



July 2023

EUROPEAN DETERRENCE INITIATIVE

DOD Should Establish Performance Goals and Measures to Improve Oversight

Accessible Version

GAO Highlights

Highlights of [GAO-23-105619](#), a report to the Committee on Armed Services, U.S. Senate

Why GAO Did This Study

Funding for EDI has supported a variety of military activities in Europe, including troop rotations, intelligence activities, and construction of projects such as airfields, ranges, and other military facilities.

A committee report accompanying a bill for the National Defense Authorization Act for Fiscal Year 2022 included a provision for GAO to review EDI's progress in achieving mission and program objectives. This report examines: (1) how, if at all, EDI has changed U.S. military posture in Europe; (2) DOD's efforts to define and report on its funding for EDI; and (3) the extent to which DOD uses performance information to evaluate EDI activities and justify dedicated resources.

GAO analyzed relevant DOD documentation and data and interviewed knowledgeable DOD officials. GAO also conducted site visits in Europe to review activities that were funded as a part of EDI, including construction and infrastructure improvements.

What GAO Recommends

GAO is recommending that the Secretary of Defense ensure that the commander of the U.S. European Command, in collaboration with the heads of the military services, establishes performance goals and measures for EDI and its five lines of effort. DOD partially concurred, noting EDI is not a specific program. GAO continues to believe the recommendation is valid, as discussed in the report.

View [GAO-23-105619](#). For more information, contact Cary B. Russell at (202) 512-5431 or RussellC@gao.gov.

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What GAO Found

The European Deterrence Initiative (EDI) was established in 2015 to help boost military readiness of European allies and deter Russian aggression. Its activities have enhanced U.S. military posture in Europe by supporting the deployment of additional U.S. rotational forces and expanding the number of locations where U.S. forces operate. From fiscal year 2015 through fiscal year 2023, \$35.1 billion has been spent on EDI activities. For example, according to Army officials, EDI amounts supported construction in Belgium to improve Army prepositioning maintenance and storage facilities (see figure). Also, the U.S. has entered into agreements with other countries to enable additional U.S. military posture changes in Europe.

U.S. Army Vehicles Prepositioned in Belgium



Source: GAO. | GAO-23-105619

From fiscal year 2015 through fiscal year 2024, EDI budget requests made by the Department of Defense (DOD) were for activities defined and categorized by five lines of effort—Increased Presence, Exercises and Training, Enhanced Prepositioning, Improved Infrastructure, and Building Partner Capacity. During the same period, each of the military services used their own criteria to determine what activity should be funded as part of EDI, according to military service officials. In February 2023, DOD issued new guidance defining EDI criteria and standardizing EDI budget request presentations along the five lines of effort for fiscal year 2024 and beyond. The military services' fiscal year 2024 EDI budget requests do not include presentations along the five lines of effort because the fiscal year 2024 budget documents were already finalized when the February 2023 guidance was issued.

The military services have collected information from monitoring and assessing some EDI activities. However, DOD has not established performance goals and measures for EDI. By doing so, DOD would be in a better position to assess EDI activities, support budget requests, and justify dedicated resources with high-quality information. This would enable both DOD and Congress to better understand the return on EDI investments and improve oversight.

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U.S. Army Vehicles Prepositioned in Belgium



Source: GAO. | GAO-23-105619

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Abbreviations

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DCA	Defense cooperation agreements
DOD	Department of Defense
EDCA	Enhanced Defense Cooperation Agreement
EDI	European Deterrence Initiative
ERI	European Reassurance Initiative
EUCOM	U.S. European Command
NATO	North Atlantic Treaty Organization
OCO	Overseas Contingency Operations
OSD	Office of the Secretary of Defense
O&M	Operation and Maintenance
PPBE	Planning, Programming, Budgeting, and Execution
PPI	Poland-Provided Infrastructure
PPLS	Poland-Provided Logistics Support
USAFE	U.S. Air Forces in Europe
USAREUR	U.S. Army Europe
USD(C)	Under Secretary of Defense, Comptroller



July 10, 2023

The Honorable Jack Reed
Chairman
The Honorable Roger Wicker
Ranking Member
Committee on Armed Services
United States Senate

The core European security challenge is deterring Russian aggression, helping Ukraine defend its sovereignty, and supporting the North Atlantic Treaty Organization’s (NATO) defense of the Euro-Atlantic area according to General Christopher Cavoli, U.S. European Command (EUCOM) commander.¹ The Department of Defense (DOD) has received billions of dollars in support of the European Deterrence Initiative (EDI) to help boost the military readiness of European partners and allies and deter Russian aggression since its establishment in fiscal year 2015.² Specifically, Congress has authorized a total of \$35.1 billion from fiscal year 2015 through fiscal year 2023.³ From fiscal year 2015 through fiscal year 2021, the Overseas Contingency Operations (OCO) appropriations provided funding for EDI.⁴ Beginning in fiscal year 2022, funding for EDI was shifted to DOD’s base budget request because the requirement of a separate OCO request was discontinued in fiscal year 2021. DOD requested \$3.6 billion for EDI in fiscal year 2024. In addition to EDI,

¹*Senate Armed Services Committee Advance Policy Questions for General Christopher G. Cavoli, USA Nominee for Appointment to the Position of Commander, United States European Command and Supreme Allied Commander, Europe*; Hearing before the Senate Armed Services Committee, 117th Cong. (2022). We state “Euro-Atlantic area” to preserve a direct quote from General Cavoli’s statement, but for the purposes of this report, we refer to the same area as the European theater.

²When first authorized in fiscal year 2015, EDI was initially called the European Reassurance Initiative (ERI). ERI’s name was changed to EDI in 2018. Throughout this report, we refer to the initiative as EDI.

³An authorization of appropriations precedes the enactment of appropriations supporting DOD programs, projects, and activities. Amounts authorized and amounts appropriated may differ; only an appropriation act confers legal authority to obligate up to a specific amount.

⁴DOD defines contingency operations as small, medium, or large-scale campaign level military operations related to DOD, including but not limited to, support for peacekeeping operations, foreign disaster relief efforts, and noncombatant evacuation operations. From fiscal year 2010 through fiscal year 2021, OCO amounts were appropriated into and executed out of the military services’ existing appropriations accounts, such as Operation and Maintenance; Procurement; and Research, Development, Test, and Evaluation.

Congress has provided over \$48 billion in security assistance to Ukraine through various supplemental funding efforts.

EDI funds a variety of military activities in Europe, including troop rotations; intelligence activities; and construction of projects such as airfields, ranges, and other military facilities. For example, according to Army officials, the Army used EDI funding to support construction in Belgium for prepositioning maintenance and storage facilities that support military operations (see fig. 1).

Figure 1: U.S. Army Vehicles Prepositioned in Belgium



Source: GAO. | GAO-23-105619

Note: These U.S. Army vehicles are stored and maintained at the Zutendaal Work Site in Zutendaal, Belgium. Funds for the European Deterrence Initiative provide for minor construction and renovations for warehouses used to store and maintain equipment for U.S. military operations and activities in Europe, according to Army officials.

We have previously reported on EDI. In 2017, we recommended that DOD make improvements to its posture-planning process, budget planning, and estimates of future and enduring costs.⁵ DOD implemented

⁵GAO, *European Reassurance Initiative: DOD Needs to Prioritize Posture Initiatives and Plan for and Report Their Future Cost*, [GAO-18-128](#) (Washington, D.C.: Dec. 8, 2017).

each of these recommendations by November 2022. In 2019, we recommended that DOD define clear and specific objectives for EDI and identify and document EDI logistics requirements.⁶ DOD did not concur with these recommendations and, as of February 2023, has not taken steps to implement them.

A committee report accompanying a bill for the National Defense Authorization Act for Fiscal Year 2022 included a provision for GAO to review EDI's progress in achieving its mission and program objectives.⁷ In this report, we examine: (1) how, if at all, EDI has changed U.S. military posture in Europe; (2) DOD's efforts to define and report on its funding for EDI; and (3) the extent to which DOD uses performance information to evaluate EDI activities and justify dedicated resources.

