United States General Accounting Office

Report to the Honorable
Andy Ireland
House of Representatives

February 1990

DOD BUDGET
Status of Five-Year Defense Plan

GAO/NSIAD-90-131
The Honorable Andy Ireland
House of Representatives

Dear Mr. Ireland:

This letter is in further response to your October 17, 1989, and January 4, 1990, requests regarding the Department of Defense's (DOD) Five-Year Defense Program (FYDP) and provides other information as requested by your staff. Our report to you dated February 22, 1990, provides the latest information regarding the status of DOD's FYDP. It also includes, as you requested, an assessment of the inflation rates contained in the President's budget request and outyear projections.

As stated in our February 22, 1990, report, DOD did not submit a revised FYDP with the President's fiscal year 1991 budget submission. DOD states that it does not plan to submit a revised FYDP until the completion of the fiscal year 1992 budget cycle. As you know, title 10 of the U.S. Code, as added by the National Defense Authorization Act for Fiscal Years 1990 and 1991 (P.L. 101-189, November 29, 1989) states: "The Secretary of Defense shall submit to Congress each year at or about the time that the President's budget is submitted... the current five year defense program... reflecting the estimated expenditures and proposed appropriations included in that budget." This section also requires consistency in the numbers reported in the budget submission with those reported in the FYDP.

The conference report on the fiscal years 1988-89 DOD Authorization Act explained that DOD was to show in detail how its plans for the outyears of the 5-year period would be affected by the enactment of the aggregate obligational authority for those years set forth in the President's budget. The conferees expected that FYDP submissions would be at the same level of detail as the fiscal years 1988 and 1989 budget submissions, together with the associated construction, procurement, and research, development, test and evaluation (RDT&E) annexes.

DOD has submitted summary information on planned budget reductions for fiscal years 1992-94, but has stated that this was not intended to satisfy the requirements of section 114a. We agree with DOD that the
information submitted to date is not the submission contemplated in section 114a. DOD's position is that given the level of uncertainty in the current international situation, it is not possible at this point to submit a FYDP that fully complies with that section.

We are continuing our analysis of recent budget and funding trends in the procurement and RDT&E accounts. We are comparing actual funding levels for procurement accounts and planning data for those accounts since the early 1980s. We are available to brief your staff on the status of this work at your convenience.

We are sending copies of this report to the Chairmen, House and Senate Committees on Appropriations, House and Senate Committees on Armed Services, House and Senate Budget Committees, the Senate Committee on Governmental Affairs, the House Committee on Government Operations and the Secretary of Defense. Copies will be made available to other interested parties upon request.

This report was prepared under the direction of Paul F. Math, Director, Research, Development, Acquisition, and Procurement Issues, who may be reached on 275-8400 if you or your staff have any questions. Other major contributors are listed in appendix I.

Sincerely yours,

[Signature]

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Assistant Comptroller General
Appendix I

Major Contributors to This Report

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