

GAO

Report to the Subcommittee on Strategic
Forces, Committee on Armed Services,
House of Representatives

June 2005

MILITARY TRANSFORMATION

Actions Needed by
DOD to More Clearly
Identify New Triad
Spending and Develop
a Long-term
Investment Approach



G A O

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Highlights of [GAO-05-540](#), a report to the Subcommittee on Strategic Forces, Committee on Armed Services, House of Representatives

Why GAO Did This Study

In its December 2001 Nuclear Posture Review, the Department of Defense (DOD) created a New Triad by significantly changing its definition and conceptual framework for its strategic capabilities to include not only the nuclear capabilities of the old Triad that consisted of intercontinental ballistic missiles, submarine-launched ballistic missiles, and strategic bombers, but also the capabilities of offensive conventional strike forces, active and passive defenses, and a revitalized defense infrastructure (see figure).

GAO was asked to determine the extent to which DOD has (1) identified the projected spending for the New Triad in its Future Years Defense Program (FYDP) and (2) developed a long-term investment approach to identify and manage future spending for the New Triad.

What GAO Recommends

GAO recommends that DOD take actions designed to provide greater visibility of the projected spending and future investments for DOD's efforts to create the New Triad and acquire future capabilities.

Although GAO requested them, DOD did not provide comments by the time the final report went to print.

www.gao.gov/cgi-bin/getrpt?GAO-05-540.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Janet St. Laurent at (202) 512-4402 or stlaurentj@gao.gov.

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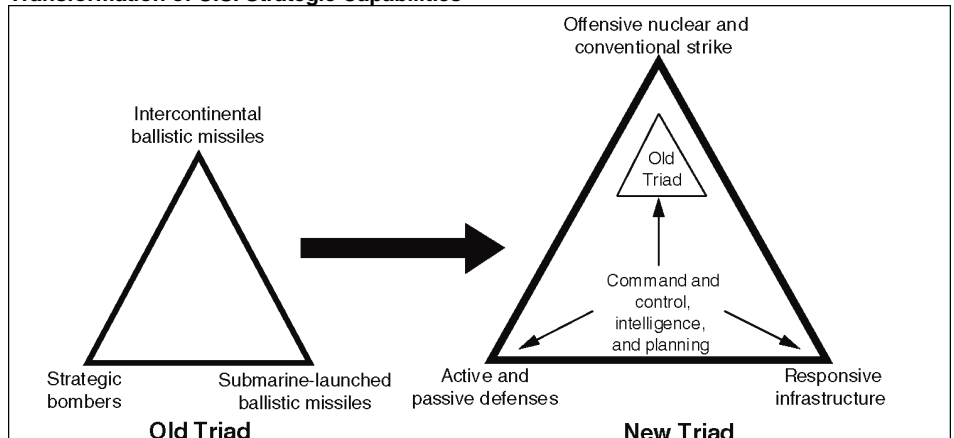
Actions Needed by DOD to More Clearly Identify New Triad Spending and Develop a Long-term Investment Approach

What GAO Found

Although DOD broadened its definition of strategic capabilities during the 2001 Nuclear Posture Review and established a New Triad, it has not developed a way to use the FYDP to identify the total amount it plans to spend to sustain and enhance New Triad capabilities during the next few years. The FYDP is one of the principal tools available to help inform DOD and Congress about spending plans for the next 5 years and to make informed decisions in light of competing priorities. While DOD has identified some New Triad spending included in the FYDP, it has not identified all associated spending. GAO's notional analysis of New Triad-related programs in the FYDP through 2009 shows that overall spending could be significantly greater than DOD's limited analyses have identified to date. According to DOD officials, DOD has not fully identified spending in the FYDP because of the diversity and broad scope of the concept. A mechanism for aggregating FYDP data, known as a "virtual major force program," could help DOD address these obstacles and provide the Secretary of Defense and Congress with better visibility into overall DOD spending plans for the New Triad.

DOD also faces long-term affordability challenges in funding the New Triad. However, it has not developed an overarching and integrated long-term investment approach to identify the projected resource requirements and funding timelines to acquire and sustain New Triad capabilities beyond the period of time covered by FYDP. Long-term capital investment planning is an important tool to help organizations establish priorities and develop future budgets. DOD is likely to face significant affordability challenges in the long term in deciding the mix of nuclear and conventional capabilities needed to implement the vision of the New Triad, as existing nuclear weapons platforms begin to reach the end of their lives within the next 15 years and missile defense capabilities are expanding. While DOD has identified some near-term investments, its investment plans are incomplete and it lacks a comprehensive strategy for developing a long-term plan.

Transformation of U.S. Strategic Capabilities



Source: 2001 Nuclear Posture Review.

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Abbreviations

DOD	Department of Defense
FYDP	Future Years Defense Program
JCIDS	Joint Capabilities Integration and Development System

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United States Government Accountability Office
Washington, D.C. 20548

June 30, 2005

The Honorable Terry Everett
Chairman
The Honorable Silvestre Reyes
Ranking Member
Strategic Forces Subcommittee
Committee on Armed Services
House of Representatives

In its December 2001 Nuclear Posture Review,¹ the Department of Defense (DOD) presented a conceptual framework for transforming U.S. strategic capabilities.² The review proposed that the United States move away from depending heavily on nuclear weapons and instead bring together the capabilities of nuclear and conventional offensive strike forces, active and passive defenses, and a revitalized defense infrastructure, to create a New Triad to achieve the desired strategic effects. Enhanced command and control, planning, and intelligence capabilities would also support the New Triad. The review stated that the synergism achieved through the integration of nuclear and conventional offensive strike and defensive capabilities would provide the President and Secretary of Defense with a broad array of military options to better address the spectrum of potential opponents and contingencies that may arise in the coming decades.

¹ In the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Pub. L. No. 106-398), Congress directed the Secretary of Defense, in consultation with the Secretary of Energy, to “conduct a comprehensive review of the nuclear posture of the United States for the next 5 to 10 years”. The 2001 Nuclear Posture Review was the second post-Cold War review of U.S. strategic nuclear forces. The first one was conducted in 1994.

² Strategic capabilities are those required to conduct strategic missions, which are operations directed against one or more of a selected series of enemy targets with the purpose of progressive destruction and disintegration of the enemy’s capacity and will to make war. As opposed to tactical operations, strategic operations are designed to have a long-range rather than an immediate effect on the enemy and its military forces. There may be times, however, when strategic capabilities need to produce timely effects.

The 2001 Nuclear Posture Review also concluded that new defense initiatives and investments would be required to transform U.S. strategic capabilities and realize the full potential of the New Triad. The Future Years Defense Program (FYDP), a DOD centralized report consisting of thousands of program elements³ that provides information on DOD's current and planned out year budget requests, is one of DOD's principal tools to manage the spending for its transformation of strategic capabilities. The FYDP provides visibility over DOD's projected spending and helps inform DOD and Congress about resource data relating to identifying priorities and trade-offs.

DOD is transforming its strategic capabilities at a time when it is also faced with fiscal challenges brought about by ongoing military operations and other major initiatives to transform the way it prepares to fight and win wars. In our February 2005 report entitled *21st Century Challenges: Reexamining the Base of Government*, we concluded that the magnitude of funding and potential for current investments and operations to turn into long-term financial commitments are prompting real questions about the affordability and sustainability of the rate of growth in defense spending.⁴ We also observed that the role, size, and structure of forces and capabilities comprising the strategic triad are key issues that may need to be assessed in view of the new security and fiscal environment.

At your request, we reviewed the progress made by DOD in determining and allocating resources needed to implement the New Triad today and in the future. Specifically, you asked us to determine the extent to which DOD has (1) identified the projected spending for the New Triad in its FYDP and (2) developed a long-term investment approach to identify and manage future investments needed to achieve the synergistic capabilities envisioned for the New Triad.

³ Program elements are the primary data elements in the FYDP that generally represent organizational entities and their related resources. They represent descriptions of the various missions of DOD and are the building blocks of the FYDP, and they may be aggregated in different ways, including to show total resources assigned to a specific program, and to identify selected functional groupings of resources.

⁴ GAO, *21st Century Challenges: Reexamining the Base of the Federal Government*, [GAO-05-325SP](#) (Washington, D.C.: February 2005). This report presents illustrative questions for policymakers to consider across major areas of the budget and federal operations as they carry out their responsibilities.

To obtain information on DOD's efforts to identify projected spending and develop future investment strategies for the New Triad, we reviewed documents and interviewed officials in the Office of the Secretary of Defense, the Joint Staff, U.S. Air Force and U.S. Marine Corps headquarters, and the U.S. Strategic Command. We also conducted a notional analysis to identify projected spending for the New Triad by analyzing resource data for program elements related to the New Triad included in the FYDP prepared to support the President's fiscal year 2005 budget submission to Congress. The results of our notional analysis are not meant to provide a definite accounting of the projected New Triad spending included in the FYDP but rather to illustrate an approach that could be used to align the concepts and capabilities of the New Triad with program elements in the FYDP.⁵ We did not analyze resource data from the FYDP prepared to support the President's fiscal year 2006 budget submission because the data were not yet available during our review. In conducting our analysis, we determined that the automated FYDP data were sufficiently reliable for meeting our objectives. Additionally, we compared DOD's investment planning actions for the New Triad against the best practices identified for leading capital decision making to determine the extent that DOD has followed these practices. We conducted our review from December 2003 through April 2005 in accordance with generally accepted government auditing standards. See appendix II for a more complete description of our scope and methodology.