To address our first objective, we analyzed relevant DOD documentation and data related to the history of funding EDI activities since its establishment in fiscal year 2015. Specifically, we reviewed and compared annual enacted appropriation amounts for prior years as reported in annual DOD budget requests and found no issues with the reliability of appropriation amounts from fiscal year 2015 through fiscal year 2023. We also reviewed activities funded as a part of EDI, including construction and infrastructure projects, through site visits to locations in Belgium, Luxembourg, Poland, and Romania.⁸ Specifically, we visited sites in Belgium, Luxembourg, Poland, and Romania, because several tangible and physical assets funded through EDI are located in those countries. We also visited sites in Poland and Romania, because EDI's posture initiatives are targeted at Eastern Europe to bolster the security and capacity of countries in close geographical proximity to Russia, and to reinforce efforts to deter Russian aggression. We interviewed DOD officials cognizant of EDI activities as a subset of EUCOM's overall posture initiatives.

To address our second objective, we analyzed department-level guidance on defining and reporting EDI funding and compared it with how EDI funding is defined and reported at the military service level. We reviewed the requirement in the 2023 EDI budget request guidance that beginning

⁶GAO, *European Deterrence Initiative: DOD Should Define Program Objectives, Identify Logistics Requirements, and Assess Prepositioning Decisions*, [GAO-19-190C](#) (Washington, D.C.: Feb. 22, 2019).

⁷S. Rep. No. 117-39, at 260-261 (2021).

⁸For the purposes of this report, activities include projects, programs, and any other efforts funded as a part of EDI.

with their fiscal year 2024 budget request, DOD components, including the military services, present requests for EDI funding across five lines of effort.⁹ We also discussed EDI budgeting and reporting with military officials from various organizations including the Under Secretary of Defense for Policy; the Under Secretary of Defense, Comptroller (USD(C)); and officials from the Army, Navy, Air Force, Marine Corps.

To address our third objective, we assessed documentation and evidence relevant to EDI-related performance goals and measures from the Army, Navy, Air Force, and Marine Corps. We compared this documentation with *Standards for Internal Control in the Federal Government* and DOD's *Financial Management Regulation* on budget and performance integration.¹⁰ Additionally, we spoke with representatives from the U.S. European Command; U.S. Army Europe; U.S. Naval Forces Europe; U.S. Air Force Europe; and U.S. Marine Forces Europe. See appendix I for more details on our objectives, scope, and methodology.

We conducted this performance audit from December 2021 to July 2023 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.

Background

EDI Roles and Responsibilities

Several entities within DOD have key roles and responsibilities related to EDI:

- The Office of the Secretary of Defense (OSD) is responsible for policy development, planning, resource management, and program evaluation. Within OSD, USD(C) is the principal advisor to the Secretary of Defense for budgetary and fiscal matters, including the review, formulation, presentation, and execution of the budget for

⁹Deputy Secretary of Defense Memorandum, *European Deterrence Initiative Criteria for Fiscal Year 2024 and Future Budget Cycles* (Feb. 21, 2023).

¹⁰GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014) and DOD 7000.14-R, *Financial Management Regulation* (2023).

DOD. With respect to EDI, the Comptroller issues guidance on budget formulation and presentation.

- The commander of EUCOM exercises authority, direction, and control over the commands and forces assigned to the European theater. Included among the commander's responsibilities is control of resources such as setting requirements aligned to EDI.¹¹
- The heads of the military services and other DOD components are responsible for directing and executing financial management activities within their respective components, consistent with the policies, requirements, principles, standards, procedures, and practices prescribed by the USD(C), among other relevant policies. The military services and components are also responsible for providing personnel, training, and equipping forces to combatant commands such as EUCOM to fulfill those requirements.¹²

DOD recognizes three interdependent posture elements used to define, plan for, and assess U.S. foreign and overseas military presence: forces, footprint, and agreements.¹³ Figure 2 illustrates the geographic area for which EUCOM is responsible.

¹¹EUCOM is one of 11 combatant commands. Four combatant commands operate worldwide across geographic boundaries and provide unique functional capabilities to other combatant commands and the armed services, while seven combatant commands operate in clearly delineated areas of responsibility and have a regional military focus.

¹²We limited our review to the EDI funding and activities of the Army, Navy, Air Force, and Marine Corps.

¹³DOD Instruction 3000.12, *Management of U.S. Global Defense Posture* (May 6, 2016) (incorporating Change 1, May 8, 2017). Within the context of posture, forces are forward-stationed or rotational deployed forces, U.S. military capabilities, equipment, and units. A footprint is a network of U.S. foreign and overseas locations, infrastructure, facilities, land, and prepositioned equipment. Agreements are a series of treaties, 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 a host country, as agreed to with a host government.

Figure 2: U.S. European Command's Area of Responsibility



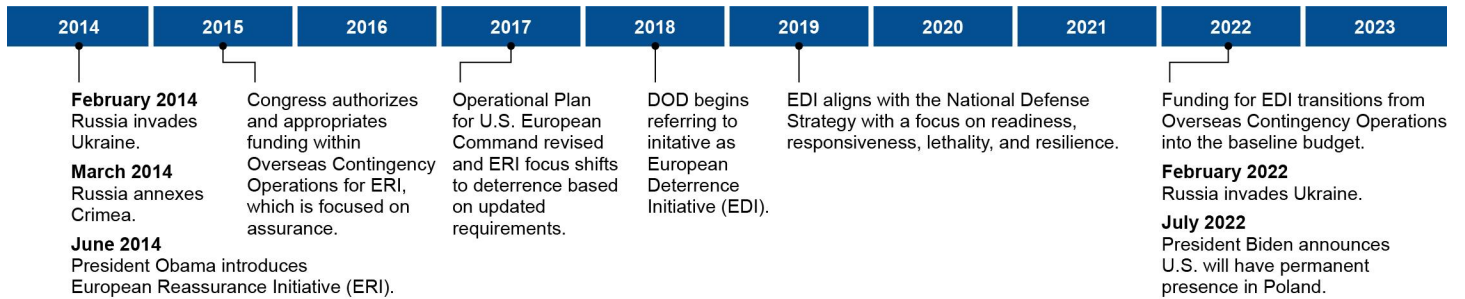
Source: Department of Defense; Map Resources (map). | GAO-23-105619

EDI History

The Obama administration introduced EDI in June 2014 in response to the Russian annexation of Crimea and to quickly assure NATO allies and partners of the U.S. commitment to European security.¹⁴ Figure 3 highlights events from EDI's history since its inception.

¹⁴Executive Office of the President, *Fact Sheet: European Reassurance Initiative and Other U.S. Efforts in Support of NATO Allies and Partners* (June 3, 2014).

Figure 3: History of the European Deterrence Initiative



Source: GAO analysis of Department of Defense (DOD) documents. | GAO-23-105619

Text of Figure 3: History of the European Deterrence Initiative

- February 2014: Russia invades Ukraine.
- March 2014: Russia annexes Crimea.
- June 2014: President Obama introduces European Reassurance Initiative (ERI).
- 2015: Congress authorizes and appropriates funding within Overseas Contingency Operations for ERI, which is focused on assurance.
- 2017: Operational Plan for U.S. European Command revised and ERI focus shifts to deterrence based on updated requirements.
- 2018: DOD begins referring to initiative as European Deterrence Initiative (EDI).
- 2019: EDI aligns with the National Defense Strategy with a focus on readiness, responsiveness, lethality, and resilience.
- 2022: Funding for EDI transitions from Overseas Contingency Operations into the baseline budget.
- February 2022: Russia invades Ukraine.
- July 2022: President Biden announces U.S. will have permanent presence in Poland.

Source: GAO analysis of Department of Defense (DOD) documents. | GAO-23-105619.

From fiscal year 2015 through fiscal year 2021, Congress appropriated amounts for EDI as part of OCO funding.¹⁵ In fiscal year 2022, amounts for EDI were shifted into DOD’s base budget request because OCO requests were discontinued as a separate funding category. The preparation and execution of DOD’s budget is subject to the Planning, Programming, Budgeting, and Execution (PPBE) process, which determines how DOD will allocate resources to provide capabilities necessary to accomplish the department’s missions.¹⁶

In 2017, we recommended that DOD update its criteria for determining what can be included in DOD’s OCO budget requests.¹⁷ We found that the existing criteria developed by the Office of Management and Budget in cooperation with DOD was outdated and that DOD budget requests continued to include activities not specifically addressed in the Office of Management and Budget criteria, including EDI-related activities. DOD concurred with the recommendation; however, DOD had not issued updated criteria as of May 2021.¹⁸

Currently, DOD organizes EDI activities under five lines of effort, as shown in table 1.

