



Highlights of [GAO-05-427](#), a report to the Subcommittee on Readiness, Committee on Armed Services, House of Representatives

## Why GAO Did This Study

The importance of prepositioned stocks to the U.S. military was highlighted during recent operations in Iraq, as much of the equipment and supplies stored at land sites in the region and aboard prepositioning ships were used to support operations. Long-standing problems in the Department of Defense's (DOD) prepositioning program are systematic of the inventory management issues, and more recently supply chain management issues, that GAO has considered as high-risk areas since 1990.

GAO was asked to review the risks facing DOD's prepositioning programs, including an assessment of (1) the near-term operational risk given the continuing use of these stocks, (2) the sufficiency of DOD and service-level oversight of these prepositioning programs, and (3) whether DOD has developed a coordinated plan for the future of the department's prepositioning programs that would meet the goals of the recently published defense strategy.

## What GAO Recommends

GAO is making several recommendations to address the risks of inventory shortfalls and improve DOD's management and oversight of its prepositioning programs.

In commenting on a draft of this report, DOD partially or fully concurred with GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-05-427](http://www.gao.gov/cgi-bin/getrpt?GAO-05-427).

To view the full product, including the scope and methodology, click on the link above. For more information, contact William Solis at (202) 512-8365 or [solisw@gao.gov](mailto:solisw@gao.gov).

## DEFENSE LOGISTICS

# Better Management and Oversight of Prepositioning Programs Needed to Reduce Risk and Improve Future Programs

## What GAO Found

DOD faces some near-term operational risks should another large-scale conflict emerge because it has drawn heavily on its prepositioned stocks to support ongoing operations in Iraq. And, although remaining stocks provide some residual capability, many of the programs face significant inventory shortfalls and in some cases, maintenance problems. For example, the Army has drawn equipment from virtually all of its prepositioned stocks to support operations in Iraq. Some of its storage sites have shortfalls of equipment and sustainment items, like spare parts, and some stocks are in poor condition. Additionally, the Marine Corps has used a significant portion of the stocks downloaded from 5 of its 16 prepositioning ships to support operations in Iraq and it is unclear when this equipment will be refilled. The Air Force is also continuing to use a considerable amount of its prepositioned stocks to support combat operations in Iraq and it is unclear when these stocks will be refilled. The precise operational risk created by these shortfalls is difficult to assess. However, should a new conflict arise in the near term, the combatant commander would likely face difficult operational challenges.

The department and the military services have provided insufficient oversight over DOD's prepositioning programs. This inattention has allowed long-standing problems with determining program requirements and managing inventory to persist. DOD has not enforced its directive that could provide centralized oversight over its prepositioning programs. Officials told us they did not enforce this directive because they were able to provide adequate oversight through other mechanisms. Even if the department had enforced its directive, however, the requirements underpinning some of DOD's prepositioning programs are questionable and the services do not have sufficient information on the inventory level and maintenance condition of some prepositioned stocks. Without reliable information on requirements, inventory levels, and maintenance condition, DOD cannot provide sufficient oversight over its programs, which potentially leaves war fighters at risk of not having needed stocks in the future.

DOD has not developed a coordinated departmentwide plan or joint doctrine to guide the future of its prepositioning programs, despite the heavy use of prepositioned stocks in recent conflicts and the department's plans to rely on them in the future. DOD's recently published defense strategy indicates that prepositioning programs should be more innovative, flexible, and joint. In the absence of a departmentwide plan or joint doctrine to coordinate the reconstitution and future plans for these programs, the services have been recapitalizing stocks and developing future plans without an understanding of how the programs will fit together to meet the evolving defense strategy. Without a framework that establishes priorities for prepositioning among competing initiatives, DOD cannot provide assurances to Congress that the billions of dollars that will be required to recapitalize the stocks and develop future programs will produce programs that operate jointly, support the needs of the war fighter, and are affordable.