

Why GAO Did This Study

As of March 2011, the Army had over \$4 billion worth of nonstandard equipment in Iraq—that is equipment not included on units' standard list of authorized equipment. Concurrently, the Department of Defense (DOD) has acquired over \$44 billion worth of Mine Resistant Ambush Protected vehicles (MRAP), most of which have been allocated to the Army. This equipment must be withdrawn from Iraq by December 31, 2011. GAO examined the extent to which the Army has plans and processes for the disposition of (1) nontactical nonstandard equipment; (2) tactical nonstandard equipment; and (3) MRAPs that are no longer needed in Iraq. In performing this review, GAO analyzed relevant documents, interviewed Army officials, and visited Sierra Army Depot, where most nontactical nonstandard equipment is shipped once it leaves Iraq.

What GAO Recommends

GAO recommends that the Secretary of Defense direct Army authorities to (1) finalize decisions about the future status of tactical nonstandard equipment; (2) designate a focal point to oversee this equipment; and (3) undertake a thorough life-cycle cost estimate for its MRAPs. DOD concurred with our third recommendation, partially concurred with our first, and did not concur with the second. Given DOD's lack of visibility over tactical nonstandard equipment, GAO continues to believe a focal point is needed.

View [GAO-11-766](#). For more information, contact William Solis, at (202) 512-8365 or solisw@gao.gov.

WARFIGHTER SUPPORT

Improved Cost Analysis and Better Oversight Needed over Army Nonstandard Equipment

What GAO Found

The Army has plans and processes for the disposition of nontactical nonstandard equipment (e.g., durable goods that are used to provide services for soldiers), and recently created a policy regarding the length of storage time. Excess nontactical nonstandard equipment is either redistributed in the U.S. Central Command theater, disposed of, provided to other nations through foreign military sales or other means, or shipped to depots in the United States. In April 2011, the Army issued two messages that updated its procedures for requisitioning excess nonstandard equipment stored at Sierra Army Depot and created a forum to determine its final disposition instructions. The intent was also to extend use of this equipment by making it available to Army units; when an item is deemed not operational, to dispose of it in theater; and to enter these instructions in a disposition database so they will no longer be shipped back to the United States. The Army would then avoid unnecessary transportation costs.

The Army has not made disposition decisions for most of its tactical nonstandard equipment (i.e., commercially acquired or non-developmental equipment rapidly acquired and fielded outside the normal budgeting and acquisition process), and its disposition process is impaired by a lack of visibility over this equipment and the absence of a focal point to manage this equipment. The Capabilities Development for Rapid Transition process enables the Army to assess tactical nonstandard equipment already in use in the U.S. Central Command theater and determine whether it should be retained for the Army's current and future force and subsequently funded in the Army's base budget. However, the decision about most of the equipment considered by the process is to continue to fund it with overseas contingency operations funds. In addition, the Army has no system to track, monitor, and manage its inventory of tactical nonstandard equipment and has no single focal point to oversee this equipment. Best practices as cited in GAO's *Standards for Internal Control in the Federal Government* call for effective stewardship of resources by developing detailed policies, procedures, and practices.

Although the Army has plans for the disposition of its MRAP fleet, its cost estimates are incomplete and do not follow cost-estimating best practices. The Army conducted a study to effectively guide its integration of MRAPs into its force structure. The selected option placed the majority of MRAPs in prepositioned stocks. However, this study did not incorporate analyses of future costs based on Department of Defense, Office of Management and Budget, and GAO cost-estimating guidance providing best practices; nor did it delineate total costs for sustainment of its MRAP fleet or when those costs would be incurred. Without such information, decision makers lack the perspective necessary to make asset-management and budgetary decisions. Although Army officials stated that they are working toward providing an estimate of future MRAP costs, this has not yet been completed.