Table 1: The Department of Defense’s European Deterrence Initiative Lines of Effort

Line of effort	Description
Increased Presence	Increasing U.S. military forces in Europe through rotations of ground, air, and maritime units
Exercises and Training	Participating in exercises and training with allies and partner countries to improve the readiness of U.S. forces and U.S. forces’ ability to work with allies and partners

¹⁵Historically, the OCO budget request included amounts for contingency operations in Iraq and Afghanistan, and other military activities such as EDI. 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).

¹⁶The PPBE process serves as the annual resource allocation process for DOD within a quadrennial planning cycle. The *Quadrennial Defense Review*, force development guidance, program guidance, and budget guidance are the principal guides used in this process. Programs and budgets are formulated annually. DOD Directive 7045.14, *The Planning, Programming, Budgeting, and Execution Process* (Jan. 25, 2013) (incorporating Change 1, Aug. 29, 2017). See also, DOD 7000.14-R.

¹⁷[GAO-17-68](#).

¹⁸DOD’s budget request for fiscal year 2022 eliminated OCO as a separate funding category and incorporated what had previously been OCO costs into the base budget. Given this development, we closed this recommendation as not implemented.

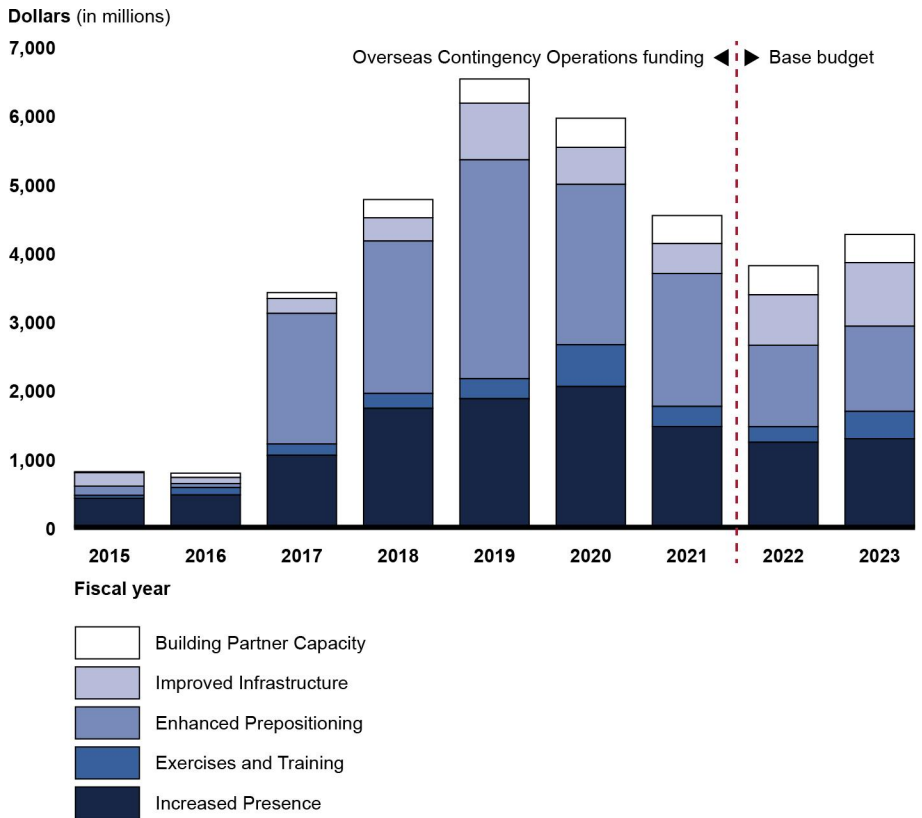
Line of effort	Description
Enhanced Prepositioning	Prepositioning stocks of equipment, munitions, and fuel in Europe
Improved Infrastructure	Subject to final agreement with host nations, selective infrastructure improvements that expand the ability to operate from key locations and support military activities, operations, and readiness
Building Partner Capacity	Providing partner countries with the capability and capacity to defend themselves and enabling their participation as full operational partners against threatening actors

Source: GAO analysis of Department of Defense budget materials. | GAO-23-105619

In budget request documents, DOD has consistently emphasized deploying military personnel to Europe (Increased Presence) and prepositioning military equipment in Europe (Enhanced Prepositioning) over other lines of effort as shown in figure 4. Some amounts for the Building Partner Capacity line of effort have been used to assist Ukraine.¹⁹

¹⁹Ukraine has received approximately \$300 million in assistance under the Building Partner Capacity line of effort, according to DOD officials.

Figure 4: European Deterrence Initiative Enacted Budget, by Lines of Effort, Fiscal Years 2015–2023



Source: GAO analysis of Department of Defense (DOD) budget materials. | GAO-23-105619

Data table of Figure 4: European Deterrence Initiative Enacted Budget, by Lines of Effort, Fiscal Years 2015–2023

Year	Increased Presence	Exercises and Training	Enhanced Prepositioning	Improved Infrastructure	Building Partner Capacity
2015	423.1	40.6	136.1	196.5	13.7
2016	471.4	108.4	57.8	89.1	62.6
2017	1049.8	163.1	1903.9	217.4	85.5
2018	1732.7	217.7	2221.8	337.8	267.3
2019	1874.7	290.8	3189.8	826.8	352.3
2020	2051.2	608.7	2337.7	539.6	424
2021	1468.6	293.8	1936.4	436.4	409
2022	1238	228	1187	734	424.6
2023	1290.4	398.8	1241.1	927.7	409.4

Source: GAO analysis of DOD budget materials. | GAO-23-105619

Note: Enacted amounts, as presented in DOD budget documents, reflect congressionally approved programs supported through appropriations, reprogramming actions which have been approved, congressionally directed undistributed amounts and transfers, and reprogramming of funds implemented by a DOD component using below-threshold reprogramming flexibility. From fiscal year 2015 through fiscal year 2021, amounts requested and provided for EDI were part of Overseas Contingency Operations (OCO) funding. In fiscal year 2022, amounts for EDI were shifted into DOD's base budget as OCO was discontinued as a separate funding category.

Funding for EDI Enhanced U.S. Military Posture in Europe

Funding for EDI enhanced U.S. military posture in Europe by rotating additional U.S. military forces and expanding the U.S. military footprint in Europe from fiscal year 2015 through fiscal year 2023. EUCOM officials stated that EDI has enabled the military to provide capabilities to the European theater. Further, funding for EDI accelerated existing projects and supported projects that may not have otherwise been funded by the base budget, according to U.S. Army Europe (USAREUR) officials.²⁰ Additionally, since EDI was established in fiscal year 2015, the United States reached agreements with other countries to enable additional U.S. military posture changes in Europe.

Funding for EDI Enhanced the Presence of U.S. Military Forces throughout Europe

Funding for EDI enhanced the presence of U.S. military forces throughout Europe—leading to increased numbers of rotational forces deployed to Europe and increased levels of exercises conducted by those forces. Prior to EDI, the military services had limited forces rotating through Europe to supplement permanently stationed forces, according to EUCOM and USAREUR officials. As a result of EDI activities, the military services provide an enhanced presence. For example:

- Since fiscal year 2017, funding for EDI has supported rotations of Army forces where personnel rotate in and out of Europe from the United States. EDI amounts support the presence of forces to include an Armored Brigade Combat Team; Combat Aviation Brigade; and personnel for mission command, intelligence, engineering, and other warfighting functions. These Army rotational forces help ensure a U.S.

²⁰According to an OSD official, funding for EDI accounted for \$5 billion of the \$14 billion designated for EUCOM in fiscal year 2022.

military presence across Eastern Europe, including the Baltic States, Poland, Romania, and Bulgaria.

- Since fiscal year 2015, funding for EDI activities has supported an Air Force presence in Europe by increasing rotations of personnel or deferring previously planned force reductions. The Air Force sends personnel to various European countries to conduct training and exercises, such as Mobility Air Forces activities, which include training for aerial refueling and airlift capabilities. Since fiscal year 2017, training and exercises have included Combat Aviation activities, which support air policing, surveillance, and other air activities. These Air Force activities provide aviation capabilities that help deter Russian aggression while assuring European allies, according to OSD documents.

