

Why GAO Did This Study

From 2007 to 2012, the Army received about \$42 billion to fund its expenses for the reset of equipment—including more than \$21 billion for depot maintenance—in support of continuing overseas contingency operations in Southwest Asia. Reset is intended to mitigate the effects of combat stress on equipment by repairing, rebuilding, upgrading, or procuring replacement equipment. Reset equipment is used to supply non-deployed units and units preparing for deployment while meeting ongoing operational requirements. In 2007, GAO reported that the Army's reset strategy did not target equipment shortages for units deploying to theater. For this report, GAO (1) examined steps the Army has taken to improve its equipment reset strategy since 2007, and (2) determined the extent to which the Army's reset reports to Congress provide visibility over reset costs and execution. To conduct this review, GAO reviewed and analyzed DOD and Army documentation on equipment reset strategies and monthly Army reports to Congress, and interviewed DOD and Army officials.

What GAO Recommends

GAO recommends that the Army revise its monthly congressional reset reports to include its future reset liability and status information on equipment reset according to the initial reset plan by vehicle type. DOD did not concur. DOD stated that the Army would report its reset liability annually instead of monthly. Because DOD did not agree to report its reset status by vehicle type, GAO included a matter for congressional consideration to direct the Army to report this information.

View [GAO-12-133](#). For more information, contact Cary Russell at (404) 679-1808 or russellc@gao.gov.

WARFIGHTER SUPPORT

Army Has Taken Steps to Improve Reset Process, but More Complete Reporting of Equipment and Future Cost Is Needed

What GAO Found

Since GAO's 2007 review, the Army has taken steps to improve its use of reset in targeting equipment shortages. In 2007, GAO noted that the Army's reset implementation strategy did not specifically target shortages of equipment on hand among units preparing for deployment to Iraq and Afghanistan in order to mitigate operational risk. GAO recommended that the Army act to ensure that its reset priorities address equipment shortages in the near term to ensure that the needs of deploying units could be met. The Department of Defense (DOD) did not concur, and stated that there was no need to reassess its approaches to equipment reset. However, in 2008, the Army issued its Depot Maintenance Enterprise Strategic Plan, noted that filling materiel shortages within warfighting units is a key challenge facing the depot maintenance enterprise, and called for changes in programs and policies to address materiel shortages within warfighting units. Further, recognizing that retrograde operations—the return of equipment from theater to the United States—are essential to facilitating depot level reset and redistribution of equipment, the Army in 2010 developed the retrograde, reset, and redistribution (R3) initiative to synchronize retrograde, national depot-level reset efforts, and redistribution efforts. In March 2011, the Army issued an R3 equipment priority list, and revised and reissued an updated list at the end of fiscal year 2011 with full endorsement from all Army commands. The R3 initiative has only begun to be fully implemented this year, and thus it is too early to tell whether it will provide a consistent and transparent process for addressing the Army's current or future equipping needs.

GAO found that the Army's monthly reports to Congress do not include expected future reset costs or distinguish between planned and unplanned reset of equipment. GAO has reported that agencies and decision makers need visibility into the accuracy of program execution in order to ensure basic accountability and to anticipate future costs. However, the Army does not include its future reset liability in its reports to Congress, which DOD most recently estimated in 2010 to be \$24 billion. Also, the Army reports to Congress include the number of items that it has repaired in a given month using broad categories, such as Tactical Wheeled Vehicles, which may obscure progress on equipment planned for reset. For example, GAO's analysis of Army data showed that 4,144 tactical wheeled vehicles were planned for reset in fiscal year 2010, while 3,563 vehicles were executed. According to the Army's current reporting method, this would result in a reported completion rate of 86 percent, but GAO's analysis showed that only approximately 40 percent of the equipment that was reset had been planned and programmed. This reporting method may also restrict visibility over the Army's multiyear reset liability. For example, both the M1200 Knight and the M1151 HMMWV are categorized as Tactical Wheeled Vehicles, but anticipated reset costs for the M1200 are significantly higher. In 2010 more M1200s were repaired than planned, thus accounting for a larger share of the budgeted reset funds. With fewer funds remaining, some equipment planned and budgeted for repair was not reset, pushing that workload to future fiscal years. These differences are not captured in the Army's monthly reports, and thus Congress may not have a complete picture of the Army's short- and long-term progress in addressing reset.