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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

The Army Continues To Have Serious Problems Identifying Its Resource Requirements

In 1976 GAO reported that the Army had serious weaknesses in its systems for identifying the resources needed by its combat units. In this followup report, GAO says that Army units still have problems identifying, monitoring, and reporting their needs for people and equipment.

GAO believes these weaknesses are

--defeating the Army's attempts to create a standardized force structure;

--encouraging units to report higher readiness conditions than they should; and

--feeding inaccurate data into budgeting, acquisition, and planning processes.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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The President of the Senate and the
Speaker of the House of Representatives

Our prior reports have discussed weaknesses in the Army's development and management of resource requirements. This report questions the Army's systems for ensuring the validity of requirements established for its combat units. The report briefly describes the effects invalid requirements can have on other management processes and the actions we believe the Army should take to improve its management and control of the requirements process.

We are sending copies of this report to the Director of the Office of Management and Budget and the Secretaries of Defense and the Army.

Milton J. Socolar

Acting Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

THE ARMY CONTINUES TO HAVE SERIOUS PROBLEMS IDENTIFYING ITS RESOURCE REQUIREMENTS

D I G E S T

The Army's systems for identifying, monitoring, and reporting the needs of its combat units for people and equipment are not compiling accurate information. As a result, inaccurate information is being used in critical management processes that ultimately determine whether the Army can efficiently and effectively accomplish its mission.

Both the size and strategic importance of the Army's resource requirements are enormous. Its equipment inventory alone is valued at more than $40 billion, and with an active force of nearly 760,000 soldiers, represents a major investment in our Nation's security.

A large part of this investment is based on the requirements that major field commands report for individual combat units. Without accurate information on these requirements

--millions of dollars may be wasted in buying and maintaining the wrong equipment,

--recruiting and training programs may be aimed at providing the wrong job skills,

--crucial resources may be distributed to the wrong locations, and

--the Army may not be organized and equipped to accomplish its mission.

Moreover, these conditions may not be apparent through the Army's readiness reporting system.

The Army uses a twofold approach to identify the resources its combat units need. The Training and Doctrine Command first translates approved plans into model organizations

and requirements for prototype units. The major field commands then pattern their actual units and reported requirements after the models. Since the models are predicated on standard units, the major commands must modify them to reflect the needs of units with unusual missions or operating environments.

This approach has two distinct advantages. First, the models are developed by a single, high-level command comprised of all types of military experts. This can ensure that reported requirements are based only on official plans and are coordinated throughout the force structure. Second, the modifications that the major commands make to the models can enable the Army to identify its requirements more precisely than would be possible through models alone. The models identify the requirements of standard units, but only the modifications made by the commands enable the Army to accurately determine the resources needed by atypical units.

For the Army's approach to identifying its resource requirements to be effective, two essential conditions must be met: (1) the models developed by the Training and Doctrine Command must be periodically reviewed and revised to ensure that they remain valid and (2) the major field commands must pattern their units and reported requirements after current models. To a large extent, neither of these conditions is being met, and consequently, invalid requirements are being used in many critical management processes.

MODELS NOT KEPT CURRENT

As of July 1979, 222 of the Army's 1,053 models were outdated. The Army has replaced these models with newer versions and no longer even attempts to ensure that they reflect current plans. Yet, nearly 400 active and reserve units are still patterned after these outdated models and report their

requirements on the basis of them. Some models have not been reviewed or revised in years. (See pp. 13 to 15.)

Also, the Army is not adequately reviewing even the 831 models that it considers to be current. Acting on a GAO recommendation, in 1977 the Army adopted a policy of thoroughly reviewing its model requirements every 3 years to ensure that they remain valid. However, at the rate the Training and Doctrine Command has been performing the reviews, it will take more than 11 years to complete even the current models. The reviews that have been completed underscore their necessity--the first 10 reviews in fiscal year 1979 deleted more than $297,000 in unneeded equipment and added more than $107,000 in equipment that units must have to accomplish their missions. But, the potential impact is much greater since many units can be organized under each model. (See pp. 14 to 15.)

In 1976 GAO recommended that all models be evaluated in a scenario-based environment--considering anticipated combat conditions. The Army had already begun using such evaluations, and the following year, made them an integral part of the review process. But, as of April 1979, only 17 of 1,053 models had been evaluated in a scenario-based environment. (See pp. 16 and 17.)

FIELD COMMANDS NOT BASING REQUIREMENTS ON CURRENT MODELS

Major field commands often fail to reorganize their units and revise their requirements as prescribed by changes in the Army's models. At one major command, recent model changes were fully implemented for only 22 percent of the 574 units affected. And, as mentioned, nearly 400 active and reserve units remain organized under models which no longer reflect current Army plans. (See pp. 14 to 26.)

GAO believes that the field commands' failure to comply with current models is affecting the accuracy of their units' readiness reports. Requirements are the minimum resources that units must have to perform their missions, and therefore, are standards against which units compute their readiness conditions. Thus, by failing to report new or revised requirements, field commands are permitting units to measure their readiness against invalid standards. (See pp. 17 and 18 and pp. 21 and 22.)