Additionally, troops rotating in and out of Europe are exercising more frequently as a result of EDI, according to USAREUR officials. For example, officials stated that in fiscal year 2016 there were 26 exercises. Since then, exercises have increased to approximately 50 a year. Funding for EDI-supported exercises and training activities enabled more extensive U.S. interaction with partner countries and improves overall readiness, according to OSD documents.

Funding for EDI Increased the U.S. Military Footprint throughout Europe, including Construction and Infrastructure Improvements

Funding for EDI increased the U.S. military footprint throughout Europe by supporting construction and physical infrastructure improvements at military bases and other facilities. From fiscal year 2015 through fiscal year 2022, funding for EDI provided more than \$1.9 billion for approximately 63 military construction projects in 15 countries, according to EUCOM documentation. For example, these construction projects have built airfields, ranges, railheads, logistics facilities, and munitions storage facilities. Examples include:

- Minor construction improved infrastructure in Zutendaal, Belgium, which bolsters Army prepositioning maintenance and storage facilities that support U.S. military operations and activities in Europe (see fig. 1 above).
- Military construction in Powidz and Łask, Poland, created Air Force squadron operations facilities which enhances regional security by supporting aviation rotational detachments for several aviation platforms, according to Air Force officials (see fig. 5).

Figure 5: Squadron Operations Facility at Łask Air Base, Poland



Source: U.S. Air Force/Tech. Sgt. J. Albers. | GAO-23-105619

Note: A U.S. Air Force F-15E Strike Eagle with the 336th Fighter Squadron assigned to Seymour Johnson Air Force Base, North Carolina, lands at Łask Air Base, Poland, in support of a North Atlantic Treaty Organization (NATO) air mission, Feb. 14, 2022. The squadron operations facility at Łask (in background), which supports U.S. air detachments conducting these missions, was constructed and paid for with European Deterrence Initiative amounts, according to Air Force officials.

- Military construction at Mihail Kogălniceanu Air Base, Romania, included a new rail head, passenger terminal, and road infrastructure, which improves the military base's logistical capacities (see fig. 6). When we visited the base in 2022, U.S. forces were deployed to this base, as were forces from other NATO nations.

Figure 6: Railhead at Mihail Kogălniceanu Air Base, Romania



Source: GAO. | GAO-23-105619

Note: The railhead completed at Mihail Kogălniceanu Air Base in Romania was constructed and paid for with European Deterrence Initiative amounts, according to Army officials.

- Military construction at Campia Turzii Air Base, Romania, included a hazardous cargo pad and infrastructure for storing munitions, which has helped support various military activities (see fig. 7). The Air Force plans additional activities at this base, including expanded fuel and munitions storage, and also warehouses for prepositioned equipment as part of the Deployable Air Base System.²¹

²¹The Deployable Air Base System is a collection of shelters, vehicles, and other equipment that can be prepositioned around the globe and moved to any place the U.S. Air Force needs to establish air operations.

Figure 7: Munitions Storage Bunkers at Campia Turzii Air Base, Romania



Source: GAO. | GAO-23-105619

Note: Two munitions storage bunkers at Campia Turzii Air Base, Romania, constructed and paid for with European Deterrence Initiative amounts, according to officials. The bunkers are sized to support tactical operations for air platforms such as the F-16 fighter or the MQ-9 Reaper.

Since EDI Was Established in Fiscal Year 2015, the U.S. Has Entered into Agreements with Other Countries to Enable Additional U.S. Military Posture Changes in Europe

The United States established defense cooperation agreements (DCAs) with several European countries that enabled DOD to make additional posture changes since EDI was established in fiscal year 2015.²² These countries include Estonia, Hungary, Latvia, Lithuania, Norway, Poland, and Slovakia. Officials stated that these DCAs are essential for the U.S. military to have a presence in foreign countries and support EDI's lines of effort. DCAs help provide legal authority for U.S. forces to operate,

²²The U.S. Department of State's Office of Security Negotiations and Agreements leads the negotiation and conclusion of security agreements that facilitate the deployment and movement of U.S. forces and materiel abroad, and enhances bilateral defense relationships on a global scale, among other activities. In particular, the office negotiates security agreements such as Defense Cooperation Agreements and Status of Forces Agreements.

conduct military exercises, and store equipment in foreign countries, according to DOD officials.²³

The DCAs with Hungary and Slovakia supplement a preexisting NATO Status of Forces Agreement and deepen U.S. ties with and military capabilities within each country.²⁴ For example, the DCAs authorize U.S. forces to take operational control of agreed-upon facilities and areas for a variety of uses, such as training, accommodation of personnel, staging and deploying of forces and materiel, among other purposes.

In 2020, the U.S. signed an Enhanced Defense Cooperation Agreement (EDCA) with Poland to strengthen defense ties and formalize several major policy initiatives. Through the EDCA, Poland has agreed to provide financing to build, improve, and outfit infrastructure (built to U.S. executive agent requirements), as well as logistics support to satisfy the requirements of U.S. forces stationed in Poland. For additional details on the EDCA with Poland, see appendix II.

DOD Issued New Guidance to Further Define EDI and Is in the Process of Implementation

With Limited OSD Criteria, the Military Services Used Their Own Criteria for Defining EDI from Fiscal Year 2015 through Fiscal Year 2024 Budgets

With limited department-wide criteria, the military services used their own criteria for defining EDI in budget requests from fiscal year 2015 through fiscal year 2024.²⁵ According to EUCOM officials, the criteria used for defining an EDI activity is the five lines of effort enunciated in EDI budget

²³Officials noted that other forms of agreements can also provide U.S. forces the legal authority to operate in foreign countries, such as Status of Forces Agreements.

²⁴A Status of Forces Agreement is a bilateral or multilateral agreement that defines the legal position of a visiting military force deployed in the territory of a friendly state.

²⁵We limited the scope of our review to the Army, Navy, Air Force, and Marine Corps.

request documents.²⁶ Other than the EDI five lines of effort appearing in the budget requests, EUCOM and military service officials stated that there is no formal guidance further defining EDI.

Based on the five lines of effort, for fiscal year 2015 through fiscal year 2024, each of the military services used their own criteria to determine what activity should be funded as part of EDI, according to military service officials. For example:

- **Army.** The Army established its own guidance in fiscal year 2018 to describe business rules for funding Army activities with EDI amounts.²⁷ The guidance aligns the Army's definition of EDI activities with the five lines of effort.
- **Air Force.** According to Air Force officials, the Air Force's EDI funding eligibility criteria was established in coordination with EUCOM. Air Force officials stated that the five lines of effort appearing in EDI budget request documents define the scope of what activities are allowed to be funded as part of EDI. According to Air Force officials, if the activity falls within EDI criteria identified in the EDI budget requests, but is inherent to the Air Force and/or not a direct result of Russian aggression in 2014 or 2022, it is not eligible for funding as part of EDI.
- **Navy and Marine Corps.** Navy officials stated that they were not aware of any department-level EDI criteria guidance, other than the five lines of effort appearing in the EDI budget requests. Navy officials added that they work with EUCOM to determine what activities are to be funded as part of EDI. Marine Corps officials also stated that they do not have separate military service-specific EDI guidance and use the five lines of effort set forth in EDI budget requests when determining what to fund as an EDI activity.

Department- and Military Service-Level Categorization of EDI Activities

²⁶The first EDI budget request for fiscal year 2015 identified the initial lines of effort as increased U.S. military presence in Europe; additional bilateral and multilateral exercises and training with allies and partners; improved infrastructure to allow for greater responsiveness; enhanced prepositioning of U.S. equipment in Europe; and intensified efforts to build partner capacity for newer NATO members and other partners such as Georgia, Moldova, and Ukraine. In subsequent budget requests, those lines of effort have been condensed to Increased Presence; Exercises and Training; Enhanced Prepositioning; Improved Infrastructure; and Building Partner Capacity.

²⁷USAREUR, *FRAGORD 28 (FY18 EDI Fund Business Rules) to USAREUR OPORD 0016-17* (Atlantic Resolve 2.0) (Mar. 18, 2018).