Results in Brief

Although DOD established its New Triad in 2001, it has not developed a way to fully identify projected spending for New Triad programs in its FYDP. In light of the challenges DOD faces in transforming strategic capabilities in the current fiscal environment, decision makers need to have the best and most complete data available about the resources being allocated to the New Triad. Although DOD has identified some spending related to the New Triad in the FYDP, our notional analysis of such spending included in the FYDP through 2009 indicates that overall spending for the New Triad could be much greater than DOD's limited analyses have identified. DOD has not fully identified New Triad spending

⁵ In conducting our analysis we relied on DOD's definitions of New Triad capabilities to determine the relevant program elements in the FYDP that were aligned with those capabilities. However, we made certain assumptions about how to make these linkages, such as the extent to which capabilities provided by program elements were dedicated to New Triad missions.

because the diversity and scope of the New Triad and ambiguity of the concept make it difficult for DOD officials to reach agreement on a complete list of programs, according to DOD officials. Additionally, the current FYDP structure does not readily identify and aggregate New Triad spending. A mechanism to aggregate FYDP spending, known as a “virtual major force program,” has been used by DOD to identify space funding and could be beneficial in tracking New Triad funding, according to some DOD officials including the Commander of the U.S. Strategic Command. Without some mechanism to aggregate funding associated with the New Triad, DOD will be limited in its ability to guide and integrate New Triad spending.

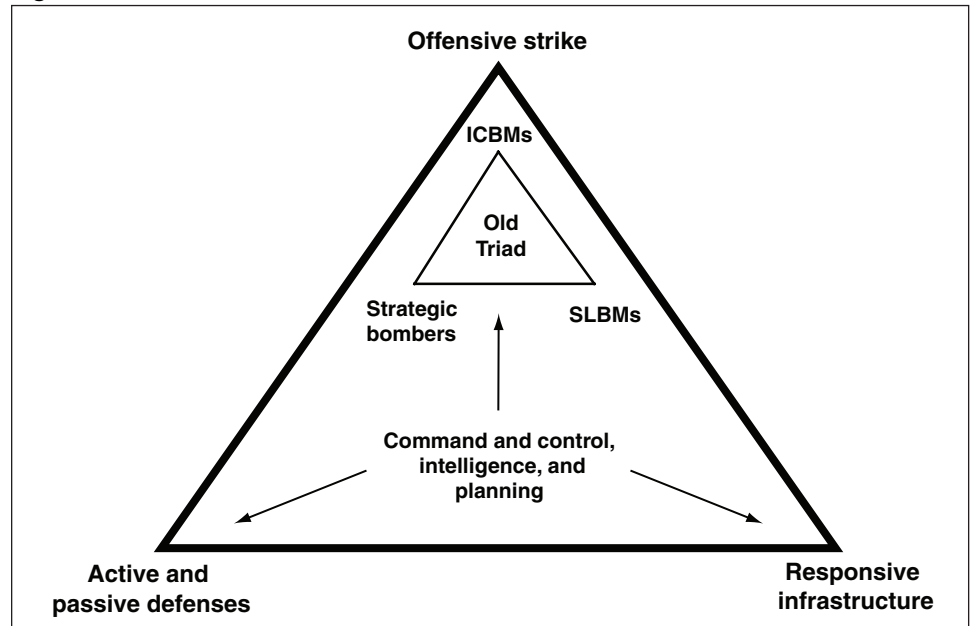
Despite the long lead time generally needed to develop and acquire new systems and the need to consider long-term affordability issues, DOD has not developed an overarching and integrated long-term investment approach for acquiring new capabilities and replacing some or all of its aging systems that provide New Triad capabilities. Best practices show that long-term capital planning is needed to help organizations define direction, establish priorities, and plan future budgets. While DOD has identified some near-term investments, its investment plans are incomplete because some key capabilities for the New Triad have not been fully assessed in context of the New Triad and long-term replacement of key platforms have not been assessed in the context of the new security environment and DOD-wide affordability challenges. Although DOD recognizes the need for a long-term investment approach, it has not begun to develop one because its concepts for nonnuclear strike and missile defense are not fully mature. However, delaying the preparation of a long-term investment approach puts DOD at risk of not developing an affordable strategy. Additionally, DOD and Congress will not have sufficient information to effectively determine future investment costs, the priorities, and trade-offs needed to sustain New Triad implementation. While we agree that some concepts are continuing to evolve, and that new systems are still under development, we do not believe that these circumstances preclude DOD from beginning to plan for the future of the New Triad. As new information becomes available, we would expect to see adjustments in DOD’s plans—that is the nature of long-term planning.

We are making recommendations designed to provide greater visibility of the projected spending and future investments for DOD’s efforts to create the New Triad and acquire future capabilities. On April 28, 2005, we provided a draft of this report to DOD for review and comment. As of the time this report went to final printing, DOD had not provided comments as requested.

Background

In its 2001 Nuclear Posture Review, DOD significantly expanded the range of strategic capabilities to include not only the old Triad, which consisted of nuclear-armed intercontinental ballistic missiles, submarine-launched ballistic missiles, and strategic bombers, but also conventional and nonkinetic offensive strike and defensive capabilities. The review also called for revitalizing the U.S. research and development and industrial infrastructure that would develop, build, and maintain offensive forces and defensive systems and be capable of responding in a timely manner to augment U.S. military capabilities when necessary. According to DOD, the three legs of the New Triad—offensive strike, active and passive defenses, and responsive infrastructure—are intended to be supported by timely and accurate intelligence, adaptive planning, and enhanced command and control capabilities. Figure 1 shows the three legs of the New Triad and its supporting elements.

Figure 1: The New Triad



Source: 2001 Nuclear Posture Review.

Note: ICBMs = intercontinental ballistic missiles; SLBMs = submarine-launched ballistic missiles.

DOD concluded in the 2001 review that while nuclear weapons will continue to play a critical role in defending the United States, the combination of capabilities included in the New Triad would increase the military options available to the President and Secretary of Defense and allow for the development of responsive, adaptive, and interoperable joint forces that could be employed in a wider range of contingencies. DOD's review indicated that the additional capabilities provided by the New Triad would partially mitigate the effects of any reductions in the number of operationally deployed strategic nuclear warheads that are planned through 2012.⁶ Table 1 shows the weapons systems and capabilities that make up the New Triad.

⁶ The Nuclear Posture Review states that the United States plans to reduce its operationally deployed strategic nuclear warheads to a range between 1,700 to 2,200 warheads by 2012. This warhead range and the year the goal is to be reached are also set forth in the May 2002 Moscow Treaty between the United States and Russia. An operationally deployed strategic nuclear warhead is one that is fully ready for use and is either mated on or allocated to an operational delivery system, such as a ballistic missile or strategic bomber.

Table 1: New Triad Weapons Systems and Capabilities

Leg	Element	Weapon system or capability
Offensive strategic strike	Nuclear strike	<ul style="list-style-type: none"> • Intercontinental ballistic missiles • Submarine-launched ballistic missiles • Strategic bombers • Nuclear-armed sea-launched cruise missiles (held in reserve)
	Nonnuclear strike	<ul style="list-style-type: none"> • Advanced conventional weapon systems • Offensive information operations • Special operations forces
Defenses	Active defense	<ul style="list-style-type: none"> • Ballistic missile defenses • Air defenses
	Passive defense	Measures that: <ul style="list-style-type: none"> • Reduce vulnerability through mobility, dispersal, redundancy, deception, concealment, and hardening • Warn of imminent attack • Support consequence management activities
Responsive infrastructure	Research and development and industrial infrastructure	<ul style="list-style-type: none"> • Research facilities • Manufacturing capacity • Skilled personnel
	Elements that support the New Triad:	<ul style="list-style-type: none"> • Adaptive planning • Enhanced command and control • Timely and accurate intelligence

Source: Annual Defense Report to the President and the Congress, 2002, Secretary of Defense, Department of Defense.

In its 2001 Nuclear Posture Review, DOD indicates that new initiatives and investments would be required to achieve a mix of new or improved capabilities that compose the offensive, defensive, and responsive infrastructure legs and supporting command and control, intelligence, and adaptive planning elements of the New Triad. In particular, the review found that major investment initiatives would be needed in the areas of advanced nonnuclear strike, missile defenses, command and control, and intelligence. DOD also plans to improve existing New Triad-related capabilities by modernizing existing weapon systems and enhancing the tools used to build and execute strike plans to provide more flexibility in adapting or developing military options during crises. An Acquisition, Technology, and Logistics official in the Office of the Secretary of Defense told us that DOD intends to partially address near-term affordability issues for the New Triad by enhancing capability characteristics of current weapon systems, such as range, and leveraging capabilities already in development. In March 2003, DOD published a *Nuclear Posture Review Implementation Plan* that is intended to identify initiatives for developing

the New Triad and institutionalizing the Nuclear Posture Review.⁷ DOD plans to implement the New Triad concept and many of the capabilities identified by the Nuclear Posture Review by 2012. However, DOD states that further investments are likely to be needed beyond that time frame as existing nuclear platforms age, such as the Minuteman III intercontinental ballistic missile system,⁸ and follow-on nuclear weapon systems are proposed.

The Nuclear Posture Review also states that DOD should conduct periodic assessments to determine its progress in developing and integrating capabilities for the New Triad. Specifically, these strategic capability assessments are to review the (1) progress to date in reducing the number of operationally deployed strategic nuclear weapons, (2) state of the security environment, and (3) progress made in the development of the New Triad. An assessment team, which included representatives from DOD and the Department of Energy, completed its first Nuclear Posture Review strategic capability assessment and associated report in April 2005. An Office of the Secretary of Defense official told us that DOD plans to update its first assessment in the fall of 2005 to support the department's conduct of the Quadrennial Defense Review. DOD intends to conduct subsequent assessments about every 2 years through 2012.

Many DOD organizations, including the Joint Staff, military services, combatant commands, and defense agencies, and the Department of Energy, have responsibilities for implementing various aspects of the New Triad. These responsibilities are broadly defined in relevant New Triad implementation and guidance documents. Within the Office of the Secretary of Defense, two organizations have key responsibilities for overseeing and managing the New Triad implementation efforts:

- The Office of the Under Secretary of Defense for Policy is responsible for developing the policy and guidance to implement the 2001 Nuclear Posture Review and for establishing an organizational framework for coordinating New Triad initiatives within DOD.