At least one major field command--the Forces Command--is not adequately reviewing its reported requirements to make sure they are accurate. Unjustifiable deviations from the Army's models should have been detected through adequate reviews. Some of these deviations overstated the units' requirements by thousands of dollars. Others caused degraded combat capabilities to go unreported. (See pp. 21 and 22.)

With these weaknesses in its systems, the Army cannot ensure that

--requirements reported by major commands accurately reflect the resources combat units need to accomplish their missions,

--the requirements data used in critical management processes are valid, or

--combat units are actually organized and equipped in accordance with current plans.

RECOMMENDATIONS

The Secretary of Defense should direct the Army to

--thoroughly and frequently review the model requirements established through the table of organization and equipment system and

--ensure that major field commands base their reported requirements on the latest approved models.

AGENCY COMMENTS

Department of Defense officials stated that the Army is trying to correct the deficiencies in its systems. Currently, the Army's Concepts and Analysis Agency is studying some of the problems. The Defense officials, however, contended that instead of adhering to a 3-year cycle, the Army's reviews of models have concentrated on units which have critical missions and expensive equipment, and on entire divisions and corps.

Defense questioned whether more frequent headquarters reviews would be cost effective in light of the personnel costs involved. Defense pointed out that the models undergo constant review by the units in the field.

GAO believes that the cost of increasing the review process should be weighed against potential savings in equipment costs and the overall improvements in resource allocation and force capability.

GAO agrees that the reviews should emphasize models having the heaviest impact on operations. Even so, the lower priority models need to be evaluated frequently. GAO contends that while field units do review the models, their limited expertise and perspective are not valid substitutes for the indepth and comprehensive reviews that the Army's doctrinal experts at the Training and Doctrine Command can provide.

Tear Sheet

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ABBREVIATIONS

GAO	General Accounting Office
MTOE	modified table of organization and equipment
TOE	table of organization and equipment

CHAPTER 1

INTRODUCTION

The Army's resource requirements are enormous in both size and strategic importance. The service's equipment inventory alone is valued at more than $40 billion, and, along with an active force of nearly 760,000 soldiers, represents a major investment in our Nation's security. Accurately identifying the requirements for these resources is an awesome but essential task if the Army is to operate effectively.

The requirements identified for units with combat-related missions are especially critical to the Army's success. First, they account for the majority of the resources used to staff and equip individual units. The resources needed for noncombat units are important but represent a much smaller part of the Army's budget. Second, in the event of war, there may not be time to correct inaccurately identified combat requirements. Army planners emphasize that the next war may be of such short duration that it will be fought entirely with resources already on hand. Third, the requirements identified for individual combat units have a profound and pervasive influence throughout many of the Army's management processes. Among other things, Army managers use them to develop the service's budget, force structure, procurement objectives, and mobilization plans. Army managers also use the requirements as standards to assess combat readiness.

The Army uses a twofold approach to identify the resources its combat units need. The Training and Doctrine Command first develops model organizational structures and requirements for all units with standard missions. 1/ In effect, the command translates approved policies and doctrine into the minimum resources each type of combat unit needs to accomplish its mission. The Army's major field commands then use these models to identify and report the actual requirements of their individual units. Since the models are predicated on standard missions and

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1/This generally includes all units with combat, combat support, or combat service support missions (which we will refer to collectively as combat units).

typical operating environments, field commands must modify them to accurately reflect the needs of units with unusual circumstances.

The model requirements developed by the Training and Doctrine Command are published in documents called tables of organization and equipment (TOEs); the actual requirements reported by field commands are recorded in modified TOEs (MTOEs). Despite their close relationship, the two documents are products of different systems. The TOE system establishes only the model requirements of prototype combat units. MTOEs are part of the Army's authorization documents system, which establishes both the actual requirements and authorizations of all Army units. The Army jointly uses the two systems to ensure that its resource requirements have been accurately identified for use in critical management functions. The diagram on the following page shows the relationship between these systems and other management processes.