Were Misaligned in EDI Budget Requests from Fiscal Year 2015 through Fiscal Year 2024

Categorization of activities funded by EDI differed in department- and military service-level budget requests from fiscal year 2015 through fiscal year 2024. Department-level EDI budget requests from fiscal year 2015 through fiscal year 2020 included EDI amounts enacted in the prior and current fiscal year, as well as amounts requested for the upcoming fiscal year, and were presented by each of the five lines of effort. An associated list of EDI projects for each military service was also presented by line of effort.²⁸ Beginning with the fiscal year 2021 EDI budget request, amounts requested for the upcoming fiscal year were also presented by military service-level appropriation and related subactivity groups.²⁹ For example, in the fiscal year 2023 EDI budget request under the Increased Presence line of effort, amounts are requested for Operation and Maintenance (O&M), Army, to support subactivities such as Army Rotational Forces and Ammunition Readiness. Additionally, under the Enhanced Prepositioning line of effort, O&M, Air Force, amounts are requested for Air Base Ground Defense and Preposition Air Equip subactivities. According to OSD and EUCOM officials, the process of generating EDI budget requests involved EUCOM coordinating with the military services and service-component commands to provide funding requirements data.

In contrast, the military services' budgets for fiscal year 2015 through fiscal year 2024 do not present EDI funding requests by the five lines of effort that are used in department-level EDI budget requests. Rather, individual military service-level budget requests are generally organized by appropriation title, such as O&M, activity and/or subactivity groups. For example, the Army's fiscal year 2023 O&M budget request included EDI amounts in their O&M Overseas Operations appendix, presented by activity groups such as Facilities Operations and Command/Garrison

²⁸Summary tables of EDI funding by military service and by general appropriation title were also included in the fiscal year 2015 through fiscal year 2020 budget requests. Appropriation titles refers to the various appropriation accounts through which EDI activities are supported, including Military Personnel; Operation and Maintenance; Procurement; Research, Development, Test, and Evaluation; and Military Construction.

²⁹Each military service receives service-specific appropriations mirroring the appropriation titles. For example, O&M, Army; Research, Development, Test, and Evaluation, Air Force; or Military Construction, Navy. Each appropriation account is further broken down into activity and subactivity groups for internal funds control and accounting purposes. For example, basic pay and incentive pays are budget subactivities within military service Military Personnel appropriation accounts.

Services. Further, the military services' EDI funding budget requests do not detail prior or current fiscal year enacted amounts along with their future fiscal year request by line of effort.

The USD(C) provided budget submission guidance to the military services to help them identify activities as EDI within OCO, but this guidance became outdated when EDI was moved into their base budgets.³⁰ In March 2022, USD(C) issued budget submission guidance for fiscal year 2023.³¹ However, the guidance did not specify criteria for determining what is and is not an EDI activity. The March 2022 guidance also did not direct that military service budget requests, like the department-level EDI budget request, should be presented by the five lines of effort.

DOD Issued New Guidance to Further Define EDI and Standardize EDI Budget Submissions for Fiscal Year 2024 and Future Budget Years

Recognizing that the military services were defining EDI activities with limited guidance, and presenting EDI budget requests differently from the department-level budget documents, the Deputy Secretary of Defense issued new EDI criteria guidance on February 21, 2023.³² The guidance—applicable to fiscal year 2024 and future budget request cycles—contains inclusion criteria for what constitutes EDI investments and activities that support the EDI mission by line of effort. The criteria explain the focus of each line of effort. For example, Increased Presence within EDI is focused on increasing and sustaining the presence of air, land, and sea forces in Europe for the conventional deterrence of Russia. It includes examples of activities, such as increasing personnel in theater to support ongoing rotational forces.

The new guidance also includes exclusion criteria articulating that the following are not EDI activities: (1) those designed to address or deter

³⁰USD(C) Memorandum, *Updated Fiscal Year 2020 Overseas Contingency Operations Program/Budget Submission Guidance* (Aug. 10, 2018); *Supplemental Fiscal Year 2020 Overseas Contingency Operations Budget Submission Guidance* (Jan. 28, 2019); and *Adjusted Supplemental Fiscal Year 2020 Overseas Contingency Operations Budget Submission Guidance* (Feb. 27, 2019).

³¹USD(C), *Fiscal Year 2023 President's Budget Submission Guidance* (Mar. 5, 2022).

³²Deputy Secretary of Defense Memorandum, *European Deterrence Initiative Criteria for Fiscal Year 2024 and Future Budget Cycles* (Feb. 21, 2023).

broader strategic threats beyond Russian threats to NATO; (2) those that are easily transferrable between theaters; or (3) routine activities and exercises that DOD would undertake regardless of the threat to NATO that Russia poses. Examples of excluded activities include Defense Industrial Base enhancements based in the United States, security assistance provided to countries that are not NATO allies, and infrastructure improvements not in direct operational support of contingency plans or deterrence activities.

By defining criteria for EDI, the 2023 guidance may help the military services provide quality information to Congress regarding EDI activities. Further, the direction that EDI budget requests be presented by line of effort for both department- and military service-level requests will provide a level of standardization across department- and military service-level requests. However, because the guidance was issued in February 2023, the direction to present EDI budget request data by line of effort came too late to be incorporated into the military services' fiscal year 2024 budget requests, which were completed in February and released in March 2023. In fiscal year 2025 and beyond, as required, both department- and military service-level EDI budget requests will be organized by line of effort.

Better Performance Information Could Help DOD Assess EDI Activities and Better Support Budget Requests

The military services have collected information from monitoring and assessing some EDI activities, such as military construction and exercises. However, DOD is not well-positioned to determine EDI progress because DOD has not established performance goals and measures for EDI and its five lines of effort.³³ This limits DOD's ability to better support budget requests, which articulate the needs and outcomes desired and achieved for past and future resources dedicated to EDI.

³³A performance goal is comprised of a measure, a target, and a time frame that define the specific results an activity is expected to achieve in the near term. Performance measures collect relevant information to assess performance and progress toward that goal. See GAO, *Coast Guard: Additional Actions Needed to Improve Commercial Fishing Vessel Safety Efforts*, [GAO-23-105289](#) (Washington, D.C.: Nov. 2, 2022).

Military Services Have Collected Information from Monitoring and Assessing Some EDI Activities

The military services have collected information from monitoring some specific EDI activities, assessing exercises, and assessing their broad contributions to theater posture. EUCOM officials said that these activities are easy to measure and track.

Monitoring specific activities. For example, according to U.S. Air Forces in Europe (USAFE) and EUCOM documents, construction of a munitions storage area at Campia Turzii in Romania was completed on time from April 2020 through December 2021 and cost \$3 million. Elsewhere, the Army spent \$7.6 billion from fiscal year 2017 through fiscal year 2020 to build Army Preposition Stock sites designated for Europe and plans to spend an additional \$1.4 billion from fiscal year 2021 through fiscal year 2025, according to Army documentation. The Army monitors and tracks how much equipment is stored in these sites, according to Army officials (see fig. 8).

Figure 8: U.S. Army Soldiers Inventory Prepositioned Equipment in Zutendaal, Belgium



Source: U.S. Army/Sgt. E. Clark. | GAO-23-105619

Note: U.S. Army Soldiers with 504th Composite Supply Company, 553rd Combat Sustainment Support Battalion, 1st Cavalry Division Sustainment Brigade, inventory heavy expanded mobility tactical trucks at an Army Prepositioned Stock site on Feb. 27, 2020, at Zutendaal, Belgium.

Assessing exercises. The military services also monitored exercises funded as a part of EDI and conducted in theater through various assessments, which helped them to draw conclusions about their interactions with allies and overall readiness. USAREUR officials, who stated that they monitor the level of participation of allies in their exercises, said that the increase in exercises led to more countries participating in these exercises. USAREUR and U.S. Marine Corps officials stated that these exercises helped to improve military readiness, ensure rotational posture within Europe, and maintained U.S. relationships with allies and partner countries. USAREUR, USAFE, and Marine Corps Forces Europe officials added that they conducted assessments of the exercises. Also, Navy guidance directs the Navy to conduct assessments of joint exercises involving partner nations, including NATO.³⁴

Assessing broad contributions to theater posture. The Air Force has taken some steps to assess its broad contributions to EUCOM's posture. However, as of March 2023, the Air Force's efforts were under development and were not specific to EDI. As of November 2022, a USAFE working group was developing processes to inform recommendations derived from assessments of the effectiveness of both EDI and non-EDI activities. For example, USAFE officials provided us a list of military objectives and tracked how an activity scored previously and how it is scoring currently. This analysis showed whether progress against outcomes was advancing or regressing. USAFE officials stated that this analysis will help determine prioritization of activities, identify needs for advancing activities as well as shortfalls, and assess tradeoffs.

