



Highlights of [GAO-09-83](#), a report to the Subcommittee on Readiness, Committee on Armed Services, House of Representatives

Why GAO Did This Study

The Department of Defense (DOD) is required, by law, to maintain a core logistics capability that is government owned and government operated to meet contingency and other emergency requirements. Military depots play a key role in maintaining this “core capability,” although in recent years DOD has significantly increased its use of contractors. At the subcommittee’s request, GAO examined the extent to which

- (1) DOD has accurately assessed whether it has the required core capabilities in military depots and
- (2) DOD is preparing to support future core requirements for new and modified systems.

GAO reviewed DOD’s biennial process for determining core capability requirements and the associated workloads for fielded systems. GAO also reviewed whether DOD had identified and established core capability in a timely manner for new and modified systems.

What GAO Recommends

GAO is making eight recommendations to DOD to improve its core biennial process to provide more comprehensive and accurate assessments, and to improve the timely identification and establishment of core capabilities for new and modified systems. DOD generally agreed with GAO’s recommendations. DOD partially concurred with a recommendation to enhance reporting to Congress, and GAO replaced this recommendation with a matter for congressional consideration.

[View GAO-09-83 or key components.](#)

For more information, contact William M. Solis at (202) 512-8365 or solisw@gao.gov.

DEPOT MAINTENANCE

Actions Needed to Identify and Establish Core Capability at Military Depots

What GAO Found

DOD, through its biennial core process, has not comprehensively and accurately assessed whether it has the required core capability to support fielded systems in military depots. Although DOD internally reported that its maintenance workload of 92.7 million hours in 2007 was “well over” the minimum of 70.5 million hours needed to fulfill core requirements at military depots and that the services were complying with their core capability requirements, this assessment did not show capability shortfalls identified by the services in their core computations. GAO’s analysis of the services’ 2007 core capabilities data determined that the Army, Navy, and Marine Corps had shortfalls for some equipment categories or technologies. For example, the Army identified core shortfalls of 1.4 million hours for 10 equipment categories. Several factors contributed to the deficiencies in the core process. Current guidance does not address how DOD is to consolidate the services’ results into a meaningful department wide assessment. Also, there were errors and inconsistencies in the services’ core calculations, making the full extent of the shortfalls unclear, and DOD also did not have effective internal controls in place to identify and resolve these errors and deficiencies. Further, DOD’s core process does not have an effective mechanism for ensuring that corrective actions are taken to resolve shortfalls for fielded systems. As a result of shortcomings in the core process, DOD does not know the extent to which the military depots will have the capability to repair weapon systems to support future military operations. Finally, since DOD is not required to provide Congress information on its core process, the results of the process are not readily and routinely visible for purposes of congressional oversight.

DOD is not adequately preparing military depots to support future core requirements through its acquisition process. Specifically, for the new and modified systems included in our review, the department had neither identified nor established core capabilities for certain systems in a timely manner. DOD acquisition guidance requires that an analysis of core requirements for new and modified systems be conducted early in the acquisition phase (no later than Milestone B or no later than Milestone C if there is no Milestone B). However, GAO found that program offices managing 20 of 52 systems we reviewed did not identify core requirements by Milestone C. DOD is also not establishing core capabilities for new and modified systems in a timely manner—that is, within 4 years of the system’s achieving its initial operational capability, as required under DOD guidance. Shortcomings in the acquisition process include (1) acquisition guidance provides little or no information on how to identify and plan for the establishment of core capability, (2) program acquisition strategies do not fully address core requirements, and (3) some program offices are not procuring technical data necessary to establish a core capability. As a result, DOD has little assurance that the department is preparing military depots to meet future national defense contingencies.