OUR PREVIOUS REPORTS

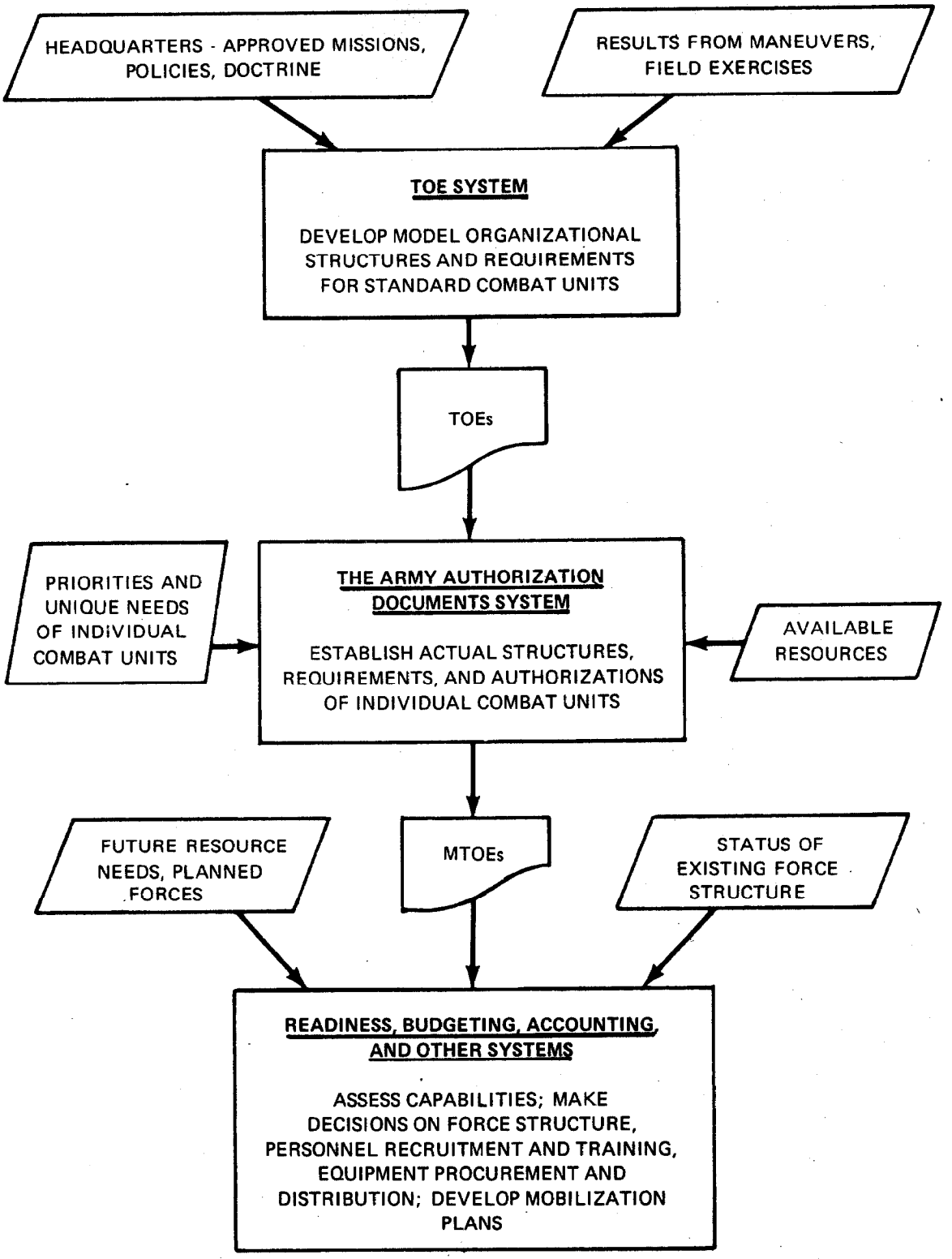
In 1976 we reported 1/ on several weaknesses in the Army's systems for identifying resource requirements. Among other things, we pointed out that (1) neither TOEs nor MTOEs were adequately reviewed and (2) in many cases, MTOEs were not patterned after current TOE models. We concluded that the Army could save money and increase its military effectiveness by providing equipment more closely matched to units' missions.

In 1978 we reported 1/ that personnel requirements established for combat units were unreliable because of faulty planning factors. We noted that the Army was using considerable resources to manage a system which produced unacceptable results. We also concluded that, although the Army recognized the problem and was trying to correct it, the proposed solution would eliminate only some of the system's weaknesses.

1/"Developing Equipment Needs for Army Missions Requires Constant Attention" (LCD-75-442, May 10, 1976.)

2/"Continuous Management Attention Needed for Army to Improve Combat Unit Personnel Requirements" (FPCD-78-61, Sept. 5, 1978).

RELATIONSHIP OF TOEs AND MTOEs TO ARMY INFORMATION SYSTEMS AND MANAGEMENT PROCESSES



SCOPE OF REVIEW

We conducted our review at Headquarters, Department of the Army, Washington, D.C.; at the Training and Doctrine Command, Fort Monroe, Virginia, and two of its service schools (the Transportation School at Fort Eustis, Virginia, and the Infantry School at Fort Benning, Georgia); and at the Forces Command, Fort McPherson, Georgia, which is responsible for about 45 percent of the Army's MTOEs. We interviewed Army officials and reviewed regulations, correspondence, internal studies, and other documents, including TOEs and MTOEs.

Our approach was to evaluate the Army's process for identifying, reporting, and monitoring resource requirements--not to assess the validity of specific requirements. To the extent that we did assess selected requirements, we did so only by applying the Army's standards. Similarly, our approach was to demonstrate the effect misstated requirements can have on the Army's information systems--not to evaluate the quality of decisionmaking processes which rely on those systems. For example, the scope of our review did not permit us to address the Army's actual state of readiness, but it did permit us to reach a conclusion about the validity of readiness reports submitted by individual units.

During our review, we analyzed several MTOEs to determine the extent to which they were based on current TOE models. The MTOEs we selected came from only one of the Army's major commands, represented only a small percentage of the Army's total MTOEs, and were selected only as examples (not as statistically valid samples). Nonetheless, we believe the weaknesses which we identified in those documents are occurring throughout the Army's MTOE inventory, on the basis of our discussions with officials at the headquarters level and our review of other Army documents.

