- 1. Given the
- 2. challenging fiscal environment,
- 3. identifying potential opportunities for efficiencies and
- 4. cost savings in commissaries and exchanges can help DOD
- 5. manage programs in the face of potential budget reductions.
- 6. Although DOD's report states that DOD will not be able to achieve
- 7. budget neutrality, the report lacks additional detailed information a
- 8. bout potential trade-offs,
- 9. constraints and limitations
- 10. to achieving budget
- 11. neutrality
- 12. . In addition, DOD stated
- 13. in its May 2016 report to
- 14. Congress that it can achieve an estimated \$2 billion
- 15. in cost savings over a 5-year period, but the department
- 16. did not provide information on its steps to achieve the
- 17. cost savings. In addition, DOD's
- 18. report does not fully address all of the
- 19. mandated reporting elements,
- 20. instead only partially addressing four of the
- 21. seven elements. DOD does not outline specific
- 22. metrics, as required for pilot
- 23. programs authorized under
- 24. section 651, to maintain
- 25. high levels of customer satisfaction,
- 26. quality of products,
- 27. and patron savings
- 28. within the commissaries and
- 29. exchanges. As DOD moves
- 30. forward with pilot programs,
- 31. DOD will need specific
- 32. metrics to meet the
- 33. requirements of section 651.
- 34. However, the report
- 35. does not provide
- 36. additional information
- 37. for decision makers in
- 38. Congress to evaluate how DOD
- 39. will achieve its estimated reductions
- 40. in 5 years. In the absence

- 41. of detailed information
- 42. to support its conclusion
- 43. that it cannot achieve
- 44. budget neutrality,
- 45. the department lacks
- 46. assurance that its cost
- 47. savings target is an accurate
- 48. and achievable estimate,
- 49. as well as a plan
- 50. with a methodology,
- 51. cost estimates and
- 52. specific time frames,
- 53. decisionmakers
- 54. cannot evaluate
- 55. whether
- 56. the implementation
- 57. of DOD's efforts are
- 58. effective in achieving
- 59. its estimated cost
- 60. savings without
- 61. impacting patrons.