be shared can be difficult.¹²

Figure 3: Examples of the Multiple Sources That Fund or Partially Fund DOD's ISR Enterprise



Source: GAO analysis of DOD's ISR spending.

¹¹According to USD(I) officials, DOD also relies on National Intelligence Program capabilities, and a significant portion of DOD's intelligence agencies are funded from the National Intelligence Program. ODNI provided us with high-level classified budget numbers for DOD agencies funded through the National Intelligence Program.

¹²[GAO-08-374](#).

According to DOD Directive 5143.01,¹³ the USD(I) is responsible for developing, coordinating, and overseeing the implementation of DOD policy, strategy, and guidance related to ISR. This directive also provides the USD(I) with the authority to obtain reports and information as necessary to carry out assigned responsibilities and functions. The USD(I) also has responsibility for ensuring that policies and programs related to the acquisition of ISR capabilities are designed and managed to improve performance and efficiency. GAO's Internal Control Standards¹⁴ state that managers, such as the USD(I), need accurate and complete financial data to determine the effective and efficient use of resources. However, the complexity of DOD's ISR enterprise may make the USD(I)'s management and oversight responsibilities difficult to fulfill because it is not receiving complete information and does not have full visibility over DOD's entire ISR enterprise.

The USD(I)'s lack of full visibility into the full scope of ISR capabilities, programs, and budget sources, makes it difficult for the USD(I) to receive, collect, and aggregate reports and information necessary to carry out its oversight responsibilities. We identified four areas for which the USD(I) does not have complete information on ISR spending: (1) military assets that are used for both ISR and non-ISR missions—that is, dual use assets; (2) DOD's urgent ISR warfighter capabilities; (3) budget items funded from multiple sources; and (4) military personnel funding related to ISR missions and capabilities.

- **Dual use assets**—DOD officials stated that certain assets fulfill both non-ISR and ISR missions. Such assets are funded primarily through appropriations for the military services and may not always be reported to the USD(I) as Military Intelligence Program capabilities, which limits the USD(I)'s oversight of such capabilities and ability to make trade-offs or shift resources across the department. According to the USD(I), specific examples of dual use capabilities include the Air Force's airborne ISR Reaper program, the Navy's P-3 Orion land-based maritime patrol aircraft, and DOD's biometrics program.

¹³Department of Defense Directive 5143.01.

¹⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#). (November 1999).

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- **Urgent ISR warfighter capabilities**—As we reported in March 2011,¹⁵ GAO estimated that between fiscal years 2005 and 2010 DOD spent \$6.25 billion on urgent ISR capabilities sponsored by the ISR Task Force, as well as a portion of the \$19.45 billion sponsored by the JIEDDO to field new ISR capabilities. However, we also reported that DOD cannot readily identify all of its urgent needs efforts or associated costs, including spending on ISR, because it has limited visibility into the totality of urgent needs submitted by warfighters.
 - **Capabilities funded from multiple sources**—DOD officials have also cited capabilities funded from multiple sources as a cause of delays in tracking and reporting ISR data. For example, many ISR capabilities are funded jointly by the Military Intelligence Program and National Intelligence Program. In addition, capabilities that have both ISR and non-ISR uses receive funding from different appropriations. For example, capabilities with both ISR and non-ISR uses can be supported by services' operation and maintenance and personnel funding. In 2010, according to a DOD financial regulation¹⁶ the Under Secretary of Defense (Comptroller) and the Director of the Cost Assessment and Program Evaluation Office are to work with the USD(I) to create and maintain whole, distinct budget items within each component of the intelligence community. The military services and defense agencies are required to show measurable and steady progress towards completing this effort. On the basis of information we received from the military services, the services reported making varying progress in developing whole Military Intelligence Program budget items for some of its ISR capabilities. The services estimated that this effort will be completed sometime after 2012 and they have cited challenges in creating whole budget elements. For example, a Navy official said that it is very difficult to determine individual Military Intelligence Program and non-Military Intelligence budget portions for some capabilities at the program level.
 - **Military intelligence personnel funding related to ISR**—DOD, military, and intelligence officials cited challenges in identifying exact costs associated with military personnel conducting ISR activities. In a change from previous years, DOD's fiscal year 2012 Military Intelligence Program budget submission did not include military

¹⁵GAO-11-273.

¹⁶DOD Financial Regulation, "Summary of Major Changes to DOD 7000.14-R, Volume 2b Chapter 16, Intelligence Programs/Activities," vol. 2b, ch. 16 (July 2010).

personnel costs. According to a USD(I) official, military personnel funding was removed from the Military Intelligence Program because: (1) military personnel expenses are not reported in the National Intelligence Program; and (2) the USD(I) does not have oversight authority for military personnel funding. Some of the military services cited military personnel costs as an example of a budget item that is split between ISR and non-ISR programs. For example, the Air Force estimates that it has approximately 200 budget items that contain at least some funding for military intelligence personnel. Additionally, Army officials reported that military personnel funding accounts for approximately 62 percent of their budget items that are funded from multiple sources.