As a followup to our 1976 report, almost all of our work on this review was concentrated on the Army's equipment requirements. However, the requirements reported in TOEs and MTOEs include both equipment and personnel. We therefore believe that the problems we have identified apply to both types of resources.

CHAPTER 2

KEY ELEMENTS OF THE ARMY'S REQUIREMENTS PROCESS

The Army has an acute need to know the resources required by its combat units. Army managers must have this information to prepare budget requests and procurement plans, to organize the force structure, to allocate resources, and to assess capabilities. If the Army fails to accurately identify the people and equipment needed by its combat units, it may waste millions of dollars on unnecessary resources or, worse, may not be organized and equipped to accomplish its vital defense mission. Moreover, inaccurately identified requirements can disguise inefficiency and reduced readiness through the Army's reporting systems so that these conditions may not be apparent to decisionmakers in the Department of Defense.

Jointly, the TOE and authorization documents systems provide the framework for the Army to accurately identify the people and equipment its combat units need. The problem is that critical steps in the process are omitted. First, the Training and Doctrine Command does not comply with the Army's policy of thoroughly reviewing TOEs every 3 years. This policy is intended to ensure that the model requirements established through the TOE system continue to reflect current doctrine. At its present rate, however, the Training and Doctrine Command will need more than 14 years to review all of the TOEs serving as models for units in the field.

Second, major field commands do not modify their reported requirements as prescribed by new and revised TOEs. For example, the requirements reported for nearly 400 active and reserve units are based on outdated TOE models.

These problems are not new. We cited them in our 1976 report and the Army's response at that time, as well as subsequent events, indicate that it recognizes the need for improvement. In the meantime, the Army's failure to carry out our earlier recommendations continues to undermine the validity of its reported requirements. In at least one way, the situation has actually worsened since our 1976 report was issued. At that time, regulations directed field commands to implement new and revised model requirements into their MTOEs within a specified period, but that policy has since been rescinded.

MODEL REQUIREMENTS IDENTIFIED THROUGH THE TOE SYSTEM

The Army recognizes that it must identify its full wartime requirements to effectively organize and accurately evaluate its force structure. The TOE system is designed to serve this purpose by establishing prototype organizational structures for standard units and prescribing the resources these units need to accomplish their wartime missions. Among other things, Army managers use the models established through the TOE system to

--standardize similar types of units,

--provide data for computing requirements and distributing resources,

--establish standards against which units readiness conditions can be measured,

--facilitate the rapid reorganization of units when dictated by changes in available resources, and

--provide requirements data for use in related management systems.

The TOE process is largely one of translating approved plans into the resources each type of unit must have to carry out those plans. The requirements that the Training and Doctrine Command establishes through the TOE system, therefore, are based on (1) missions of standard units, (2) concepts and doctrine that specify how various units will be employed, (3) standard scenarios that describe the typical environment in which units are expected to operate, (4) basis-of-issue plans that show the effect new or modified equipment will have on units' requirements, and (5) policies that dictate the types of resources which the Army considers to be legitimate requirements. For example, reported requirements may include only the minimum resources that units must have to accomplish their wartime missions; "nice-to-have" but nonessential items are forbidden. Also, requirements may include only the types of equipment that either are already in the Army's inventory or are expected to be deployed soon. The Training and Doctrine Command is not permitted to establish requirements for futuristic equipment that the Army has no hope of obtaining within a reasonable time. Conversely, the requirements reported in TOEs (and MTOEs) must not be constrained by either the quantities of equipment or the number of people that the Army has available. Collectively, these

policies are designed to ensure that the TOE system identifies the full wartime requirements of typical units, but only in terms of essential resources that could be made available if funding and personnel ceilings permitted.

Although TOEs are the responsibility of a single command, they are not developed in isolation. The Training and Doctrine Command coordinates its draft TOEs with the Army schools and major field commands affected by the model requirements. It also reviews the modifications that field commands make through MTOEs to identify possible problems with the models. Further, it forwards new and revised TOEs to the Army's headquarters for approval before issuing them to the field.

Because the Army's actual resource requirements constantly change in response to emerging threats, new technology, revised doctrine, and other evolving conditions, the model requirements established through the TOE system must be kept current. For example, one of our recent reports 1/ concluded that the Army's need for 93 watercraft assigned to units in Europe had become questionable because of fixed-port facilities expected to be provided by host nations. Consequently, the Training and Doctrine Command must periodically review its TOE models to identify the effect changing conditions have had on the Army's resource requirements.

In fact, the Training and Doctrine Command does change a substantial number of its TOE models every 6 months. However, these revisions are often made piecemeal and usually are not accompanied by an indepth and comprehensive analysis. Thus, in addition to these semiannual revisions, the Army's policy is to thoroughly review its TOE models every 3 years. The dynamic nature of the Army's requirements makes these reviews essential. If the models are not thoroughly reevaluated at frequent intervals, the Army's reported requirements may be based on outdated conditions and obsolete plans, and therefore, may be invalid.

