



December 2017

# EUROPEAN REASSURANCE INITIATIVE

## DOD Needs to Prioritize Posture Initiatives and Plan for and Report Their Future Cost

Accessible Version

# GAO Highlights

Highlights of [GAO-18-128](#), a report to congressional committees

## Why GAO Did This Study

In response to Russia's annexation of Crimea in March 2014, the President announced the ERI, to reassure allies in Europe of U.S. commitment to their security. This initiative has been funded using OCO appropriations, which Congress provides in addition to DOD's base budget appropriations.

The Joint Explanatory Statement accompanying the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, included a provision for GAO to review matters related to ERI. In this report, we (1) describe changes in ERI's objectives, funding under ERI, and DOD's posture in Europe since 2014 and (2) evaluate the extent to which DOD's planning processes for posture initiatives funded under ERI prioritize those initiatives, estimate their long-term costs, and communicate their estimated costs to Congress. GAO analyzed DOD strategy documentation, budget and cost analysis guidance, budget justification materials, and cost and obligations data. GAO also interviewed knowledgeable officials within the Office of the Secretary of Defense, U.S. European Command, the military services, and the State Department.

## What GAO Recommends

GAO recommends that DOD prioritize ERI posture initiatives against initiatives in its base budget, develop cost estimates for sustaining initiatives, and communicate future costs to Congress. DOD partially concurred with GAO's recommendations. GAO continues to believe that these recommendations are warranted.

View [GAO-18-128](#). For more information, contact John H. Pendleton at (404) 679-1816 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov)

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### DOD Needs to Prioritize Posture Initiatives and Plan for and Report their Future Cost

## What GAO Found

Since 2014, the Department of Defense (DOD) has expanded the European Reassurance Initiative's (ERI) objectives, increased its funding, and planned enhancements to European posture. DOD expanded ERI's objectives from the short-term reassurance of allies and partners to include deterring Russian aggression in the long term and developing the capacity to field a credible combined force should deterrence fail. With respect to funding, DOD will have requested approximately \$4.5 billion for ERI's posture enhancements through the end of fiscal year 2017 (about \$3.2 billion for fiscal year 2017 alone), and in July 2016 EUCOM identified funding needs for future posture initiatives. The expansion of ERI's objectives has contributed to DOD's enhancing its posture in Europe. Specifically, DOD has increased the size and duration of Army combat unit deployments, planned to preposition Army equipment in Eastern Europe, added new enduring locations (e.g., locations that DOD expects to access and use to support U.S. security interests for the foreseeable future), improved infrastructure, and negotiated new agreements with European nations. As of April 2017, DOD was considering further force enhancements under ERI as part of the department's ERI budget request. DOD also was reviewing whether new enduring locations to support ERI were needed and was considering other improvements to existing infrastructure.

DOD's process for planning ERI has not established priorities among posture initiatives funded under ERI relative to those in its base budget, nor estimated long-term sustainment costs for some posture initiatives funded under ERI, nor communicated future costs to Congress. ERI is being planned using a separate process from DOD's established processes and is funded from DOD's overseas contingency operations (OCO) appropriations. GAO found several weaknesses:

- **Lack of prioritization:** DOD establishes priorities among ERI posture initiatives but has not evaluated them against base budget initiatives using its posture management process. As a result, DOD lacks an understanding of the relative importance of ERI initiatives and may be investing in projects that it will not continue should OCO funding become unavailable.
- **Lack of sustainment costs:** EUCOM and the military services have not fully estimated the long-term costs to sustain equipment and construction funded under ERI. Based on DOD's approach for calculating rough order sustainment costs, GAO determined that these costs could be substantial. DOD officials said that GAO correctly applied DOD's approach for estimating sustainment costs, but noted that actual costs may be lower, because the military services may not fully fund sustainment. In the absence of comprehensive estimates, DOD has been limited in its ability to assess affordability and plan for future costs.
- **Not communicating future costs:** DOD limits Congress's visibility into the resources needed to implement ERI and achieve its objectives because it does not include future costs in its ERI budget request.

This is a public version of a classified report issued in August 2017. Information on specific posture planning, guidance, and budget estimates that DOD deemed to be classified have been omitted from this report.

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**Abbreviations**

DOD	Department of Defense
ERI	European Reassurance Initiative
EUCOM	U.S. European Command
NATO	North Atlantic Treaty Organization
OCO	Overseas Contingency Operation

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December 8, 2017

### Congressional Committees

In response to Russia's annexation of Crimea in March 2014, President Obama announced the European Reassurance Initiative (ERI), an effort intended to reassure allies and partners of U.S. commitment to their security.<sup>1</sup> From fiscal year 2015 through fiscal year 2017, the Department of Defense (DOD) identified \$5.2 billion in funding for ERI as part of its overseas contingency operation (OCO) budget requests.<sup>2</sup> Most of this funding would be used to enhance posture—forces, footprint (locations and infrastructure), and host nation agreements—in Europe by funding increases in military presence, improving infrastructure, and prepositioning equipment. In July 2016, U.S. European Command (EUCOM) submitted to DOD a prioritized list of requirements and funding estimates for additional posture initiatives, which DOD was considering for its budget submission at the time of our review.

DOD has requested and used OCO-designated appropriations for ERI initiatives. Congress provides OCO-designated appropriations to DOD in addition to appropriations for DOD's base budget, generally to fund ongoing military operations.<sup>3</sup> DOD officials said that DOD has requested OCO funds for ERI out of concerns about funding efforts to respond to Russian aggression without reallocating resources from other priorities in its base budget.

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<sup>1</sup>The Conference Report accompanying the National Defense Authorization Act for Fiscal Year 2017 used the terminology "European Deterrence Initiative" in place of "European Reassurance Initiative." See, e.g., H.R. Rep. No. 114-840, at 1193, 1218, 1219 (2016). Since we completed our review DOD has been working to implement this change. We have not updated this report to reflect this change.

<sup>2</sup>DOD officials noted that the department received \$175 million in transfer funds in fiscal year 2015 for ERI, to provide support to the Baltics and Ukraine. Additionally, prior to enactment of fiscal year 2015 ERI funding, the department took several steps to reassure allies and partners in Europe. For example, officials said that DOD augmented the air, ground, and naval presence in the region and funded these efforts out of the military services' base budgets.

<sup>3</sup>Overseas contingency operation funding is additional funding that is generally intended to support DOD's ongoing contingency operations. This includes small, medium, or large-scale military operations, including support for peacekeeping operations, major humanitarian assistance efforts, noncombatant evacuation operations, and international disaster relief efforts.

Since 2007, we have reported on issues associated with funding from the OCO budget, including the level of transparency, accuracy, and reliability of DOD's OCO budget requests and efforts to transition enduring costs from the OCO budget to the base budget.<sup>4</sup> In January 2017, we reported that DOD had developed an initial estimate of costs being funded by the OCO budget that are likely to endure beyond current operations, such as ERI, but it had not finalized or reported its estimate outside of the department.<sup>5</sup> We recommended that DOD develop a complete and reliable estimate of DOD's enduring OCO costs—which would include those for ERI—and report those costs in concert with the department's future budget requests. DOD generally concurred with our recommendations but said that until there is relief from statutory budgetary caps established in legislation, it will continue to need OCO funding. As of May 2017, the department has not implemented our recommendations.

Given the evolving security environment in Europe and the growth of the funding request for ERI, the Joint Explanatory Statement accompanying the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, included a provision for us to examine matters related to ERI.<sup>6</sup> In this report, we (1) describe changes in ERI's objectives, funding under ERI, and DOD's posture in Europe since 2014 and (2) evaluate the extent to which DOD's planning processes for posture initiatives funded under ERI prioritize those initiatives, estimate their long-term costs, and communicate their projected costs to Congress. This is a public version of a classified report that we issued in August 2017.<sup>7</sup> DOD deemed some of the information in

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<sup>4</sup>GAO, *Global War on Terrorism: DOD Needs to Take Action to Encourage Fiscal Discipline and Optimize the Use of Tools Intended to Improve GWOT Cost Reporting*, [GAO-08-68](#), (Washington D.C.: Nov. 6, 2007); GAO, *Global War on Terrorism: DOD Needs to More Accurately Capture and Report the Costs of Operation Iraqi Freedom and Operation Enduring Freedom*, [GAO-09-302](#), (Washington, D.C.: March 17, 2009); GAO, *Defense Headquarters: Guidance Needed to Transition U.S. Central Command's Cost to the Base Budget*, [GAO-14-440](#) (Washington D.C.: June 9, 2014).

<sup>5</sup>GAO, *Overseas Contingency Operations: OMB and DOD Should Revise the Criteria for Determining Eligible Costs and Identify the Costs Likely to Endure Long Term*, [GAO-17-68](#) (Washington, D.C.: Jan. 18, 2017).

<sup>6</sup>162 Cong. Rec. S5989-90 (daily ed. Sept. 22, 2016).

<sup>7</sup>GAO, *European Reassurance Initiative: DOD Needs to Prioritize Posture Initiatives and Plan for and Report Their Future Cost*, [GAO-17-539C](#) (Washington, D.C.: August 2017) (S//NF).

our August 2017 report to be classified; classified information must be protected from loss, compromise, or inadvertent disclosure. Therefore this report omits classified information about specific posture planning, guidance, and budget estimates. Although the information provided in this report is more limited, the report addresses the same objectives as the classified report and uses the same methodology.

For objective one, we analyzed White House, DOD, and EUCOM documentation. To determine how ERI's objectives changed from calendar year 2014 through 2017 we reviewed White House and EUCOM fact sheets, DOD budget submissions, and EUCOM documentation. Additionally, we identified changes in DOD's priorities in Europe by reviewing the National Defense Strategy and guidance issued by the Office of the Secretary of Defense as well as other documentation to determine how ERI's expanded objectives supported the U.S. strategy toward Russia.<sup>8</sup> We also reviewed DOD and EUCOM posture planning documentation to determine how DOD plans to change European posture in support of ERI's objectives.

For objective two, we compared DOD's planning process to criteria from its posture planning guidance and budget development guidance as well as relevant best practices pertaining to cost estimation, accounting standards, and internal controls.<sup>9</sup> We reviewed DOD's ERI budget justification materials for fiscal years 2015 through 2017, slides presented to the Deputy's Management Action Group in December 2015 and October 2016, and other documentation to assess the extent to which

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<sup>8</sup>The National Defense Strategy is reflected in DOD's 2012 Defense Strategic Guidance and the 2014 Quadrennial Defense Review (which builds upon the 2012 Defense Strategic Guidance), among other publications. See DOD, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (January 2012); and DOD, *Quadrennial Defense Review* (Mar. 4, 2014). We also reviewed several strategy documents and planning guidance prepared by the Joint Staff and the Office of the Secretary of Defense.

