DEFENSE INVENTORY

Air Force Plans and Initiatives to Mitigate Spare Parts Shortages Need Better Implementation

Why GAO Did This Study

Despite reporting $10.5 billion in appropriations spent on spare parts since fiscal year 2000, the Air Force continues to report shortages of spare parts. The service has taken numerous actions to address these shortages.

GAO examined whether the Air Force’s strategic plan addresses the mitigation of spare parts shortages, whether key initiatives are likely to mitigate the shortages, and the impact on readiness identified from increased investments for spare parts.

What GAO Found

The Air Force Strategic Plan generally provides an appropriate framework for mitigating spare parts shortages. However, one of two subordinate plans does not contain performance measures and targets linked to the strategic plan, and the other does not contain any performance targets. Therefore, the Air Force is not in a position to determine if the actions taken pursuant to its subordinate plans overcome spare parts shortages and provide assurance that it is getting the greatest readiness return on its spare parts investment.

Key logistics initiatives under the Spares Campaign and Depot Maintenance Reengineering and Transformation (DMRT) efforts may help to mitigate spare parts shortages, but the initiatives’ potential effectiveness is limited because of some key problems. First, the Air Force is not starting all identified initiatives that relate to the causes of shortages because it did not have needed personnel and funding. It assessed its logistics processes and identified more than 80 initiatives to solve more than 300 deficiencies; 43 initiatives were to improve processes that affect spare parts shortages, with about half relating to depot maintenance and the other half to supply. As shown below, although all depot maintenance-related initiatives have been started, 12 of the supply related initiatives have not been started. Second, 23 of the 31 initiatives lack both output-related performance measures and targets. Without output-related measures and targets to assess the initiatives' impact, the Air Force has little means of determining the extent to which it has successfully mitigated spare parts shortages and improved readiness. Third, the Air Force chose not to use the results of one of its initiatives, which identified a new total spares requirement as the basis for its fiscal year 2004 budget request. This decision resulted in a $578 million unfunded spare parts requirement. Finally, management problems—including failure to articulate the need for change, a lack of top-level commitment, and failure to address organizational issues—have hampered implementation of the initiatives. In February 2003, the Air Force established the Innovation and Transformation Directorate to address these problems, but its plans and priorities have not been set.

The Air Force can estimate the impact of increased funding on individual weapon systems’ supply availability and has done so. Based on its approximately $5.3 billion fiscal year 2004 spare parts budget request, the Air Force reported that aircraft supply availability would range from 73 to 100 percent. However, it cautioned that higher supply availability does not automatically result in higher mission capable rates because of other factors.

What GAO Recommends

GAO recommends the Secretary of Defense

• incorporate Strategic Plan’s performance measures and targets relating to spare parts into its subordinate plans,
• start remaining initiatives to address the causes of parts shortages or show how they were incorporated into others,
• adopt performance measures and targets to show impact of initiatives on parts shortages,
• direct the Innovation and Transformation Directorate to operate consistent with the Strategic Plan, and
• request funds in the Air Force budget consistent with results of its spare parts requirements determination process.

In its written comments on a draft of this report, the Department of Defense concurred with the intent of our recommendations, but not all actions.

Air Force Initiatives Identified and Started

<table>
<thead>
<tr>
<th>Initiatives identified</th>
<th>Parts-related initiatives</th>
<th>Initiatives started</th>
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<tbody>
<tr>
<td>Spares Campaign</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>DMRT</td>
<td>64</td>
<td>24</td>
</tr>
<tr>
<td>Totals</td>
<td>84</td>
<td>43</td>
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</tbody>
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Source: GAO Analysis.

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.