ACTUAL REQUIREMENTS IDENTIFIED THROUGH THE AUTHORIZATION DOCUMENTS SYSTEM

Since the TOE system produces only models, it does not identify the actual requirements of individual combat

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1/"Better Planning and Management of Army Watercraft Could Improve Mission Capability While Reducing Excess Numbers and Costs" (LCD-79-419, Aug. 2, 1979).

units. Instead, the requirements are identified in the MTOEs produced through the authorization documents system.

Each of the Army's major field commands is responsible for preparing the MTOEs for its combat units. In most cases, the requirements that commands establish through these documents are to be closely patterned after those prescribed in current TOE models. This policy is intended to ensure that the requirements reported in MTOEs are based on headquarters-approved doctrine, not on the parochial views of local commanders. However, the system does allow field commands to modify TOE-prescribed requirements to meet the needs of units that have been assigned nonstandard missions or are expected to encounter unusual operating environments. This flexibility is an important part of the system because it allows the Army to define its resource requirements more precisely than would be possible through the use of models alone.

As mentioned previously, constantly evolving conditions dictate frequent changes in the Army's TOE models. In turn, field commands must promptly revise their MTOE-reported requirements to implement these model changes. Otherwise, the requirements they report may be based on outdated doctrine, and therefore, may no longer be valid. Until 1978, the Army had a policy that compelled field commands to implement new and revised model requirements into their units' MTOEs within 6 months. As discussed in chapter 3, however, the current policy retains the 6-month requirement only for TOE revisions that do not affect readiness and do not require headquarters to approve additional resources.

MTOEs actually serve another purpose in addition to identifying requirements: they prescribe the people and equipment that units are authorized to employ. The distinction between "requirements" and "authorizations" is important. Requirements are the resources that units must have to accomplish their wartime missions. Authorizations are the resources that they have been allocated and are expected to have on hand. Ideally, the Army's available resources should equal its total requirements, but according to the Army, this is usually not the case. Consequently, some units must be authorized fewer resources than they require to accomplish their missions, thereby resulting in reduced operating capabilities. It is extremely important, however, that field commands report their units' full wartime requirements in MTOEs, regardless of whether the resources are available for authorization. If this is not done, the Army's reported requirements may be

understated, and thereby, may result in poorly defined procurement objectives, as well as inaccurate readiness reports.

MANAGEMENT FUNCTIONS AFFECTED BY REPORTED REQUIREMENTS

The TOE and authorization documents systems are connecting links between the Army's managers and its units in the field. The requirements established through the two systems are intended to represent the most efficient combinations of people and equipment that will enable combat forces to carry out approved doctrine. As such, they are management-approved blueprints for field commands to use in organizing and equipping their units. But, the requirements established through the two systems are also an important source of feedback for Army managers--both directly through TOEs and MTOEs and indirectly through their use in other information systems (e.g., the readiness reporting system). Some of the management functions that rely on accurately identified requirements are discussed below.

Force development

TOE models do more than identify the resources that units need; they also prescribe how units must be organized to use those resources efficiently and effectively and to meet the Army's goal of a standardized force structure. The major field commands, therefore, must ensure, not only that their reported requirements are based on TOEs, but also that their combat units are actually organized under the model structures depicted in TOEs. Otherwise, managers and planners at the headquarters level cannot be sure that units are standardized and able to perform their missions in accordance with current doctrine.

Failure of units to comply with TOE models can also adversely affect the Army's overall force planning. Headquarters officials constantly strive to identify the most effective force structure that can be obtained from existing and projected resources. The requirements depicted in TOEs are an important source of information in this process. When coupled with financial data, for example, they can reveal the relative costs and capabilities associated with various force configurations. If the requirements used in this analysis are inaccurate, they could cause the Army to select a less-than-optimum force structure. Or, if actual units are not organized in accordance with the TOE models, the Army's paper force structure may be vastly different from the one in the field.

Resource management

The Army contends that it has fewer resources than it requires to fully accomplish its mission. This condition makes it imperative that available resources be used as efficiently as possible. People and equipment must be allocated to the functions and locations where they are most needed. Among other things, this means that the requirements reported for individual units must be accurate. If a unit's requirements are understated, it may not be authorized the people and equipment needed to accomplish its mission. Or, if its requirements are overstated, the unit may be authorized resources it does not need.

When units are authorized unneeded equipment, the drain on the Army's budget can far exceed the value of the equipment. Additional funds must be spent to operate, maintain, and store the excess items. Moreover, the Army uses equipment authorizations to plan its recruiting and training programs. Thus, funds wasted on unnecessary equipment can, in turn, cause the Army to waste additional funds developing unneeded job skills. Unnecessary authorizations can also have a secondary affect on the Army's readiness. This would not necessarily be true if misallocated resources could be easily replaced, but as the Army acknowledges, its available resources do not permit this indulgence. Resources unnecessarily allocated to one location must lead to shortages and reduced readiness elsewhere.

