



Highlights of [GAO-07-144](#), a report to congressional committees

Why GAO Did This Study

Prepositioned military equipment and supplies on ships and overseas on land have become an integral part of the U.S. defense strategy. However, the Army's program has faced long-standing management challenges, including equipment excesses and shortfalls, invalid or poorly defined requirements, and maintenance problems. In Public Law 109-163, Congress required the Army to conduct an assessment of its prepositioning programs and required GAO to assess (1) whether the Army's report addressed the areas required by Congress, and (2) the major challenges the Army continues to face in its prepositioning program. GAO analyzed the Army's report and other information it obtained from the Joint Staff, the Army, and its subordinate commands to identify the issues affecting the Army's prepositioning program. GAO also visited prepositioned equipment sites in South Carolina, Europe, South Korea, and Kuwait.

What GAO Recommends

GAO is making recommendations to synchronize the Army's prepositioning strategy with overall department efforts and address issues including requirements determination, readiness reporting, need for a comprehensive facilities plan, and maintenance oversight. The Department of Defense (DOD) generally concurred with our recommendations but felt that further actions are unneeded. GAO disagrees and continues to believe that its recommended actions are warranted.

www.gao.gov/cgi-bin/getrpt?GAO-07-144.

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

DEFENSE LOGISTICS

Improved Oversight and Increased Coordination Needed to Ensure Viability of the Army's Prepositioning Strategy

What GAO Found

The Army's April 2006 report on the status of its prepositioning program addressed the areas required by Congress; for example, it included descriptions of operational capabilities, as well as inventory shortfalls expressed in terms of procurement costs. However, the Army significantly shifted its prepositioning strategy in the latter part of 2006, since that report was issued. According to the Army, this shift was based on insights gained from the 2006 Quadrennial Defense Review, but Army officials told us that budget reprogramming decisions and worsening Army-wide equipment shortfalls also influenced the expedited strategy revision. The Army's revised strategy proposes less reliance on heavy combat equipment afloat and the expansion of heavy equipment in Kuwait and Italy. As a result, the Army's April 2006 report to Congress is outdated, and neither Congress nor DOD should base funding decisions on it.

The Army faces several major strategic and management challenges as it revises and implements its prepositioning program. From a strategic perspective, the Army cannot gauge how well its emerging strategy will align with DOD plans currently under development. The Army plans to begin implementing its revised strategy by the end of 2006. DOD has a departmentwide prepositioning study underway intended to set strategy and joint doctrine, but this will not be completed for several months and it anticipates that the Army will have to modify its prepositioning strategy when the DOD-wide strategy is issued. As a result, the Army is at risk of resourcing requirements that may be superseded by the DOD strategy. Moreover, because prepositioning is linked to airlift, sealift, and basing, the Army's decisions will have an as-yet undetermined effect on these areas. In addition to these strategic concerns, the Army faces three key management challenges. First, the Army has yet to determine sound secondary item and operational project stock requirements, and to systematically measure and report readiness. While the Army has been taking steps to address long-standing requirements-determination problems in certain parts of its program, the effort was not finished when GAO completed its work. Without accurate requirements and systematic readiness reporting, Army managers are not able to determine the extent to which the existing inventory reflects what the Army needs. Second, the Army lacks a comprehensive plan for maintenance and storage facilities for prepositioned stocks, resulting in uncertain future facility requirements. In the interim, prepositioned stocks are being stored outside, resulting in higher maintenance costs. Finally, inadequate maintenance oversight of the Army's prepositioning program has raised concerns about the true condition of the equipment at some locations. Until these strategic and management challenges are addressed, the Army will face uncertain risks should new conflicts occur.