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**DEFENSE INDUSTRIAL BASE: DOD Should Take Actions to  
Strengthen Its Risk Mitigation Approach**

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## Objectives

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- To what extent has DOD developed a strategy for mitigating defense industrial base risk?
  - To what extent is DOD monitoring and reporting on its progress towards mitigating defense industrial base risks?
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## Methodology


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- Analyzed relevant documentation, including annual Industrial Capabilities Reports, DOD reports responding to Executive Orders 13806 and 14017, and documents comprising the defense industrial base strategy.
  - Measured DOD's industrial base strategy against [GAO-identified criteria](#) for assessing national strategies
  - Interviewed DOD officials from the Office of Industrial Base Policy, the military services, among other offices.
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# Objective 1: Defense Industrial Base Strategy

DOD does not yet have a consolidated and comprehensive strategy to guide its industrial base risk mitigation efforts.

## Elements Not Fully Addressed in DOD's Industrial Base Strategy



Milestones to execute risk mitigation efforts  
Performance measures to gauge results

Total resources needed to mitigate risks



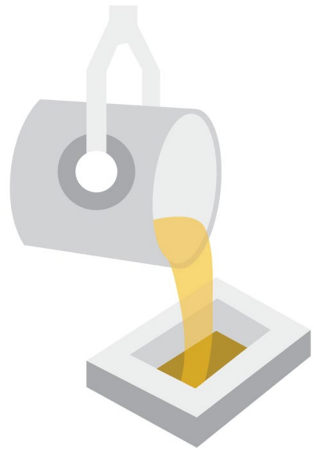
Organizations tasked with leading specific mitigation efforts

Implementation plan

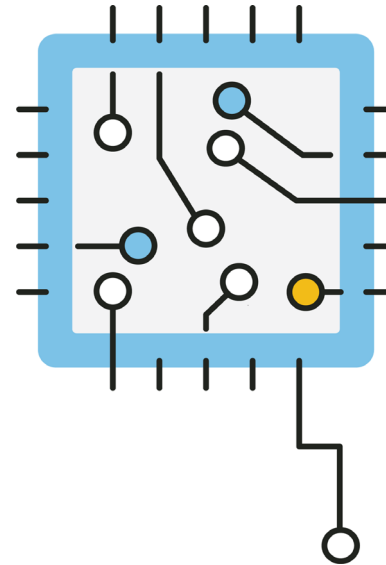


## Objective 2: Monitoring Industrial Base Risks

DOD has limited insight into its progress mitigating industrial base risks



Military services reported investing over \$20 million into castings suppliers, but did not have enterprise-wide performance measures in place

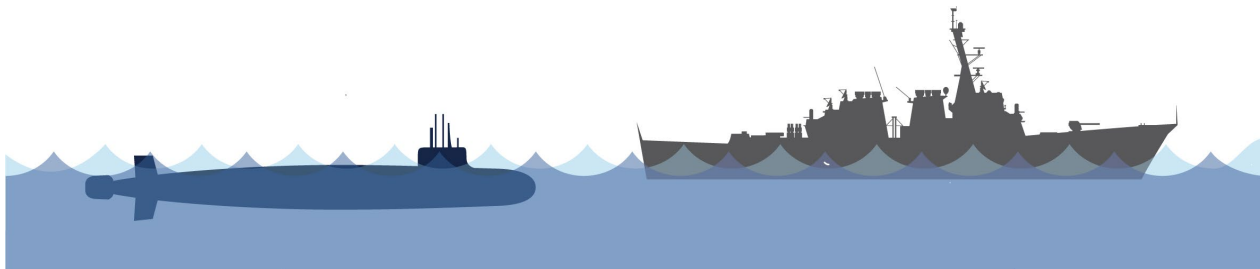


The microelectronics sector will receive over \$50 billion between CHIPS Act funding and DOD investments, but DOD does not have enterprise-wide performance measures in place

## Objective 2: Reporting on Industrial Base Risks

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Annual Industrial Capabilities Reports do not identify DOD's progress in mitigating industrial base risks



DOD identified 6 shipbuilding industrial base risks, and 30 total efforts intended to address these risks in the fiscal years 2018-2020 reports.

However, these reports did not consistently provide updates on these efforts or indicate which risks had been mitigated year-over-year.

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## **GAO Recommendations**

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- 1) DOD should develop a consolidated and comprehensive defense industrial base strategy.
  - 2) OSD and the military services should develop and use performance measures to monitor the aggregate effectiveness of defense industrial base mitigation efforts.
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