Budgeting and procurement

Army managers extensively use the requirements reported in TOEs and MTOEs to prepare budget requests and to develop procurement plans. If valid requirements go unreported, the managers may not even be aware of critical resources that combat units must have to accomplish their missions. Or, conversely, if reported requirements are overstated, the managers may request and spend crucial funds for resources that units in the field do not need.

Readiness reporting system

The Army's readiness reporting system is used to convey the status of individual units to the President, the Secretary of Defense, the Joint Chiefs of Staff, and Army commanders at all levels. They use the information reported

through this system to annually assess the Army's ability to accomplish its mission. The information also enables the Department of Defense to relate its annual budget requests to the projected impact on readiness, as required by the 1978 Department of Defense Appropriations Authorization Act (Public Law 95-79).

The readiness reporting system is based on monthly assessments submitted by individual combat units. In computing their readiness conditions, the units compare the resources they have on hand with the requirements in their MTOEs. If the units' requirements are misstated, their reported readiness conditions may also be inaccurate.

The Army also uses another indicator to determine the capabilities of individual units; namely, authorized levels of organization, which indicate the relationship between a unit's required and authorized resources. For example, the highest priority units are assigned the highest organizational levels; that is, the units are authorized virtually all of the resources they need to perform their missions for sustained periods. On the other hand, units with lower authorized levels do not have sufficient resources to perform all of their assigned functions for sustained periods. Each incremental reduction in authorized levels represents about a 10-percent reduction in their ability to sustain combat operations.

A unit's authorized level of organization can also be distorted by inaccurately reported requirements. When a unit's requirements are understated, its assigned organizational level can be higher than its actual level, and therefore, can present an unrealistically optimistic picture of the unit's combat capability.

Mobilization planning

The Army also uses requirements data in developing mobilization and contingency plans. We did not include these plans in our review. However, a responsible Army official did acknowledge that errors in reported personnel requirements can be perpetuated in the mobilization planning process.

IS THE ARMY'S SYSTEM CONCEPTUALLY SOUND?

The Army classified the different processes used in developing TOEs and MTOEs as separate systems. In effect, however, these two systems actually comprise a single management information system. This integrated system is

not accurately identifying resource requirements, largely because basic policies are not being implemented. The more immediate and fundamental issue, though, is whether the system is even capable of providing accurate requirements data for the management functions discussed above.

The system's concept is sound. It allows current doctrine to be translated into essential resource requirements, first through models developed by doctrinal experts and then through refinements made by commands in the field. In this way, the Army's reported requirements can be coordinated throughout the force structure, and yet, can be tailored to the needs of individual units.

On the other hand, the Army's system has a major flaw in its design. Any management information system must ensure that its products are based on valid data or, at least, that its users are aware of products based on questionable data. The Army's system does not provide these assurances. It establishes models for field commands to use in identifying and reporting requirements, but it does not compel the commands to convert to the latest models within a specified period. Even when commands are using the latest models, the system does not compel them to implement model changes within a definite time. Consequently, in many instances, the Army may not know whether the requirements used in its management processes are based on current or outdated doctrine. For example, a unit organized under an outdated TOE can be incapable of carrying out current doctrine and still report a fully ready condition. Or a unit whose MTOE has not incorporated recent TOE changes may still report requirements for equipment that the Army does not need to buy, or, alternatively, may fail to report requirements for equipment that should be considered in developing the Army's procurement objectives.

The following chapter discusses both this inherent weakness and other problems in the Army's system. It also recommends actions that are needed to correct both types of problems.

CHAPTER 3

VALIDITY OF THE ARMY'S REPORTED REQUIREMENTS IS QUESTIONABLE

The resource requirements that the Army identifies through its TOE and authorization documents systems are of questionable validity. The problem lies not with the systems' concept, but with the fact that the model requirements established in TOEs are so seldom reviewed by the Training and Doctrine Command and are so often ignored by the Army's major field commands. Because of these lapses, many units are not organized and equipped in accordance with current policies and doctrine, and many of the requirements reported for individual units do not reflect valid needs. Consequently, the two systems are not fulfilling the control nor the feedback functions for which they were designed. As a result, (1) the Army is restrained from meeting its goal of a standardized force structure, (2) some units are reporting higher readiness conditions than actually exist, and (3) inaccurately reported requirements are being used in critical management decisions.

INADEQUATE REVIEWS AFFECT THE VALIDITY OF MODEL REQUIREMENTS

The major problem with the TOE system is that the model requirements prescribed by the Training and Doctrine Command are not thoroughly reviewed often enough to ensure that they remain valid. In 1976 we reported the same problem and recommended that the Army begin thoroughly reviewing each TOE at least every 2 years. The Army disagreed with our position at that time, but in 1977, adopted a policy that required all current TOEs to undergo a major review every 3 years. Unfortunately, the Army has has not carried out this new policy. Outdated TOEs that continue to serve as models are never thoroughly reviewed, and even current TOEs rarely undergo the indepth reviews required by the new policy.

Another problem with the TOE review process is that very few models are evaluated in a realistic, scenario-based environment. In 1976 we noted that such evaluations were not a required part of the review process and recommended that they be made mandatory. The Training and Doctrine Command had already begun using them on a limited basis and the following year adopted a policy making them an integral part of its reviews. Since that time, however, few TOEs have

actually been evaluated through the new scenario-based techniques.