<sup>9</sup>Among the criteria we reviewed were DOD Directive 7045.14, *The Planning, Programming, Budgeting, and Execution (PPBE) Process* (Jan. 25, 2013); DOD Instruction 7041.03, *Economic Analysis for Decision-making* (Sept. 9, 2015); DOD Instruction 3000.12, *Management of U.S. Global Defense Posture (GDP)* (May 6, 2016); GAO, *Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, [GAO-09-3SP](#) (Washington D.C.: Mar. 2, 2009). Federal Accounting Standards Advisory Board (FASAB), *Handbook for Federal Accounting Standards and Other Pronouncements, as Amended*, June 30, 2015. GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704](#), (Washington D.C.: September 2014).

DOD prioritized its posture initiatives.<sup>10</sup> We assessed whether DOD estimated and planned for the sustainment of these initiatives by reviewing EUCOM and military service documentation and cost data related to ERI major military construction and prepositioned equipment. We did not assess the military services' cost estimation methodologies, because our objective was to determine whether future costs had been considered as part of DOD's planning processes. We calculated the potential sustainment costs for major military construction by using DOD's rough order-of-magnitude estimation approach for such costs.<sup>11</sup> We assessed whether DOD has communicated its resource requirements to Congress for posture initiatives funded under ERI by reviewing DOD's budget justification submissions for fiscal years 2015 through 2017. We also summarized the funding under ERI that has been programmed or obligated for minor construction and repair projects by collecting cost data for these projects in fiscal years 2015 through 2017 from U.S. Army Europe and U.S. Air Force Europe.<sup>12</sup>

In conducting our work, we spoke to officials from the Office of the Secretary of Defense, the Joint Staff, Department of the Army, Department of the Air Force, Department of the Navy, United States

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<sup>10</sup>The Deputy's Management Action Group is the primary civilian-military management forum that supports the Secretary of Defense, and addresses top Departmental issues that have resource, management, and broad strategic and/or policy implications.

<sup>11</sup>National Defense Authorization Acts list named construction projects for specific purposes and locations, which are referred to as specified or major military construction projects. We calculated sustainment costs by using DOD's rough order of magnitude estimation approach, which multiplies the total cost of major military construction projects by 2.25 percent to estimate annual sustainment costs. We did not assess DOD's approach for estimating sustainment costs.

<sup>12</sup>Generally, minor construction projects are projects that are not named in National Defense Authorization Acts, but rather are funded as unspecified minor construction. Additionally, DOD can complete projects for facilities maintenance and repair using its operation and maintenance accounts. In this report, we refer to these collectively as "minor construction and repair projects." The data reflect the amount reported by U.S. Army Europe and U.S. Air Force Europe as obligated for each project in fiscal years 2015 and 2016 and the programmed amount for each project in fiscal year 2017. The programmed amount listed for minor construction projects in fiscal year 2017 may differ from the amount eventually obligated for the projects. We assessed the reliability of data provided to us by U.S. Army Europe and U.S. Air Force Europe by reviewing documentation associated with relevant data management systems and interviewing military service officials and we determined that these data were sufficiently reliable for our purposes. For detailed information on minor construction and repair projects for ERI see appendix I.



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Marine Corps, EUCOM and its service component commands, and the State Department.

We conducted this performance audit from June 2016 through December 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

Global defense posture is an enabler of U.S. defense activities and military operations overseas and is a central means of defining and communicating U.S. strategic interests to allies, partners, and adversaries. It is driven by a hierarchy of national-level and DOD-specific guidance, which includes the National Defense Strategy and the National Military Strategy. Under DOD Instruction 3000.12, global defense posture includes three elements:<sup>13</sup>

- **Forces:** forward stationed or rotationally deployed forces, U.S. military capabilities, equipment, and units (assigned or allocated).
- **Footprint:** networks of U.S. foreign and overseas locations, infrastructure, facilities, land, and prepositioned equipment.
- **Agreements:** treaties and access, transit, support, and status-protection agreements and arrangements with allies and partners that set the terms regarding the U.S. military's presence within the territory of the host country.

EUCOM is one of six geographic combatant commands and is responsible for missions in all of Europe, large portions of Asia, parts of the Middle East, and the Arctic and Atlantic Oceans (see figure 1). EUCOM evaluates the adequacy of posture in Europe to support relevant plans and achieve military objectives. EUCOM shares responsibility with the Chairman of the Joint Chiefs of Staff and the Office of the Secretary of

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<sup>13</sup>DOD Instruction 3000.12, *Management of U.S. Global Defense Posture (GDP)* (May 6, 2016).

Defense for U.S. military relations with allies and partners in Europe and the North Atlantic Treaty Organization (NATO).

**Figure 1: U.S. European Command's Area of Responsibility**



Source: Department of Defense; Map Resources (map). | GAO-18-128

The number of U.S. military sites located in EUCOM's area of responsibility and the number of military personnel assigned to Europe have decreased substantially since the end of the Cold War, and two heavy combat brigades had been deactivated by the end of fiscal year 2014. As of May 2016, EUCOM supported one airborne infantry brigade and one Stryker brigade, as well as approximately 62,000 military personnel across approximately 250 sites.

Since 2009, we have reported on issues related to DOD's efforts to estimate and report on the total cost of its global defense posture. In

2009, we identified weaknesses in DOD's approach for adjusting its global defense posture and recommended, among other things, that DOD issue guidance for estimating total costs for global defense posture and modify its annual report to Congress to include the total cost to complete each planned posture initiative.<sup>14</sup> In February 2011, we reported that EUCOM lacked comprehensive cost data in a key posture planning document and that therefore decision makers lacked critical information that they needed to make fully informed posture decisions.<sup>15</sup> We recommended that the Chairman of the Joint Chiefs of Staff revise the Joint Staff's posture planning guidance to include direction on how the combatant commands should analyze costs and benefits when considering changes to posture and to require that posture plans include comprehensive cost estimates. DOD agreed with the recommendations in both reports and subsequently took steps to implement them.

In June 2012, we reported that DOD did not fully understand the cost implications of two posture initiatives in Europe—including its decision to return two heavy brigades from Europe to the United States—and that key posture planning documents did not completely and consistently include cost data.<sup>16</sup> We recommended that DOD fully estimate the cost implications of these two initiatives, clarify components' roles and responsibilities for estimating costs, and develop a standard reporting format for cost data. DOD generally agreed with our recommendations and has taken steps to implement two of them.<sup>17</sup>

Following the President's June 2014 announcement of ERI, EUCOM identified five lines of effort that it would pursue under ERI, as described in table 1.

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<sup>14</sup> GAO, *Force Structure: Actions Needed to Improve DOD's Ability to Manage, Assess and Report on Global Defense Posture Initiatives*, [GAO-09-706R](#) (Washington D.C.: July 2009).

<sup>15</sup> GAO, *Defense Management: Additional Cost Information and Stakeholder Input Needed to Assess Military Posture in Europe*, [GAO-11-131](#) (Washington D.C.: Feb. 3, 2011).

<sup>16</sup> GAO, *Force Structure: Improved Cost Information and Analysis Needed to Guide Overseas Military Posture Decisions*, [GAO-12-711](#) (Washington D.C.: June 6, 2012).

<sup>17</sup> DOD implemented our recommendations that it evaluate the costs associated with removing two heavy armored brigades from Europe and that it clarify components' roles and responsibilities for estimating costs and develop a standard reporting format for cost data in the combatant commands' posture plans. It did not implement our recommendation that it assess the costs associated with plans to modify naval forces in Europe. See [GAO-12-711](#).

**Table 1: The Department of Defense’s (DOD) European Reassurance Initiative (ERI) Lines of Effort**

Line of Effort	Description
<b>Increased Military Presence</b>	Increasing U.S. military forces in Europe through rotations of ground, air, and maritime units.
<b>Improved Infrastructure</b>	Pursuing, subject to final agreement with host nations, selective infrastructure improvements that expand the flexibility of U.S. allies and partners when responding to a conflict.
<b>Enhanced Prepositioning</b>	Prepositioning stocks of equipment in Europe.
<b>Building Partner Capacity</b>	Providing partner countries with the capability and capacity to defend themselves and enabling their participation as full operational partners against threatening actors.
<b>Additional Exercises and Training</b>	Participating more extensively in exercises and training with allies and partner countries.

Source: DOD Fiscal Year 2017 Budget Justification Materials | GAO-18-128

Three of ERI’s lines of effort are expected to enhance DOD’s posture in Europe. For example, DOD is using ERI to increase the forces present in Europe by rotating an armored brigade combat team and elements of a combat aviation brigade to Europe every nine months.<sup>18</sup> DOD also plans to enhance its footprint in Europe by using ERI funding to make infrastructure improvements and establish locations for prepositioned equipment. Finally, in order to implement ERI’s lines of effort and support U.S. activities, DOD is partnering with the State Department to negotiate host nation agreements that, among other things, establish protections for U.S. military personnel and provide DOD the authority to improve host nation installations and infrastructure. DOD is also supporting additional exercises and training to improve interoperability with partner countries while providing them with the capability and capacity to defend themselves, but these efforts are not expected to affect DOD’s long-term posture in Europe.

## DOD Has Expanded ERI’s Objectives and Funding, Contributing to Enhancements in Its Posture in Europe

Since 2014, DOD has expanded ERI’s objectives, increased its funding, and planned enhancements to posture in Europe. In fiscal years 2015 and 2016, ERI’s objective was to provide short-term reassurance to allies, and the initiative had little funding for long-term enhancements to posture. DOD focused its efforts on bolstering the security and capacity of NATO

<sup>18</sup> Army officials told us that the Army is not rotating one of the combat aviation brigade’s battalions because there is already one of these units forward stationed in Europe.

allies and partners by funding training, conducting exercises, and temporarily rotating Army and Air Force units to Eastern Europe. In fiscal year 2017, DOD expanded ERI's objectives to include deterring Russian aggression in the long term and developing the capacity to field a credible combined force should deterrence fail.

Recognizing that ERI's expanded objectives would require DOD to alter its posture in Europe, DOD has requested increased ERI funding. DOD will have requested approximately \$4.5 billion in ERI funding for posture enhancements through the end of fiscal year 2017; about \$3.2 billion of this was requested for use in fiscal years 2017. During the time of our review, EUCOM had identified a need for additional funding over the next several years for additional posture enhancements in Europe. Specific details about EUCOM's future posture plans and funding requirements were omitted because they are classified.

