



July 2017

PREPOSITIONED STOCKS

DOD Needs to Develop a Department-Wide Vision and Goals to Guide Program Management

Accessible Version

GAO Highlights

Highlights of [GAO-17-653](#), a report to congressional committees

Why GAO Did This Study

DOD positions billions of dollars worth of assets—including combat vehicles, rations, medical supplies, and repair parts—at strategic locations around the world to use during early phases of operations. Each of the military services maintains its own prepositioned stock program. For the past 6 years, GAO has reported on the risk of duplication and inefficiencies in the services' programs due to the absence of a department-wide strategic policy and joint oversight. Section 321 of the NDAA for fiscal year 2014 required DOD to maintain a strategic policy and develop an implementation plan to manage its prepositioned stocks.

The NDAA for fiscal year 2014 also included a provision for GAO to review DOD's strategic policy and implementation plan. This report assessed the extent to which DOD's strategic policy addresses mandated reporting elements and describes the status of DOD's implementation plan. To conduct this work, GAO analyzed DOD's strategic policy against the elements required in the NDAA and discussed the status of the implementation plan with DOD officials.

What GAO Recommends

GAO recommends that DOD revise its prepositioned stocks strategic policy or include in other department-wide guidance (1) a description of the department's vision and the desired end state, and (2) specific interim goals for achieving this vision and end state. DOD concurred with the recommendations, noting that it is taking steps to implement them.

View [GAO-17-653](#). For more information, contact Cary Russell at (202) 512-5431 or russellc@gao.gov.

July 2017

PREPOSITIONED STOCKS

DOD Needs to Develop a Department-Wide Vision and Goals to Guide Program Management

What GAO Found

The Department of Defense's (DOD) strategic policy on its prepositioned stock programs, issued in March 2017, addressed one of the six mandated reporting elements (see table). Specifically, DOD's policy describes strategic planning and resource guidance (element 1), as required.

GAO assessed the remaining five reporting elements as not addressed because DOD did not provide the required information in its policy. For three of the five elements that were not addressed—a description of the strategic environment and challenges (element 4), metrics (element 5), and a framework for joint oversight (element 6)—DOD's policy assigns responsibility for the development of such information, and therefore GAO is not making recommendations related to those elements because DOD has already directed their implementation. However, for two of the five elements that were not addressed—a description of the department's vision and desired end state (element 2) and specific interim goals (element 3)—DOD's strategic policy does not include the required information and instead directs the development of component's (rather than the department's) vision, end state, and goals.

Table: GAO's Assessment of DOD's Strategic Policy Compared to the Six Reporting Elements Required by the National Defense Authorization Act for Fiscal Year 2014

Reporting Elements	GAO Assessment of DOD's Strategic Policy
(1) Overarching strategic planning and resource guidance	Addressed
(2) Description of the department's vision and end state	Not Addressed
(3) Specific interim goals	Not Addressed
(4) Description of the strategic environment and challenges	Not Addressed
(5) Metrics	Not Addressed
(6) Framework for joint departmental oversight	Not Addressed

Source: GAO analysis of section 321 of the National Defense Authorization Act for fiscal year 2014 and DOD Directive 3110.07, *Pre-Positioned War Reserve Materiel (PWRM) Strategic Policy*, (Mar. 7, 2017). | GAO-17-653

DOD officials stated that the strategic policy does not include required information such as a department-wide vision, end state, and interim goals because it is intended to serve as a directive for assigning responsibilities. Without revising its strategic policy or including required information in other department-wide guidance, DOD will not be positioned to fully synchronize the services' prepositioned stock programs to avoid unnecessary duplication and achieve efficiencies.

DOD has not yet issued an implementation plan for managing its prepositioned stock programs, which the National Defense Authorization Act (NDAA) required by April 24, 2014. DOD officials anticipated that a plan would be finalized by September 30, 2017. It will be important for DOD to address the elements that were omitted from its strategic policy as it creates the implementation plan to ensure that the plan is linked to a complete strategy on prepositioned stock programs for the department.

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Abbreviations

DOD	Department of Defense
NDA	National Defense Authorization Act

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July 31, 2017

Congressional Committees

The Department of Defense (DOD) positions equipment and materiel worth billions of dollars—including items such as combat vehicles, rations, medical supplies, and repair parts—at strategic locations around the world. By prepositioning stocks ashore and afloat, DOD is able to provide assets to U.S. forces during the initial phases of an operation until follow-on capabilities are available and the supply chain has been established. DOD primarily uses prepositioned stocks for warfighting purposes, but they are also used for a variety of other needs including security cooperation activities, multilateral training exercises abroad, humanitarian assistance, and disaster relief.