Models not kept current

The Army generally maintains only one current TOE for each type of unit. 1/ When existing TOEs are replaced by newer versions, the Training and Doctrine Command no longer attempts to review or revise the TOEs, regardless of how obsolete they may become in terms of current plans or requirements. On the other hand, major field commands are expected to reorganize their units and revise their reported requirements, as soon as possible, to comply with the latest models.

The Army adopted the policy of not reviewing outdated TOEs partially to reduce its review workload and partially to create incentive for the field commands to reorganize their units under the latest TOEs; the theory being that commands would not want their units to be denied the improvements prescribed in new TOEs. The policy has undoubtedly reduced the Training and Doctrine Command's workload. For example, in July 1979, 222 of the command's 1,053 TOE models were superseded, and therefore, are no longer subject to review. However, the policy has been unsuccessful in ensuring prompt compliance with the latest TOEs. As of August 1979, for example, the organizational structures and reported requirements of 161 active and 221 reserve units were based on outdated TOE models, many of which had not been reviewed or revised in years.

Even the TOEs that the Army considers to be current and valid models rarely undergo thorough reviews. As of July 1979, the Training and Doctrine Command had 831 TOEs in this category and would therefore have to review more than 270 a year to meet the Army's goal of reviewing all current TOEs every 3 years. In fact, we found that since the Army adopted its new policy in 1977, the Training and Doctrine Command had reviewed a total of only 108 TOEs. At this rate, it would take the command more than 11 years to review all of the current models and more than 14 years to review all of the TOEs still serving as models for units in the field.

The Training and Doctrine Command does review TOEs to some extent during its semiannual revisions, but we

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1/In some cases, TOEs may have several variations. For example, the TOE for an armored cavalry troop has one variation for units equipped with airborne assault vehicles and another variation for units equipped with main battle tanks.

question the thoroughness of the reviews. Most of the semiannual changes affect thousands of line items. The changes are usually made piecemeal and are unaccompanied by a comprehensive and indepth analysis.

The importance of monitoring the Army's model requirements is underscored by the results achieved from recent reviews. As shown in the following table, the 10 major TOE reviews completed during the first three quarters of fiscal year 1979 had a significant effect on the Army's model requirements. The net savings accruing to the Army from these 10 reviews would be $190,000 if only a single unit were organized under each TOE. But the potential savings are actually much greater, given the fact that many units can be organized under each TOE model. More important than savings, however, the reviews also added $107,000 in resources that units organized under the TOEs need to accomplish their missions.

Results of Major TOE Reviews
Completed During October 1978 through June 1979

TOE model	Requirements deleted	Requirements added	Net change	Explanation
Maintenance team	$ 1,450	-	($1,450)	Deleted: trailer
Transportation company	30,243	-	(30,243)	Deleted: personnel
Transportation company	894	$20,162	19,268	Added: personnel Deleted: telephones
Transportation company	-	-	-	No changes
Headquarters company	18,494	-	(18,494)	Deleted: personnel, bayonets, gas masks, rifles
Field artillery	48,676	4,330	(44,346)	Added: night vision goggles Deleted: cables, reels, heater, night vision goggles
Field artillery battery	16,174	-	(16,174)	Deleted: personnel, grenade launcher, generator, battery charger, toolkit, shop equipment
Field artillery battery	4,680	-	(4,680)	Deleted: camouflage screens, generator, toolkits
Transportation company	12,360	51,833	39,473	Added: personnel, rifles Deleted: pistols
Transportation company	164,434	30,993	(133,441)	Added: personnel, chemical alarms Deleted: personnel, rifles, chemical alarms, cabinet, duplicating machine, generator, railway car and trailer, truck, gas masks.
Total	$297,405	$107,318	($190,087)	

Lack of scenario-based evaluations

The prototype organizations and requirements prescribed in TOEs must be evaluated in the context of standard scenarios that simulate such anticipated combat conditions as battlefield dynamics, casualties, and consumption rates. These evaluations provide a means of ensuring that (1) units organized and equipped in accordance with TOE models will be able to perform their missions and (2) the requirements established for various types of units are predicated on the same planning factors. For example, scenario-based evaluations can ensure that the same consumption rates have been used in developing TOEs for the supply company that issues ammunition, the transportation company that moves it, and the armor battalion that uses it.

The importance of scenario-based evaluations was demonstrated during a recent TOE review conducted by one of the Training and Doctrine Command's service schools. The school found that a TOE model for transportation units had omitted equipment needed to unload cargo from the types of railroad cars planned for use in a European scenario. If the school had not detected this error, units organized under the TOE model would have had to operate with reduced effectiveness.

The Training and Doctrine Command has conducted very few scenario-based evaluations, despite their importance, since the new technique was adopted in 1977. As of April 1979, only 17 TOEs had undergone scenario-based evaluations as a part of their 3-year cyclic reviews, and 11 of the 21 Training and Doctrine Command schools responsible for reviewing TOEs had not completed a single evaluation.

