

GAO Highlights

Highlights of [GAO-15-114](#), a report to the Committee on Armed Services, House of Representatives

Why GAO Did This Study

DOD uses DOD or commercial carrier shipping containers to transport supplies worldwide. Container management has been a long-standing challenge. DOD has paid detention fees of about \$823 million from 2003 through 2012 for retaining containers longer than allowed, primarily due to operations within CENTCOM, including Afghanistan, where fees continue to accrue. GAO was asked to review DOD's efforts to address container-management challenges and the accumulation of detention fees.

This report assesses the extent to which (1) DOD policy and guidance incorporate recommendations addressing container-management challenges in CENTCOM's area of responsibility, and (2) DOD has managed and reduced detention fees for containers in Afghanistan since 2012. GAO reviewed prior audit reports to identify container-management recommendations; analyzed data such as container type and ownership from 2010 through 2013; and interviewed DOD officials.

What GAO Recommends

GAO recommends that DOD (1) develop a list of recommendations and incorporate them into policy and guidance and (2) identify root causes for procedural weaknesses that contribute to inaccurate, incomplete container data and develop and implement a corrective plan. DOD concurred with the first recommendation and partially concurred with the second because it partially disagreed to whom GAO directed the recommendation. GAO concurred and modified the recommendation.

View [GAO-15-114](#). For more information, contact Cary B Russell at 202-512-5431 or russellc@gao.gov.

DEFENSE LOGISTICS

Greater Awareness of Recommendations and Improvements in Data Quality Needed to Resolve Container-Management Challenges

What GAO Found

Since the early years of operations in Afghanistan and Iraq, Department of Defense (DOD) efforts to improve container management in the U.S. Central Command (CENTCOM) area of responsibility have included either updating existing or developing new container-management policy and guidance. However, the department cannot provide reasonable assurance that all recommendations addressing container management in the CENTCOM area of responsibility have been incorporated in DOD's policy or guidance, as appropriate. DOD officials incorporated some recommendations made by DOD audit agencies and other organizations aimed at improving container management into policy and guidance. For example, in August 2012 the commanders of CENTCOM and U.S. Transportation Command issued a joint memorandum outlining leadership's responsibility for container management in the CENTCOM area of responsibility that was a direct result of a 2012 Joint Logistics Board report that recommended corrective actions to enhance senior leaders' understanding of container management. However, DOD does not have a comprehensive list of the corrective actions that have been recommended over time. Without such a list, DOD cannot reasonably ensure that all of the recommendations have been incorporated into policy and guidance as appropriate. For example, of the 95 corrective actions that GAO identified from reports by DOD audit agencies and other organizations issued from 2003 through 2013, DOD officials could not provide information on steps taken to address 40 of the corrective actions.

Since 2012, DOD has taken steps to manage and reduce shipping container detention fees incurred due to the untimely return of commercial carrier-owned shipping containers in Afghanistan, but its ability to manage and reduce these fees is limited by inaccurate and incomplete data. In August 2012, DOD established the requirement that within 15 days of a shipping container's arrival: (1) receipt of the container was to be recorded by the unit in-theater, (2) the container was to be unloaded, and (3) the responsible carrier was to be notified that its container was available for pickup. DOD also developed a set of tracking metrics to monitor progress in meeting this requirement. However, incomplete and inaccurate data about the location and number of containers accruing detention fees hindered DOD's ability to manage and reduce detention fees for containers in Afghanistan. For example, GAO analysis of DOD's container-management system data and carrier delivery data for each month in 2013 showed that DOD had not recorded in the container-management system about 16 percent of the carrier-owned containers delivered and received in Afghanistan. DOD has identified factors, or procedural weaknesses, that may contribute to incomplete and inaccurate data; however, it has not assessed the extent to which these weaknesses have contributed to data inaccuracies, determined the root causes of these weaknesses, or developed a corrective-action plan for correcting them. Without an assessment of the root causes and a corrective-action plan, it will be difficult for DOD to have complete and accurate data, which could limit its ability to manage and reduce detention fees for containers in Afghanistan and in future contingency operations.