USAFE officials stated that the analysis was intended to measure the effectiveness of activities against the Air Force's overall plan for supporting EUCOM. The USAFE officials also stated that they are not planning to link or incorporate EDI's five lines of effort into their assessment-grading criteria. According to USAFE officials, those lines of effort are inherently part of the larger theater objectives. USAFE officials noted that they would have to build an assessment plan that separates EDI from non-EDI activities.

³⁴Chief of Naval Operations Instruction 3500.45A, *Cooperative Deployment Program* (Feb. 27, 2023).

DOD Is Not Well-Positioned to Assess EDI Progress and Is Limited in Its Ability to Better Support Budget Requests

DOD is not well-positioned to assess progress made toward EDI's five lines of effort. This limits DOD's ability to better support EDI budget requests, which articulate the needs and outcomes desired and achieved for past and future resources dedicated to EDI. DOD officials said that EDI activities are designed to achieve broader theater posture end states in Europe, such as ensuring that EUCOM has ready a combat credible force.³⁵ However, DOD and EUCOM officials were not able to explain how EDI activities contributed to a ready combat credible force using quantifiable measures for EDI and its five lines of effort that are linked to overall goals of EDI and/or EUCOM theater posture. According to DOD officials, EDI's lines of effort are not end states or objectives, and therefore are not suitable for setting performance goals or measures. EUCOM officials stated that their current practice of collecting information and monitoring some EDI activities is suitable and easy to track.

However, the information DOD tracks for EDI activities is limited and does not include goals and associated measures to enable the department and Congress to assess progress toward a desired outcome for each EDI line of effort. This limits the ability of the department to evaluate its efforts—when a desired end state is achieved or not achieved. For example:

- The military services plan and execute military exercises with allies and partners, according to military service officials. However, DOD has not established performance goals or measures needed to increase the overall readiness and interoperability of U.S. and NATO forces to respond to Russian threats. This could include the number and type of exercises, or desired capability achieved via the exercises. Therefore, without goals and associated measures, it is unclear how DOD will assess progress toward achieving its desired outcomes for EDI's second line of effort, Exercises and Training.
- The Army tracks how much equipment is stored at prepositioning sites, but it has not established goals and associated measures for the amount of equipment needed in theater before units arrive. Additionally, the Army has not identified goals and associated measures that would enable officials to determine how far they have

³⁵An end state is the set of required conditions that defines achievement of the commander's objectives. Joint Chiefs of Staff, Joint Pub. 3.0, *Joint Operations* (Jan. 17, 2017) (incorporating Change 1, Oct. 22, 2018).

progressed toward a desired outcome for its third line of effort, Enhanced Prepositioning.

In addition, DOD's current approach for monitoring EDI activities limits its ability to better support EDI budget requests. Since EDI has transitioned to the base budget, resources for EDI activities compete with other military service priorities, according to DOD officials. For example, a U.S. Naval Forces Europe official stated that future EDI activities may not receive funding because EDI activities will now have to compete with other military service priorities. Also, USAREUR officials stated that competing with other military service priorities has negatively affected requirements for EDI. Specifically, now that funds for requirements related to EDI are no longer funded through the separate OCO category, some requirements may not receive requested funding, according to USAREUR officials. Without established performance goals and measures to assess progress toward those goals, the military services lack performance information to better estimate EDI budget requests and prioritize EDI activities for current or future needs.

Standards for Internal Control in the Federal Government state that management should define performance goals in measurable terms so that performance toward achieving those goals can be assessed.³⁶ Further, management should determine whether performance measures are appropriate for evaluating the entity's performance in achieving defined goals. DOD's *Financial Management Regulation* states that components shall use performance measures to justify 100 percent of the resources requested in the budget year.³⁷ Our prior work has shown that establishing analytically based goals that define the desired outcomes and results is a leading practice that can enhance the success of an initiative, and using performance measures enables effective monitoring and facilitates targeting efforts with the greatest effect.³⁸

Because EUCOM and the military services have not established performance goals and measures, DOD is not well-positioned to assess EDI activities and is limited in its ability to better support budget requests. By establishing performance goals and measures for EDI and its lines of

³⁶GAO-14-704G.

³⁷DOD 7000.14-R, vol. 2A, chap. 1 (Oct. 2008).

³⁸GAO, *Managing for Results: Data-Driven Performance Reviews Show Promise But Agencies Should Explore How to Involve Other Relevant Agencies*, GAO-13-228 (Washington, D.C.: Feb. 26, 2013); and *Results-Oriented Management: Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information*, GAO-09-676 (Washington, D.C.: Sept. 24, 2009).

effort, DOD will be better positioned to determine progress, to target resources, and to make adjustments in response to the changing security environment. Further, DOD will be in a better position to support budget requests to Congress with high-quality information regarding requested EDI resource investments. In addition, both DOD and Congress will be better able to understand the return on EDI investments.

Conclusions

U.S. national security objectives in Europe are evolving and multifaceted. Transparency, accountability, and oversight of EDI activities and funds are especially important now that these activities are funded through the base budget. DOD has taken steps, such as issuing its February 2023 EDI criteria guidance for fiscal year 2024 and future budget years, to improve its transparency of and accountability for EDI activities. However, DOD has not established performance goals and measures to assess EDI progress. By establishing performance goals and measures for EDI, DOD would be able to better determine if EDI resources are being applied effectively and efficiently to achieve desired outcomes. Creating such performance goals and measures would also provide both DOD and Congress a clearer picture of EDI's return on investment.

Recommendation for Executive Action

The Secretary of Defense should ensure that the commander of EUCOM, in collaboration with the heads of the military services, establishes performance goals and measures for EDI and its five lines of effort. (Recommendation 1)

Agency Comments and Our Evaluation

We provided a draft of the report to DOD for review and comment. In written comments on a draft of this report, DOD partially concurred with our recommendation. DOD's comments are reprinted in their entirety in appendix III. DOD also provided technical comments, which we incorporated as appropriate.

In its comments partially concurring with the recommendation, DOD agreed that it is appropriate to include performance measures to assess

progress towards overall objectives and end states in the European theater, including deterring Russian aggression against NATO. DOD also noted that our draft report pointed out ways in which EDI investments have furthered these objectives. However, DOD disagreed that it should establish performance goals and measures for EDI specifically, because EDI is neither a program nor a separate funding source. Rather, DOD commented that EDI is a method for it to articulate a specific subset of overall investments made in Europe, and that it would not be appropriate to develop distinct separate performance measures for EDI alone. DOD has made positive steps by issuing specific guidance to all DOD components for categorizing EDI-associated investments in their base budgets for fiscal year 2024 and future budget cycles. DOD stated that this effort will continue to detail the tangible commitments on the Russia deterrence mission.

We continue to believe that DOD would benefit from establishing performance goals and measures for EDI and its five lines of effort. As we reported, DOD has invested billions of dollars in EDI funding since its inception, and will continue to do so based on DOD's fiscal year 2024 budget request. We recognize that DOD does not consider EDI to be a single program, and that its activities contribute to theater-wide end states. However, as we reported, DOD's *Financial Management Regulation* states that components shall use performance measures to justify 100 percent of the resources requested in the budget year.³⁹ DOD's guidance to categorize EDI-associated investments in fiscal year 2024 and future budget cycles is a good first step, but without establishing performance measures for EDI and its five lines of effort, DOD and Congress are not well-positioned to measure progress and understand the return on these investments.

We are sending copies of this report to the appropriate congressional committees and the Secretary of Defense. In addition, the report will be 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 (202) 512-5431 or russellc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found at the end of this report. GAO staff whom made key contributions to this report are listed in appendix IV.

³⁹DOD 7000.14-R, vol. 2A, chap. 1 (Oct. 2008).

Letter

A handwritten signature in black ink, reading "Cary Russell". The signature is written in a cursive style with a large initial "C" and a long, sweeping tail on the "l".

Cary B. Russell
Director, Defense Capabilities and Management

Appendix I: Objectives, Scope, and Methodology

This report examined three objectives: (1) how, if at all, the European Deterrence Initiative (EDI) has changed U.S. military posture in Europe; (2) the Department of Defense (DOD)'s efforts to define and report on its funding for EDI; and (3) the extent to which DOD uses performance information to evaluate EDI activities and justify dedicated resources.