Without accurate and complete financial resource data, the USD(I) may not be able to fulfill its responsibility to develop, coordinate, and oversee the implementation of DOD's ISR enterprise policy, strategy, and programs and manage the Battlespace Awareness capability portfolio from an informed perspective. Until the USD(I) gains more clarity over DOD's ISR funding, DOD efforts to integrate ISR, recommend tradeoffs within the Battlespace Awareness capability portfolio, determine the effective use of ISR resources, and address potential fragmentation, overlap, and duplication will continue to be impeded.

DOD Has Established Initiatives and Processes to Achieve Efficiencies, but Additional Steps Could Improve Accountability

DOD has developed general guidance in directives, a manual, and memorandums emphasizing the need to identify and eliminate duplication or redundancies in its capabilities, which provides a foundation for further action. ISR activities are explicitly included as an area for possible efficiency improvements. However, current ISR efficiency studies have limited scope, initiatives are in the early stages of development, and implementation plans, including resource requirements, have not been fully developed.

DOD Has Emphasized the Importance of Efficiency in ISR Activities through Broad Guidance, but Efficiency Initiatives Have Limitations

DOD's broad guidance highlights the need for the services and defense agencies to work together to eliminate duplication in ISR activities. DOD's directive *Functions of the DOD and Its Major Components*¹⁷ instructs the services to coordinate with each other in eliminating duplication, to equip forces that can work closely with each other, and to assist other components by providing intelligence. Similarly, DOD's *Capability Portfolio Management*¹⁸ directive charges portfolio managers with identifying resource mismatches, including redundancies, and providing recommendations on integrating capabilities. In addition, DOD's requirements process guidance instructs the services and defense agencies to identify overlaps and redundancies when proposing the development of new capabilities and to assess areas of overlap and unnecessary duplication that could be eliminated to provide resources to address capability gaps.

In response to the emphasis on efficiencies, DOD, as a departmental official indicated, has recently completed one efficiency study and is developing two tools to help identify efficiencies and promote integration in its ISR enterprise; however, these efforts have limited scope or are in the early stages of development. Further, it is not clear whether the tools will result in improved efficiencies because DOD has not established implementation goals or timelines with which to establish accountability, measure progress, and build momentum. As we have previously reported, successful management efforts use implementation goals and timelines to identify performance shortfalls and gaps, suggest midcourse corrections, and build momentum by demonstrating progress.¹⁹

In August 2010, the Secretary of Defense directed that the department begin a series of efficiency initiatives to reduce duplication, overhead, and excess. The ISR portion of the review focused on streamlining organizations that primarily analyze intelligence information. The review group's assessment recommended cost savings of approximately \$29 million in intelligence personnel costs for fiscal year 2012 by consolidating some intelligence centers and streamlining certain intelligence

¹⁷DOD Directive 5100.01, *Functions of the DOD and Its Major Components* (Washington, D.C., December 2010).

¹⁸DOD Directive 7045.20, *Capability Portfolio Management* (Washington, D.C., September 2008).

¹⁹GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003).

organizations. However, the scope of the review was limited to ISR analysis activities and excluded ISR activities associated with collecting ISR data, which represents one of the largest areas of growth in ISR spending. ISR officials were unsure whether or when ISR collection activities would be studied for efficiencies.

Two other DOD efforts are intended to address impediments to integration of the ISR enterprise management that we reported in March 2008.²⁰ In our assessment of DOD's 2007 ISR Integration Roadmap, we noted that DOD had improved its ability to look across its ISR enterprise by compiling a useful catalog of capabilities. We have previously identified a set of desirable characteristics for defense strategies such as the ISR Integration Roadmap, which are intended to enhance their usefulness in resource and policy decisions and to better assure accountability. These characteristics include laying out goals and objectives, suggesting actions for addressing those objectives, allocating resources, identifying roles and responsibilities, and integrating relevant parties.²¹ However, we reported that the 2007 Roadmap did not provide (1) a clear vision of a future integrated ISR enterprise that identifies what ISR capabilities are needed to achieve to DOD's strategic goals, or (2) a framework for evaluating trade-offs among competing ISR capability needs and assessing how ISR investments contribute towards achieving goals. Further, we reported that the department did not have complete information on ISR capabilities in use or being developed to help identify tradeoffs among potential future investments. We recommended that DOD develop an integrated architecture and complete information to use in understanding how changing investment levels in ISR would affect progress and achieving goals and, in comments on that report, DOD agreed with our recommendation and stated that plans of action should be finalized by 2008.

In 2010, USD(I) officials proposed development of a comprehensive architecture for DOD's entire ISR enterprise, to be called the Defense Intelligence Mission Area Enterprise Architecture. This architecture is intended to provide a standardized methodology for identifying and addressing efficiencies in the ISR portfolio and support objective investment decision making. However, this initiative is in the earliest

²⁰GAO-08-374.