DOD has requested increased funding to support planned enhancements to all three posture elements—forces, footprint, and agreements—in Europe:

- **Force deployments to Eastern Europe:** In fiscal years 2015 and 2016, the Army deployed armored brigade combat teams to Eastern Europe to provide short-term reassurance to allies and partners, which DOD officials said included Estonia, Latvia, Lithuania, and Poland, among other countries. These short-duration deployments were intermittent and focused on demonstrating U.S. commitment to allies and partners. Additionally, the Air Force deployed air units on 4-month rotations to help protect allies' and partners' air space. In the fiscal year 2017 budget justification materials provided to Congress, as ERI's objectives expanded, DOD requested funding to retain Air Force fighter units in Europe. It also began deploying a rotational armored brigade combat team so that one such brigade would be present in Europe at all times (see figure 2). The first deployment, in January 2017, included approximately 4,000 personnel, 90 Abrams tanks, 90 Bradley Infantry fighting vehicles, and 112 supporting vehicles. Additionally, DOD began procuring and prepositioning equipment for two planned armored brigades in Europe, one of which will include modernized tanks, as an additional deterrent. According to Army officials, these force enhancements in Europe give the Army the ability to quickly deploy a substantial ground force in the event of a conflict. As of April 2017, DOD was still evaluating force enhancements in Europe as part of its fiscal year 2018 budget submission. Specific details were omitted because they are classified.

**Figure 2: Armored Brigade Combat Team Soldiers Conduct Live-Fire and React-to-Fire Exercise in Latvia (April 2017)**



Source: Staff Sgt. Charlene Moler, 7th Mobile Public Affairs Department. | GAO-18-128

- **New locations and improvements to infrastructure:** Since ERI was announced in 2014, DOD has established new enduring locations in Europe. An enduring location is designated by DOD and is a geographic site that DOD expects to access and use to support U.S. security interests for the foreseeable future. During our review, DOD had not yet determined whether additional enduring locations would be needed to support ERI.

In addition to establishing new enduring locations, DOD plans to improve installations and infrastructure. From fiscal years 2015 through 2017, DOD requested funding in its budget justification submissions to Congress for major military construction projects in nine European countries and to improve support infrastructure—such as roads, railheads, and airbasing—at these locations.<sup>19</sup> Major military construction projects are those projects specified in National Defense Authorization Acts. During the time of our review, DOD was considering addition improvements to existing infrastructure, specific details of which are classified. According to DOD and State Department officials, DOD is also

<sup>19</sup>DOD began major military construction projects in Bulgaria, Estonia, Germany, Iceland, Italy, Lithuania, Latvia, Poland, and Romania.

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working with U.S. allies and partners to determine what infrastructure improvements to roads, railroads, and bridges need to occur outside enduring locations to allow rapid response to a conflict.

- **New host nation agreements:** Since ERI was announced, DOD and the State Department have completed host nation agreements with six European nations in support of ERI efforts:
  - Romania, Bulgaria, and Poland, implementing previous agreements, in order to facilitate U.S. construction on installations and areas in the host country (June and July 2015 and June 2016).
  - Estonia, Latvia, and Lithuania, providing an overarching framework for protections for U.S. personnel and U.S. access to installations in host nations (January 2017).

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## DOD Does Not Prioritize Posture Initiatives Funded Under ERI against Those in Its Base Budget, Estimate Their Sustainment Costs, or Communicate Future Costs to Congress

DOD is using a separate process instead of its established posture planning process to plan for ERI's posture initiatives because of the emergent nature of ERI requirements and their having been funded through the OCO budget. DOD has established global defense posture management and base budget development processes that plan for posture initiatives and collectively support the department's efforts to establish priorities, evaluate resource requirements, and develop strategy and policy. As a result of its not using its established processes, DOD is not prioritizing posture initiatives funded under ERI against posture initiatives funded through its base budget, estimating these initiatives' long-term sustainment costs, or communicating their future costs to Congress.

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## DOD is Not Using Its Established Processes to Plan for and Fund ERI Posture Initiatives

DOD is planning ERI posture initiatives outside of its established processes and is funding these enduring initiatives—including rotational deployments and infrastructure projects—out of its OCO budget. We have

previously identified risks associated with DOD’s practice of completing construction projects outside of its established processes. For example, in September 2016 we reported that DOD had not issued implementing guidance to establish a formal process for reevaluating ongoing contingency construction projects when missions change and that as a result DOD risked completing unnecessary construction projects.<sup>20</sup> We also found that DOD lacked visibility into the amount of funding it was spending on operations and maintenance-funded construction projects in U.S. Central Command and that this increased financial risk and duplication risk for the department.<sup>21</sup>

Like U.S. Central Command, EUCOM is using DOD’s OCO budget to fund construction projects and is planning those projects outside of its established processes. Based on our analysis, DOD plans to spend approximately \$503 million from fiscal year 2015 through the end of fiscal year 2017 on ERI-related construction projects—about \$279 million for major military construction projects and \$224 million for minor military construction and facilities maintenance and repair projects (hereafter, minor construction and repair), as shown in table 2.<sup>22</sup>

**Table 2: Major Military Construction and Minor Military Construction and Facilities Maintenance and Repair Funded Under the European Reassurance Initiative, by Military Service (Programmed or Obligated Fiscal Years 2015 through 2017)<sup>a</sup>**

<b>Military Service</b>	<b>Major Military Construction (thousands of dollars)</b>	<b>Minor Construction and Repair (thousands of dollars)</b>
Army	55,900	157,078

<sup>20</sup>GAO, *Defense Infrastructure: Actions Needed to Enhance Oversight of Construction Projects Supporting Military Contingency Operations*, [GAO-16-406](#), (Washington D.C.: Sept. 8, 2016).

<sup>21</sup>We recommended that DOD take steps to improve its awareness of how much operation and maintenance funding was being used for contingency construction and develop guidance for the review and verification of contingency construction projects, among other things. DOD did not concur with our recommendation that it track the universe and cost of contingency construction projects resourced with operation and maintenance funding and partially concurred with our recommendation that it issue new implementing guidance for review and verification of projects. DOD had not taken steps to address these recommendations as of May 2017. GAO, *Defense Infrastructure: Actions Needed to Enhance Oversight of Construction Projects Supporting Military Contingency Operations*, [GAO-16-406](#), (Washington D.C.: Sept. 8, 2016).

<sup>22</sup>For detailed information on minor construction and repair projects funded under ERI, see appendix I.



Military Service	Major Military Construction (thousands of dollars)	Minor Construction and Repair (thousands of dollars)
Navy	21,400	0
Air Force	201,390	66,951
Marine Corps	0	0
<b>Total</b>	<b>278,690</b>	<b>224,029</b>

Source: GAO Analysis. | GAO-18-128

<sup>3</sup>The amount identified for minor construction and repair projects in fiscal years 2015 and 2016 is the obligated amount for each project, as reported by U.S. Army Europe; the amount identified for minor construction and repair projects in fiscal year 2017 is the programmed amount for each project. The amount identified for major military construction projects was calculated using construction cost data provided by the services.

Note: Major military construction projects are those projects specified in National Defense Authorization Acts. Major military construction projects are generally funded using appropriations available for multiple years, and obligations and expenditures for these projects may occur after fiscal year 2017. "Minor construction projects" are unspecified minor military construction projects, which are projects for which the cost does not exceed certain dollar limits and the projects are not included in the budget request as specific line items. Cost data are current as of February 2017, and obligations are as reported by U.S. Air Force Europe and U.S. Army Europe. For detailed information on minor construction and repair projects funded under ERI, see appendix I.

DOD has established global defense posture management and base budget development processes that plan for posture initiatives and collectively support the department's efforts to establish priorities, evaluate resource requirements, and develop strategy and policy. According to DOD Instruction 3000.12, DOD's global defense posture processes apply to DOD forces, footprint, and agreements that support joint and combined global operations and plans in foreign countries. According to the instruction, DOD's components use these processes to address planning for global defense posture, resource requirements, and policy development, among other things. Further, it states that these processes are overseen by an executive council that provides recommendations, inputs, and expertise on global defense posture to key national strategy products.<sup>23</sup> DOD's Planning, Programming, Budgeting, and Execution Process serves as the annual resource allocation process for DOD and is intended to enable DOD to align resources to prioritized capabilities; balance necessary warfighting capabilities with risk, affordability, and effectiveness; and provide mechanisms for making and implementing fiscally sound decisions in support of the national security strategy and the national defense strategy.<sup>24</sup>

<sup>23</sup> See DOD Instruction 3000.12, *Management of U.S. Global Defense Posture (GDP)*, para.1.2 (May 6, 2016).

<sup>24</sup> See DOD Directive 7045.14, *The Planning, Programming, Budgeting, and Execution (PPBE) Process*, paras. 4.a, 4.d(2), (3) (Jan. 25, 2013).

DOD is using a separate and evolving process to plan ERI's posture initiatives—rather than following its established processes—because ERI is being funded through DOD's OCO budget. According to officials from the Office of the Secretary of Defense, Cost Assessment and Program Evaluation, the department has recognized that the short-term planning process used to develop DOD's OCO budget can create problems when it is used to plan for enduring initiatives. As a result, DOD has developed a separate process to plan for ERI.

As part of the fiscal year 2018 planning process, EUCOM provided a prioritized list of potential requirements and an estimate of its annual costs by appropriation account to the Director for Cost Assessment and Program Evaluation. According to officials from the Office of the Secretary of Defense, Cost Assessment and Program Evaluation, DOD completed its review and provided recommendations to DOD's senior leaders for approval in October 2016 and final decisions were made within DOD in April 2017.<sup>25</sup> The specific criteria by which DOD assessed EUCOM's potential requirements are classified.

DOD is requesting funds for ERI's posture initiatives as part of its OCO budget, which is generally intended to be short-term funding for ongoing contingency operations. In February 2009, the Office of Management and Budget, in collaboration with DOD, issued criteria to assist in determining whether funding properly belonged in DOD's base budget or in its OCO budget. These criteria were updated in September 2010 and currently indicate that funding requests should be for specific geographic areas where combat or direct combat support operations occur (such as Iraq and Afghanistan).<sup>26</sup> Further, budget items must meet other criteria. For example, OCO funding requests may be for constructing facilities and infrastructure in the theater of operations in direct support of combat operations. In these cases, the level of construction should be the minimum needed to meet operational requirements, and construction completed at enduring locations must be tied to surge operations or major changes in operational requirements.

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<sup>25</sup>Specifically, the proposal was reviewed by the Deputy's Management Action Group, which is the primary civilian-military management forum that supports the Secretary of Defense, and addresses top departmental issues that have resource management and broad strategic or policy implications.

<sup>26</sup>The guidance indicates that other geographic areas not specifically identified may be included on a case-by-case basis.

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In January 2017, we reported that DOD did not apply the OCO criteria to ERI prior to deciding to budget for its requirements using its OCO budget. We recommended that DOD, in consultation with the Office of Management and Budget, reevaluate and revise the criteria for determining what can be included in OCO budget requests.<sup>27</sup> DOD concurred with our recommendation and noted that it plans to propose revised OCO criteria. As of May 2017, the department has not implemented our recommendation.