To address our first objective, we obtained relevant DOD documentation and data related to the history of funding EDI activities since its establishment in fiscal year 2015.¹ We conducted a data reliability assessment to confirm the reliability of budget data based on documents provided by the Under Secretary for Defense, Comptroller (USD(C)). Specifically, we reviewed and compared annual enacted appropriation amounts for prior years as reported in DOD budget requests and found no issues with the reliability of appropriation amounts from fiscal year 2015 through fiscal year 2023. We reviewed programs, projects, and activities funded as a part of EDI, including construction and infrastructure projects, through site visits to locations in Belgium, Luxembourg, Poland, and Romania. We selected sites in Germany because U.S. European Command (EUCOM) and the multiple service-components are headquartered there. We visited sites in Belgium, Luxembourg, Poland, and Romania, because several tangible and physical assets funded through EDI are located in those countries. We also visited sites in Poland and Romania because EDI's posture initiatives are targeted at Eastern Europe to bolster the security and capacity of countries in close geographical proximity to Russia, and to reinforce efforts to deter Russian aggression. During our visits, we interviewed DOD officials regarding EDI activities in various countries, toured new facilities and sites, and reviewed documentation related to defense cooperation agreements with countries such as Hungary, Slovakia, and Poland.

To address our second objective, we examined DOD guidance on defining and presenting EDI budget requests, and compared it to how the military services are defining and presenting EDI budget requests at the military service level. Specifically, we collected and analyzed information

¹When first authorized in fiscal year 2015, EDI was initially called the European Reassurance Initiative (ERI). ERI's name was changed to EDI in 2018. Throughout this report, we refer to the initiative as EDI.

and data from department- and service-level EDI budget request documents from fiscal year 2015 through fiscal year 2024 to assess the consistency of budget request presentations, including identification of EDI activities within the request documents. We also obtained and reviewed memoranda that provided guidance on how DOD components are to submit budget requests prior to the fiscal year 2024 request.² Additionally, we reviewed the requirement in the 2023 EDI budget request guidance that beginning with their fiscal year 2024 budget request, DOD components, including the military services, present requests for EDI funding across five lines of effort.³

To address our third objective, we assessed documentation and evidence of performance goals and measures from EUCOM and the military services. Specifically, we compared the efforts described with DOD guidance and determined that the control activities of *Standards for Internal Control in the Federal Government* were significant to this objective,⁴ along with the associated underlying principles that management should:

- define performance goals in measurable terms so that progress toward those goals can be assessed; and
- determine whether performance measures for the defined performance goals are appropriate for evaluating the entity's performance in achieving those goals.

We reviewed DOD documentation, including the DOD *Financial Management Regulation* on budget and performance integration.⁵ In completing this analysis, we interviewed DOD officials on:

- the role of DOD entities that oversee and support efforts to establish performance goals and measures to justify EDI budget requests; and

²USD(C) Memorandum, *Updated Fiscal Year 2020 Overseas Contingency Operations Program/Budget Submission Guidance* (Aug. 10, 2018); *Supplemental Fiscal Year 2020 Overseas Contingency Operations Budget Submission Guidance* (Jan. 28, 2019); and *Adjusted Supplemental Fiscal Year 2020 Overseas Contingency Operations Budget Submission Guidance* (Feb. 27, 2019).

³Deputy Secretary of Defense Memorandum, *European Deterrence Initiative Criteria for Fiscal Year 2024 and Future Budget Cycles* (Feb. 21, 2023).

⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

⁵DOD 7000.14-R, *Financial Management Regulation* (2023).

- the military services' efforts to measure and assess progress of activities funded by EDI.

To support our work across our objectives, we interviewed officials from the following organizations from the Department of Defense:

- Office of the Under Secretary of Defense, Policy
- Office of the Under Secretary of Defense, Comptroller
- U.S. Army, Headquarters
- U.S. Navy, Headquarters
- U.S. Marine Corps, Headquarters
- U.S. Air Force, Headquarters
- U.S. European Command, Headquarters
- U.S. Army, Europe
- U.S. Naval Forces, Europe
- U.S. Marine Forces, Europe
- U.S. Air Force, Europe
- U.S. Army, V Corps, Poland
- 86th Materiel Maintenance Squadron, Ramstein Air Base
- 52nd Operations Group/Detachment 1, Poland
- Area Support Group – Black Sea, Romania
- U.S. Army Garrison Belgium, Netherlands, Luxembourg

We conducted this performance audit from December 2021 to July 2023 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.

Appendix II: Enhanced Defense Cooperation Agreement with Poland

In August 2020, the U.S. signed an Enhanced Defense Cooperation Agreement (EDCA or the Agreement) with Poland.¹ The EDCA strengthens the defense ties between the two countries and formalizes several major policy initiatives. In addition to establishing a framework for cooperation, the agreement is intended to improve each country's ability to fulfill security and defense commitments to each other.

Pursuant to the EDCA, Poland has agreed to provide financing to build, improve, and outfit infrastructure, built to U.S. executive agent requirements, as well as logistics support to satisfy the requirements of U.S. forces stationed in Poland.² The Agreement also identified 19 facilities and areas for which U.S. forces would have access to support mutual defense cooperation activities (see fig. 9). The EDCA supplements a preexisting North Atlantic Treaty Organization (NATO) Status of Forces Agreement.³

¹Defense Cooperation Agreement with Annexes, U.S.-Poland, Aug. 15, 2020, T.I.A.S. No. 20-1113.

²For purposes of the agreement, executive agent means the Minister of National Defense for the Republic of Poland, or the Department of Defense for the United States, or their respective designees. DOD officials stated that Poland agreeing to provide infrastructure and logistics support reduces potential funding obligations for EDI activities.

³A Status of Forces Agreement is a bilateral or multilateral agreement that defines the legal position of a visiting military force deployed in the territory of a friendly state.

Appendix II: Enhanced Defense Cooperation Agreement with Poland

Figure 9: Map of Facilities and Areas for U.S. Forces in Poland



Source: GAO presentation of Department of Defense information; MapResources (map). | GAO-23-105619

Note: FOS refers to a Forward Operating Site. APS is Army Prepositioned Stocks and WRM is War Reserve Materiel. The 19 facilities and areas are Poznań Military Complex, Drawsko Pomorskie Training Area (DPTA), Wrocław Airport (Wrocław-Strachowice), Łask Air Base, Powidz Air Base and Military Complex, Lubliniec Military Complex, Żagań Training Area and Toruń and Skwierzyna Military Complexes, Toruń Military Complex, Skwierzyna Military Complex, Kraków-Balice Airport (Balice), Katowice Airport (Pyrzowice), Mirosławiec Air Base, Dęblin Air Base, Ustka Training Area, Czarne Training Area, Wydrzyn Training Area, Biedrusko Training Area, Nowa Dyba Training Area, and Orzysz/Bemowo Piskie Training Area (BPTA).

Poland-Provided Infrastructure

Poland-Provided Infrastructure (PPI) is a program funded by Poland to build, improve, and outfit infrastructure needed to enable the deployment and employment of U.S. forces to, within, and through the territory of Poland. The program is comprised of 113 projects which span 11 facilities and areas.⁴

Forty-one projects are scheduled for completion from 2021 to 2026. Department of Defense (DOD) officials stated that Poland contributed approximately \$87.4 million in calendar year 2021 and approximately \$58.2 million in calendar year 2022 for these 41 projects. Poland also made \$1.35 billion in “in-kind” contributions to these projects from 2021 to 2022.⁵ Contributions to PPI projects are applicable across the planning, design, and construction phases. A prominent aspect of the EDCA is that Poland has agreed to provide financing to build, improve, and outfit infrastructure (built to U.S. executive agent requirements), as well as logistics support to satisfy the requirements of U.S. forces stationed in Poland. Construction contracts for PPI projects are awarded to contractors selected from a mutually-determined list of pre-qualified eligible contractors.

Poland-Provided Logistics Support

Poland-Provided Logistics Support (PPLS) is a program funded by Poland to satisfy the logistical requirements of U.S. forces in the territory

⁴The 11 facilities and areas include the Poznań Military Complex; Drawsko Pomorskie Training Area; Wrocław Airport (Wrocław-Strachowice); Łask Air Base; Powidz Air Base and Military Complex; Lubliniec Military Complex; Żagań Training Area and Toruń and Skwierzyna Military Complexes; Kraków-Balice Airport (Balice); Katowice Airport (Pyrzowice); Mirosławiec Air Base; and Dęblin Air Base.