²¹GAO, *Combating Terrorism: Evaluation of Selected Characteristics in National Strategies Related to Terrorism*, GAO-04-408T (Washington, D.C.: Feb. 3, 2004).

phases of development, and its concept and implementation plans including resource requirements have not been fully developed. The absence of implementation goals and timelines will make it difficult to determine whether this initiative will make progress in achieving efficiencies.

In 2008, we also recommended that the Joint Staff collaborate with the USD(I) to develop a comprehensive source of information on all existing and developmental ISR capabilities throughout the ISR enterprise so that the military services and defense agencies can determine whether existing systems or those in development could fill their capability gaps. Based on this recommendation, in 2010, the Joint Staff, in collaboration with the USD(I) and the services, began an initiative to develop a comprehensive source of information on all existing and developmental ISR capabilities for use in conducting ISR-related assessments. According to Joint Staff officials, this decision support²² tool is designed to use measurable data to enable assessment of the relative utility and operating costs of different ISR capabilities and has the potential to identify overlap and duplication and inform trade-off decisions. Currently this tool includes information on airborne ISR capabilities. The USD(I) is currently collaborating with the Joint Staff to enhance the decision support tool to address operational requirements across ISR domains. However, it is not clear whether funding will be available to implement plans to maintain and expand the experimental tool to include all ISR capabilities and, with funding uncertain, goals and a timeline for completion have not been established.

²²The decision support tool referred to in this section is the Joint Staff's ISR Capabilities Map and Next Dollar Sensitivity Tool.

DOD Has Developed an ISR Integration Roadmap but Has Only Partially Addressed Management Elements Required by Legislation or Identified by Congressional Committees

The National Defense Authorization Act for Fiscal Year 2004²³ required DOD to develop an ISR Integration Roadmap to guide the development and integration of DOD ISR capabilities over a 15-year period, and to report to Congress on the content of the roadmap, including specific management elements that DOD should address. In response to both of these requirements, DOD issued an ISR Integration Roadmap. In addition to other matters, DOD was required to include: (1) fundamental goals, (2) an overview of ISR integration activities, and (3) an investment strategy.²⁴ The House of Representatives Committee on Armed Services provided further guidance in a 2008 committee report, after which DOD issued an updated roadmap in 2010. Our review of DOD's 2007 and 2010 ISR roadmaps found that DOD has made progress in addressing the issues that Congress directed to be included, but neither roadmap included all the specified elements or addressed the important issue of how to invest future resources among competing priorities. As illustrated in figure 4, DOD's 2010 ISR Integration Roadmap addressed two more required elements than did the 2007 roadmap. However, the 2010 roadmap does not represent an integrated investment strategy across the department or contain key elements of an integrated enterprise architecture, such as metrics to help evaluate trade-offs between alternatives and assess progress in addressing capability shortfalls. Further, unlike the 2007 roadmap that catalogued military and national ISR capabilities across the enterprise, the 2010 roadmap is organized by separate intelligence disciplines, such as signals intelligence and imagery intelligence, and is not integrated, making it more difficult to examine potential investments and trade-offs departmentwide.

²³Pub. L. No. 108-136, § 923 (c)-(d), codified in part at 10 U.S.C. § 426 (2003).

²⁴Fig. 4 includes a full list of these requirements.

Figure 4: Extent to Which 2007 and 2010 ISR Integration Roadmaps Address Management Elements Required by Legislation or Identified by Congressional Committees

Effort	2007 ISR Integration Roadmap	2010 ISR Integration Roadmap
2004 National Defense Authorization Act Requirements		
Covers a 15-year period (FY 2004 through 2018).	○	●
Contains fundamental goals.	●	●
Provides an overview of ISR integration activities of the military departments and the DOD intelligence agencies.	●	●
Includes an investment strategy for achieving— (i) an integration of DOD ISR capabilities that ensures sustainment of needed tactical and operational efforts; and (ii) efficient investment in new ISR capabilities.	◐	○
Discusses how intelligence gathered and analyzed by DOD can enhance the role of the DOD in fulfilling its homeland security responsibilities.	○	●
Discusses how counterintelligence activities of the Armed Forces and DOD intelligence agencies can be better integrated.	○	◐
Recommends how annual funding authorizations and appropriations can be optimally structured to best support the development of a fully integrated DOD ISR architecture.	○	○
May 2008 Congressional Committee Report Guidance		
Discusses the appropriate mix of national overhead systems and manned and unmanned airborne platforms to achieve strategic goals that is based on an analysis of future ISR demand.	N/A	○
Includes a comprehensive set of metrics to assess ISR effectiveness in meeting DOD's strategic goals.	N/A	○

- Addresses
- ◐ Partially addresses
- Does not address

Source: GAO analysis of 2007 and 2010 ISR Integration Roadmap.

Note: Because DOD submitted the roadmap to satisfy the reporting requirement, the 2004 requirements for the roadmap and the report have been combined in this table.