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### DOD Does Not Prioritize ERI Initiatives against Those in Its Base Budget, Estimate Long-Term Sustainment Costs, or Communicate Future Costs to Congress

DOD's planning for ERI's posture initiatives does not establish priorities for ERI initiatives relative to those in the base budget, estimate long-term sustainment costs for some posture initiatives funded under ERI, or communicate future ERI costs to Congress.

### DOD Does Not Review and Prioritize Posture Initiatives Funded Under ERI Relative to Those in Its Base Budget

When planning ERI's posture initiatives, DOD establishes priorities among ERI's initiatives but does not review posture initiatives funded under ERI relative to those funded in the military services' base budgets. DOD's posture management process is intended to establish priorities among global posture elements and is overseen by a Global Posture Executive Council.<sup>28</sup> According to DOD Instruction 3000.12, the Executive Council is responsible for reviewing, prioritizing, and endorsing across the combatant commands key posture elements such as military construction projects and international agreements. The Executive Council's endorsements inform the military services' budget deliberations.<sup>29</sup>

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<sup>27</sup> [GAO-17-68](#).

<sup>28</sup> The Global Posture Executive Council consists of representatives from the military services, the combatant commands, the Joint Staff, the Office of the Secretary of Defense, the State Department, the National Security Council staff, and other stakeholders as required.

<sup>29</sup> See generally DOD Instruction 3000.12, *Management of U.S. Global Defense Posture (GDP)* (May 6, 2016).

For the fiscal year 2017 ERI budget, EUCOM requested funding for several posture initiatives, including the continuous, rotational deployment of an armored brigade combat team and the establishment of prepositioned equipment in Europe.<sup>30</sup> Officials representing the Under Secretary of Defense for Policy and the Director, Cost Assessment and Program Evaluation said that as part of its planning process for ERI the Deputy's Management Action Group evaluated and prioritized posture initiatives funded under ERI. However, DOD could not provide documentation that it had established priorities relative to posture initiatives funded through the base budget. Further, the Global Posture Executive Council did not review or prioritize posture initiatives funded under ERI relative to posture initiatives funded through DOD's base budget. Similarly, as DOD prepared the fiscal year 2018 ERI budget request, the Global Posture Executive Council did not prioritize EUCOM's proposed ERI posture initiatives relative to initiatives funded through DOD's base budget. More detailed information about these proposals, and their potential funding requirements, are classified.

According to officials from the Office of the Under Secretary of Defense for Policy and the Joint Staff, DOD did not prioritize posture initiatives funded under ERI against base-budget funded posture initiatives, because ERI is funded through DOD's OCO budget—which does not directly affect the services' base budgets. However, because it does not prioritize ERI initiatives against other initiatives funded through the base budget, DOD lacks an understanding of the relative importance of initiatives funded under ERI and may begin investing in projects that it would not support in the absence of funding from DOD's OCO budget. For example, Army officials noted that if funding were to become unavailable in DOD's OCO budget, the Army is unsure how initiatives funded under ERI would rank in importance relative to other posture initiatives funded in its base budget. Consequently, the Army would be forced to make critical—and potentially costly—decisions quickly and without a clear idea of which posture initiatives were most important to the department.

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<sup>30</sup>In addition, EUCOM requested persistent deployment of an Army combat aviation brigade and funding to retain Air Force fighter aircraft in Europe that DOD had initially planned to remove. These initiatives were all included in DOD's fiscal year 2017 congressional budget justification documentation.

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## DOD Does Not Estimate Long-Term Sustainment Costs for Some Posture Initiatives Funded Under ERI

In planning for posture initiatives funded under ERI, EUCOM and the military services have not fully estimated the long-term sustainment costs of ERI's posture initiatives to establish prepositioned equipment and construct new facilities. DOD's global defense posture guidance indicates that, when evaluating potential changes to posture, the combatant commands should work with the military services to estimate the full cost of planned posture initiatives, including sustainment costs.<sup>31</sup> DOD's guidance on economic analysis also notes the importance of understanding both the size and timing of costs.<sup>32</sup> Finally, our prior work has demonstrated that comprehensive cost estimates of current and future resource requirements are critical to making funding decisions and assessing program affordability.<sup>33</sup>

DOD leadership emphasized throughout the fiscal year 2018 budget review process that the services would need to fund ERI posture sustainment costs through their respective base budgets, but DOD did not direct the services and EUCOM to estimate these costs as they would have under their established processes. Officials from the Office of the Secretary of Defense, Cost Assessment and Program Evaluation said that DOD leadership emphasized that the military services would need to fund all future sustainment costs for ERI projects from their base budgets.

Based on DOD's approach for calculating rough order sustainment costs, we determined that ERI sustainment costs for prepositioned equipment and construction could be substantial.<sup>34</sup> Army and Air Force officials said that they were working to identify and incorporate these costs into future base budget submissions. DOD officials said that we correctly applied DOD's approach for estimating sustainment costs, but noted that actual costs may be lower than the estimated costs, because the military

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<sup>31</sup>DOD Instruction 3000.12, *Management of U.S. Global Defense Posture (GDP)*, paras. 4.6.a(5), 6.2.c(5)(b) (May 6, 2016).

<sup>32</sup>See DOD Instruction 7041.03, *Economic Analysis for Decision-making*, encl. 2, para.1 (Sept. 9, 2015).

<sup>33</sup>Affordability is the degree to which funding requirements fit within the agency's overall portfolio plan.

<sup>34</sup>DOD's rough order of magnitude estimation approach multiplies the total cost of major military construction projects by 2.25 percent to estimate annual sustainment costs.

services may not fully fund sustainment. Additionally, officials said that EUCOM is trying to negotiate burden sharing agreements with host nations; however, it is unclear whether these negotiations will be successful or how any resulting agreements would affect DOD's future costs.

Without comprehensive estimates of the sustainment costs for the prepositioned equipment and major military construction projects in Europe, DOD decision makers have been limited in their ability to evaluate the affordability of these initiatives. Further, in the absence of these estimates, the services have been limited in their ability to plan for costs in future budgets, because they have an incomplete understanding of the magnitude of those costs and of when they are likely to be incurred.

#### DOD Does Not Communicate to Congress the Future Costs of Enduring ERI Activities Funded through OCO

The funding plan that DOD submits to Congress for ERI does not contain information about ERI's future costs. This is in contrast to the way DOD submits its funding plan for its base budget, where DOD provides Congress with cost projections over a 5-year period, by appropriation, leaving Congress with a better understanding of how and when to allocate resources.<sup>35</sup> In reviewing the fiscal year 2018 ERI request, the Director for Cost Assessment and Program Evaluation assessed future costs associated with posture initiatives funded under ERI. We previously reported that DOD was not developing enduring requirements funded through its OCO budget as part of its budget and programming process.<sup>36</sup> Officials from the Office of the Under Secretary of Defense (Comptroller) and the Office of the Secretary of Defense, Cost Assessment and Program Evaluation told us that DOD has not been required to provide estimates for future OCO costs for ERI to Congress previously. An official from the Office of the Under Secretary of Defense (Comptroller) told us that DOD does not plan to provide these future costs to Congress along with its fiscal year 2018 ERI budget submission.

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<sup>35</sup>The Secretary of Defense submits annually to Congress, at or about the time the President's budget is submitted, a future-years defense program reflecting the estimated expenditures and proposed appropriations included in that budget. The future-years defense program is to cover the fiscal year for which the budget is submitted and at least four succeeding years. See 10 U.S.C. § 221.

<sup>36</sup>[GAO-17-68](#).

Additionally, in preparing its posture requirements, EUCOM did not identify assumptions regarding host nation and NATO burden sharing. For example, officials from the Office of the Under Secretary of Defense for Policy said that DOD has submitted a request to the NATO Security Investment Programme for \$200 million in funding to build a facility in Poland to store Army equipment. Officials told us that, as a result, this construction project was identified as a lesser priority in EUCOM's fiscal year 2018 request for funding. A senior Army officer told us that completion of a facility in Poland was critical to its plans in Europe. Officials from the U.S. Mission to NATO told us that as of July 2016 NATO had approved funding to complete preliminary architectural and engineering design for this project. Officials expect additional funding will be made available in July 2017 to complete final design and site preparation and the full cost of the project will be approved in early 2019. However, these officials noted that additional funding beyond what has been approved by NATO may be required to meet U.S.-specific requirements. Similarly, EUCOM officials said that they are working to identify opportunities to defray future costs through host nation contributions, but it is unclear how much funding—if any—host nations will provide moving forward.

Congress has expressed interest in knowing the future costs of enduring activities being funded through DOD's OCO budget. The Senate Appropriations Committee's report accompanying a bill for DOD's fiscal year 2015 appropriations stated that the committee does not have an understanding of enduring activities funded by the OCO budget. The committee further noted that there is a potential for risk in continuing to fund non-contingency-related activities through the OCO budget.<sup>37</sup> Both GAO's and other federal standards emphasize that agencies should provide complete and reliable information on the costs of programs

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<sup>37</sup> See S. Rep. No. 113-211, at 275 (2014). The Joint Explanatory Statement accompanying the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, expressed concern that DOD has not outlined a comprehensive plan for military construction requirements to support ERI. It directed DOD, when it submits the fiscal year 2018 budget request, to provide the appropriations committees with a comprehensive plan for military construction requirements associated with ERI through the fiscal year 2018 future years defense program. 162 Cong. Rec. S5990 (daily ed. Sept. 22, 2016).

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externally, so that decision makers can make informed decisions when allocating resources.<sup>38</sup>

DOD has not provided Congress projections of future costs for posture initiatives funded under ERI because it is reviewing those requirements outside of its budget and programming processes, and DOD officials said that the department is not required to provide this information. As a result, DOD is limiting congressional visibility into the resources needed to achieve ERI's objectives. If DOD does not provide Congress with projections of the future costs of posture initiatives funded under ERI and information on its assumptions pertaining to host nation support and burden sharing, it will continue to impede congressional visibility into the resources that are needed to fully implement these initiatives.

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## Conclusions

Russia's annexation of Crimea and the subsequent threat of further aggression led DOD to establish and later expand ERI's objectives and enhance posture in Europe to support a new U.S. strategy toward Russia. DOD has requested funding for these enhancements using its OCO budget; however, the processes DOD uses to develop its OCO budget were not designed to plan for and fund long-term, enduring initiatives such as ERI. By following a separate planning process when funding ERI with OCO, DOD is taking on risk by not reviewing and prioritizing ERI posture plans against other posture initiatives, estimating the costs for sustaining ERI initiatives, and providing Congress with estimates of ERI's future costs. DOD risks making decisions that lack a strategic vision in comparison to other DOD priorities and may fund initiatives that cannot be sustained over the long term. Furthermore, Congress is likely to face challenges in assessing DOD's estimated costs for ERI and the affordability of initiatives funded under ERI over the long term.