⁷ The *Nuclear Posture Review Implementation Plan* is intended to provide general guidance for developing several key New Triad capabilities, including advanced nonnuclear strike and ballistic missile defenses, and for modernizing and extending the service lives of existing strategic nuclear platforms.

⁸ DOD plans to extend the service life of the Minuteman III intercontinental ballistic missile system until 2020.

-
- The Office of the Under Secretary of Defense for Acquisition, Technology and Logistics is responsible for providing oversight for the development and deployment of New Triad capabilities.

The U.S. Strategic Command also has a significant role in implementing the New Triad and supporting its missions. In addition to its responsibilities for strategic nuclear deterrence and military space operations missions, the command was assigned several new missions related to the New Triad in January 2003. These missions are: global strike; integrated missile defense; DOD information operations; and command, control, communications, computers, intelligence, surveillance, and reconnaissance. In January 2005, the Secretary of Defense also assigned the command responsibility for the mission of combating weapons of mass destruction. Appendix I provides additional information about the U.S. Strategic Command's missions.

Additionally, the Office of Program Analysis and Evaluation in the Office of the Secretary of Defense is responsible for assembling and distributing the FYDP, which DOD uses to formulate the estimated projected resources and proposed appropriations to support DOD programs, projects, and activities, including those related to the New Triad. The office is also responsible for coordinating with DOD components any proposed changes to the FYDP's structure, such as updates to existing program element titles and definitions. The Office of the Under Secretary of Defense (Comptroller) has responsibility for the annual budget justification material that is presented to Congress. These offices work collaboratively to ensure that the data presented in the budget justification material and the FYDP are equivalent at the appropriation account level.

The FYDP is a report that resides in an automated database, which is updated and published at least 3 times a year to coincide with DOD's internal budget development activities and annual budget submission to Congress. It provides projections of DOD's near and midterm funding needs and reflects the total resources programmed by DOD, by fiscal year. The FYDP includes data on estimates for the fiscal year reflected in the current budget request and at least 4 subsequent years.⁹ Both detailed data and a summary report are generally provided to Congress with DOD's annual budget submission.

⁹ The FYDP submitted with DOD's fiscal year 2005 budget includes data through fiscal year 2009.

The FYDP is used as a source of data both for analysis and as an input to alternative ways of displaying and portraying actual and programmed resources. It contains data related to the forces, manpower, and total obligation authority for each program element. The FYDP is organized into 11 major force program categories, comprising combat forces and support programs, which are used as a basis for internal DOD program review. The major force program categories include strategic forces, general-purpose forces, research and development, and special operations forces. The FYDP is further arranged according to the appropriation structure utilized by Congress to review budget requests and enact appropriations, which includes major appropriation categories for procurement; operation and maintenance; military personnel; research, development, test, and evaluation; and military construction. Therefore, the FYDP's structure serves the purpose of crosswalking DOD's internal review structure with the congressional review structure.

In 2003, DOD began implementing the Joint Capabilities Integration and Development System (JCIDS) process to identify improvements to existing capabilities and guide development of new capabilities from a joint perspective that recognizes the need for trade-off analysis. The new process is designed to provide an approach to defense planning that looks at the broad range of capabilities to address contingencies that the United States may confront in the future. When fully implemented, JCIDS is intended to provide an enhanced methodology utilizing joint concepts that will identify and describe existing or future shortcomings in capabilities and identify integrated solutions that meet those capability needs. The system is also expected to provide better linkage to the acquisition process and improve prioritization of validated joint warfighting capability proposals. Specifically, it is intended to provide a broader review of proposals than did the previous planning process by involving additional participants, including the combatant commands, early in the process. The analyses conducted during the process are to result in a set of potential solutions, including additional resources or changes to doctrine and training designed to correct capability shortcomings. These solutions are then incorporated into roadmaps that show the resource strategies to develop and acquire the needed capabilities.

DOD Has Not Fully Identified Projected New Triad Spending in the FYDP

DOD has not fully identified the projected spending for New Triad in the FYDP to date. In light of the challenges DOD faces in transforming strategic capabilities, decision makers need to have the best and most complete data available about the resources being allocated to the New Triad in making decisions on the affordability, sustainability, and trade-offs among the efforts to develop and acquire capabilities. The FYDP is one of the principal tools available to help inform DOD and Congress about resource data relating to these efforts. While DOD has identified some New Triad spending in its analyses and in relevant New Triad documents, our notional analysis of New Triad-related program elements indicates that overall projected spending for the New Triad through fiscal year 2009 could be much greater when other program elements that provide New Triad capabilities are considered. Additionally, the current FYDP data structure does not expressly identify and aggregate New Triad program elements that would allow identification of New Triad spending, and the program elements included in the FYDP's existing major force program category for strategic forces do not fully capture the broader range of strategic capabilities that were envisioned in the Nuclear Posture Review. DOD does not plan to develop a complete and approved inventory of New Triad-related program elements in its FYDP because DOD officials believe that it is difficult to reach agreement on the program elements to be included in such an inventory. However, an inventory of New Triad-related program elements that provides a more complete and clear identification of the projected spending currently planned for the New Triad could help DOD and Congress make decisions on the affordability and spending needed for programs to develop and acquire New Triad capabilities.

DOD Has Not Fully Aligned Projected Spending with New Triad Capabilities

While DOD has identified some program elements related to the New Triad in documents and internal reviews, it still has not fully identified projected spending associated with the New Triad. DOD documents related to the New Triad, including the Nuclear Posture Review, the *Nuclear Posture Review Implementation Plan*, and the Secretary of Defense's fiscal year 2002 *Annual Defense Report to the President and the Congress*, broadly describe the capabilities of the New Triad and indicate the range and types of activities and weapon systems that provide these capabilities. DOD has also identified and directed resources for some New Triad programs. For example, as the Nuclear Posture Review was being completed in late 2001, DOD issued guidance for preparing its fiscal year 2003 budget that identified 12 initiatives that were considered key to developing the New Triad, such as programs to provide capabilities to defeat hard and deeply buried targets.¹⁰

In anticipation of a potential requirement to identify New Triad program elements in the FYDP, DOD's Office of Program Analysis and Evaluation conducted an analysis in 2003 that identified a list of 188 FYDP program elements, which accounted for about \$186.7 billion in then-year dollars of projected spending for fiscal years 2004 through 2009.¹¹ The office identified another \$17.4 billion for programs and activities that are not readily identifiable in the FYDP,¹² bringing the total to about \$204.1 billion. However, Office of Program Analysis and Evaluation officials told us that the analysis included only those program elements that supported the initiatives identified in DOD's programming guidance or otherwise clearly provide New Triad capabilities. The officials said that the list of programs identified in this analysis was never agreed upon and approved within DOD and there are no current plans to update the analysis.

¹⁰ Hard and deeply buried targets are structures ranging from hardened surface bunker complexes to deep, underground tunnel facilities, which are used to conceal and protect critical leadership, military, and industrial personnel; weapons; equipment; and activities that constitute serious threats to U.S. security. These structures are typically large, complex, and well concealed, incorporating strong physical security, modern air defenses, protective siting, multifaceted communications, and other important features that make many of them survivable against existing conventional methods of attack.

¹¹ All projected spending associated with the New Triad is expressed as total obligation authority in then-year dollars and is current as of the budget submitted to Congress for fiscal year 2005.

¹² These programs and activities include special access programs, weapons systems, and other activities that are not identifiable with discrete program elements.

Office of the Secretary of Defense officials told us that the team conducting the first strategic capability assessment for the New Triad performed a subsequent survey of current program elements in the FYDP to determine the capabilities these program elements would provide for the New Triad by 2012. An Office of Program Analysis and Evaluation official said that the survey included all of the program elements on their list. However, the official did not know whether the survey identified any additional program elements.

In addition to DOD's projected spending in the FYDP for the New Triad, the Department of Energy's National Nuclear Security Administration identified \$41.7 billion for nuclear weapons activities for fiscal years 2004 through 2009 in its Future Years Nuclear Security Program prepared for the fiscal year 2005 President's budget submission. This agency is responsible for maintaining the infrastructure to support nuclear weapons capabilities, including the refurbishment and service-life extension of currently deployed nuclear warheads.

New Triad Spending Could be Much Greater Than DOD Has Currently Identified

DOD's analyses of FYDP program elements did not include many of the program elements that make up several capabilities identified for the New Triad in the Nuclear Posture Review, such as special operations and intelligence, or those that provide capabilities that are needed to perform New Triad missions but also have wider military applications. If these additional program elements are considered, the overall projected spending for the New Triad could be much greater than DOD has currently identified in New Triad-related documents and in either of the analyses conducted by its Office of Program Evaluation and Analysis or strategic capability assessment team.

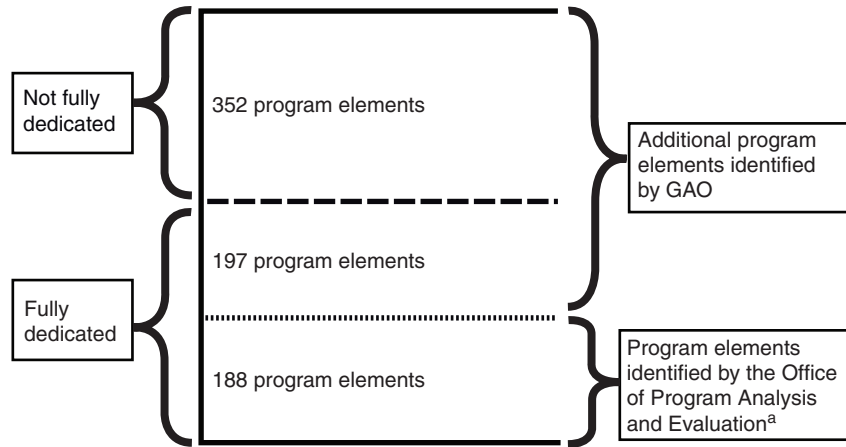
We conducted a notional analysis to identify any additional spending for New Triad-related program elements included in the FYDP. Our notional analysis considered a broader range of FYDP program elements than either of the analyses conducted by DOD's Office of Program Evaluation and Analysis or strategic capability assessment team and included many elements that provide capabilities for conducting New Triad missions, but also have wider military applications, such as communications, intelligence, and special operations program elements. Using available DOD definitions of New Triad capabilities, we reviewed each of the FYDP's 4,725 program elements to determine to what extent the elements provided capabilities needed for New Triad missions. We further distinguished the program elements we identified as being fully dedicated

to the missions of the New Triad or not fully dedicated to the New Triad because the capabilities provided by these latter program elements could be used in a wider range of military applications than just for the New Triad.