The 2010 ISR Integration Roadmap addresses four and partially addresses one of seven management elements set forth in the 2004 National Defense Authorization Act. Specifically, the 2010 ISR Integration Roadmap includes information on:

- **A 15-year time period**—The 2010 ISR Roadmap includes investment strategies for each type of intelligence activity and addresses planned capabilities through at least 2025.
- **A description of fundamental goals**—The 2010 ISR roadmap outlines broad national defense, ISR, and military goals along with

missions supported by various intelligence disciplines, and contains fundamental goals such as (1) stewardship of funding, (2) serving fundamental requirements, and (3) leveraging technology effects.

- **A description of ISR Integration activities**—The 2010 ISR roadmap provides an overview of ISR integration activities across DOD such as the structure and membership of the ISR Task Force, the ISR Integration Council, and the Battlespace Awareness Functional Capabilities Board²⁵ among others.
- **A description of the role of intelligence in homeland security**—The 2010 ISR roadmap contains a section outlining how intelligence can enhance DOD’s role in fulfilling its homeland security responsibilities.
- **Counterintelligence integration**—The 2010 ISR roadmap partially addresses counterintelligence integration as it generally describes DOD’s counterintelligence mission, but it does not specifically address how it will be integrated among DOD agencies and the armed forces.

The 2010 ISR Integration Roadmap does not address two of the seven management elements in the 2004 National Defense Authorization Act that were also restated in the 2008 House of Representatives Committee on Armed Services report. Specifically, the 2010 Integration Roadmap does not do the following:

- **Describe an investment strategy**—The 2010 roadmap contains general strategies for individual intelligence disciplines, discusses current and future capabilities, identifies supported mission sets for each discipline, and describes long-term actions and challenges. For certain intelligence disciplines, the 2010 roadmap also generally illustrates future needs for certain capabilities. However, it does not contain a comprehensive investment strategy for the ISR enterprise. For example, it does not clearly represent what ISR capabilities are required to achieve strategic goals, and it does not allow DOD decision makers to assess current capabilities across different goals because it

²⁵The Battlespace Awareness Functional Capabilities Board is one of the eight DOD Functional Capabilities Boards that review and analyze initial proposals for new military capabilities, and it is focused on ISR capabilities. These Functional Capabilities Boards support the Joint Requirements Oversight Council as it assists the Chairman of the Joint Chiefs of Staff in this role by reviewing and approving proposals for new military capabilities, among other responsibilities.

is structured according to individual intelligence disciplines. Additionally, the roadmap does not provide estimated costs associated with these capability needs and does not prioritize ISR capabilities.

- **Discuss improving the structure of funding and appropriations**—The 2010 roadmap does not discuss how annual funding authorizations and appropriations can be optimally structured to best support the development of a fully integrated DOD ISR architecture. DOD included a section in the roadmap entitled “Funding an Integrated ISR Architecture,” which provides an overview of the Military Intelligence Program, the National Intelligence Program, and the Battlespace Awareness Capability Portfolio, but does not include information on how annual appropriations can be best structured for ISR.

The 2010 ISR Integration Roadmap also does not address the additional guidance included in the 2008 House Committee on Armed Services report.²⁶ Specifically, the 2010 ISR Integration Roadmap does not address the appropriate mix of national overhead systems and manned and unmanned airborne platforms to achieve strategic goals and does not include an analysis of future ISR demand. Certain intelligence discipline sections generally describe the types of overhead capabilities needed in the future; however, these capabilities are not prioritized across the entire ISR enterprise.

DOD officials acknowledged that the 2010 ISR Integration Roadmap has some limitations that DOD is planning to address in a later version. For example, because the investment strategy section is organized by intelligence area it does not address capabilities that collect multiple types of intelligence data. The USD(I) also highlighted that recent agreements between the Director of National Intelligence (DNI) and the USD(I) have resulted in the creation of the Consolidated Intelligence Guidance, which is designed to synchronize activities and investments between the DNI and DOD. They stated that this guidance is specifically goal-based and is effective for managing the shorter-term Future Years Defense Program²⁷ budget. DOD officials also acknowledged that the organization of future iterations of the ISR roadmap by missions instead of intelligence discipline may better illustrate integration and interoperability of capabilities across

²⁶H.R. Rep. No. 110-652, at 423 (2008).

²⁷The Future Years Defense Program provides information on DOD’s current and planned out year budget requests and visibility over DOD’s projected spending.

the department. They stated that the roadmap is a living document and the intent is for future versions to create linkages between the existing DOD strategic guidance and the longer-term investment strategies. USD(I) officials stated that it is developing a useful set of metrics for the next iteration of the roadmap.

Requirements of the 2004 National Defense Authorization Act, additional guidance provided by the House Committee on Armed Services, and our prior work have all emphasized that the roadmap should include a clearly defined investment strategy. Without a unified investment approach, senior DOD leaders do not have a management tool for conducting a comprehensive assessment of what investments are required to achieve ISR strategic goals, and they cannot be well-positioned to prioritize ISR investments and make resource allocation and trade-off decisions when faced with competing needs. Furthermore, until DOD develops an integrated ISR investment strategy, the defense and intelligence communities may continue to use resources that are not necessarily based on strategic priorities, which could lead to gaps in some areas of intelligence operations and redundancies in others.

