



Highlights of [GAO-04-206](#), a report to congressional requesters

Why GAO Did This Study

In recent years, the Department of Defense (DOD) has come to rely more heavily on commercial satellite communications to plan and support operations and move toward a network-centric warfare environment. DOD acquires commercial satellite bandwidth services to support a variety of critical missions such as surveillance performed by unmanned aerial vehicles. GAO was asked to assess (1) whether DOD's process for acquiring these services is fair to vendors and providers, (2) whether the process meets users' needs, and (3) whether spending on these services is managed effectively and efficiently.

What GAO Recommends

GAO's recommendations to DOD focus on the need to develop and implement a strategic approach to acquire commercial satellite bandwidth services, along with correcting specific oversight and management weaknesses. To ensure the successful implementation of a strategic management framework, GAO recommends that DOD develop performance metrics to assess user satisfaction, strengthen core internal technical expertise and information systems, and assess whether the existing acquisition process requires changes to facilitate a strategic approach. In comments on a draft of this report, DOD generally concurred with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-206.

To view the full product, including the scope and methodology, click on the link above. For more information, contact William T. Woods at (202) 512-4841 or woodsw@gao.gov.

SATELLITE COMMUNICATIONS

Strategic Approach Needed for DOD's Procurement of Commercial Satellite Bandwidth

What GAO Found

DOD has for many years augmented its internally owned and operated satellite communications capability by leasing commercial fixed satellite bandwidth services primarily through the Defense Information Systems Agency (DISA) and its Defense Information Technology Contracting Organization (DITCO). DISA does not acquire commercial bandwidth directly from satellite service providers. Instead, it procures bandwidth through several competitively selected vendors, which, in turn, compete among individual service providers.

GAO found that the process for acquiring commercial satellite bandwidth is fair to DOD's vendors and their subcontractors, which are the ultimate commercial satellite bandwidth service providers.

However, some major DOD users of commercial satellite bandwidth services are dissatisfied with DISA's process. They view the process as being too lengthy, particularly for time-critical military operations, and they believe that the cost is too high. They also indicated that the contracts resulting from the process are often too inflexible. As a result, some users are bypassing the DISA process, either by formally obtaining a waiver or by procuring services without a waiver. In fiscal year 2002, nearly 20 percent of DOD's reported spending on satellite bandwidth services occurred outside the process, and one DOD official stated that the true percentage is probably much higher. By allowing users to bypass the DISA waiver process, DOD is hampering its ability to ensure that its communications networks are interoperable and to minimize redundancies.

Further, DOD does not know exactly how much it is spending on commercial satellite bandwidth services, nor does it know much about its service providers or whether customer needs are really being satisfied. Without this knowledge, DOD cannot take steps to leverage its buying power, even though it is the largest customer for commercial satellite bandwidth. Moreover, neither DOD nor DISA is making a concerted effort to collect forecasts of bandwidth needs from users and ensure those needs can be met by the commercial sector. These are also important steps toward optimizing DOD's spending.

If DISA is to remain as DOD's primary agent to acquire satellite bandwidth, then it must implement a more strategic management approach—one that ensures that services can be acquired in a fair, timely, and cost-effective way that meets users' needs. Doing so will be a considerable challenge, however, given the current environment and potential resistance within DISA and from its users. Commitment is needed from senior leaders within DISA and DOD to overcome challenges associated with implementing a strategic approach.