In the National Defense Authorization Act (NDAA) for fiscal year 2014, Congress required DOD to maintain a strategic policy regarding the department's programs for prepositioned stocks that takes into account national security threats, strategic mobility, service requirements, and the requirements of the combatant commands.¹ In addition, the act required DOD, not later than 120 days after the enactment of the law, to develop an implementation plan on its prepositioned stock programs.² Both the strategic policy and the implementation plan are to address required elements in the law, such as describing the department's vision for prepositioning programs. (See the table on page 5 and appendix I for a complete list of the required elements for the strategic policy and the implementation plan respectively.)

We have previously reported on the long-term and ongoing challenges related to DOD's management and oversight of its prepositioned stocks. For the past 6 years in our annual reports on duplication, overlap, and fragmentation, we have identified the potential for duplication in the services' prepositioning stock programs.³ In May 2011, we recommended

¹ Pub. L. No. 113-66, div. A, title III, subtitle C, § 321(a) (Dec. 26, 2013).

² Pub. L. No. 113-66, § 321(b).

³ See, for example, GAO, *2017 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, [GAO-17-491SP](#) (Washington, DC: Apr. 26, 2017).

that DOD develop a department-wide strategy and strengthen joint oversight to integrate and synchronize at a DOD-wide level the services' prepositioned stock programs, in order to maximize efficiency in managing prepositioned stocks across the department and to reduce potentially unnecessary duplication.⁴ DOD concurred with our recommendation. In the NDAA for fiscal year 2014, Congress required DOD to maintain a strategic policy and develop an implementation plan to maximize efficiencies and reduce duplication of prepositioning stocks. In April 2016, we reported that DOD had made limited progress in developing a department-wide strategic policy and implementation plan and recommended that DOD establish a timeline for completing the policy and plan.⁵ DOD did not concur with this recommendation, stating that the department had already communicated to Congress its plan regarding the additional development of a strategic policy and implementation plan. Subsequently, Senate Report 114-255, accompanying a bill for the National Defense Authorization Act for Fiscal Year 2017, contained a provision directing DOD to establish a timeline for completing the department-wide directive and implementation plan and identify the major steps needed to implement the plan, including target dates for accomplishing each major step that can be used to monitor progress and report results.⁶ On March 7, 2017, DOD issued a strategic policy for the management of its prepositioned stock programs.⁷ DOD stated in a September 2016 letter to the defense committees that it would develop a plan for implementing its strategic policy for its prepositioned stock programs by the end of the third quarter of fiscal year 2017.

Section 321 of the NDAA for fiscal year 2014 also includes a provision for us to review DOD's strategic policy and implementation plan for managing its prepositioned stock programs.⁸ For this report, we assessed

⁴ GAO, *Warfighter Support: Improved Joint Oversight and Reporting on DOD's Prepositioning Programs May Increase Efficiencies*, [GAO-11-647](#) (Washington, D.C.: May 16, 2011).

⁵ GAO, *Prepositioned Stocks: DOD Has Addressed Required Reporting Elements, but Needs to Develop a Department-wide Policy and Joint Service Approach*, [GAO-16-418](#) (Washington, D.C.: Apr. 15, 2016).

⁶ S. Rep. No. 114-255, at 117-118 (2016).

⁷ DOD Directive 3110.07, *Pre-Positioned War Reserve Materiel (PWRM) Strategic Policy* (Mar. 7, 2017).

⁸ Pub. L. No. 113-66, §321(c)

the extent to which DOD's strategic policy addresses mandated reporting elements and describe the status of DOD's implementation plan.