Conclusions

With demand for ISR growing and DOD planning to make additional investments in ISR capabilities, the challenges the department faces in integrating ISR capabilities, managing and conducting oversight of ISR funding, and addressing efficiency efforts will likely be exacerbated by expected budget pressures. Fragmented authority for ISR operations among multiple agencies with different, and sometimes competing, priorities hampers DOD's progress in planning for new capabilities and targeting investments to joint priorities. The USD(I) could be better positioned to facilitate integration and provide oversight of ISR activities if it had more visibility into current capabilities and clarity into the total amount that is being spent on ISR activities funded through multiple sources. More complete information would also be useful to the USD(I) in developing an integrated ISR roadmap, including an investment strategy.

DOD's recent emphasis on efficiencies has extended to its ISR enterprise, and it has initiated efforts to identify areas of overlap and duplication. However, limitations in the scope of its current efficiency efforts and undefined goals and timelines to implement its newer efforts reduce the likelihood that all possible efficiencies will be identified and action taken to achieve them. For example, more work remains for DOD to identify efficiencies across the entire ISR enterprise, such as exploring efficiencies in ISR collection activities. Efficiency efforts in the earliest phases of

development and implementation could be tools to inform decisions about trade-offs between competing priorities and may be helpful in identifying opportunities for increased efficiencies and cost savings. If designed and implemented properly, these tools could result in cost savings across the ISR enterprise by reducing the likelihood of developing unnecessarily duplicative capabilities. However, without plans for completion and timelines to build momentum, DOD will not have the ability to monitor progress and take corrective actions, if necessary, to ensure that potential savings are realized.

DOD's 2010 ISR Integration Roadmap does not provide enough detailed information on integrated goals and priorities for the ISR enterprise to enable development of a long-term investment strategy. Without a detailed investment strategy, DOD and the military services may not have a common understanding of how activities should be prioritized to meet goals. Until DOD addresses challenges related to managing funding, integrating ISR capabilities, and minimizing inefficiencies in its ISR enterprise, the department risks investing in lower-priority and even duplicative capabilities while leaving critical capability gaps unfilled.

Recommendations for Executive Action

To improve management of DOD's ISR enterprise and increase its ability to achieve efficiencies, we recommend that the Secretary of Defense direct the USD(I) to take the following three actions:

- Collect and aggregate complete financial data—including information on dual-use assets, urgent operational needs, capability funding from multiple sources, and military personnel funding—to inform resource and investment decisions.
- Establish goals and timelines to ensure progress and accountability for design and implementation of its defense intelligence enterprise architecture, including clarifying how the department plans to use the architecture and tools it is developing to achieve efficiencies.
- Expand the scope of current efficiency efforts to include ISR collection activities.

To identify efficiencies in ISR capability development, we recommend that the Secretary of Defense direct the Chairman of the Joint Chiefs of Staff and the USD(I) to collaborate in developing decision support tool(s), such as the Joint Staff's decision support tool, and to establish implementation goals and timelines for completion of such efforts.

Matter for Congressional Consideration

To ensure that future versions of the ISR Integration Roadmap meet all of the elements of an integrated ISR roadmap identified in the National Defense Authorization Act for Fiscal Year 2004 as well as the 2008 House of Representatives Committee on Armed Services report, Congress should consider establishing additional accountability in legislation, such as conditioning a portion of ISR funding on completion of all congressionally directed management elements, including the development of an integrated ISR investment strategy.

Agency Comments and Our Evaluation

In commenting on a draft of this report, DOD concurred or partially concurred with all our recommendations and stated that there are ongoing activities to address our recommendations. DOD did not agree with the matter we raised for congressional consideration. DOD's comments are reprinted in their entirety in appendix II. In addition, DOD provided technical comments, which we have incorporated into the report as appropriate.

DOD partially concurred with our recommendation that the Secretary of Defense direct the USD(I) to collect and aggregate complete financial data to inform resource and investment decisions. In its written response, DOD stated that the USD(I) is working to collect, aggregate, and expand access to complete battlespace awareness portfolio financial data to include information on dual use assets, urgent operational needs, and multiple-source funding through a variety of means and to extend its visibility over DOD's ISR enterprise. DOD described its process for receiving complete information regarding dual use assets and urgent operational needs and discussed how it works to aggregate Military Intelligence Program data. DOD also stated that the USD(I) maintains visibility and access to programs of interest that are non-Military Intelligence Program-funded through access to DOD's Office of Cost Assessment and Program Evaluation's financial data warehouse. While increasing the USD(I)'s visibility into ISR programs is a positive step, we believe that formally aggregating complete intelligence-related financial data would give a better overall picture of DOD's current ISR spending and ensure that DOD considers its entire ISR enterprise when making future resource and investment decisions.

