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HOUSE COMMITTEE ON ARMED SERVICES

U.S. House of Representatives

Washington, DC 20515-6035

ONE HUNDRED ELEVENTH CONGRESS

July 30, 2009

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ERIN C. CONATON, STAFF DIRECTOR

Gene L. Dodaro
Acting Comptroller General
U. S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

The American Recovery and Reinvestment Act (Recovery Act) of 2009 provides the Department of Defense (DOD) and other federal agencies supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and state and local fiscal stabilization. Title III of the Recovery Act contains nearly \$12.6 billion in appropriations for DOD to improve, repair, and modernize existing facilities; to invest in energy efficiency of DOD facilities; for environmental cleanup; for construction of new child development centers, warrior transition complexes, housing, and energy conservation and alternative energy projects; and for the Homeowners Assistance Fund. The President has made clear that every dollar spent under the Recovery Act must be done with unprecedented levels of transparency and accountability. Subsequently, the Office of Management and Budget (OMB) has issued guidance that contains critical action steps that federal agencies must take to meet the President's directive.

Of particular interest to this committee is DOD's use of the funds in addressing critical defense needs. Moreover, it is critical that DOD ensures transparency and accountability over the use of the funds and appropriately measures performance to better ensure effective implementation of the Act. At the same time, certain DOD plans for spending Recovery Act funds raise questions. For example, DOD plans to spend significant Recovery Act funds on military housing at the same time that the services are implementing the Military Housing Privatization Initiative. Finally, a series of GAO reports has pointed out that DOD has continued to underfund sustainment, modernization, and restoration, leading to deteriorated facilities. DOD plans to use some of the Recovery Act funds to begin to address these deficiencies, but it is

Mr. Dodaro
July 30, 2009
Page 2

not clear whether the plans will fully address the concerns. As such, the Readiness Subcommittee is interested in the following:

- How did DOD identify the defense projects and activities for which it will use Recovery Act funds and to what extent did the military requirements process influence the proposed spending plan?
- To what extent will DOD's planned use of Recovery Act funds address continued unfunded sustainment requirements?
- To what purpose is DOD using Recovery Act funds on military family housing in light of the ongoing initiative to privatize that housing, and how will it advance DOD's goal of eliminating inadequate military family housing on its installations? To what extent will the use of the Act's funds increase the quality of life for military personnel in other areas of housing for senior and enlisted unaccompanied personnel?
- How did DOD plan for the use of Recovery Act funds to ensure the broad purposes and goals of the Act will be met and how is DOD monitoring its success? Specifically, to what extent has DOD established mechanisms to ensure sufficient performance data measures are in place to track, monitor, and report on its use of the Act's funds?
- What are the barriers, if any, to DOD complying with the risk management requirements specified by the Recovery Act and OMB guidance, and how does DOD plan to overcome any such barriers?

The subcommittee requests that GAO provide the report requested in this letter in time for markup of the Fiscal Year 2011 National Defense Authorization Act. For questions regarding this request, please contact David Sienicki at (202) 225-4469 or Tom Hawley at (202) 226-6235.

Sincerely,



SOLOMON ORTIZ
Chairman
Readiness Subcommittee



RAND FORBES
Ranking Member
Readiness Subcommittee

SO:ds