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<sup>38</sup> *Standards for Internal Control in the Federal Government* emphasizes using complete information to make decisions and then communicating such information externally. The Federal Accounting Standards Advisory Board Handbook of *Federal Accounting Standards and Other Pronouncements, as Amended*, also requires agencies to provide reliable information on the full costs of their federal programs aimed at assisting congressional and executive decision makers in allocating federal resources and making decisions to improve operating economy and efficiencies. [GAO-14-704G](#). Federal Accounting Standards Advisory Board, *FASAB Handbook of Federal Accounting Standards and Other Pronouncements, as Amended*, June 30, 2015.



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## Recommendations for Executive Action

To better ensure that DOD can target resources to its most critical initiatives and establish priorities across its base budget and overseas contingency operations budget, we recommend that the Secretary of Defense prioritize posture initiatives under ERI relative to those funded in its base budget as part of its established posture-planning processes. (Recommendation 1)

To better enable decision makers to evaluate the full long-term costs of posture initiatives under ERI, we recommend that the Secretary of Defense direct EUCOM and the military services to develop estimates for the sustainment costs of prepositioned equipment and other infrastructure projects under ERI and ensure that the services plan for these long-term costs in future budgets. (Recommendation 2)

To support congressional decision making, we recommend that the Secretary of Defense provide to Congress, along with the department's annual budget submission, estimates of the future costs for posture initiatives funded under ERI and other enduring costs that include assumptions such as those pertaining to the level of host nation support and burden sharing. (Recommendation 3)

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## Agency Comments and Our Evaluation

We provided a draft of the classified report to DOD for review and comment. DOD partially concurred with all three of our recommendations, and we have reproduced DOD's comments on the classified report in appendix II. DOD also provided technical comments, which we incorporated as appropriate.

DOD partially concurred with our first recommendation to use its established posture-planning processes to prioritize ERI's posture initiatives relative to those funded in DOD's base budget. In its comments, DOD stated that it will continue to prioritize the negotiation of international agreements supporting ERI through the Global Posture Executive Council, and that an on-going Strategic Review will inform ERI and guide both EUCOM and the services in their program planning efforts. These are positive steps. DOD also stated it will adjudicate its ERI-funded force requirements through its global force management process, adding that it will continue to resource OCO funds for ERI requirements until there is a

sufficient increase in DOD's base budget to do so. However, we continue to believe, as noted in our report, that DOD could improve its planning for posture initiatives funded under ERI, whether or not they are funded through OCO, by using DOD's established posture planning processes. Although DOD's global force management process directly affects overseas military posture in the near term, this process is not designed to evaluate long-term posture priorities. If DOD does not prioritize the forces and infrastructure projects funded under ERI against those funded using the military services' base budgets, it will continue to lack an understanding of the relative importance of the posture initiatives funded under ERI. Without such an understanding, DOD increases the risk that the services will need to make critical and potentially costly decisions without a clear idea of which posture initiatives are most critical to the department.

DOD partially concurred with our second recommendation that EUCOM and the military services develop estimates for future sustainment costs and plan for these costs in future budgets. In its comments, DOD stated that its components will continue to estimate the sustainment costs for prepositioned stocks and other infrastructure projects during DOD's annual program and budget review process. DOD also commented that without additional topline base budget funding, some portion of the associated sustainment costs will need to be financed with OCO funds. However, as we noted in our report, neither the Army nor the Air Force has fully estimated these potentially significant future costs, nor had either service incorporated them into their future budgets. Using OCO funds would mark a departure from DOD leadership's emphasis that the services would need to fund ERI posture sustainment costs through their respective base budgets. Additionally, not developing robust estimates for sustaining these initiatives could increase long-term fiscal risk for the department if DOD shifts more ERI-associated enduring costs into its OCO budget. In the absence of robust cost estimates and deliberate planning to address those costs in future budgets, DOD will continue to be limited in its ability to evaluate the affordability of posture initiatives funded under ERI, and the military services may not plan adequate funding to sustain posture investments in Europe.

DOD partially concurred with our third recommendation, to provide Congress with estimates of the future costs for posture initiatives funded under ERI and information on any underlying assumptions, such as those pertaining to the level of host nation support and burden sharing. In its comments, DOD stated that it does not currently prepare a formal 5-year Future Years Defense Program for OCO-related costs. Moreover, DOD

commented that it factors in host nation support and burden sharing when preparing budget estimates for Congress. However, DOD does not state whether it will begin to provide Congress future estimates and any underlying assumptions with its budget submission. It is critical that DOD increase congressional visibility into ERI's future costs and its underlying assumptions to facilitate congressional oversight and reasonably ensure that initiatives can be sustained over the long-term.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and the Commander, U.S. European Command. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (404) 679-1816 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in Appendix III.



John. H. Pendleton, Director  
Defense Capabilities and Management

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*List of Committees*

The Honorable Thad Cochran  
Chairman

The Honorable Richard Durbin  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

The Honorable Jerry Moran  
Chairman

The Honorable Brian Schatz  
Ranking Member  
Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
Committee on Appropriations  
United States Senate

The Honorable Kay Granger  
Chairwoman

The Honorable Peter J. Visclosky  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

The Honorable Charlie Dent  
Chairman

The Honorable Debbie Wasserman Schultz  
Ranking Member  
Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
Committee on Appropriations  
House of Representatives

## Appendix I: Unspecified Minor Military Construction and Facilities Maintenance and Repair Projects Funded under the European Reassurance Initiative in Fiscal Years 2015 through 2017

The Army and Air Force identified approximately \$224 million in unspecified minor military construction and facilities maintenance and repair projects (hereafter, minor construction and repair) that were programmed or obligated for the European Reassurance Initiative (ERI) in fiscal years 2015 through 2017.<sup>1</sup> This includes \$157 million for minor construction and repair projects identified by the Army and nearly \$67 million for minor construction and repair projects identified by the Air Force. According to U.S. European Command officials, Navy and Marine Corps construction projects funded under ERI were either major military construction or exercise-related construction projects. The tables below do not include Navy and Marine Corps exercise-related construction projects. Using the data provided by the military services, we compiled the programmed and obligated funding for these minor construction and repair projects by fiscal year, country, location, and project name in tables 3 and 4.<sup>2</sup> The information in these tables was provided by U.S. Army Europe and U.S. Air Force Europe in response to our request for a list of minor military construction and repair projects. The data provided did not identify the appropriations used for each project. Accordingly, we have

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<sup>1</sup>Generally, unspecified minor military construction refers to construction projects for which the cost does not exceed certain dollar limits and the projects are not included in the budget request as specific line items. Cost thresholds for unspecified minor military construction are provided in section 2805 of Title 10, U.S. Code.

<sup>2</sup>The amount identified for minor construction and repair projects in fiscal years 2015 and 2016 is the obligated amount for each project, as provided by U.S. Army Europe and U.S. Air Force Europe. Funding amounts for minor construction and repair projects identified in fiscal year 2017 had not yet been obligated and, as a result, the programmed amount is used in this summary. According to U.S. European Command officials, Navy and Marine Corps construction projects funded under ERI were identified either as major military construction or exercise-related construction projects.

**Appendix I: Unspecified Minor Military Construction and Facilities Maintenance and Repair Projects Funded under the European Reassurance Initiative in Fiscal Years 2015 through 2017**

not conducted a review to examine whether funds were appropriately used for a given project.

**Table 3: Army Unspecified Minor Military Construction and Facilities Maintenance and Repair Projects Programmed or Obligated as of February 2017 (dollars in thousands)<sup>a</sup>**

Location	Project	FY2015	FY2016	FY2017
Bulgaria	Novo Selo			
	1000m Automated Sniper Range	0	972	0
	1500m Machine Gun Range	0	326	0
	25m Zero Range	0	53	0
	300m Automated Record Fire Range	0	742	0
	350m Moving Target	0	0	75
	Ammunition Holding Area	0	980	0
	Aviation Operations Facility	116	0	0
	Aviation Parking Apron	646	0	0
	Aviation Target Positions	0	710	0
	Aviation Target Positions Extension	0	0	622
	Boresight Screening and Harmonization	0	342	0
	Forward Area Rearm/Refuel Point	0	115	0
	HAZMAT Storage Building	0	66	0
	Live Fire Shoot House	0	312	0
	Marash River Bridge Repair	295	0	0
	Motor Pool / Bays	336	0	0
	Motor Pool Hardstand	1,625	0	0
	Multi-purpose Warehouse	416	0	0
	Non-Standard Gunnery Lanes	0	1,500	0
	Novo Selo IDS	0	325	0
	Range Control Building	226	0	0
	Range Road & Bridge	836	0	0
	Range Road Improvements	5,532	220	0
	Range Tower	0	135	0
	Rappel Tower	266	0	0
	Target Warehouse	476	0	0
	Tracked Vehicle Target Positions	0	587	0
	Tracked Vehicle Target Positions Extension	0	0	610
	UAV Strip	965	0	0
Urban Assault Course	0	426	0	
Urban Breaching Range	0	357	0	

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Location		Project	FY2015	FY2016	FY2017
		Wheeled Vehicle Target Positions	0	615	0
		Wheeled Vehicle Target Positions Extension	0	0	328
		Subtotal Novo Selo	11,735	8,783	1,635
		<b>Total Bulgaria</b>	<b>11,735</b>	<b>8,783</b>	<b>1,635</b>
Estonia	Tapa	1000m Automated Sniper Range	400	0	0
		1500m Machine Gun Range	0	688	0
		300m Automated Record Fire Range	100	0	0
		Alternate Railhead Upgrade	650	0	0
		Ammunition Breakdown Building (CPQC)	25	0	0
		Ammunition Breakdown Building (Demo)	25	0	0
		Ammunition Breakdown Building (Sniper)	25	0	0
		Ammunition Holding Area	0	825	0
		Classroom/AAR Building (Sniper)	125	0	0
		Combat Pistol Qualification Course	100	0	0
		Employee Parking Area	165	0	0
		Fuel Point Renovation	400	0	0
		Live Fire Shoot House	0	405	0
		Maintenance Building	828	0	0
		Motor Pool Hardstand	975	0	0
		Motor Pool Maintenance Bays	600	0	0
		Multi-purpose Building K-Span (Gym)	0	94	0
		Multi-purpose Building K-Span (Storage)	0	94	0
		New Vehicle Storage Building	990	0	0
		Non-Standard Gunnery Lanes (Course Roads)	0	605	0
		Railhead Loading and Staging Area	876	0	0
		Railhead Marshalling Area	900	0	0
		Range Operations/Storage Building	125	0	0
		Range Operations/Tower (300M)	75	0	0
		Range Operations/Tower (Sniper)	75	0	0
		Range Road improvements	0	55	0
		Refurbish Vehicle Storage Building	1,089	0	0
		Security Improvements	545	0	0
		Urban Assault Course	0	942	0
		Wash Rack	400	0	0
		Subtotal Tapa	9,493	3,707	0
		<b>Total Estonia</b>	<b>9,493</b>	<b>3,707</b>	<b>0</b>
Hungary	Varpalota	LSA Site Prep	0	0	100