Compared to the 188 program elements and \$204.1 billion in then-year spending for fiscal years 2004 through 2009 identified by the Office of Program Analysis and Evaluation, our notional analysis identified a total of 737 program elements in the FYDP that are aligned with New Triad capabilities, with a total associated spending of \$360.1 billion over the same period, or about \$156.0 billion more than the DOD analysis.¹³ Of the 737 program elements that we identified, 385 program elements provide capabilities that would be fully dedicated to New Triad missions, such as program elements for weapons of mass destruction defense technologies and for the Joint Theater Air and Missile Defense Organization. The other 352 program elements we identified provide capabilities, such as special operations, that would be used in conducting New Triad missions but could also be used for other military missions. Figure 2 shows the number of New Triad program elements identified by the Office of Program Analysis and Evaluation and the number of additional program elements identified in GAO's analysis.

¹³ Of the 737 program elements we identified, 271 did not have any resources assigned to them for fiscal years 2004 through 2009 at the time the President's 2005 budget was released. However, these program elements remain active in the FYDP, and therefore may have spending associated with them in the future.

Figure 2: Comparison of New Triad-Related Program Elements Identified in DOD and GAO Analyses



Source: GAO analysis of DOD data.

^aIn its analysis, the Office of Program Analysis and Evaluation determined that the capabilities provided by about 7 of the 188 program elements it had identified, or 4 percent, were not fully dedicated to the New Triad. However, using the criteria we developed for our analysis, we determined that all 188 program elements were fully dedicated.

Of the \$360.1 billion we identified in projected spending for the New Triad, \$231.8 billion was for programs that are fully dedicated to the New Triad and \$128.3 billion for programs that are not fully dedicated.¹⁴ As table 2 shows, we broke out the spending into the New Triad’s four capability areas—offensive strike; active and passive defenses; responsive infrastructure; and command and control, intelligence, and planning—and created a fifth area for program elements that supported more than one capability area. Our notional analysis shows that projected spending for offensive strike and enhanced command and control, intelligence, and planning capability areas almost doubles when program elements that are not fully dedicated to the New Triad are included. The offensive strike capability area represents the largest amount of the projected spending, \$156.0 billion in then-year dollars, and the command and control, intelligence, and planning capability area is next with \$108.0 billion in projected spending. Together, these two capability areas account

¹⁴ For not fully dedicated program elements, we included all projected spending for the elements in our analysis and we did not attempt to assign any specific portion of the spending to the New Triad.

for 73 percent, or about \$264.0 billion, of the \$360.1 billion total projected spending identified in our analysis. Most of the \$86.3 billion of projected spending for the active and passive defenses capability area is in the fully dedicated category. Appendix III provides additional information on the results of our analysis.

Table 2: GAO Notional Analysis of Projected Spending for New Triad Program Elements in the FYDP for Fiscal Years 2004-2009

Total obligation authority in billions of then-year dollars

New Triad capability areas	Projected spending for program elements fully dedicated to the New Triad	Projected spending for program elements not fully dedicated to the New Triad	Total projected spending for New Triad program elements
Offensive strike	\$82.4	\$73.6	\$156.0
Active and passive defenses	85.2	1.1	86.3
Responsive infrastructure ^a	1.3	0.1	1.4
Command and control, intelligence, and planning	56.6	51.4	108.0
Multiple capability areas ^b	6.3	2.1	8.5
Total	\$231.8	\$128.3	\$360.1

Source: GAO analysis of DOD data.

Notes: Totals may not add due to rounding.

^aSpending amounts do not include \$41.7 billion from fiscal years 2004 through 2009 in the Department of Energy's Future Years Nuclear Security Program for nuclear weapons activities.

^bProjected spending associated with program elements that support more than one New Triad capability area.

Officials with Program Analysis and Evaluation, Policy, and Acquisition, Technology, and Logistics in the Office of the Secretary of Defense and the U.S. Strategic Command stated that the methodology we used for our notional analysis was reasonable. Officials from the Office of Program Analysis and Evaluation and from U.S. Strategic Command told us that the program elements we identified were consistent with the capabilities defined for the New Triad. Officials from the Office of Program Analysis and Evaluation also said that our analysis used a more systematic approach in identifying New Triad-related program elements included in the FYDP

than was followed in DOD's analyses. The officials added that when they were compiling their own analysis of New Triad-related program elements, many of the documents that GAO used to identify relevant programs had not yet been published. Therefore, while DOD did not include many program elements that are not fully dedicated to the New Triad in their analyses, the officials told us that it was not unreasonable to include those program elements in our analysis. As our notional analysis shows, including these program elements not only provides greater transparency of the projected spending for the New Triad in the FYDP but also identifies many additional program elements that provide capabilities necessary for carrying out New Triad missions.

New Triad Spending Is Not Readily Identified in the FYDP's Structure

While the FYDP is a report that provides DOD and Congress with a tool for looking at future funding needs, the current FYDP structure does not readily identify and aggregate New Triad-related program elements to provide information on current and planned resource allocations—including spending changes, priorities, and trends—for the New Triad. In conducting our analysis of FYDP program elements, we observed that DOD has not created any data fields in the FYDP's structure that would expressly identify program elements as being relevant to the New Triad. According to DOD Program Analysis and Evaluation officials, there is no plan to modify the data fields in the FYDP structure to allow the ready identification of New Triad program elements and associated spending because they have not received direction to do so. Additionally, these officials told us that if DOD were to modify the FYDP structure to allow such identification, it would need to develop an approved list of existing New Triad program elements to allow capture of these elements in the data fields.

Additionally, as we have reported in the past, the FYDP's 11 major force program categories have remained virtually unchanged since the 1960s.¹⁵ Our notional FYDP analysis indicates that the FYDP's definition of the

¹⁵ GAO, *Future Years Defense Program: Actions Needed to Improve Transparency of DOD's Projected Resource Needs*, GAO-04-514 (Washington, D.C.: May 2004). This report also discusses a number of other limitations in the FYDP. For example, the FYDP's current usefulness is limited in providing Congress visibility over the implementation of the capabilities-based defense strategy and associated risk management framework, important 2001 Quadrennial Defense Review initiatives. We made recommendations aimed at enhancing the effectiveness of the FYDP, including: (1) aligning the program elements in the FYDP to defense capabilities needed to meet the defense strategy and the dimensions of the risk management framework and (2) reporting funding levels in its summary FYDP report to Congress.

existing major force program for strategic forces¹⁶—one of the key major force program categories associated with the New Triad—does not fully capture the projected New Triad spending for the broader range of strategic capabilities that are envisioned for the New Triad in the Nuclear Posture Review. We determined that only \$55.6 billion, or about 15 percent of the \$360.1 billion of projected spending that we identified in our notional analysis of FYDP program elements, is associated with the FYDP’s strategic forces major force program category, which largely captures projected spending on offensive nuclear capabilities. The remaining \$304.6 billion is dispersed among the other 10 major force programs. For example, program elements for the Joint Air-to-Surface Standoff Missile, which is an autonomous, stealthy, long-range, conventional, air-to-ground, precision cruise missile designed to destroy high-value, well-defended fixed or moveable targets, and the Patriot missile defense system, which contributes to the defense leg of the New Triad, are included in the FYDP’s general-purpose forces major force program. Similarly, intelligence-related program elements for hard and deeply buried targets and to support U.S. Strategic Command are part of the FYDP’s command, control, communications, and intelligence major force program.

In the past, DOD created new aggregations of program elements and changed the FYDP’s structure as decision makers needed information not already captured in the FDYP. For example, a recent aggregation allows data that relate to every dollar, person, and piece of equipment in the FYDP to be identified as being in either a force or infrastructure category. DOD has also made it possible to identify program elements in the FYDP that are related to activities to capture the resources associated with specific areas of interest, such as space activities. In 2001, DOD established a “virtual major force program” for space to increase the visibility of resources allocated for space activities. This is a programming mechanism that aggregates most space-unique funding by military department and function

¹⁶ The FYDP defines strategic forces as those organizations and associated weapon systems whose force missions encompass intercontinental or transoceanic intertheater responsibilities. Program elements in the strategic forces major force program include strategic offensive forces, such as those related to intercontinental and submarine-launched ballistic missiles, and strategic defensive forces, such as ballistic missile early-warning systems.

crosscutting DOD's 11 existing major force program categories.¹⁷ The Commander of the U.S. Strategic Command, who has key responsibilities for implementing the New Triad, told us that creating a virtual major force program for the New Triad could help align New Triad capabilities with the projected spending in the FYDP, identify responsible organizations, reduce ambiguity of the New Triad concept, and provide better visibility and focus for DOD efforts to develop and acquire New Triad capabilities. The Commander suggested that it could be necessary to create more than one virtual major force program, possibly one for each of the New Triad legs, because of the diversity and scope of New Triad capabilities. Some Office of the Secretary of Defense officials also told us that creating a virtual major force program could provide Congress with more visibility of DOD's efforts underway to develop the capabilities needed for the New Triad. Until such time as a tool such as a virtual major force program becomes available that can capture and categorize the projected spending for the New Triad in the FYDP, we believe that DOD will be limited in its ability to guide and direct all its efforts to develop, acquire, and integrate New Triad capabilities and Congress will not have full visibility of the resources being allocated.