To determine the extent to which DOD's strategic policy for managing prepositioned stock programs addresses the specific reporting elements set out in section 321 of the NDAA for fiscal year 2014, we analyzed DOD Directive 3110.07, *Pre-positioned War Reserve Materiel (PWRM) Strategic Policy*. We performed a content analysis in which we compared the information in DOD's strategic policy with the six required reporting elements and assessed the extent to which the policy addressed each required element. One GAO analyst coded the information and a different analyst checked the initial coding for accuracy. Any initial disagreements in the coding were discussed and reconciled by the analysts. The analysts then tallied their responses to determine the extent to which the reporting elements were addressed. We assessed an element as addressed if DOD's report addressed all parts of the element. We assessed an element as partially addressed if one or more—but not all—parts of the required element were explicitly addressed. We assessed an element as not addressed if the report did not explicitly address any part of the required element. To determine the status of DOD's implementation plan for its prepositioned stock programs, we reviewed DOD documents, including correspondence to the defense committees on milestones and actions regarding DOD's ongoing efforts to develop the plan. We also interviewed officials from the Offices of the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Under Secretary of Defense for Policy, and the Joint Chiefs of Staff to determine the status of DOD's efforts.

We conducted this performance audit from April 2017 to July 2017 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

The military services preposition stocks ashore and afloat to provide DOD the ability to respond to multiple scenarios by providing assets to support U.S. forces during the initial phases of an operation until the supply chain has been established (see figure). Each military service maintains its own

configurations and types of equipment and stocks to support its own prepositioned stock program. The Army stores sets of combat brigade equipment, supporting supplies, and other stocks at land sites in several countries and aboard ships. The Marine Corps stores equipment and supplies for its forces aboard ships stationed around the world and at land sites in Norway. The Navy's prepositioned stock program provides construction support, equipment for off-loading and transferring cargo from ships to shore, and expeditionary medical facilities to support the Marine Corps. In the Air Force, the prepositioned stock program includes assets such as direct mission support equipment for fighter and strategic aircraft as well as base operating support equipment to provide force, infrastructure, and aircraft support during wartime and contingency operations.

Figure: High Mobility Multipurpose Wheeled Vehicles in a Prepositioned Storage Facility (left) and Mine Resistant Ambush Protected Vehicles Being Loaded for Prepositioning (right)



Source: Department of Defense. | GAO-17-653

In June 2008, DOD issued an instruction directing the Under Secretary of Defense for Policy to develop and coordinate guidance that identifies an overall war reserve materiel strategy that includes starter stocks, which DOD defines as war reserve materiel that is prepositioned in or near a theater of operations and is designed to last until resupply at wartime rates is established.⁹ Also, the instruction states that the Under Secretary of Defense for Policy is responsible for establishing and coordinating force development guidance that identifies an overall strategy to achieve

⁹ DOD Instruction 3110.06, *War Reserve Materiel (WRM) Policy* (June 23, 2008).

desired capabilities and responsiveness in support of the National Defense Strategy. Further, it states that the Global Prepositioned Materiel Capabilities Working Group, including representatives from the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Joint Staff, has responsibility for, among other things, addressing joint issues concerning prepositioned stocks.¹⁰

DOD's Strategic Policy Does Not Address 5 of the 6 Required Elements, and the Department Has Not Issued an Implementation Plan

On March 7, 2017, DOD issued its strategic policy for managing its prepositioned stocks in DOD Directive 3110.07, *Pre-positioned War Reserve Materiel (PWRM) Strategic Policy*, and included information that addresses one of the six reporting elements enumerated in section 321 of the NDAA for fiscal year 2014. The table below presents our assessment of DOD's strategic policy.

Table: GAO's Assessment of DOD's Strategic Policy Compared to the Six Reporting Elements Required by the National Defense Authorization Act for Fiscal Year 2014

Reporting Elements	GAO Assessment of DOD's Strategic Policy	GAO Comments
(1) Overarching strategic guidance concerning planning and resource priorities that link the Department of Defense's current and future needs for prepositioning stocks, such as desired responsiveness, to evolving national defense objectives.	Addressed	DOD's strategic policy requires the Under Secretary of Defense for Policy to develop and coordinate planning and resource requirements – such as those found in the Guidance for Employment of the Force and the Defense Planning Guidance – so that war materiel and prepositioned war reserve materiel is appropriately linked to desired capabilities in support of the national defense strategy. In addition, the strategic policy requires the Under Secretary of Defense for Acquisition, Technology, and Logistics and the DOD Component heads to maintain guidance that includes component-specific requirements for planning and resourcing priorities to address current and future requirements for maintaining prepositioned stocks optimally.

¹⁰ DOD's Global Prepositioned Materiel Capabilities Working Group comprises officials from the services, the Defense Logistics Agency, joint organizations, and entities within the Office of the Secretary of Defense.