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Location		Project	FY2015	FY2016	FY2017
		Subtotal Varpalota	0	0	100
		<b>Total Hungary</b>	<b>0</b>	<b>0</b>	<b>100</b>
Latvia	<b>Adazi</b>	1000m Automated Sniper Range	586	0	0
		1500m Machine Gun Range	900	0	0
		25m Zero Range	33	0	0
		300m Automated Record Fire Range	186	0	0
		350m Moving Target	0	0	75
		Ammunition Breakdown Building	0	50	0
		Ammunition Breakdown Building (300m ARF)	73	0	0
		Ammunition Breakdown Building (IPBC)	73	0	0
		Ammunition Breakdown Building (Sniper/MG)	73	0	0
		Ammunition Holding Area	906	0	0
		Ammunition Loading Dock	0	65	0
		ARMAG and 150 KW Generator Area	78	0	0
		Aviation Target Positions	0	524	0
		Boresight Screening and Harmonization	629	0	0
		Classroom/AAR Building (300m ARF)	0	194	0
		Classroom/AAR Building (IPBC)	0	194	0
		Classroom/AAR Building (NSLF)	0	194	0
		Classroom/AAR Building (Sniper/MG)	0	194	0
		Combat Pistol Qualification Course	0	58	0
		Containerized Latrines	27	0	0
		Exterior Security Measures	198	0	0
		Forward Area Rearm/Refuel Point	0	187	0
		Fuel Point	609	0	0
		Fuel Point	234	0	0
		GARKALNE Railhead Site	0	670	0
		Gravel Motor Pool	279	0	0
		Infantry Platoon Battle Course	669	0	0
		Interior Road Network	875	0	0
		Live Fire Shoot House	0	694	0
		LSA Site Prep	0	0	150
		Motor Pool Hardstand	902	0	0
		Multi-purpose Cover Area (Sniper/MG)	0	61	0
		Multi-purpose Covered Area (300m ARF)	0	61	0
		Multi-purpose Covered Area (IPBC)	0	61	0



**Appendix I: Unspecified Minor Military  
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<b>Location</b>	<b>Project</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
	Multi-purpose Covered Area (NSLF)	0	61	0
	Multi-purpose Covered Area (UAC)	0	61	0
	Parts Warehouse	680	0	0
	Range Operations Tower (ARF)	106	0	0
	Range Operations Tower (IPBC)	107	0	0
	Range Operations Tower (Sniper/MG)	106	0	0
	Range Operations/Storage Building	0	190	0
	Range Operations/Storage Building (ARF)	140	0	0
	Range Operations/Storage Building (IPBC)	269	0	0
	Range Operations/Storage Building (Sniper/MG)	269	0	0
	Range Operations/Storage Building (UAC)	269	0	0
	Range Operations/Tower (Heavy)	0	157	0
	Repair Tank Trail	0	667	0
	Target Warehouse	900	0	0
	Test Track	682	0	0
	Tracked and Oversized Maintenance Facility	902	0	0
	Tracked Vehicle Maintenance Facility	597	0	0
	Tracked Vehicle Storage Facility	1,000	0	0
	Tracked Vehicle Target Positions	0	702	0
	Urban Assault Course	244	0	0
	Urban Breaching Range	0	400	0
	Wheeled Vehicle Maintenance Facility	607	0	0
	Wheeled Vehicle Storage Facility	1,500	0	0
	Wheeled Vehicle Target Positions	0	931	0
	Subtotal Adazi	15,708	6,375	225
Lielvarde	Aircraft Rinse System	0	0	400
	Ammunition Holding Area	906	0	0
	Aviation Maintenance LAMS	901	0	0
	Battalion HQs Building	0	0	430
	HAZMAT Storage Building	75	0	0
	LSA Site Prep	0	0	150
	Parking Apron (CH-47)	0	0	200
	Parking Apron (UH-60)	0	0	775
	Taxiway	0	0	710
	Vehicle Maintenance Building	0	0	600
	Vehicle Parking Area	0	0	510

**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
Repair Projects Funded under the European  
Reassurance Initiative in Fiscal Years 2015  
through 2017**

<b>Location</b>	<b>Project</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
	Subtotal Lielvarde	1,882	0	3,775
	<b>Total Latvia</b>	<b>17,590</b>	<b>6,375</b>	<b>4,000</b>
Lithuania	Mumaiciai			
	ARMAG	0	79	0
	CRSP Yard	0	277	0
	Exterior Security Measures	0	738	0
	Interior Road Network	0	751	0
	Machine Shop and Vehicle Maint.	0	755	0
	Maintenance Facility	0	113	0
	Tracked Vehicle Maintenance Facility	0	746	0
	Subtotal Mumaiciai	0	3,459	0
	Pabrade			
	350m Moving Target	0	0	75
	Ammunition Holding Area	905	0	0
	Aviation Target Positions	971	0	0
	Boresight Screening and Harmonization	629	0	0
	Forward Area Rearm/Refuel Point	0	174	0
	Fuel Point	466	0	0
	Fuel Point Road	389	0	0
	Maintenance Bays	589	0	0
	Motor Pool Hardstand	899	0	0
	Range Operations/Control Tower (L)	360	0	0
	Range Operations/Storage Building	255	0	0
	Target Warehouse	899	0	0
	Tracked Vehicle Target Positions	986	0	0
	Wash Rack	151	0	0
	Subtotal Pabrade	7,499	174	75
	Rukla			
	1000m Automated Sniper Range	645	0	0
	1500m Machine Gun Range	585	0	0
	300m Automated Record Fire Range	186	0	0
	Ammunition Breakdown Building	210	0	0
	Combat Pistol Qualification Course	92	0	0
	Fuel Point	390	0	0
	LSA Site Prep	0	0	100
	Maintenance Bays	589	0	0
	Motor Pool Hardstand	900	0	0
	Parts Warehouse	673	0	0
	Rail Loading Ramps/Parking	0	0	195
	Railhead Marshalling Area	0	540	0

**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
Repair Projects Funded under the European  
Reassurance Initiative in Fiscal Years 2015  
through 2017**

Location		Project	FY2015	FY2016	FY2017
		Range Operations/Storage Building(180m2)	268	0	0
		Range Operations/Storage Building(240m2)	331	0	0
		Range Tower (Small)	236	0	0
		Target Warehouse	899	0	0
		Wash Rack	151	0	0
		Subtotal Rukla	6,155	540	295
		<b>Total Lithuania</b>	<b>13,654</b>	<b>4,173</b>	<b>370</b>
Poland	Boleslawiec	Barracks Renovations	0	0	500
		LSA Site Prep	0	0	200
		Motor Pool Hardstand	0	0	851
		Tracked Vehicle Maintenance Facility	0	0	840
		Subtotal Boleslawiec	0	0	2,391
	Drawsko Pomorskie	1000m Automated Sniper Range	316	0	0
		1500m Machine Gun Range	382	0	0
		25m Zero Range	17	0	0
		300m Automated Record Fire Range	154	0	0
		350m Moving Target	0	0	275
		Ammunition Breakdown Building (1500m MG)	30	0	0
		Ammunition Breakdown Building (300m ARF)	30	0	0
		Ammunition Breakdown Building (Live Fire)	30	0	0
		Ammunition Holding Area	946	0	0
		Ammunition Loading Dock	101	0	0
		Aviation Target Positions	328	0	0
		Boresight Screening and Harmonization	343	0	0
		Classroom/AAR Building (1500m MG)	91	0	0
		Classroom/AAR Building (300m ARF)	91	0	0
		Classroom/AAR Building (Boresight)	91	0	0
		Classroom/AAR Building (Live Fire)	91	0	0
		Classroom/AAR Building (NSLF)	91	0	0
		Combat Pistol Qualification Course	72	0	0
		Fuel Point	418	0	0
		Live Fire Shoot House	390	0	0
		Motor Pool Hardstand	860	0	0
		MOUT Integration Training Site	271	0	0
		Multi-purpose Covered Area (1500m MG)	43	0	0
		Multi-purpose Covered Area (300m ARF)	43	0	0

**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
Repair Projects Funded under the European  
Reassurance Initiative in Fiscal Years 2015  
through 2017**

<b>Location</b>	<b>Project</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
	Multi-purpose Covered Area (Boresight)	43	0	0
	Multi-purpose Covered Area (Live Fire)	43	0	0
	Multi-purpose Covered Area (NSLF)	43	0	0
	Parts Warehouse	382	0	0
	Range Operations/Storage Building (1500m MG)	91	0	0
	Range Operations/Storage Building (300m ARF)	91	0	0
	Range Operations/Storage Building (Boresight)	91	0	0
	Range Operations/Storage Building (Live Fire)	91	0	0
	Range Operations/Storage Building (NSLF)	91	0	0
	Range Tower (1500m MG)	112	0	0
	Range Tower (300m ARF)	112	0	0
	Target Warehouse	651	0	0
	Tracked Vehicle Maintenance Facility	593	0	0
	Tracked Vehicle Target Positions	610	0	0
	Trail Improvement	29	0	0
	Wash Rack	325	0	0
	Wheeled Vehicle Maintenance Facility	589	0	0
	Wheeled Vehicle Target Positions	622	0	0
	Subtotal Drawsko Pomorskie	9,838	0	275
Orzysz	350m Moving Target	0	0	275
	Additional EFP Projects	0	0	500
	Subtotal Orzysz	0	0	775
Powidz	Aircraft Rinse System	0	0	664
	Battalion HQs Building	0	0	430
	LSA Site Prep	0	0	200
	Parking Apron (CH-47)	0	0	725
	Parking Apron (UH-60)	0	0	893
	Taxiway Expansion	0	0	716
	Subtotal Powidz	0	0	3,628
Skwierzyna	ARMAG	0	75	0
	Barracks Renovations	0	0	500
	Containerized Latrines	0	65	0
	Dry Goods Storage	0	702	0
	Exterior Security Measures	0	932	0
	Fuel Point	0	330	0

**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
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through 2017**

