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Highlights

Highlights of [GAO-03-516](#), a report to Congressional Committees

Why GAO Did This Study

GAO prepared this report under its basic legislative responsibilities. Its objectives are threefold: (1) to examine the reserve forces' trends for facility maintenance and construction funding and the condition of their facilities, (2) to assess the likelihood that they will meet the Department of Defense's (DOD) objectives for improving facilities, and (3) to discuss the challenges in implementing two potential cost saving initiatives—joint construction projects and real property exchanges.

What GAO Recommends

GAO is recommending that the Secretary of Defense direct the services to review and reevaluate the priorities to sustain and improve the condition of reserve facilities. GAO also recommends that the Secretary direct the Deputy Under Secretary of Defense for Installations and Environment to facilitate the coordination funding for joint construction projects among active and reserve components, and to establish a method to ensure that real property to be exchanged is not needed by other DOD components. GAO is also suggesting that Congress consider using DOD's newly established budget structure to better coordinate and fund high priority joint construction projects.

In commenting on a draft of this report, DOD agreed with the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-516.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman at (202) 512-8412 or holmanb@gao.gov.

DEFENSE INFRASTRUCTURE

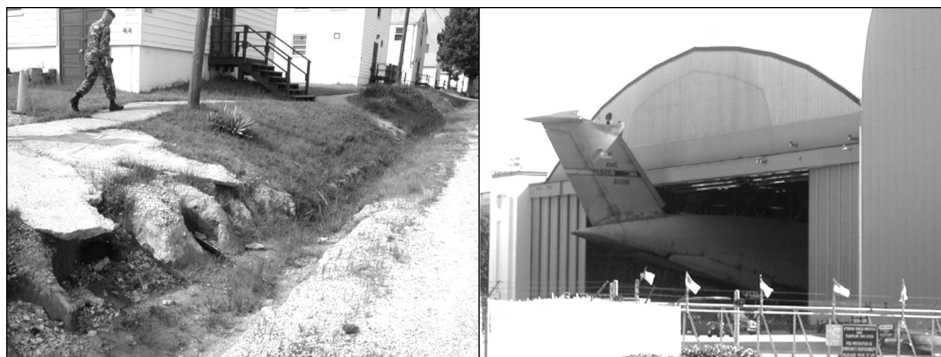
Changes in Funding Priorities and Management Processes Needed to Improve Condition and Reduce Costs of Guard and Reserve Facilities

What GAO Found

Funding for maintaining and constructing reserve component facilities has increased. Obligations for facility maintenance rose by about 70 percent from fiscal year 1998 to fiscal year 2002 and annual appropriations for military construction rose 49 percent from fiscal year 1998 to fiscal year 2003. Despite the increases, reserve components rated the condition of 64 percent of their facilities as inadequate, and GAO's visits to installations document the deteriorated condition of facilities. While GAO did not see any facilities that were not in use, the upcoming base realignment and closure round is expected to include an evaluation of reserve component facilities.

The reserve components are unlikely to meet all of DOD's three objectives for improving facilities: achieve 100 percent sustainment funding starting in fiscal year 2004; reach a 67-year average recapitalization rate by fiscal year 2007; and improve the condition of facilities so that deficiencies have only a limited effect on mission performance by fiscal year 2010. Furthermore, some officials acknowledged that even when their components have expressed intent to meet DOD's objectives, their funding plans might include unrealistically high rates of increases during the out-years when compared to previous funding trends and against other defense priorities.

The reserve components face challenges in implementing two potential cost saving initiatives—joint construction projects and real property exchanges. Reserve component officials said that funding joint construction projects—where two or more components share space requirements and build one facility—is difficult to coordinate. In addition, while Congress has provided the components with authority to exchange real property with other public or private entities in return for the construction of new facilities of equal or greater value—the Office of the Secretary of Defense has not provided overall direction for the program, thus risking the exchange of property that may be needed by other DOD components.



Source: GAO.

On the left, a washed-out, deteriorated driveway at the Army National Guard Maneuver Training Center, Fort Pickett, Virginia. On the right, an aircraft hanger too small to completely cover a C-5 aircraft for maintenance purposes at Robins Air Force Base, Georgia.