DOD Lacks a Plan to Fully Identify New Triad Spending

DOD has not established a requirement to develop a complete and approved list of the program elements included in the FYDP that are associated with New Triad spending. Office of the Secretary of Defense officials told us that DOD has not established such a requirement because the diversity and scope of the New Triad make it difficult for DOD officials to reach agreement on a complete list of programs. They also told us that because the New Triad is an ambiguous concept, the program elements included in such a list would change as the New Triad evolves and becomes better defined.

However, without a complete and approved DOD list of New Triad program elements included in the FYDP, there is some uncertainty about the total

¹⁷ We have issued several reports addressing DOD's progress in creating its virtual major force program for space. See: GAO, *Technology Development: New DOD Space Science and Technology Strategy Provides Basis for Optimizing Investments, but Future Versions Need to Be More Robust*, [GAO-05-155](#) (Washington, D.C.: January 2005); *Defense Space Activities: Organizational Changes Initiated, but Further Management Actions Needed*, [GAO-03-379](#) (Washington, D.C.: April 2003); and *Military Space Operations: Planning, Funding, and Acquisition Challenges Facing Efforts to Strengthen Space Control*, [GAO-02-738](#) (Washington, D.C.: September 2002).

range of programs and projected spending that are being pursued to achieve New Triad capabilities. It also will be difficult for Congress to assess DOD's progress in achieving the goals identified in the Nuclear Posture Review without having complete information on the resources being spent or needed in the future to meet those goals. Additionally, the broad scope of the New Triad concept and large number of organizations with New Triad-related spending responsibilities makes it even more important to have complete information available on the projected spending being provided for each of the New Triad capability areas and for each of the many organizations developing and acquiring New Triad capabilities. For example, our notional analysis identified as many as 23 defense organizations, including the military services, offices within the Office of the Secretary of Defense, the Joint Staff, several combatant commands, and defense agencies, with FYDP spending related to the New Triad. Office of the Secretary of Defense officials told us that having an approved program list would promote a common understanding of the New Triad and benefit future department program reviews. Additionally, an Office of Program Analysis and Evaluation official told us that an approved program list would aid DOD in making resource decisions for the New Triad. In preparing DOD's fiscal year 2006 budget, the official told us that an approved list of programs would have made it easier to evaluate the effects of programming changes proposed by the military services on capabilities being acquired for the New Triad.

DOD Lacks an Overarching and Integrated Long-term Investment Approach for Acquiring and Sustaining New Triad Capabilities

While several New Triad documents and DOD's recent strategic capability assessment identify investment needs through 2012, DOD's near-term investment direction is incomplete. Additionally, DOD has not yet developed an overarching and integrated long-term investment approach to identify and plan investments needed to acquire and sustain capabilities for the New Triad. A long-term investment approach is an important tool in an organization's decision-making process to define direction, establish priorities, assist with current and future budgets, and plan the actions needed to achieve goals. Although DOD recognizes the need for a long-term investment approach, it does not plan to develop one until nonnuclear strike and missile defense concepts are mature. DOD has not identified a specific date for when this will occur. The new JCIDS process could complement any long-term investment approach developed for the New Triad by providing additional analysis and discussions to support New Triad investment and the development of a plan.

Long-term Investment Approach Is a Useful Tool to Establish Priorities

In our past reporting on leading capital decision-making practices,¹⁸ we have determined that leading organizations have decision-making processes in place to help them assess where they should invest their resources for the greatest benefit over the long term. These processes help an organization determine whether its investments are the most cost effective, support its goals, and consider alternatives before making a final selection. A long-term investment approach is an important tool in an organization's decision-making process to define direction, establish priorities, assist with current and future budgets, and plan the actions needed to achieve goals. Our analysis of several investment plans showed that such an approach includes information on future investment requirements, projected resources, investment priorities and trade-offs, milestones, and funding timelines, and is intended to be a dynamic document, which would be updated to adapt to changing circumstances.

In the past, DOD has developed and maintained long-term investment planning documents for major defense capabilities—such as the *Unmanned Aerial Vehicles Roadmap 2002-2027* and the “Bomber Roadmap”—to provide senior decision makers options in the development of broad strategies that will define future DOD force structure and help with the resource allocation process.¹⁹ In 2003, DOD also published an *Information Operations Roadmap*, which supports collaboration of broad information operations efforts and endorses the need for the department to better track information operations investments.

DOD's Near-term Investment Direction for the New Triad Is Incomplete

As noted earlier, Office of the Secretary of Defense officials told us that New Triad documents—including the Nuclear Posture Review, *Nuclear Posture Review Implementation Plan*, and the first strategic capability assessment—identify some of the near-term investments needed to provide

¹⁸ GAO, *Executive Guide: Leading Practices in Capital Decision-Making*, [GAO/AIMD-99-32](#) (Washington, D.C.: December 1998).

¹⁹ DOD, *Unmanned Aerial Vehicles Roadmap 2002-2027*, Office of the Secretary of Defense (Washington, D.C.: December 2002). Also see GAO, *Force Structure: Improved Strategic Planning Can Enhance DOD's Unmanned Aerial Vehicles Efforts*, [GAO-04-342](#) (Washington, D.C.: March 2004). For information on the “Bomber Roadmap”, see GAO, *Operation Desert Storm: Limits on the Role and Performance of B-52 Bombers in Conventional Conflicts*, [GAO/NSIAD-93-138](#) (Washington, D.C.: May 1993) and *Strategic Bombers: Adding Conventional Capabilities Will Be Complex, Time-Consuming, and Costly*, [GAO/NSIAD-93-45](#) (Washington, D.C.: February 1993).

capabilities for the New Triad. However, this investment direction is incomplete and does not address long-term affordability challenges that DOD may be faced with in sustaining and developing new capabilities to implement the New Triad. Office of the Secretary of Defense officials told us that the strategic capability assessment provides a near-term investment approach by identifying priorities for focusing resources to keep investment efforts on track to reach New Triad implementation goals for 2012. According to the officials, the team conducting the strategic capability assessment developed a list of capabilities that were needed in key areas, such as strategic strike and missile defense, from the Nuclear Posture Review's vision of the New Triad. The team then reviewed current operation activities, acquisition programs of record, and a potential range of new technologies to determine any capability shortcomings. Based on this review, the assessment team was able to determine whether initiatives to develop New Triad capabilities in the key areas were (1) met or on track to be satisfied by 2012; (2) on track, but would not be met by 2012; or (3) not on track to be met by 2012 unless additional funding was provided. Office of the Secretary of Defense officials told us that by determining the status of meeting capabilities in each of the key areas, DOD would be able to better prioritize future investment decisions for the New Triad.

However, Office of the Secretary of Defense for Policy officials acknowledge that the first strategic capability assessment provides only a limited, near-term investment approach for the New Triad. These officials told us that the assessment did not review and assess some key capabilities of the New Triad, such as cruise missile defense, information operations, and passive defense, and may not have fully surveyed existing capabilities in the areas that were included in the assessment. Further, it does not address the potential for further investments to replace one or more existing nuclear platforms that will approach the end of their useful lives. These officials told us that they expect future strategic capability assessments to include New Triad key areas not reviewed in the first assessment. Additionally, Office of the Secretary of Defense officials told us that while the assessment's recommendations are not binding on DOD programming and budgeting decisions, the assessment was used during the department's last program review in developing the fiscal year 2006 defense budget.

DOD, in its 2003 *Nuclear Posture Review Implementation Plan*, called for the creation of an overarching strategic planning document for the New Triad that would establish the strategies and plans for developing new strategic capabilities to meet national security goals stated in the Nuclear

Posture Review. The plan also was to provide broad guidance for integrating the elements of the New Triad as new capabilities came on line and for the development of future forces, supporting systems, planning and the creation of a responsive infrastructure. However, Office of the Secretary of Defense Policy officials told us that while a draft plan was prepared, they decided not to circulate the draft for comments because they believed the results of the first strategic capability assessment would result in too many changes to the plan. Instead, the officials told us that the strategic capability assessment process would develop the strategy, plans, and guidance that were to be provided by the plan.

DOD Does Not Plan to Develop a New Triad Long-term Investment Approach Until Concepts Mature

In its *Nuclear Posture Review Implementation Plan*, DOD states a need for a long-term investment strategy for the New Triad, and according to the plan, intends to conduct a study to evaluate options for preparing an integrated, long-term investment strategy for strike capabilities, defensive capabilities, and infrastructure when nonnuclear strike and missile defense concepts are mature. Policy and Acquisition, Technology, and Logistics officials in the Office of the Secretary of Defense told us that there are several concepts related to New Triad capabilities being developed, including the Strategic Deterrence Joint Operating Concept and concept and operational plans for global strike and integrated ballistic missile defense. The officials told us that once nonnuclear strike and missile defense concepts are developed, specific programs could be better identified to implement these concepts, including new programs to develop capabilities that do not currently exist. These officials told us that they recognize the importance of a long-term investment approach for the New Triad to provide a basis for decisions on resources for future capabilities initiatives. However, they do not believe the development of the nonnuclear strike and missile defense concepts are far enough along to begin the study leading to development of a long-term investment strategy. These officials did not provide us with an estimate for when these concepts would be considered sufficiently mature to begin the study.