DOD concurred with our recommendation that the Secretary of Defense direct the USD(I) to establish goals and timelines to ensure progress and accountability for implementing its defense intelligence enterprise architecture. In its written comments, DOD described current efforts to develop tools—such as the Defense Intelligence Information Enterprise,

the Distributed Common Ground System, and the Joint Intelligence Operations Center for Information Technology demonstration—that provide a common framework for some ISR activities and stated that goals and timelines for implementing these efforts will be displayed in the next ISR Integration Roadmap. However, DOD’s comments did not address how the department plans to integrate these separate efforts into defense intelligence architecture that would facilitate analysis of gaps and redundancies and inform future investments. Our recommendation that DOD establish goals and timelines for implementation was intended to improve management accountability for the completion of an integrated defense intelligence architecture, including clarifying how the tools it mentioned will contribute to the architecture, as well as planning how the department will use the architecture and tools to achieve efficiencies. We have revised the recommendation language to clarify its intent.

DOD partially concurred with our recommendation that the Secretary of Defense direct the USD(I) to expand the scope of the current efficiency efforts to include ISR collection activities. In its written comments, DOD stated that the Secretary of Defense’s current efficiency initiatives include an effort to identify, track, and determine the future disposition of multiple intelligence organizations that were established to provide ISR support to ongoing combat operations. We agree and acknowledge in the report that current efficiency initiatives are focused on organizations that conduct analysis. The department also noted that the USD(I) is collaborating with the ODNI and the Under Secretary of Defense for Acquisition, Technology and Logistics to further ensure ISR collection investments are fully integrated in the acquisition processes of the department and intelligence community. While these efforts are positive, we maintain that formally expanding the scope of current efforts to include identification of efficiencies in ISR collection activities would help ensure that these efforts receive continued management priority.

DOD also partially concurred with our recommendation that the Secretary of Defense direct the Chairman of the Joint Chiefs of Staff and the USD(I) to collaborate in developing decision support tool(s), such as the Joint Staff’s emergent decision support tool, and to establish implementation goals and timelines for completion of such efforts. DOD responded that it is exploring different portfolio management tools and will consider goals and timelines when the efficacy of such tools is verified. We agree that assessing options is an important part of developing the most effective and efficient decision support tool. However, DOD did not explain in its comments how it would consider the efficacy of the tools it plans to assess, or when it expects to choose and begin implementation of such a

tool. Establishing goals and timelines for assessing the efficacy of decision support tools and taking actions to implement the selected tool could help ensure that these efforts will be fully implemented in a timely manner.

DOD disagreed with our suggestion that Congress consider establishing additional accountability measures in legislation, such as conditioning funding, to encourage the department to address all the management elements Congress required in its 2004 legislation calling for an integrated ISR roadmap. In its written comments, DOD interpreted our matter as proposing the withholding of funds for ISR activities, and DOD stated that withholding funds for ISR would be counterproductive. However, we did not suggest withholding funding; rather we proposed that Congress consider using the conditioning of funding as a tool to provide an incentive for compliance with legislative requirements that have been in place since 2004—specifically, establishing fundamental ISR goals and an integrated ISR investment strategy. Since 2004, none of the ISR roadmap updates DOD has issued has fully addressed these congressionally required elements. We believe that given the substantial resources allocated to DOD's ISR enterprise, completion of an integrated ISR roadmap that includes an investment strategy could help DOD and congressional decision makers ensure that DOD is effectively using its ISR resources.

We are sending copies of this report to interested congressional committees, the Chairman of the Joint Chiefs of Staff, and the Secretary of Defense. This report will be available at no charge on GAO's Web site, <http://www.gao.gov>. If you or your staff have any questions about this report, please contact me at (202) 512-5431 or by e-mail at dagostinod@gao.gov. Contact information for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who have made major contributions to this report are listed in appendix III.



Davi M. D'Agostino
Director, Defense Capabilities and Management

List of Committees

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Howard McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Appendix I: Scope and Methodology

To describe the challenges, if any, that the department is facing in managing costs, developing strategic plans, and identifying unnecessary fragmentation, overlap, and duplication for the intelligence, surveillance, and reconnaissance (ISR) enterprise, we reviewed and analyzed documents related to the enterprise and discussed the enterprise with cognizant Department of Defense (DOD) officials.

To determine the full scope and cost of DOD's ISR enterprise, we assessed DOD's ISR funding and program elements reported in the Military Intelligence Program for Fiscal Years 2010, 2011, and 2012, conducted an analysis of DOD's ISR spending in the Future Years Defense Program, and discussed with DOD, military service, and intelligence agency officials their ISR funding and capabilities. Specifically, we interviewed cognizant Under Secretary of Defense for Intelligence (USD[I]) and military service officials to determine the content of DOD's ISR enterprise, the extent to which intelligence-related costs are tracked and visible, and the resourcing challenges inherent in a complex enterprise. To determine the extent to which DOD manages the scope and cost of the ISR enterprise, we compared information obtained in these interviews against criteria documents in DOD directives related to the Military Intelligence Program and the USD(I). We reached out to DOD's combat support agencies—including the Defense Intelligence Agency, the National Geospatial-Intelligence Agency, and the National Security Agency—as part of this effort and received high-level information regarding how they use their Military Intelligence Program funds. We also conducted a high-level discussion with the Office of the Director of National Intelligence related to processes used to identify duplication, overlap, and fragmentation within the National Intelligence Program.