Reporting Elements	GAO Assessment of DOD's Strategic Policy	GAO Comments
(2) A description of the department's vision for prepositioning programs and the desired end state.	Not Addressed	DOD's strategic policy does not include information describing the department's vision for prepositioning programs and the desired end state. Rather, the strategic policy assigns the Under Secretary of Defense for Acquisition, Technology, and Logistics and the DOD Component heads with the responsibility of maintaining guidance that includes a description of the component's vision and desired end state.
(3) Specific interim goals demonstrating how the vision and end state will be achieved.	Not Addressed	DOD's strategic policy does not include information on specific interim goals describing how the department's vision and end state will be achieved. Rather, the strategic policy assigns the Under Secretary of Defense for Acquisition, Technology, and Logistics and the DOD Component heads with the responsibility of maintaining guidance that includes specific interim goals demonstrating how the component's vision and end state will be achieved.
(4) A description of the strategic environment, requirements for, and challenges associated with prepositioning.	Not Addressed	DOD's strategic policy does not include a description of the strategic environment, requirements for, and challenges associated with prepositioning stocks. Rather, the strategic policy assigns the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Under Secretary of Defense for Policy, and the DOD Component heads the responsibility for providing guidance on the strategic environment, requirements for, and challenges associated with prepositioning stocks.
(5) Metrics for how the Department will evaluate the extent to which prepositioned assets are achieving defense objectives.	Not Addressed	The strategic policy does not include metrics to evaluate whether prepositioned assets are achieving defense objectives. Rather, the strategic policy assigns the Chairman of the Joint Chiefs of Staff with the responsibility for developing metrics regarding DOD's prepositioned stock programs.
(6) A framework for joint departmental oversight that reviews and synchronizes the military services' prepositioned strategies to minimize potentially duplicative efforts and maximize efficiencies in prepositioned stocks across the Department of Defense.	Not Addressed	The strategic policy does not include a framework for joint departmental oversight. Rather, the strategic policy assigns the Chairman of the Joint Chiefs of Staff with the responsibility for developing such a framework for synchronizing the services' prepositioning stock programs.

Source: GAO analysis of section 321 of the National Defense Authorization Act for fiscal year 2014 and DOD Directive 3110.07, *Pre-Positioned War Reserve Materiel (PWRM) Strategic Policy*, (Mar. 7, 2017). | GAO-17-653

As the table shows, DOD addressed the first element in section 321 of the NDAA for fiscal year 2014 by describing strategic planning and resource guidance. However, we assessed the remaining elements as not addressed because DOD did not provide the required information in its strategic policy. Officials from the Office of the Under Secretary of

Defense for Policy stated that the strategic policy does not include this information because it is intended to serve as a directive for developing policies and assigning key responsibilities, which can be used as a mechanism for addressing required elements at a later time. However, the NDAA for fiscal year 2014 required that these elements be included in the strategic policy. Specifically:

- **Element 2 (Description of the Department’s Vision and Desired End State) and Element 3 (Specific Interim Goals):** DOD’s strategic policy does not include a description of the department’s vision and the desired end state for its prepositioning programs, as required by element 2, or specific interim goals for achieving the department’s vision and desired end state, as required by element 3. Rather, the strategic policy assigns the Under Secretary of Defense for Acquisition, Technology, and Logistics and the DOD Component heads the responsibility for providing guidance that includes a description of the component’s vision and desired end states as well as specific interim goals for achieving the component’s vision and desired end state.¹¹ DOD officials from the offices of the Under Secretary of Defense for Policy and the Joint Staff acknowledged that the strategic policy does not include a department-wide vision, desired end state, and specific interim goals. However, the NDAA for fiscal year 2014 requires a department vision, not a component vision. Moreover, for the past 6 years in our annual reports on duplication, overlap, and fragmentation and in our related reports, we have identified the potential for duplication in the services’ prepositioned stock programs due to the absence of a department-wide strategic policy and joint oversight. Such joint oversight is necessary to articulate a single, department-wide vision and interim goals.¹² By not including the department’s vision or interim goals in its strategic policy, and instead, directing the Under Secretary of Defense for Acquisition, Technology, and Logistics and the DOD Component heads to provide guidance on the component’s vision, DOD is continuing its fragmented approach to managing its prepositioned stock programs by further emphasizing individual visions rather than a joint, department-wide view. Unless DOD revises its policy or includes

¹¹ DOD Instruction 3110.07 uses the term component to refer to OSD, the Military Departments, and other defense agencies and organizations.