<b>Location</b>	<b>Project</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
	Hardstand	0	268	0
	Interior Road Network	0	609	0
	LSA Site Prep	0	0	150
	Tracked and Oversized Maintenance Facility	0	949	0
	Tracked Vehicle Storage Facility	0	900	0
	Wash Rack	0	330	0
	Wheeled Vehicle Maintenance Facility	0	633	0
	Wheeled Vehicle Storage Facility	0	900	0
	<b>Subtotal Skwierzyna</b>	<b>0</b>	<b>6,692</b>	<b>650</b>
Swietoszow	Barracks Renovations	0	0	500
	LSA Site Prep	0	0	150
	Motor Pool Hardstand	0	0	851
	Tracked Vehicle Maintenance Facility	0	0	840
	<b>Subtotal Swietoszow</b>	<b>0</b>	<b>0</b>	<b>2,341</b>
Zagan	350m Moving Target	0	0	275
	Ammunition Holding Area	0	0	750
	Aviation Target Positions	0	0	868
	Barracks Renovations	0	0	500
	LSA Site Prep	0	0	250
	Motor Pool Hardstand	0	0	851
	Railhead Improvements	0	0	750
	Tracked Vehicle Maintenance Facility	0	0	840
	Tracked Vehicle Target Positions	0	0	935
	Wheeled Vehicle Target Positions	0	0	982
	<b>Subtotal Zagan</b>	<b>0</b>	<b>0</b>	<b>7,001</b>
	<b>Total Poland</b>	<b>9,838</b>	<b>6,692</b>	<b>17,061</b>
Romania Babadag	1000m Automated Sniper Range	0	750	0
	1500m Machine Gun Range	0	449	0
	300m Automated Record Fire Range	0	693	0
	Ammunition Breakdown Building (1500m MG)	0	20	0
	Ammunition Breakdown Building (300m ARF)	0	20	0
	Ammunition Breakdown Building (CPQC)	0	20	0
	Ammunition Breakdown Building (Sniper)	0	20	0
	Combat Pistol Qualification Course	0	216	0
	Range Operations/Tower (1500m MG/Sniper)	0	28	0

**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
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Reassurance Initiative in Fiscal Years 2015  
through 2017**

<b>Location</b>	<b>Project</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
	Range Operations/Tower (ARF)	0	28	0
	Range Operations/Tower (CQPC)	0	28	0
	Subtotal Babadag	0	2,273	0
Cincu	1500m Machine Gun Range	0	671	0
	300m Automated Record Fire Range	368	0	0
	350m Moving Target	0	0	75
	Ammunition Breakdown Building (300m ARF)	0	28	0
	Ammunition Breakdown Building (CPQC)	46	0	0
	Ammunition Holding Area	0	0	900
	Aviation Target Positions	0	0	328
	Classroom/AAR Building	0	592	0
	Combat Pistol Qualification Course	200	0	0
	Fuel Point	407	0	0
	Live Fire Shoot House	0	507	0
	Motor Pool Hardstand	519	0	0
	Motor Pool/Bays	0	0	737
	Multi-purpose Cover Area (Sniper/MG)	0	44	0
	Multi-purpose Covered Area (25m Zero)	0	44	0
	Multi-purpose Covered Area (300m ARF)	0	44	0
	Multi-purpose Covered Area (CPQC)	0	44	0
	Multi-purpose Covered Area (Rappel Tower)	0	44	0
	Multi-purpose Covered Area (Urban Breaching)	0	44	0
	Railhead Endramp (Viola)	0	0	750
	Range Control Building	254	0	0
	Range Operations/Storage Building (1500m MG/Sniper)	0	72	0
	Range Operations/Storage Building (300m ARF)	74	0	0
	Range Road Improvements	0	825	0
	Range Road Improvements 1	6,091	0	0
	Range Road Improvements 2	948	0	0
	Rappel Tower	292	0	0
	TADDs Warehouse	314	0	0
	Target Warehouse	411	0	0
	Tracked Vehicle Target Positions	0	0	610
	Urban Assault Course	304	0	0
	Urban Breaching Range	0	28	0
	Wastewater Treatment System	843	0	0
	Wheeled Vehicle Target Positions	0	0	622

**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
Repair Projects Funded under the European  
Reassurance Initiative in Fiscal Years 2015  
through 2017**

<b>Location</b>	<b>Project</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
	Subtotal Cincu	11,071	2,988	4,022
Mihail Kogalniceanu	25m Zero Range	0	332	0
	Aircraft Rinse System	0	0	400
	Ammunition Breakdown Building	0	64	0
	Aviation Maintenance LAMS	990	0	0
	Back Perimeter Road Realignment	0	50	0
	Barracks Laundry Facility	430	0	0
	Battalion Classroom	0	430	0
	Battalion HQs Building	0	510	0
	Bulk Fuel Tank Commissioning	0	178	0
	Classroom/AAR Building	324	0	0
	Company HQs Building	0	733	0
	DFAC Cold and Dry Storage	0	519	0
	Fence for LSA to Motor Pool	0	35	0
	FOS SSA Warehouse	0	812	0
	HAZMAT Storage Building	0	69	0
	Indoor Dry Goods Storage Facility	0	333	0
	Infrastructure	0	678	0
	Interior Lighting-Phase II	0	75	0
	Interior Road Upgrades	0	219	0
	Latrines	0	370	0
	M1/M2 Calibration Range	0	0	100
	Maintenance Area Fencing	0	75	0
	Maintenance Bays	709	0	0
	Mihail Kogalniceanu Berm Demo Rental Equipment	0	117	0
	Mihail Kogalniceanu IDS	240	0	0
	Motor Pool Hardstand	843	865	0
	Motor Pool Hardstand	818	0	0
	Motor Pool Security Measures	0	128	0
	Multi-purpose Warehouse	246	0	0
	Parking Apron (CH-47)	0	0	200
	Parking Apron (UH-60)	0	0	775
	PAX Terminal Construction	0	51	0
	PFOS Interior Safety and Road Lights	479	0	0
	Railhead Marshalling Area	0	314	0
	Range Operations/Storage Building	380	0	0
	Resurface Pax Terminal Parking Lot	0	0	30

**Appendix I: Unspecified Minor Military Construction and Facilities Maintenance and Repair Projects Funded under the European Reassurance Initiative in Fiscal Years 2015 through 2017**

Location	Project	FY2015	FY2016	FY2017	
	Tracked Vehicle Maintenance Facility	0	820	0	
	Wash Rack	283	0	0	
	Wheeled Vehicle Maintenance Facility	0	708	0	
	Subtotal Mihail Kogalniceanu	5,742	8,487	1,505	
	Smardan	350m Moving Target	0	0	75
		Ammunition Holding Area	0	0	900
		Aviation Target Positions	0	0	328
		Barracks Renovations	0	0	1,600
		LSA Site Prep	0	0	150
		Motor Pool Hardstand	0	0	900
Tracked Vehicle Maintenance Facility		0	0	600	
Tracked Vehicle Target Positions		0	0	610	
Wheeled Vehicle Target Positions		0	0	622	
Subtotal Smardan	0	0	5,785		
<b>Total Romania</b>		<b>16,813</b>	<b>13,747</b>	<b>11,312</b>	
<b>Total Army</b>		<b>79,123</b>	<b>43,478</b>	<b>34,478</b>	

Source: U.S. Army Europe | GAO-18-128

<sup>a</sup>The amount identified for minor construction and repair projects in fiscal years 2015 and 2016 is the obligated amount for each project, as provided by U.S. Army Europe; the amount identified for minor construction and repair projects in fiscal year 2017 is the programmed amount for each project.

Note: The information in this table was provided by U.S. Army Europe in response to our request for a list of minor military construction and repair projects under ERI. The data provided did not identify the appropriations used for each project. Accordingly, we have not conducted a review to examine whether funds were appropriately used for a given project.

**Table 4: Air Force Unspecified Minor Military Construction and Facilities Maintenance and Repair Projects Programmed or Obligated as of February 2017 (dollars in thousands)<sup>a</sup>**

Location	Project	FY 2015	FY 2016	FY 2017	
Bulgaria	Graf Ignatievo				
	Construct Maintenance Operations Center	348	0	0	
	Repair Fuel Storage Access Road	544	0	0	
	Repair Taxiways	0	2,371	0	
	Subtotal Graf Ignatievo	892	2,371	0	
	<b>Total Bulgaria</b>	<b>892</b>	<b>2,371</b>	<b>0</b>	
Estonia	Amari				
	Install BAK-14	0	1,189	0	
	Joint Sealing	158	0	0	
	Repair MSA Road	846	0	0	
	Subtotal Amari	1,004	1,189	0	
	<b>Total Estonia</b>	<b>1,004</b>	<b>1,189</b>	<b>0</b>	
Germany	Spangdahlem	F/A 22 Squad Ops - Repair BLDG 108 & 109	0	0	2,500



**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
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Reassurance Initiative in Fiscal Years 2015  
through 2017**

	<b>Location</b>	<b>Project</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
		Upgrade Munition Storage Doors	0	0	860
		Subtotal Spangdahlem	0	0	3,360
		<b>Total Germany</b>	<b>0</b>	<b>0</b>	<b>3,360</b>
Italy	Camp Darby	Construct/Repair Blocking/Bracing Fab Fac	730	0	0
		Construct/Repair Blocking/Bracing Fab Fac (Additional)	0	80	0
		Install Street Lighting for ASA	0	92	0
		Pave 10 AGM Aprons	0	762	0
		Pave 9 AGM Aprons	0	597	0
		Repair Exterior Lighting, Tombolo Dock	0	90	0
		Repair Joint Stuffing Pad	0	191	0
		Repair Multicube FAC 3073 Lightning Protection	0	25	0
		Repair/ Upgrade AGM Access Roads, Northwest ASA	0	77	0
		Repair/ Upgrade AGM Access Roads, Southwest ASA	0	104	0
		Repair/Widen Bassetto Rd	857	0	0
		Repair/Widen Mancino Rd North	853	0	0
		Subtotal Camp Darby	2,440	2,018	0
		<b>Total Italy</b>	<b>2,440</b>	<b>2,018</b>	<b>0</b>
Latvia	Lielvarde	Construct MHE Storage Area	677	0	0
		Renovate Dorm	0	1,485	0
		Renovate MSA	0	1,205	0
		Repair MSA Road	0	1,145	0
		Subtotal Lielvarde	677	3,835	0
		<b>Total Latvia</b>	<b>677</b>	<b>3,835</b>	<b>0</b>
Lithuania	Siauliai	Construct Additional Crash Fire Rescue Rd	0	408	0
		Construct Ground Equip. Maint. Hangar	0	882	0
		Construct Perimeter Road	0	2,575	0
		Construct Vehicle Maintenance Hangar	0	495	0
		Install Area Security Lighting	0	598	0
		Install BAK-14	0	175	0
		Renovate Engine Run-up Area	0	1,314	0
		Renovate Historical Aircraft Maintenance Hangar	0	1,734	0
		Repair Helicopter Staging Area	0	1,569	0
		Repair QRA Munitions Storage Building	0	825	0
		Repair Ramp Space at Maintenance Hangar	754	0	0
		Repair Spartan (C-27) Aircraft Shelter	0	1,589	0
		Repair Taxiway to C-27 Ramp	1,628	0	0
		Subtotal Siauliai	2,382	12,164	0

