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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

PROBLEMS WITH U.S. MILITARY EQUIPMENT
PREPOSITIONED IN EUROPE
Department of Defense B-146896

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D I G E S T



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WHY THE REVIEW WAS MADE

Large quantities of U.S. military equipment and supplies, such as tanks, trucks, guns, and ammunition, are prepositioned in Europe for use by troops airlifted from the United States in an emergency. The purpose is to maintain a credible U.S. deterrent in Europe without stationing large numbers of troops there.

The equipment is intended for use by Redeployment of Forces from Germany (REFORGER) and by two divisions plus 10 support units (called 2 + 10).

The United States has a specific commitment to the North Atlantic Treaty Organization for the REFORGER project. It does not have a similar commitment to preposition 2 + 10 equipment which is being stored to reinforce the 7th Army in Europe. The authorized value of equipment stored or planned for storage is over \$700 million.

The General Accounting Office (GAO) made this review because of congressional interest in the practicability of the prepositioning concept. GAO's fieldwork was completed in April 1972.

FINDINGS AND CONCLUSIONS

A viable prepositioning program must have two major ingredients--sufficient quantities of combat-ready equipment and troops.

Much of the authorized equipment was

not prepositioned. (See p. 8.)

Much of the equipment was inoperable because more equipment had been prepositioned than could be maintained. (See pp. 8 and 12.)

There were substantial shortages of ammunition and repair parts. (See p. 9.)

Troop units in the United States scheduled to use the equipment in Europe had manpower shortages. (See p. 17.)

In addition to problems with equipment and troops, other factors, some beyond the control of the Army, also adversely affect the program.

--Prepositioned stocks are highly vulnerable because of their concentration. Army officials stated that the distribution of storage sites was considered reasonable within the options available. (See p. 24.)

--A wartime line of communication has not been established to support troops stationed in Europe or those scheduled to use the prepositioned equipment. (See p. 29.)

--The Army planned to store all prepositioned equipment in controlled-humidity warehouses. As of December 1971, 53 warehouses had been built. These warehouses have been ineffective in

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controlling the humidity. (See p. 21.)

- Annual field exercises have demonstrated the necessity for extra effort by U.S. forces in Europe to prepare and issue equipment to deploying forces. (See p. 31.)
- The actual status of prepositioned equipment was not being reported to Army headquarters in Washington. Equipment consistently was reported as combat-ready when it was not. The status of equipment for some units was omitted from reports. Army officials in Europe said corrective action has been taken to improve the readiness reporting. (See p. 34.)
- The Army has not maintained effective accountable control over equipment. In July 1971 the Army Audit Agency reported errors in excess of \$32 million in accounting for some prepositioned equipment. As of March 1972 accountability control had not been achieved. (See p. 27.)

The Army recognized that the prepositioned equipment was not combat-ready and started a massive repair program to restore readiness. This program was funded at \$12.4 million. GAO estimated the costs were about \$64 million to restore the equipment and replace shortages. (See p. 15.)

The repair program undoubtedly was necessary, but it appears to be one of repairing equipment which should have been maintained throughout the years. Unless more resources are applied to keeping prepositioned equipment operable, similar get-well programs will be necessary. (See pp. 14 and 40.)

RECOMMENDATIONS OR SUGGESTIONS

GAO proposed that the Secretary of Defense reexamine the feasibility of continuing to support the prepositioning program at the current level of funding. GAO suggested several alternatives:

- Increasing funding support so the prepositioned equipment and related troops can continually be combat-ready.
- Reducing the quantity of equipment prepositioned in Europe to a level that could be properly stored and maintained at the current level of funding.
- Abandoning the current prepositioning program in Europe and developing a new program which could be supported effectively while allowing the United States to meet its NATO commitment. (See p. 40.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department of Defense (DOD) stated that the management of the quantity and type of prepositioned equipment was still a major area of concern and that the U.S. Army, Europe, has begun to correct identified management deficiencies. DOD further advised us that the Army will conduct a survey of the serviceability and quantity of prepositioned stocks before the end of the second quarter of fiscal year 1974.

DOD considers the prepositioning concept a realistic means of achieving the strategic mobility necessary to implement national strategy. It will continue to review progress and provide adequate funds to support the program. (See p. 41.)

Continued implementation of the surveillance procedures adopted by the Army, and their results, should provide a sound basis for further corrective actions needed to increase the capability and effectiveness of the prepositioning concept. (See p. 41.)

GAO intends to make a followup review of the effect of the Army's increased surveillance of preposi-

tioned stocks in Europe. (See p. 41.)

MATTERS FOR CONSIDERATION
BY THE CONGRESS

This independent evaluation of prepositioned stocks may be useful to the Congress in considering the DOD authorization and appropriation requests.