To evaluate to what extent DOD has identified and minimized the potential for unnecessary duplication, we assessed the progress of DOD efforts to identify unnecessary fragmentation and overlap and reviewed strategic guidance, and directives for their relative emphasis and priority on unnecessary fragmentation, overlap, and duplication. We assessed to what extent DOD was addressing fragmentation and duplication in strategy documents by reviewing key strategies such as 2010 Quadrennial Defense Review and the Defense Intelligence Strategy. We also reviewed guidance related to DOD's recent efficiency initiatives including memorandums and directives. We evaluated DOD's guidance to determine whether it incorporated best practices on measures of accountability needed to ensure specific initiatives are fully implemented. We also asked DOD, military service, and intelligence officials to provide examples of unnecessary duplication and any actions taken to resolve them.

Finally, to assess the extent to which DOD's ISR Integration Roadmap addresses congressional requirements, two analysts independently evaluated the ISR Integration Roadmap against elements identified in the 2004 National Defense Authorization Act and the House Report from the Committee on Armed Services that accompanied the 2009 National Defense Authorization Act. We determined that an element was addressed if the 2010 ISR Integration Roadmap contained that element; however we did not assess the overall quality of the section(s) that addressed that element. We also compared the 2007 roadmap against these criteria to show any relative differences between the two roadmap versions. We conducted interviews with knowledgeable DOD, military service, and intelligence officials to obtain information on the process to prepare the 2010 Integration Roadmap and plans for future versions of the roadmap.

In addressing all of these objectives, we received briefings on DOD's ISR enterprise and its initiatives to reduce fragmentation, overlap, and duplication in the enterprise, and we analyzed key documents related to these initiatives. We interviewed and received presentations from each of the following commands and agencies about the ISR enterprise's scope, cost, strategic plans, and initiatives to reduce fragmentation, overlap, and duplication: the USD(I); the Joint Staff; the ISR Task Force; headquarters of the Army, Air Force, Navy, and Marine Corps; Defense Intelligence Agency; National Geospatial-Intelligence Agency; National Security Agency; and Office of the Director of National Intelligence.

We conducted this performance audit from August 2010 through June 2011, 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.

Appendix II: Comments from the Department of Defense



OFFICE OF THE UNDER SECRETARY OF DEFENSE
5000 DEFENSE PENTAGON
WASHINGTON, DC 20301-5000

INTELLIGENCE

MAY 11 2011

Ms. Davi M. D'Agostino
Director
Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. D'Agostino:

Attached is the Department of Defense (DoD) response to the GAO Draft Report, GAO-11-465, "Intelligence, Surveillance, and Reconnaissance: Actions are Needed to Increase Integration and Efficiencies of DoD's ISR Enterprise." dated April 8, 2011 (GAO Code 351533). Here is our response:

- Recommendation 1: Partially Concur
- Recommendation 2: Concur
- Recommendation 3: Partially Concur
- Recommendation 4: Partially Concur
- Matter for Congressional Concern: Non-concur

The Department appreciates the opportunity to comment on the draft report. My point of contact for this effort is Mr. David M. Taylor, (703) 695-4260, david.taylor@osd.mil.

Sincerely,

Kevin P. Meiners
Deputy Under Secretary of Defense
(Portfolio, Programs and Resources)

Attachment:
As stated



GAO DRAFT REPORT DATED APRIL 8, 2011
GAO CODE: 351533

“INTELLIGENCE, SURVEILLANCE AND RECONNAISSANCE:
ACTIONS ARE NEEDED TO INCREASE INTEGRATION AND
EFFICIENCIES OF DOD’S ISR ENTERPRISE”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Intelligence to collect and aggregate complete financial data—including information on dual use assets, urgent operational needs, capability funding from multiple sources, and military personnel funding - to inform resource and investment decisions.

DoD Response: Partially Concur. The Office of the Under Secretary of Defense for Intelligence (OUSDI) is making every effort to extend its visibility over all financial data necessary to manage the broader Battlespace Awareness (BA) portfolio. We are working to collect, aggregate, and expand access to complete BA portfolio financial data to include information on dual use assets, urgent operational needs, and multiple-source funding through a variety of means.

All Military Intelligence Program (MIP) financial data is collected, maintained and managed by OUSDI. Disconnects between Departmental guidance, including guidance from OUSDI, and Service and Agency budget decisions are resolved through the program review process, allowing the Department to integrate ISR capabilities in accordance with the ISR Roadmap. Additionally, recent agreements between the Director of National Intelligence (DNI) and the USDI have resulted in the creation of the Consolidated Intelligence Guidance, which helps to synchronize activities and investments between the MIP and the National Intelligence Program (NIP). This guidance is specifically goal-based and is effective for managing the shorter term Future Years Defense Program budget.