¹² See, for example, GAO, *2017 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, [GAO-17-491SP](#) (Washington, D.C., April 26, 2017).

in other guidance a department-wide vision, desired end state, and goals for its prepositioned stock programs, DOD risks being unable to recognize potential efficiencies that could be gained by synchronizing the services' prepositioning programs with each other.

- **Element 4 (Description of the Strategic Environment and Challenges):** DOD's strategic policy does not include a description of the strategic environment, or the requirements for and challenges associated with prepositioned stocks as required by element 4. Rather, it directs the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Under Secretary of Defense for Policy, and the DOD Component heads to provide guidance on this element. We believe that if the Under Secretaries issue such guidance as directed, DOD and the services will be able to have a shared understanding of the strategic environment, requirements, and challenges of managing their prepositioned stocks, which could promote joint oversight and efficiencies across the department.
- **Element 5 (Metrics):** DOD's strategic policy does not include metrics for evaluating the extent to which DOD prepositioned stocks are achieving defense objectives as required by element 5. Rather, the policy assigns the Chairman of the Joint Chiefs of Staff with the responsibility for developing metrics. We believe that if the Chairman develops such metrics as directed, DOD and the services will have common criteria with which to measure their programs. However, DOD will not be able to create informed metrics before first addressing other elements such as developing a department vision, goals, and articulating the strategic environment.
- **Element 6 (Framework for Joint Departmental Oversight):** DOD's strategic policy does not include a framework for joint departmental oversight that reviews and synchronizes the military services' prepositioned strategies to minimize potentially duplicative efforts and maximize efficiencies in prepositioned stocks across DOD, as required by element 6. Rather, the policy assigns the Chairman of the Joint Chiefs of Staff with the responsibility for establishing the framework. We have reported for years that DOD lacks joint oversight of its prepositioned programs. We believe that if the Chairman of the Joint Chiefs of Staff develops such a framework, as directed by the policy, DOD and the services will be better able to integrate and align at a department-wide level its prepositioning programs in order to achieve efficiencies and avoid duplication.

Further, DOD has not yet issued an implementation plan for managing its prepositioned stock programs, which was also required by Section 321 of the NDAA for fiscal year 2014. The NDAA required DOD to complete the

plan by April 24, 2014. In May 2017, DOD officials stated that they were reviewing information on the military services' prepositioning strategies for consolidation into a department-wide implementation plan. They anticipated that a plan would be finalized by September 30, 2017. It will be important for DOD to address the elements that were omitted from its strategic policy as it creates the implementation plan to ensure that the plan is linked to a complete strategy on prepositioned stocks for the department.

Conclusions

Prepositioned stocks play a pivotal role during the initial phases of an operation. We have reported for the past 6 years on the importance of DOD having a department-wide strategic policy and joint oversight of the services' prepositioned stock programs, and Congress has required DOD to take action in this area. While it is encouraging that DOD has recently issued a strategic policy, the policy does not address most of the required elements enumerated in section 321 of the NDAA for fiscal year 2014. In the cases of a description of the strategic environment and challenges, metrics, and a framework for joint departmental oversight, DOD's policy appropriately assigns responsibility for the development of such information, and therefore we are not making recommendations related to those elements because the department has already directed their implementation. However, for the description of the department's vision and desired end state and specific interim goals, DOD's strategic policy does not include the required information and instead directs the development of the component's vision, end state, and goals, which reinforces a fragmented and potentially duplicative approach to managing prepositioned stocks across the services. Without either revising its strategic policy or including in other guidance the department's vision, end state, and goals for its prepositioned stock programs, DOD will continue to be ill positioned to recognize potential duplication, achieve efficiencies, and fully synchronize the services' prepositioned stock programs across the department.

Recommendations for Executive Action

To improve DOD's management of its prepositioned stocks and reduce potential duplication among the services' programs, we recommend that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the Chairman

of the Joint Chiefs of Staff, to revise DOD's strategic policy or include in other department-wide guidance:

- a description of the department's vision and the desired end state for its prepositioned stock programs, and
- specific interim goals for achieving that vision and desired end state.

Agency Comments

We provided a draft of this report to DOD for review and comment. DOD provided written comments on the draft, which are reprinted in appendix II. DOD concurred with our recommendations and noted it is taking steps to implement them. We also received technical comments from DOD, which we incorporated throughout our report as appropriate.