While we agree that some concepts are continuing to evolve, and that new systems are still under development, we do not believe that these circumstances preclude DOD from beginning to plan for the future of the New Triad. For example, although DOD is still developing concepts for missile defense, it is planning to spend billions of dollars over the next several years to develop a range of missile defense capabilities. As new information becomes available, we would expect to see adjustments in

DOD's plans—that is the nature of long-term planning. Further, without the context of a long-term investment approach for acquiring new capabilities and replacing some or all of its aging systems that provide New Triad capabilities, DOD will continue to invest billions of dollars on capabilities that will affect the long-term composition of the New Triad. DOD is likely to face significant affordability challenges in the long term as some existing nuclear weapons platforms begin reaching the end of their expected service lives within the next 15 years and as missile defense capabilities are expanding. Given the length of time to develop and acquire capabilities for the New Triad and the need to consider long-term affordability issues, DOD is also at risk of not considering the best approaches to developing and sustaining capabilities needed to provide the broad range of military options for the President and Secretary of Defense that are envisioned for the New Triad. DOD is further at risk of not effectively integrating the wide range of diverse New Triad capabilities as they are developed and being able to effectively determine future investment costs and the priorities and trade-offs needed to sustain New Triad implementation. In our February 2005 report addressing the challenges that the nation faces by its growing fiscal imbalance in the 21st century, we stated that DOD's current approach to planning and budgeting often results in a mismatch between programs and budgets and that DOD does not always fully consider long-term resource implications and the opportunity cost of selecting one alternative over another.²⁰

JCIDS Process Could Complement Any Long-term Investment Approach

The new JCIDS process could play a role in any long-term investment approach that is eventually prepared for the New Triad by providing a forum for additional analyses and assessments to support New Triad investment decisions and ensure that those decisions are in concert with DOD's overall investment priorities. The JCIDS process is intended to provide a means to ensure that new capabilities are conceived and developed in a joint warfighting context. The process intends to (1) focus on achieving joint operational capabilities rather than on individual weapon systems and (2) provide a systematic means to identify capability gaps, propose solutions, and establish roadmaps for future investments to acquire needed capabilities. Capability assessments, developed through the process, are designed to have a long-term focus, consider a wide range of potential materiel and nonmateriel solutions across the military services,

²⁰ GAO, *21st Century Challenges: Reexamining the Base of the Federal Government*, GAO-05-325SP (Washington, D.C.: February 2005).

analyze trade-offs among different solutions, and identify areas where existing capabilities are redundant or excessive. The process offers proposed solutions that are intended to be integrated and prioritized and would eventually be incorporated into resource roadmaps that show the investment strategies to develop and acquire the needed capabilities.

JCIDS also intends to involve the combatant commanders early in the decision-making process to provide a strong warfighter perspective in identifying capabilities and resource priorities. The U.S. Strategic Command has created mission capabilities teams within its Capability and Resource Integration Directorate that closely align its missions with the JCIDS process to strengthen its ability to more effectively advocate for the capabilities needed to perform its missions. The Commander of the U.S. Strategic Command told us that his intent is for these teams to play an active role in identifying and developing New Triad capabilities.

New Triad capabilities span most of the functional areas established in the JCIDS process, including command and control and force application. Officials in the Joint Staff's Office of Requirements Assessment told us that the JCIDS process does not currently identify and track joint warfighting capabilities as capabilities for the New Triad and Office of the Secretary of Defense officials told us that there are no efforts at this time to crosswalk the JCIDS' joint warfighting capabilities with the New Triad. However, Joint Staff officials said that organizations with New Triad responsibilities, such as the U.S. Strategic Command, do participate in the working groups and other activities throughout the JCIDS process to ensure that their equities are addressed. The JCIDS process could provide benefits to defense planning, but because the process is still very early in its development it is unclear whether or how DOD plans to use JCIDS to address its New Triad investments.

Conclusions

It is important for DOD and congressional decision makers to have the most complete accounting possible of the projected spending planned for the New Triad over the next several years as they deliberate the budget. Until DOD reaches agreement on the program elements that comprise New Triad spending in its FYDP, and creates a way to aggregate spending, neither defense officials nor Congress will have visibility over all of the projected spending planned in the near-term for the New Triad. Importantly, the Commander of the U.S. Strategic Command, who has been assigned significant responsibilities for coordinating and integrating New Triad capabilities from a warfighter perspective, will not have the resource

visibility needed to effectively carry out this new role. This information is needed to accurately assess the affordability of the various activities and weapon systems that make up the New Triad, and to make timely and informed decisions on the funding required to develop, acquire, and integrate the wide range of diverse New Triad capabilities.

Moreover, without an overarching and integrated long-term investment approach for the New Triad, information on affordability challenges, future funding priorities, and requirements beyond the current FYDP is not fully known. While DOD believes it is still too early to develop a long-term investment approach, further delaying the start of this effort puts the department at risk of not developing and acquiring capabilities for the New Triad when needed. As a result, the President and Secretary of Defense can not be assured that DOD has the broad range of military options envisioned in the New Triad. Although New Triad concepts are continuing to evolve and mature, laying the foundation now for a long-term investment approach would provide DOD with an additional planning tool for future development of the New Triad concept—a tool that could be continuously improved and updated as better information becomes available and as changing security and fiscal circumstances warranted. The need for such an approach becomes increasingly important as existing nuclear platforms begin approaching the end of their useful lives and decisions to replace one or more of the platforms are required. Additionally, without such an approach, decision makers lack information on projected costs, spending priorities and trade-offs, resource requirements, and funding timelines in making decisions on the spending commitments needed to sustain New Triad implementation. Further, without a long-term investment approach, the large number of New Triad stakeholders, such as the military services, defense agencies, and combatant commands, will lack the direction and focus they need to effectively prepare future funding plans to develop, acquire, and integrate the capabilities. Lastly, while the new JCIDS process is intended to provide a better approach to identifying solutions to capability shortcomings and strengthen the role of combatant commanders in making decisions on capability investments, it is yet unclear how the process will be used to specifically support investment decisions for the New Triad.

Recommendations for Executive Action

To strengthen DOD's implementation of the New Triad and provide greater transparency of resources that are being applied to developing, acquiring, and sustaining the needed capabilities, we recommend that the Secretary of Defense take the following four actions:

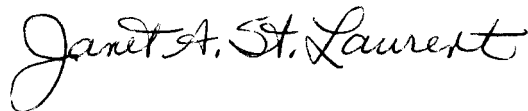
- Direct the Director, Office of Program Analysis and Evaluation, in consultation with the Under Secretary of Defense (Comptroller), to (1) develop and obtain approval of a comprehensive list of program elements in the FYDP, which support activities for developing, acquiring, and sustaining New Triad capabilities; (2) modify the FYDP to establish a virtual major force program for the New Triad by creating new data fields that would clearly identify and allow aggregation of New Triad-related program elements to provide increased visibility of the resources allocated for New Triad activities; and (3) report each year the funding levels for New Triad activities and capabilities in the department's summary FYDP report to Congress. The Secretary of Defense should direct that these three actions be completed at or about the time when the President's budget for fiscal year 2007 is submitted to Congress.
- Direct the Under Secretaries of Defense for Policy and Acquisition, Technology, and Logistics to develop an overarching and integrated long-term investment approach for the New Triad that provides decision makers with information about future joint requirements, projected resources, spending priorities and trade-offs, milestones, and funding timelines. As part of developing and implementing this approach, DOD should leverage the analyses, assessments, and other information prepared under the Joint Capabilities Integration and Development System process. The Secretary of Defense should direct that development of a long-term investment approach be completed in time for it to be considered in the department's preparation of its submission for the President's budget for fiscal years 2008 and 2009 and be updated, as needed, to adapt to changing circumstances.

Agency Comments

On April 28, 2005, we provided a draft of this report to DOD for review and comment. As of the time this report went to final printing, DOD had not provided comments as requested. However, DOD did provide technical changes, which have been incorporated in this report as appropriate.

We are sending copies of this report to interested congressional committees; the Secretary of Defense; the Commander, U.S. Strategic Command; and the Director, Office of Management and Budget. We will make copies available to others upon request. In addition the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions, please call me on (202) 512-4402. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Staff members who made key contributions to this report are listed in appendix IV.



Janet A. St. Laurent
Director, Defense Capabilities
and Management

U.S. Strategic Command Missions

U.S. Strategic Command has a significant role in implementing the New Triad, advocating for the development of New Triad capabilities, and supporting its missions. It derives these responsibilities from missions assigned by the President and the Secretary of Defense. Table 3 describes U.S. Strategic Command's current missions.

Table 3: U.S. Strategic Command Missions

Mission	Description	Basis of authority
Strategic deterrence	<ul style="list-style-type: none"> Plan, target, and employ during wartime intercontinental ballistic missiles, submarine-launched ballistic missiles, and bombers. 	Assumed the mission in June 1992 from the disestablished Strategic Air Command and Joint Strategic Target Planning Staff
Military space operations	<ul style="list-style-type: none"> Develop desired characteristics and capabilities; Plan, advocate, and conduct military space operations; and Serve as the single point of contact for military space operational matters. 	Change 1 of the Unified Command Plan, ^a effective July 2002
Global strike	<ul style="list-style-type: none"> Provide integrated global strike planning and command and control support to deliver rapid, extended-range, precision kinetic and nonkinetic (e.g., elements of space and information operations) effects in support of theater and national objectives. 	Change 2 of the Unified Command Plan, effective January 2003
Integrated missile defense	<ul style="list-style-type: none"> Advocate desired global missile defense and missile-warning characteristics and capabilities for active and passive ballistic missile defenses for all combatant commands; and Provide centralized planning, coordination, and integration of global ballistic missile defenses, missile warning systems, and battle management, command control, communications, and intelligence system and architecture. 	Change 2 of the Unified Command Plan, effective January 2003
DOD information operations	<ul style="list-style-type: none"> Integrate and coordinate DOD information operations (including computer network attack, computer network defense, electronic warfare, operations security, military psychological operations, and military deception) across geographic areas of responsibility. 	Change 2 of the Unified Command Plan, effective January 2003

Appendix I
U.S. Strategic Command Missions

(Continued From Previous Page)

Mission	Description	Basis of authority
Command, control, communications, computers, intelligence, surveillance, and reconnaissance	<ul style="list-style-type: none"> • Plan, integrate, and coordinate intelligence, surveillance, and reconnaissance in support of strategic and global operations, as directed; and • Task and coordinate command, control, communications, computers, intelligence, surveillance, and reconnaissance capabilities in support of strategic force employment, including global strike, missile defense, and associated planning. 	Change 2 of the Unified Command Plan, effective January 2003
Combating weapons of mass destruction	<ul style="list-style-type: none"> • Plan, integrate, and synchronize DOD efforts with the efforts of other agencies; • Integrate other U.S. Strategic Command capabilities (e.g., global strike) and provide operational support to other combatant commands and organizations conducting combating weapons of mass destruction missions; • Synchronize DOD operations for combating weapons of mass destruction with the intelligence community; • Advocate desired capabilities for combating weapons of mass destruction; • Sponsor relevant joint doctrine; and • Provide military representation to U.S. national and international agencies. 	Memorandum from the Secretary of Defense, effective January 2005

Source: Unified Command Plan

Note: Change 1 and Change 2 incorporated), April 20, 2002, and Memorandum from the Secretary of Defense, January 6, 2005, designating responsibilities for combating weapons of mass destruction to Commander, U.S. Strategic Command.

