

Highlights of GAO-15-570, a report to congressional committees

June 2015

## PREPOSITIONED STOCKS

### Additional Information and a Consistent Definition Would Make DOD's Annual Report More Useful

#### Why GAO Did This Study

DOD prepositions stocks, such as combat vehicles and repair parts, worth billions of dollars at strategic locations around the world. These assets are used to prepare forces quickly for conflicts when needed. Since 2005, GAO has made recommendations for DOD to develop overarching strategic guidance and improve joint oversight of the military services' prepositioning programs.

Section 2229a of Title 10 included a provision for DOD to report annually on the status of its prepositioned stocks, and that GAO review DOD's report and provide any additional information to Congress on issues relating to the status of prepositioned stocks. This report (1) assesses the extent to which DOD's fiscal year 2013 prepositioning report addresses 12 statutory reporting elements; and (2) identifies what, if any, additional information DOD could have provided to make the report more useful to decision makers. GAO analyzed DOD's prepositioning report and other readiness reporting data, reviewed DOD guidance, and interviewed cognizant officials.

#### What GAO Recommends

GAO recommends that DOD develop a standardized definition of prepositioning for its annual report that is consistent with that used in its joint service guidance; and apply this definition consistently to identify prepositioning materiel and equipment across DOD. DOD concurred with GAO's recommendations.

#### What GAO Found

The Department of Defense (DOD) provided information on each of the 12 required elements enumerated in its fiscal year 2013 prepositioning report, but it only partially addressed 4 of those elements. GAO found that DOD addressed 8 of the elements and that the information provided was generally responsive to the reporting requirements. DOD partially addressed the remaining 4 elements in that it did not provide all of the required information. For example, DOD was required to identify the status of efforts to develop a joint strategy, integrate service requirements, and eliminate redundancies. DOD's report provides information on strategic guidance, logistics governance, and an effort to set up a working group to develop strategic policy, but does not identify any specific efforts to eliminate redundancies. Similarly, DOD was required to identify the operational planning assumptions used in formulating prepositioned stock levels and composition. DOD's report listed the operational planning assumptions used by one combatant command but did not list those of any other combatant commands. DOD officials agreed that these elements were partially addressed in the fiscal year 2013 prepositioning report and stated that they would be addressed in more detail in the fiscal year 2014 report.

DOD omitted certain information that could have made its prepositioning report more complete and useful. DOD used a narrower definition of prepositioning in the annual report than it uses in joint service guidance. As a result, the report omits shortfalls in two categories of prepositioned items that are included in DOD's Joint Force Readiness Review, a quarterly review that analyzes DOD's strategic readiness to execute the National Military Strategy. In addition, for those stocks it does identify in the annual report, DOD omits information on the extent to which shortfalls contribute to risk in executing operation plans. Further, the definition of prepositioning is not applied consistently by the respective services, the combatant commands, and defense agencies. For example, the Army defines prepositioned stocks for inclusion in the annual prepositioning report to include unit sets of equipment exclusively prepositioned overseas for rotational Army training and exercises, but the Marine Corps does not define overseas training sets as prepositioned equipment and does not include them in the annual report. DOD officials acknowledged a difference between the joint service definition and that used in the annual report. Without a standardized definition of prepositioning that reflects DOD's joint service guidance that is consistently applied by the services and other contributing entities, DOD's annual report on prepositioned stocks will continue to reflect only a subset of prepositioned stocks, and Congress may not be obtaining complete and relevant information needed to determine the sufficiency of DOD's prepositioning stocks.

This is a public version of a classified report GAO issued previously. It excludes classified information and data which described examples of information omitted in DOD's annual prepositioning report pertaining to some categories of prepositioned stocks and the extent to which these shortfalls contribute to operational risk.

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