We are providing copies of this report to the appropriate congressional committees, the Secretary of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the Chairman of the Joint Chiefs of Staff. In addition, this report is 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 on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.



Cary B. Russell
Director, Defense Capabilities and Management

List of Committees

The Honorable John McCain
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Thad Cochran
Chairman
The Honorable Richard Durbin
Ranking Member
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House of Representatives

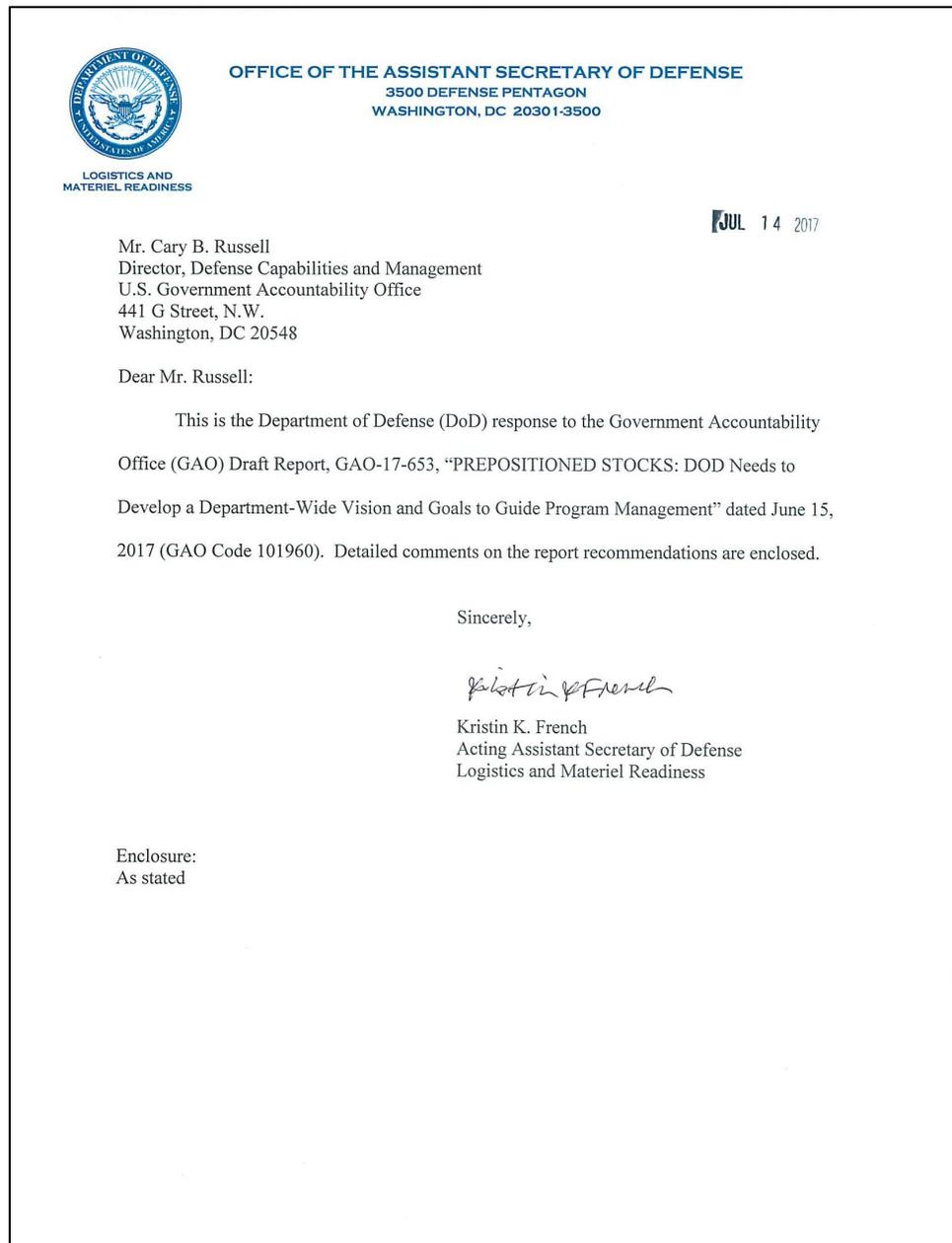
Appendix I: Required Elements for the Department of Defense's Implementation Plan on Prepositioned Stocks

