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United States Senate

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December 18, 2014

The Honorable Alan Estevez
Principal Deputy Under Secretary of Defense for
Acquisition, Technology, and Logistics
1000 Defense Pentagon
Washington, DC 20031-1000

Dear Under Secretary Estevez:

The Department of Defense (DOD) continues to pursue important initiatives to improve its efficiency and reduce wasteful management practices. Through better management, the DOD can save money that could fund our military's critical needs. We believe the Department is making progress, such as the improved financial management exemplified by the U.S. Marine Corps recent success in passing a partial financial audit; however, more needs to be done and can be done.

As a case in point, a recent report by the Government Accountability Office (GAO) found that between March 2012 and March 2013, the Army and Marine Corps returned more than 1,000 vehicles from Afghanistan to the United States that actually were not needed. According to GAO, the cost of returning a vehicle to the continental United States is as high as \$107,400 per vehicle, depending on the route of return and size of the vehicle.

The GAO report found that if the Army and Marine Corps had followed existing Department of Defense rules and procedures, the services would have either transferred the surplus vehicles to appropriate overseas allies or scrapped the vehicles in Afghanistan, saving a significant amount of money in logistical and shipping costs. Oddly, both the Army and Marine Corps failed to include transportation costs as part of the required cost-benefit analysis to determine whether to return the vehicle. Considering the fiscal strains faced by the DOD and its very recent experience with retrograde operations in Iraq, it is concerning that the Department did not take into account these transportation costs.

The GAO findings underscore that the DOD can and should do a much better job in preventing unnecessary costs by taking some common sense steps in managing its surplus military vehicles. Given the tremendous fiscal challenges our government faces, we have an obligation to look in every nook and cranny of our budgets for savings. This is an area where simple yet effective improvements can be made to eliminate wasteful spending.

We are encouraged that the DOD acknowledged the problems identified by the GAO and concurred with the recommendations; however, we would like you to answer the following questions:

- What happened to the 1,000 vehicles once they arrived in the U.S.? Were they re-integrated into the services or disposed of? If so, at what cost?
- Were other vehicles that exceeded the number required to meet service-approved needs also returned to the United States after March 2013? Please provide details as to their disposition and any costs associated with it.
- DOD concurred with both of GAO's recommendations to improve the equipment drawdown process. Has the Department implemented the recommendations?

Please feel free to contact Peter Tyler (Chairman Carper – 202-224-2627) if you have any questions. We look forward to working with you during the months ahead on this important issue.

With best personal regards, we are

Sincerely yours,



Thomas R. Carper
U.S. Senator



Claire McCaskill
U.S. Senator