

# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

December 12, 2016

The Honorable Ashton B. Carter  
Secretary of Defense  
Department of Defense  
1000 Defense Pentagon  
Washington, DC 20301

Dear Secretary Carter:

I write today to request information regarding the Department of Defense's (DOD) response to the Defense Business Board's (the Board) recent study, entitled *Transforming DoD's Core Business Processes for Revolutionary Change*, and any plans to implement its recommendations.

According to news reports, DOD commissioned the Board to conduct the study in order to create a financial baseline to evaluate the cost effectiveness of DOD's core business operations. The Board found that six core business processes at the Department employed over 1 million people at a cost of \$134 billion per year—almost double previous cost estimates. The Board also found that DOD could save \$125 billion over five years by implementing the report's recommendations, primarily through improving contracts, encouraging early retirements, modernizing information technology, and reorganizing DOD programs.

However, it appears the Board's recommendations have largely been ignored. Senior DOD officials reportedly expressed concerns in the spring of 2015 that the report's findings regarding cost savings might undermine the justification for the agency's budget requests to Congress. In addition, a copy of the report was reportedly taken down from the Board's public website and public mentions of the report were discouraged.

Although DOD may have already taken steps to address some of the report's recommendations, Congress has a responsibility to ensure that our nation's military achieves its mission in a manner that uses taxpayer dollars as effectively and efficiently as possible. By targeting wasteful spending, we can be better stewards of taxpayer dollars.

To better understand how DOD plans to implement the report's recommendations and reduce wasteful spending, I ask that you please provide the following information by January 9, 2017:

1. A final copy of the Board's January 2015 report.
2. Senior department officials reportedly critiqued the conclusions of the Board's study as unrealistic. Please explain with specificity which cost savings opportunities identified in the Board's study are unrealistic, and why.

- a. If cost savings would be realistic on a longer timeline, please explain.
  - b. If cost savings are deemed unrealistic because of constraints that may be within the power of Congress to alter, please identify those as well.
3. Deputy Secretary Robert Work's written statement in response to the Washington Post notes a longstanding concern that the Budget Control Act and subsequent budget agreements result in "budget instability" which makes achieving the \$125 billion in savings identified by the report "unrealistic." Please explain why this is the case.
4. Deputy Secretary Work's written statement in response to the Washington Post article also mentions that the Deputy Chief Management Officer and Chief Information Officer of the Department are "focusing" on reducing costs associated with information technology. This response does not address the recommendation by the Board to fundamentally restructure the responsibilities of these offices to achieve that end. Please identify what effort has been made within DOD, or in conjunction with others such as the Office of Management and Budget, to refine and implement this recommendation.
5. The frequent change in leadership at DOD has previously been identified as an impediment to implementing similar cost-improvement initiatives. What could be done to ensure the continuity of these cost-savings efforts during the transition to the next administration?

[REDACTED] Thank you for your attention to this matter.

With best personal regards, I am

Sincerely yours,



Tom Carper  
Ranking Member

cc: The Honorable Ron Johnson  
Chairman