OUSDI currently maintains visibility over dual-use programs using a variety of means, to include the Joint Capabilities Integration and Development System (JCIDS) and Functional Capability Board (FCB) processes. OUSDI also coordinates across the Intelligence Community (IC) with the Office of Director of National Intelligence (ODNI) through the Executive Committees (EXCOM) and the Deputy Executive Committees (DEXCOM) who provide leadership, governance and management on capability issues impacting the entire IC.

The Combatant Commands (COCOMs) have the responsibility to identify, validate and prioritize warfighter urgent operational needs within their area of responsibility. The Joint Staff has the responsibility to process, validate and resource combatant commander urgent needs after full consideration by the appropriate Functional Capability Board (FCB). The FCBs confirm each

element of the urgent operational need submission and investigate potential solutions available through other combatant commands or service programs. Once the FCBs have fully considered the alternatives, the urgent operational needs are forwarded to the Joint Rapid Acquisition Cell (JRAC) who determines if further action is warranted. Once that determination has been made, the designated urgent operational need is sent to the appropriate service or agency for action. As USD(I) representatives are members of the BA FCB, there is normally sufficient visibility on urgent needs to manage integration activities within established processes.

The MIP budget process continues to fully account for the number of military personnel assigned to MIP activities. The decision to remove military personnel funding from MIP Congressional justification material was based on the realization that neither the MIP components nor the MIP executive (USD(I)) could influence the military personnel appropriation. Military personnel funding rates are dictated to the Services by a number of factors that are not related to any Defense intelligence plans, policies or operations.

Finally, USD(I) maintains visibility and access to programs of interest that are non-MIP funded through access to CAPE's financial data warehouse. We will continue to extend our visibility on financial matters across the BA portfolio through the mechanisms described above.

RECOMMENDATION 2: The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Intelligence to establish implementation goals and timelines to ensure progress and accountability for implementation of its defense intelligence enterprise architecture.

DoD Response: Concur. The Defense Intelligence Information Enterprise (DI2E) is being designed to provide a common framework of tools for security, access authentication, analytical tools, and intelligence sharing. In Fiscal Year (FY) 2010, the Under Secretary of Defense for Intelligence (USD(I)) directed a Joint Intelligence Operations Center for Information Technology (JIOC-IT) demonstration, which was led by National Reconnaissance Office. The demonstration was designed to begin development of JIOC intelligence sharing capabilities consistent with DI2E Council guidelines. USD(I) is continuing this effort in FY 2011, with an increased emphasis on Allied data sharing. The Department's efforts are focused on enabling new methodologies for intelligence information sharing which will integrate Enterprise capabilities, provide interoperable tools needed for mission requirements, and implement information sharing efforts with war fighting and coalition partners. As an example, the fielding of the Distributed Common Ground/Surface System (DCGS) across DoD is designed to enhance the commonality of data transfer and sharing. Other enterprise-wide programs include the effort to obtain commonality across the IT suites in the various Combatant Command JIOCs. Goals and timelines for these efforts will be displayed in the next ISR Integration Roadmap.

RECOMMENDATION 3: The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for intelligence to expand the scope of the current efficiency efforts to include ISR collection activities.

DoD Response: Partially Concur. Evaluating ISR collection intelligence capabilities must include a balanced look at collection, TPED, and analysis. At present, the Secretary of Defense's efficiency initiatives include an effort to identify, track and determine the future disposition of multiple intelligence organizations that were established to provide ISR support to ongoing combat operations. USD(I) partners with the Office of the Director of National Intelligence (ODNI) and the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) to further ensure ISR collection investments are fully integrated in the acquisition processes of the Department and Intelligence Community. These collaborative processes help ensure ISR collection investments reflect DoD and IC priorities.

RECOMMENDATION 4: The GAO recommends that the Secretary of Defense, the Chairman of the Joints Chiefs of Staff, and the Under Secretary of Defense for Intelligence collaborate in developing decision support tool(s), such as the Joint Staff's decision support tool, and to establish implementation goals and timelines for completion of such efforts.

DoD Response: Partially Concur. DoD continues to explore current state-of-the-art collaborative portfolio management tools that capture not only Service requirements, but also capture the geographic Combatant Commander (COCOM) needs, and consider the measured or projected performance of programmed ISR systems. The Office of the Under Secretary of Defense for Intelligence is currently collaborating with the Joint Staff to enhance their developmental architectural tool to address operational requirements across domains and COCOM regional requirements. When the efficacy of this tool (and others like it) is verified, the Department will consider establishing goals and timelines for them.

Matter for Congressional Consideration: The Department does not recommend including this section in the final report. Withholding funds often has the effect of complicating further the processes for evaluating, procuring, and operating the best combination of ISR assets for our warfighters engaged in combat.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Davi M. D'Agostino, (202) 512-5431 or dagostinod@gao.gov

Staff Acknowledgments

In addition to the contact named above, Margaret Morgan, Assistant Director; Ashley Alley; Robert Breitbeil; Gina Flacco; David Keefer; Brian Mazanec; Gregory Marchand; Timothy Persons; Amie Steele; and Cheryl Weissman made key contributions to this report.

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