**Appendix I: Unspecified Minor Military  
Construction and Facilities Maintenance and  
Repair Projects Funded under the European  
Reassurance Initiative in Fiscal Years 2015  
through 2017**

	<b>Location</b>	<b>Project</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
		<b>Total Lithuania</b>	<b>2,382</b>	<b>12,164</b>	<b>0</b>
Poland	Lask	Repaint Airfield	70	0	0
		Subtotal Lask	70	0	0
		<b>Total Poland</b>	<b>70</b>	<b>0</b>	<b>0</b>
Romania	Campia Turzii	Construct Perimeter Road	0	763	0
		Install Arresting System (BAK-12)	0	1,672	0
		Repair Runway/Taxiway	4,880	0	0
		Repair Trim Pad	0	0	1,100
		Upgrade/Repair Airfield Lighting	0	0	2,100
		Subtotal Campia Turzii	4,880	2,435	3,200
		<b>Total Romania</b>	<b>4,880</b>	<b>2,435</b>	<b>3,200</b>
United Kingdom	Fairford	Install Airfield Perimeter Lighting (FAC 5001)	0	0	650
		Repair Air Traffic Control Tower (BLDG 1107)	280	0	0
		Repair Concrete Hardstands	0	0	6,113
		Repair Contingency Dormitory BLDG 552	2,711	0	0
		Repair Contingency Flightcrew Dormitory BLDG 551	1,797	0	0
		Replace Flightline Security Lighting South West Loop	0	0	500
		Subtotal Fairford	4,788	0	7,263
	Welford	LPS Able Row Muns Open Pads RAF Welford [Phases 1- 3]	2,100	0	0
		Repair Able Row Roads & Pads Phase 2	0	1,400	0
		Repair Roads (Main Base Access and Warehouse)	746	0	0
		Repair Tacan Standby Power BLDG 1143	208	0	0
		Repair Water Dist System MSA [Phase 4]	0	1,023	0
		Repl Base Water Supply Borehole 2 (BLDG 350)	647	0	0
		Repl Flat Roofs to Facilities (BLDGS 478, 490, & 1143)	587	0	0
		Replace Muns Storage BLDGS LPS	480	0	0
		Rpr Able Row Roads &Pads RAF Welford [Phases 3-7]	4,792	0	0
		Subtotal Welford	9,560	2,423	0
		<b>Total United Kingdom</b>	<b>14,348</b>	<b>2,423</b>	<b>7,263</b>
		<b>Total Air Force</b>	<b>26,694</b>	<b>26,435</b>	<b>13,823</b>

Source: U.S. Air Force Europe | GAO-18-128

<sup>a</sup>The amount identified for minor construction and repair projects in fiscal years 2015 and 2016 is the obligated amount for each project, as provided by U.S. Air Force Europe; the amount identified for minor construction and repair projects in fiscal year 2017 is the programmed amount for each project.

Note: The information in this table was provided by U.S. Air Force Europe in response to our request for a list of minor military construction and repair projects under ERI. The data provided did not identify the appropriations used for each project. Accordingly, we have not conducted a review to examine whether these funds were appropriately used for a given project.

## Appendix II: DOD Comments



INTERNATIONAL  
SECURITY AFFAIRS

Unclassified when Separated from Classified Attachments

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
2400 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-2400

July 14, 2017

MEMORANDUM FOR Tom Pendleton, Director Defense Capabilities and Management,  
Government Accountability Office

SUBJECT: Department of Defense Review of Government Accountability Office Draft Report  
GAO-17-539C (GAO CODE 100962) "EUROPEAN REASSURANCE  
INITIATIVE: DOD NEEDS TO PRIORITIZE POSTURE INITIATIVES AND  
PLAN FOR AND REPORT THEIR FUTURE COSTS"

Thank you for allowing the Department of Defense (DoD) the opportunity to review GAO-17-539C, "European Reassurance Initiative: DoD Needs to Prioritize Posture Initiatives and Plan For and Report Their Future Costs." During the review, DoD discovered that several statements from classified references were scattered throughout the document. Although an individual statement may be unclassified, the accumulation of multiple statements, especially when added to direct quotes from classified sources, would make the document classified. Additionally, citing pre-decisional, future year budget (i.e., Future Years Defense Program (FYDP)) information is For Official Use Only and should be cited as "Outlying Planning Profile." Therefore, DoD recommends to maintain the current classification of the document at Secret//NOFORN.

DoD responses to specific Government Accountability Office (GAO) recommendations are provided below:

RECOMMENDATION 1: "To better ensure that DOD can target resources to its most critical initiatives and establish priorities across its base budget and overseas contingency operations budget, we recommend that the Secretary of Defense prioritize posture initiatives under European Reassurance Initiative (ERI) relative to those funded in its base budget as part of its established posture-planning process."

DoD RESPONSE: Partially concur. The DoD, through the Global Posture Executive Council, will continue to prioritize the negotiation of international agreements supporting the ERI. The ERI-funded force requirements will continue to be adjudicated through DoD's established Global Force Management process. In addition, the DoD's ongoing Strategic Review will inform the ERI strategic vision intended to guide the United States European Command and the Military Departments during their program planning efforts. The DoD must

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continue to resource ERI requirements in the overseas contingency operations (OCO) budget until there is a sufficient topline increase to its base budget to transfer ERI costs.

RECOMMENDATION 2: "To better enable decision makers to evaluate the full long-term costs of posture initiatives under ERI, we recommend that the Secretary of Defense direct USEUCOM and the military services to develop estimates for the sustainment costs of prepositioned equipment and other infrastructure projects under ERI and ensure that the service plan for these long-term costs in future budgets."

DoD RESPONSE: Partially concur. The Components will continue to estimate the sustainment costs for prepositioned stocks and other infrastructure projects during DoD's annual Program and Budget review process. However, without additional topline base budget funding, ERI posture initiatives and some portion of the associated sustainment costs will need to be financed with OCO funds.

RECOMMENDATION 3: "To support congressional decision making we recommend that the Secretary of Defense provide to Congress, along with the department's annual budget submission, estimates of the future costs for posture initiatives funded under ERI and other enduring costs that include assumptions such as those pertaining to the level of host nation support and burden sharing."

DoD RESPONSE: Partially concur. Unlike the base budget planning process, the Department does not currently prepare a formal 5-year Future Years Defense Program for OCO related costs such as the ERI. Further, the Department already factors in the level of host nation support and burden sharing when preparing budget estimates for submission to Congress.



Tom Goffus  
Deputy Assistant Secretary of Defense  
International Security Affairs  
Europe/NATO Policy

Attachment:

TAB A: (S//NF) DoD Security Review of Draft GAO Report GAO-17-539C  
TAB B: (S//NF) Consolidated Comment Resolution Matrix

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## Appendix III: GAO Contact and Staff Acknowledgments

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### GAO Contact

John H. Pendleton, (404) 679-1816, or [pendletonj@gao.gov](mailto:pendletonj@gao.gov)

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### Staff Acknowledgments

In addition to the contact named above, Kevin O'Neill, Assistant Director; Alex Winograd, Analyst-in-Charge; Scott Bruckner, Adrienne Cline, Martin De Alteriis, Joanne Landesman, Jennifer Leotta, Carol Petersen, Michael Shaughnessy, and Jena Sinkfield all made key contributions to this report.

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## Appendix IV: Accessible Data

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### Agency Comment Letter

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#### Text of Appendix II: DOD Comments

##### Page 1

July 14, 2017

MEMORANDUM FOR Tom Pendleton, Director Defense Capabilities and Management, Government Accountability Office

SUBJECT: Department of Defense Review of Government Accountability Office Draft Report GAO-17-539C (GAO CODE 100962) "EUROPEAN REASSURANCE INITIATIVE: DOD NEEDS TO PRIORITIZE POSTURE INITIATIVES AND PLAN FOR AND REPORT THEIR FUTURE COSTS"

Thank you for allowing the Department of Defense (DoD) the opportunity to review GAO-17-539C, "European Reassurance Initiative: DoD Needs to Prioritize Posture Initiatives and Plan For and Report Their Future Costs." During the review, DoD discovered that several statements from classified references were scattered throughout the document. Although an individual statement may be unclassified, the accumulation of multiple statements, especially when added to direct quotes from classified sources, would make the document classified.

Additionally, citing pre-decisional, future year budget (i.e., Future Years Defense Program (FYDP)) information is For Official Use Only and should be cited as "Outlying Planning Profile." Therefore, DoD recommends to maintain the current classification of the document at Secret//NOFORN.

DoD responses to specific Government Accountability Office (GAO) recommendations are provided below:

#### **RECOMMENDATION 1:**

"To better ensure that DOD can target resources to its most critical initiatives and establish priorities across its base budget and overseas contingency operations budget, we recommend that the Secretary of Defense prioritize posture initiatives under European Reassurance

Initiative (ERI) relative to those funded in its base budget as part of its established posture-planning process."

**DoD RESPONSE: Partially concur.**

The DoD, through the Global Posture Executive Council, will continue to prioritize the negotiation of international agreements supporting the ERL. The ERI-funded force requirements will continue to be adjudicated through DoD's established Global Force Management process. In addition, the DoD's ongoing Strategic Review will inform the ERI strategic vision intended to guide the United States European Command and the Military Departments during their program planning efforts. The DoD must

Page 2

continue to resource ERI requirements in the overseas contingency operations (OCO) budget until there is a sufficient topline increase to its base budget to transfer ERI costs.

**RECOMMENDATION 2:**

"To better enable decision makers to evaluate the full long-term costs of posture initiatives under ERI, we recommend that the Secretary of Defense direct USEUCOM and the military services to develop estimates for the sustainment costs of prepositioned equipment and other infrastructure projects under ERI and ensure that the service plan for these long-term costs in future budgets."

**DoD RESPONSE: Partially concur.**

The Components will continue to estimate the sustainment costs for prepositioned stocks and other infrastructure projects during DoD's annual Program and Budget review process. However, without additional topline base budget funding, ERI posture initiatives and some portion of the associated sustainment costs will need to be financed with OCO funds.

**RECOMMENDATION 3:**

"To support congressional decision making we recommend that the Secretary of Defense provide to Congress, along with the department's annual budget submission, estimates of the future costs for posture initiatives funded under ERI and other enduring costs that include

assumptions such as those pertaining to the level of host nation support and burden sharing."

**DoD RESPONSE: Partially concur.**

Unlike the base budget planning process, the Department does not currently prepare a formal 5-year Future Years Defense Program for OCO related costs such as the ERI. Further, the Department already factors in the level of host nation support and burden sharing when preparing budget estimates for submission to Congress.

TomGoffus

Deputy Assistant Secretary of Defense International Security Affairs  
Europe/NATO Policy

Attachment:

TAB A: (S//NF) DoD Security Review of Draft GAO Report GAO-17-539C  
TABB: (S//NF) Consolidated Comment Resolution Matrix

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