^aThe Unified Command Plan is a classified document approved by the President, published by the Chairman of the Joint Chiefs of Staff, and addressed to the commanders of combatant commands. It establishes the combatant commands, identifies geographic areas of responsibility, assigns primary missions, defines authority of the commanders, establishes command relationships, and gives guidance on the exercise of combatant command.

Scope and Methodology

To determine the extent to which the Department of Defense (DOD) has fully identified projected spending for the New Triad in its Future Years Defense Program (FYDP), we reviewed key DOD documentation to identify and define the New Triad's capabilities and determine whether DOD had identified specific, related programs in the FYDP.

Specifically, we obtained and reviewed relevant documents on the New Triad, including the 2001 Nuclear Posture Review, the *Nuclear Posture Review Implementation Plan*, the Secretary of Defense's fiscal year 2002 *Annual Defense Report*, the Defense Science Board's February 2004 report, *Future Strategic Strike Forces*, briefings by DOD officials, and relevant programming guidance. We also obtained the results of an analysis performed by the Office of Program Analysis and Evaluation that identified New Triad spending in the FYDP, and discussed the purpose, scope, methodology, and limitations of the analysis with officials from this office. In addition, we interviewed officials from the Office of the Secretary of Defense, including officials from the Office of the Deputy Assistant Secretary of Defense for Forces Policy, the Office of Strategic and Space Programs in the Office of Program Analysis and Evaluation, the Office of the Deputy Assistant of the Secretary of Defense for Nuclear Matters, and the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. We also interviewed officials from the Joint Staff, U.S. Air Force headquarters, U.S. Marine Corps headquarters, and the Department of Energy's National Nuclear Security Administration to gain an understanding of their role in implementing the New Triad. We met with officials of the U.S. Strategic Command in Omaha, Nebraska, to discuss the command's missions that are relevant to the New Triad.

As part of our effort to determine the extent to which DOD has identified the projected spending for the New Triad in its FYDP, we performed our own notional analysis of the FYDP to identify resources associated with the New Triad. In doing so, we examined the FYDP's structure and related documentation to determine whether the FYDP was designed to capture information that would identify specific program elements as being related to the New Triad. We met with relevant DOD officials to discuss our approach, and reviewed the analysis performed by the Office of Program Analysis and Evaluation. We also reviewed prior GAO work to gain a better understanding of whether the FYDP has been modified to allow for new program element aggregations. In performing our analysis, we assessed the reliability of the FYDP data by (1) performing electronic testing of required data elements, (2) reviewing existing information about the data and the system that produced them, (3) interviewing a knowledgeable DOD official

about the data, and (4) reviewing data reliability tests on these data previously performed by GAO. We determined that the data were sufficiently reliable for the purposes of this report. Additional details about how we performed our notional analysis are presented in appendix III.

To determine the extent to which DOD has developed a long-term investment approach to identify and manage future investments needed to achieve the synergistic capabilities envisioned for the New Triad, we interviewed officials and reviewed key documentation to determine whether DOD has taken steps to develop and follow such an approach. Specifically, to identify best practices for a long-term investment approach, we reviewed relevant GAO reports, and identified and reviewed investment approaches of other organizations. We then compared DOD's approach for the New Triad against these elements that we had identified in other organizations to determine the extent to which DOD had these elements in place. In addition, we obtained and reviewed relevant documents, including the 2001 Nuclear Posture Review, the *Nuclear Posture Review Implementation Plan*, the Secretary of Defense's fiscal year 2002 *Annual Defense Report*, the Defense Science Board's February 2004 report, *Future Strategic Strike Forces*, briefings provided by DOD officials, and relevant programming guidance to identify investments and investment priorities in building New Triad capabilities. We also met with officials from the Joint Staff's Directorate for Force Structure, Resources, and Assessments to discuss the development and implementation of the department's new Joint Capabilities Integration and Development System, and to determine whether the New Triad's plans for achieving desired capabilities were aligned to this new system.

Additionally, we interviewed officials from the Office of the Secretary of Defense, including officials from the Office of the Deputy Assistant Secretary of Defense for Forces Policy, the Office of Strategic and Space Programs in the Office of Program Analysis and Evaluation, the Office of the Deputy Assistant of the Secretary of Defense for Nuclear Matters, and the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. We also interviewed officials from the Joint Staff, U.S. Air Force headquarters, U.S. Marine Corps headquarters, and the Department of Energy's National Nuclear Security Administration to gain their perspectives. In addition, we visited the headquarters of the

Appendix II
Scope and Methodology

U.S. Strategic Command in Omaha, Nebraska, and met with command officials to discuss investments needed to acquire capabilities and implement the command's missions.

Our review was conducted between December 2003 and April 2005 in accordance with generally accepted government auditing standards.

GAO's Notional Analysis of the Programs and Projected Spending on the New Triad in the Future Years Defense Program

To determine how much the Department of Defense (DOD) plans to spend on the New Triad, we performed a notional analysis of the Future Years Defense Program (FYDP) to identify programs and projected spending associated with New Triad capabilities. This analysis identifies 737 program elements that are either “fully dedicated” or “not fully dedicated” to the New Triad. “Fully dedicated” program elements provide capabilities that primarily execute or support New Triad missions, whereas “not fully dedicated” program elements provide capabilities that have wider military application than just the New Triad.

Our notional analysis is based on certain assumptions, which we considered to be relevant and reasonable, about how to align New Triad capabilities to FYDP program elements. For example, we assume that:

- All program elements in the FYDP that are not defined as “historical” are currently active and valid for analysis, even though there may not be any spending currently associated with the program elements over the fiscal years 2004 through 2009 time frame.
- Certain FYDP field values, or combinations of values, can be used to identify groups of program elements as being related to the New Triad. For example, certain combinations of Force and Infrastructure Codes and Defense Mission Codes can be used to identify particular New Triad capabilities.

To ensure that our assumptions were reasonable, we discussed our overall approach with budget experts at GAO and the Congressional Budget Office and with DOD officials. Generally, these officials agreed with our approach to identify the projected spending associated with the New Triad included in the FYDP. However, DOD officials cautioned that identifying program elements that are not fully dedicated to the New Triad can be difficult because of the subjectivity required in deciding on the extent to which a program element provides capabilities for the New Triad. Therefore, our notional analysis suggests a methodology that can be used to conduct a comprehensive accounting of the spending plans for the New Triad, and is not meant to provide a definitive accounting of projected New Triad spending. We recognize that the assumptions we made are subjective, and that other analyses to identify projected spending on New Triad capabilities in the FYDP may use different assumptions and obtain somewhat different results.

Our Methodology for Identifying FYDP Program Elements Related to the New Triad

To identify DOD's definitions of the four New Triad capabilities—offensive strike; active and passive defenses; responsive infrastructure; and command and control, intelligence, and planning—we used relevant DOD documentation, such as the 2001 Nuclear Posture Review, the *Nuclear Posture Review Implementation Plan*, the Secretary of Defense's fiscal year 2002 *Annual Defense Report*, and the Defense Science Board's February 2004 report, *Future Strategic Strike Forces*. We compared these capability definitions with information about each of the 4,725 FYDP program elements¹ we reviewed. When we determined that a program element was related to one or more of the New Triad's capabilities, we categorized it according to the particular capability that it supported.

We then determined whether the program elements that we identified were either fully dedicated or not fully dedicated to the New Triad. In making this determination, we assumed that all of the program elements identified in the Office of Program Analysis and Evaluation analysis were fully dedicated to the New Triad. Table 4 summarizes the criteria we used to identify and categorize program elements that are linked to the New Triad.

¹ FYDP resources fall into three broad categories—total obligation authority, manpower, or forces—that are identifiable by resource identification codes. In our review of the FYDP's structure, we identified 4,725 unique, active program elements associated with total obligation authority resource identification codes.