⁵“In-kind” support refers to Poland constructing and maintaining the facilities themselves and delivering services using their own work force and contract vehicles.

of Poland.⁶ Contributions to PPLS programs are “in-kind” with monetary contributions made only in exceptional cases.⁷

PPLS provides U.S. forces at agreed facilities and areas the following upon request and without a right to reimbursement:

- All facility and infrastructure sustainment and operations requirements, such as:
- Utilities (including electricity, water, sanitation/refuse collection and disposal, wastewater processing, heat, ventilation, and air conditioning),
- Industrial waste, medical waste, and hazardous waste/material collection and removal/disposal,
- Facility and area sustainment, restoration, and modernization services,
- Utility and ground support fuels,
- Lodging services,
- Food services,
- Laundry and custodial services,
- On and off-installation shuttle services,
- Fuel distribution services,
- Storage services, including storage of ammunition and fuel,
- Fire and emergency services response, and Role I medical services,
- Installation security / defense, and
- Telecommunications infrastructure installation and maintenance services;

⁶PPLS contributions do not apply to the Redzikowo Ballistic Missile Defense site or NATO enhanced forward presence activities.

⁷Exceptions include instances where the U.S. Executive Agent determines that procedures do not meet the requirements of U.S. forces, including where the contractor must be a U.S. firm or require U.S. contract award and implementation because of security requirements; the U.S. Executive Agent determines resolution of identified deficiencies is not initiated within 30 days of initial notification by the U.S. Executive Agent to the Polish Executive Agent; and both executive agents mutually determine that monetary contributions are a more practical or economically beneficial option.

**Appendix II: Enhanced Defense Cooperation
Agreement with Poland**

- War reserve materiel/prepositioned equipment storage and maintenance services;
- 75 percent of the cost of fuels, including aviation and ground transportation fuels up to an agreed-upon volume on an at-least annual basis.⁸ Poland agrees to cover 50 percent of the fuel costs beyond the agreed-upon volume; and
- Other logistical support as mutually determined.

⁸The percentage of agreed-upon volume is based on annual U.S. operational fuel consumption forecasts created by U.S. European Command. The fuel consumption forecast for 2022 included three different kinds of fuel totaling more than 6.7 million U.S. gallons.

Appendix III: Comments from the Department of Defense



Strategy, Plans and
Capabilities

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
2200 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2200

June 12, 2023

MEMORANDUM FOR Mr. Cary Russell, Director, Defense Capabilities and Management, U.S. Government Accountability Office.

SUBJECT: Department of Defense Review of Government Accountability Office Draft Report GAO-23-105619 (GAO CODE 105619) "EUROPEAN DETERRENCE INITIATIVE: DOD SHOULD ESTABLISH PERFORMANCE GOALS AND MEASURES TO IMPROVE OVERSIGHT"

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-23-105619, "EUROPEAN DETERRENCE INITIATIVE: DOD Should Establish Performance Goals and Measures to Improve Oversight," dated May 12, 2023 (GAO Code 105619)." DoD's sensitivity review of the draft report determined the contents are unclassified.

DoD's response to the specific Government Accountability Office (GAO) recommendation is provided below:

RECOMMENDATION 1: "The Secretary of Defense should ensure that the commander of USEUCOM, and the heads of the military services coordinate to establish performance goals and measures for the European Deterrence Initiative (EDI) and its five lines of effort."

DoD RESPONSE: Partially Concur. The Department concurs that it is appropriate for the Combatant Commander's Theater Strategy to include performance measures to assess progress towards overall Theater Objectives and End States, as developed by the Combatant Commander and reviewed by the Secretary of Defense. As the draft report points out, the EDI-associated investments the Department of Defense (DoD) has made since its inception in 2015 have furthered DoD's ability to support its overall objectives in Europe, including deterrence of Russian aggression against NATO, aligned with the National Defense Strategy. However, as EDI is neither a program nor a separate funding source, but a method to articulate a specific subset of overall base budget investments in Europe, it would not be appropriate to develop distinct separate performance measures for EDI alone. EDI-associated investments, while significant, reflect only a portion of the overall annual DoD investments in Europe, articulated in five lines of effort that support overall Theater Objectives and End States. EDI is neither a separate program nor, since transitioning from Overseas Contingency Operations to the base budget in Fiscal Year 2022, a separate funding source for the Department. EDI does not centralize funding in a separate account. While EDI was funded by Overseas Contingency Operations, the Department provided detailed annual Justification Books that described, by line of effort, the requirement driving each EDI investment request. By issuing specific guidance to all DoD Components for categorizing EDI-associated investments in their base budgets for FY 2024 and

**Appendix III: Comments from the Department
of Defense**

future budget cycles, the Department will continue to detail the tangible commitments the Department places on the Russia deterrence mission.

Sincerely,



Samuel J. Brannen
Deputy Assistant Secretary of Defense for
Plans and Posture

Attachment:

TAB A: (U) DoD Sensitivity Review of Draft GAO Report GAO-23-105619

TAB B: (U) DoD Comment Review Matrix (CRM)

Text of Appendix III: Comments from the Department of Defense

June 12, 2023

MEMORANDUM FOR Mr. Cary Russell, Director, Defense Capabilities and
Management, U.S. Government Accountability Office.

**SUBJECT: Department of Defense Review of Government
Accountability Office Draft Report GAO-23-105619 (GAO CODE
105619) "EUROPEAN DETERRENCE INITIATIVE: DOD
SHOULD ESTABLISH PERFORMANCE GOALS AND
MEASURES TO IMPROVE OVERSIGHT"**

This is the Department of Defense (DoD) response to the GAO Draft Report, GA0-
23- 1056 I 9, "EUROPEAN DETERRENCE INITIATIVE: DOD Should Establish
Performance Goals and Measures to Improve Oversight,' dated May 12, 2023 (GAO
Code 105619)." DoD's sensitivity review of the draft report determined the contents
are unclassified.

DoD's response to the specific Government Accountability Office (GAO)
recommendation is provided below:

RECOMMENDATION I: "The Secretary of Defense should ensure that the
commander of USEUCOM, and the heads of the military services coordinate
to establish performance goals and measures for the European Deterrence
Initiative (EDI) and its five lines of effort."

**DoD RESPONSE: Partially Concur. The Department concurs that it is
appropriate for the Combatant Commander's Theater Strategy to include
performance measures to assess progress towards overall Theater Objectives
and End States, as developed by the Combatant Commander and reviewed by
the Secretary of Defense. As the draft report points out, the EDI- associated
investments the Department of Defense (DoD) has made since its inception in
2015 have furthered DoD's ability to support its overall objectives in Europe,
including deterrence of Russian aggression against NATO, aligned with the
National Defense Strategy. However, as EDI is neither a program nor a
separate funding source, but a method to articulate a specific sub- set of
overall base budget investments in Europe, it would not be appropriate to
develop distinct separate performance measures for EDI alone. EDI-associated**

future budget cycles, the Department will continue to detail tangible commitments the Department places on the Russia deterrence mission.

Sincerely,

Sameul J. Brannen,

Deputy Assistant Secretary of Defense for Plans and Posture

Attachment:

Tab A: (U) DoD Sensitivity Review of Draft GAO Report (GAO-23-105619)

Tab B: (U) Dod Comment Review Matrix (CRM) investments, while significant, reflect only a portion of the overall annual DoD investments in Europe, articulated in five lines of effort that support overall Theater Objectives and End States. EDI is neither a separate program nor, since transitioning from Overseas Contingency Operations to the base budget in Fiscal Year 2022, a separate funding source for the Department. EDI does not centralize funding in a separate account. While EDI was funded by Overseas Contingency Operations, the Department provided detailed annual Justification Books that described, by line of effort, the requirement driving each EDI investment request. By issuing specific guidance to all DoD Components for categorizing EDI-associated investments in their base budgets for FY 2024 and

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Cary Russell at (202) 512-5431 or russellc@gao.gov.

Staff Acknowledgments

In addition to the contact named above, individuals who made key contributions to this report include Kevin O'Neill (Assistant Director), Yong Song (Analyst-in-Charge), Nicole Ashby, Arlin Hourihan, David Jones, Kirsten Lauber, Felicia Lopez, Clarice Ransom, Bailey Wong, and Samuel Woo.

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