Section 321 of the National Defense Authorization Act (NDAA) for fiscal year 2014 required that the Department of Defense (DOD) establish an implementation plan for its programs of prepositioned stocks.¹ The implementation plan for the prepositioning strategic policy shall include the following elements:

- A. Detailed guidance for how the Department of Defense will achieve the vision, end state, and goals outlined in the strategic policy.
- B. A comprehensive list of the Department's prepositioned stock programs.
- C. A detailed description of how the plan will be implemented.
- D. A schedule with milestones for the implementation of the plan.
- E. An assignment of roles and responsibilities for the implementation of the plan.
- F. A description of the resources required to implement the plan.
- G. A description of how the plan will be reviewed and assessed to monitor progress.

¹ Pub. L. No. 113-66, § 321(b)

Appendix II: Comments from the Department of Defense



**GAO Draft Report Dated June 15, 2017
GAO-17-653 (GAO CODE 101960)**

**“PREPOSITIONED STOCKS: DOD NEEDS TO DEVELOP A DEPARTMENT-WIDE
VISION AND GOALS TO GUIDE PROGRAM MANAGEMENT”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION: To improve DOD’s management of its prepositioned stocks and reduce potential duplication among the services’ programs, the GAO recommend that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the Chairman of the Joint Chiefs of Staff, to revise DOD’s strategic policy or include in other department-wide guidance:

- A description of the department’s vision and the desired end state for its prepositioned stock programs; and
- Specific interim goals for achieving that vision and desired end state.

DoD RESPONSE: The Department concurs with this recommendation. As noted in the draft report, DoD issued a strategic policy for the management of prepositioned stock programs on March 7, 2017. This document established policy and assigned responsibility for managing Prepositioned War Reserve Materiel within the Department in accordance with Section 2229 and 2229a of Title 10, United States Code. The Department is currently finalizing an implementation plan that will include DoD’s vision and desired end state for prepositioned stock programs, as well as specific goals for achieving that vision and end state. The implementation plan is expected to be published by September 30, 2017.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Cary Russell, (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 Alissa H. Czyz, Assistant Director; Vincent M. Buquicchio, Tracy W. Burney, Lionel C. Cooper, Richard Powelson, Courtney R. Bond, and Michael D. Silver.

Appendix IV: Accessible Data

Agency Comment Letter

Accessible Text for Appendix II: Comments from the
Department of Defense

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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON WASHINGTON, DC 20301-3500

LOGISTICS AND

MATERIEL READINESS

Mr. Cary B. Russell

Director, Defense Capabilities and Management

U.S. Government Accountability Office

441 G Street, N.W.

Washington, DC 20548

Dear Mr. Russell:

JUL 14 2017

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GA0-17-653, "PREPOSITIONED STOCKS: DOD Needs to Develop a Department - Wide Vision and Goals to Guide Program Management " dated June 15, 2017 (GAO Code 101960). Detailed comments on the report recommendations are enclosed.

Sincerely,

Kristin K. French

Acting Assistant Secretary of Defense Logistics and Materiel Readiness

Enclosure: As stated

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GAO Draft Report Dated June 15, 2017 GA0-17-653 (GAO CODE 101960)

“PREPOSITIONED STOCKS: DOD NEEDS TO DEVELOP A DEPARTMENT-WIDE VISION AND GOALS TO GUIDE PROGRAM MANAGEMENT”

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATION

RECOMMENDATION: To improve DOD's management of its prepositioned stocks and reduce potential duplication among the services' programs, the GAO recommend that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the Chairman of the Joint Chiefs of Staff, to revise DOD's strategic policy or include in other department-wide guidance:

- A description of the department's vision and the desired end state for its prepositioned stock programs; and
- Specific interim goals for achieving that vision and desired end state.

DoD RESPONSE: The Department concurs with this recommendation. As noted in the draft report, DoD issued a strategic policy for the management of prepositioned stock programs on March 7, 2017. This document established policy and assigned responsibility for managing Prepositioned War Reserve Materiel within the Department in accordance with Section 2229 and 2229a of Title 10, United States Code. The Department is currently finalizing an implementation plan that will include DoD's vision and desired end state for prepositioned stock programs, as well as specific goals for achieving that vision and end state. The implementation plan is expected to be published by September 30, 2017.

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