**Appendix III
GAO's Notional Analysis of the Programs and
Projected Spending on the New Triad in the
Future Years Defense Program**

Table 4: GAO's Categorization of New Triad-Related FYDP Program Elements

Description	Fully dedicated program elements	Not fully dedicated program elements
Offensive strike		
Kinetic (e.g., advanced conventional and nuclear) and nonkinetic (e.g., information operations) systems that provide the ability to rapidly plan and deliver limited-duration and extended-range attacks to achieve precision effects against highly valued adversary assets. Includes special operations capabilities.	<ul style="list-style-type: none"> • All relevant program elements identified in the Office of Program Analysis and Evaluation analysis. • Additional program elements, identified by GAO, that provide or support conventional, nuclear, and information operations strike capabilities. 	GAO-identified program elements that mainly support special operations, cryptology, and certain counterintelligence capabilities.
Active and passive defenses		
Programs designed to defend the U.S. homeland, allies, and forces abroad. Active defenses include (1) ballistic and cruise missile defense capabilities and (2) air defenses. Passive defenses include measures that reduce vulnerability through mobility, dispersal, redundancy, deception, concealment, and hardening; warn of imminent attack; and support consequence management activities.	<ul style="list-style-type: none"> • All relevant program elements identified in the Office of Program Analysis and Evaluation analysis. • Additional program elements, identified by GAO, that provide or support missile defenses, defense of U.S. airspace, and passive defenses, particularly consequence management activities. 	GAO-identified program elements that mainly provide headquarters support and certain counterdrug activities.
Responsive infrastructure		
Programs that address the ability of the U.S. technology base to deal with or hedge against uncertainties in the nature and timing of potential strategic threats, the capability of the technology and industrial base to respond in a timely manner, and the adequacy and responsiveness of science and technology programs related to possible future strategic capabilities.	<ul style="list-style-type: none"> • All relevant program elements identified in the Office of Program Analysis and Evaluation analysis. • Additional program elements, identified by GAO, that support the upkeep of important test ranges and facilities. 	GAO-identified program elements that support activities at key facilities that support or execute New Triad-related missions.
Command and control, intelligence, and planning		
Programs that (1) provide or support nuclear, national, and global military command and control systems, including key communications infrastructure and platforms; (2) provide "exquisite" intelligence of an adversary's capabilities; and (3) support adaptive planning.	<ul style="list-style-type: none"> • All relevant program elements identified in the Office of Program Analysis and Evaluation analysis. • Additional program elements, identified by GAO, that historically provided nuclear command and control capabilities. 	GAO-identified program elements supporting a broad range of command and control, intelligence, surveillance, and reconnaissance capabilities at the national level, including space-, air- and ground-based surveillance and reconnaissance platforms.

Source: GAO analysis of DOD documentation.

We then used the FYDP data to identify the projected spending associated with these program elements for fiscal years 2004 through 2009, and expressed our results in then-year dollars. The data for the projected spending are current as of the President's budget submission to Congress for fiscal year 2005.

Projected New Triad Spending by FYDP Major Force Program

The FYDP's strategic forces major force program, one of 11 major force programs in the FYDP, includes \$55.6 billion in then-year dollars for the New Triad for fiscal years 2004 through 2009, or 15 percent of the \$360.1 billion of total spending that we identified. The offensive forces and weapons systems in this program are primarily nuclear-focused. As indicated in table 5, the remaining \$304.6 billion, or 85 percent of the projected spending that we identified, is dispersed among 7 of the remaining 10 major force programs in the FYDP. The command, control, communications, and intelligence program accounted for the largest share of New Triad-related spending—\$133.5 billion, or 37 percent of the projected spending that we identified. We did not identify any projected spending on the New Triad in major force programs for central supply and maintenance; training, medical, and other general personnel activities; and support of other nations.

Table 5: Projected Spending for the New Triad by Major Force Program Category, Fiscal Years 2004 through 2009

Total obligation authority in billions of then-year dollars

Major force program category/Illustrative program elements	Total projected spending for New Triad program elements	Percent
Strategic Forces <ul style="list-style-type: none"> • B-52 Squadrons • Minuteman Squadrons • Service Support to U.S. Strategic Command 	\$55.6	15
General Purpose Forces <ul style="list-style-type: none"> • Tomahawk Cruise Missile • Tomahawk and Tomahawk Mission Planning Center • Domestic Preparedness Against Weapons of Mass Destruction 	29.7	8
Command, Control, Communications, and Intelligence <ul style="list-style-type: none"> • E-4B National Airborne Operations Center • U.S. Army Space Activities • Defense Reconnaissance Support Activities 	133.5	37

Appendix III
GAO's Notional Analysis of the Programs and
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Total obligation authority in billions of then-year dollars

Major force program category/illustrative program elements	Total projected spending for New Triad program elements	Percent
Mobility Forces • Special Operations Forces	3.5	1
Guard and Reserve Forces • B-52 Squadrons, Air Force Reserve • F-16 Air Defense Squadrons, Air National Guard	4.8	1
Research and Development • Army Missile Defense Systems Integration • Space-based Radar • Next Generation Bomber	98.2	27
Central Supply and Maintenance	n/a	n/a
Training, Medical, and Other General Personnel Activities	n/a	n/a
Administration and Associated Activities • Management Headquarters, Missile Defense Agency	0.9	<1
Support of Other Nations	n/a	n/a
Special Operations Forces • Psychological Operations Activities, Active Army • Joint Special Operations Forces Intelligence Activities	33.8	9
Total	\$360.1	100

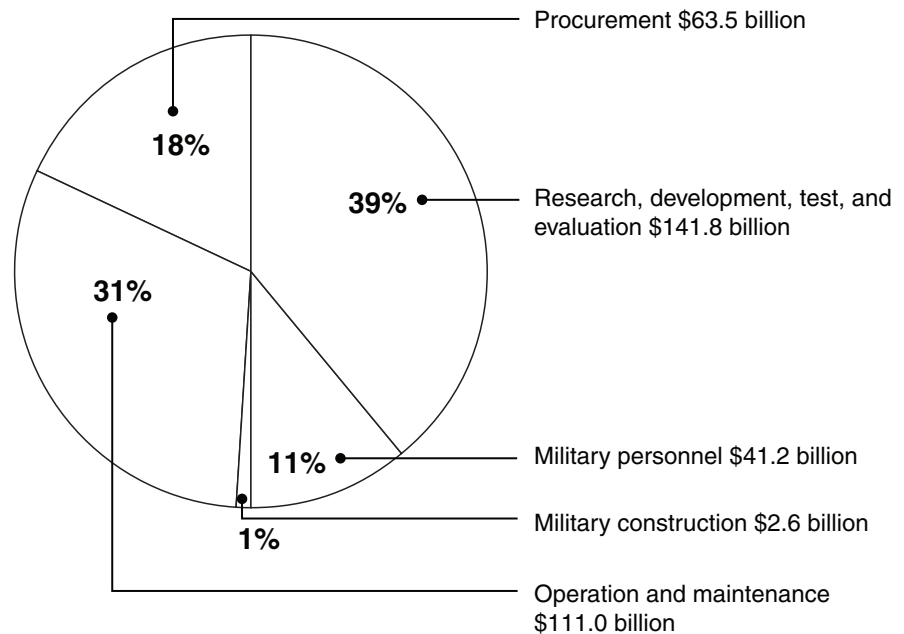
Source: GAO analysis of DOD data.

Note: Total projected spending does not add to \$360.1 billion and total percent does not add to 100 due to rounding.

Projected New Triad Spending by Primary Appropriation Category

We analyzed the \$360.1 billion of projected spending associated with the New Triad based on primary appropriation category, as illustrated in figure 3. We determined that the largest amount of projected spending is for research, development, test, and evaluation funding, which accounts for \$141.8 billion or 39 percent of the \$360.1 billion in projected spending that we identified. We identified \$111.0 billion in projected spending for operation and maintenance appropriations, or 31 percent of the total spending that we identified.

Figure 3: Projected Spending for the New Triad by Primary Appropriation Category, Fiscal Years 2004 through 2009



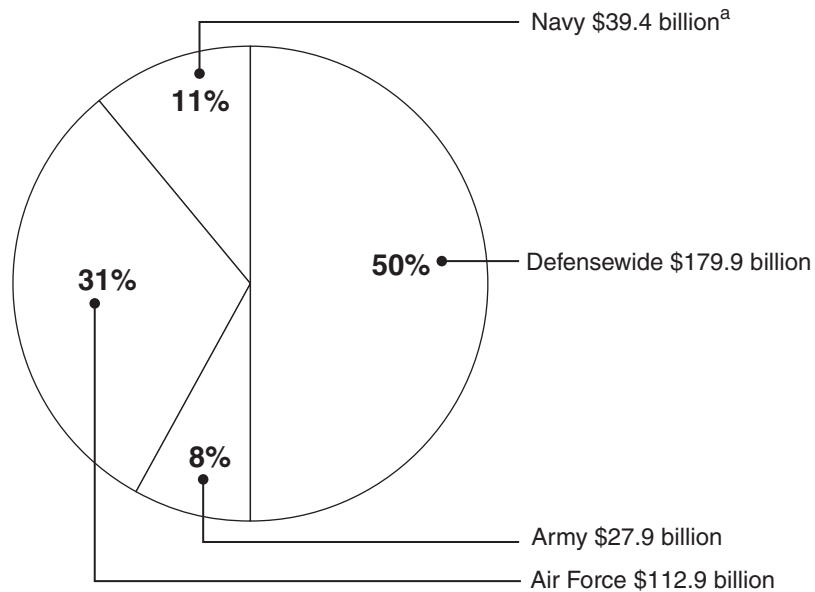
Source: GAO analysis of DOD data.

Note: Total obligation authority in billions of then-year dollars.

Projected New Triad Spending by DOD Organizations

Defensewide programs, including programs managed by the Missile Defense Agency, the Office of the Secretary of Defense, and intelligence-related defense agencies such as the Defense Intelligence Agency, account for 50 percent of the \$360.1 billion of projected spending that we identified as being associated with the New Triad. Spending for Missile Defense Agency-related program elements totals \$53.1 billion during fiscal years 2004 through 2009 and is greater than the spending we identified for either the departments of the Army or Navy. As shown in figure 4, among the military departments the Air Force accounts for the largest share of New Triad spending—\$112.9 billion, or 31 percent of the \$360.1 billion that we identified for fiscal years 2004 through 2009. Spending by the Air Force, Army, and Navy includes service support for defense agencies and combatant commands, such as the U.S. Strategic Command.

Figure 4: Projected Spending for the New Triad by DOD Organizations, Fiscal Years 2004 through 2009



Source: GAO analysis of DOD data.

Note: Total obligation authority in billions of then-year dollars.

^aIncludes Marine Corps.

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