Army officials contend that personnel shortages have prevented the Training and Doctrine Command from thoroughly reviewing more TOEs in recent years. They also contend that the problems associated with implementing a new review technique have precluded more scenario-based evaluations. For example, officials at the Infantry School told us they had not evaluated any TOEs with the new scenario-based techniques because an essential war game was still being developed.

We believe that neither of these conditions justifies the Army's failure to review and evaluate its TOE models. Given the crucial role of the models and the major impact they can have on the Army's efficiency and effectiveness,

we believe, as we stated 3 years ago, that it is false economy to forgo TOE reviews in the hope of conserving personnel. We also believe that since the Army has been using scenario-based evaluations for a number of years--at least on a limited basis--it should be prepared to use them extensively now.

UNJUSTIFIED DEVIATIONS FROM APPROVED MODELS AFFECT EFFICIENCY AND EFFECTIVENESS

Although inadequate TOE reviews affect the validity of requirements reported for individual combat units, an even bigger problem is the failure of major field commands to comply with current models. In some cases, the commands continue to use TOE models that have long since been replaced. In other cases, they base their units and requirements on current models but fail to change them when the models are revised. In many instances, the commands apparently do this to keep their readiness ratings high. By deviating from current models, however, the commands are degrading the Army's actual efficiency and effectiveness.

When we reported this problem in 1976, the Army at least had a policy that required major field commands to implement TOE changes within 6 months. But that policy has since been rescinded for changes that affect readiness and require additional resources--reportedly in response to requests from major field commands.

Readiness is overstated

The basic problem of unjustified deviations stems from two conditions:

--The Army's available resources are less than its full wartime requirements and some units must therefore have reduced operating capabilities.

--Army officials are apparently unwilling to see these conditions reflected in readiness reports.

There are two ways that units' readiness ratings can be kept high. The first is to actually maintain the units' resource levels up to the standards (i.e., requirements) established in their MTOEs. But given the Army's resource shortages, the major commands cannot provide all of the people and equipment needed by all units. The second method is to lower the standards, and this is what the commands are doing by excluding newly identified requirements from their units' MTOEs. In doing so, however, the commands are also

concealing reduced operating capabilities. For example, at the Forces Command, we selected 10 units whose requirements had not been revised to reflect recent TOE changes. At the time, the command was reporting that 9 of the 10 units had been authorized all of the resources they needed to fully carry out their assigned missions. At our request, however, the command recomputed the units' conditions after implementing the TOE changes. The result was that, when their authorized resources were measured against the revised requirements, 6 of the 9 units were shown to have reduced operating capabilities.

Planning is degraded

Army planning is predicated on a force structure comprised of standard units organized in accordance with current TOE models; that is, units that are compatible, interchangeable, and able to employ approved doctrine. Army planners recognize that to achieve this goal with available resources, some units must operate at reduced levels in peacetime. But planners also assume that typical units are organized in a manner which would permit them to be quickly brought up to current TOE levels should anticipated wartime resources become available. As the Army stated in its response to our 1976 report:

> "If TOE units were allowed to modify their TOEs to what each commander felt was the requirement in a peacetime environment, it would be next to impossible to monitor what personnel and equipment were needed to fill units before deployment. It is Army policy to standardize like MTOEs in order to stop modification to TOEs based on each commander's parochial interests."

Decisions by field commands to base their unit and reported requirements on outdated TOE models can undermine this planning process. The approach followed at the Forces Command may achieve maximum readiness ratings for individual units, but as the then-Army Chief of Staff stated in October 1978, "The preparedness of the whole Army is a concern quite different from that of its individual parts * * *." He pointed out, for example, that decisions aimed at increasing the Army's overall effectiveness may necessarily reduce the readiness of some units.

Acquisition objectives are understated

Another effect of the unjustified deviations is that valid requirements omitted from MTOEs may not be included in the Army's budget requests and procurement

plans. One headquarters official acknowledged that the major commands' failure to implement TOE changes is causing the Army's acquisition objectives to be understated. Consequently, the commands' attempts to keep their reported readiness conditions from being degraded can prevent the Army from acquiring essential resources, and thereby, can undermine the Army's actual readiness.

Efficiency is degraded

Aside from the requirements misstated in MTOEs, the Army's efficiency and effectiveness can also be degraded when major commands fail to reorganize their units in accordance with new or revised TOEs. The organizational structures depicted in the latest TOEs are the most efficient combinations of people and equipment that will permit standard units to accomplish their missions in accordance with current doctrine. As models, they are also the Army's means of ensuring that units with similar missions are interchangeable and compatible with the rest of the force structure. Therefore, units organized under outdated TOEs may not be capable of accomplishing their missions efficiently and in accordance with current doctrine, if at all.

In some cases, units do not reorganize under newer TOE models for valid reasons (e.g., units that are soon to be inactivated). However, some Army officials acknowledged that in other cases, units probably remained organized under outdated TOEs for a less valid reason. They pointed out that many older TOEs were developed before the Army adopted its present austerity measures and are therefore more likely to prescribe higher grades and equipment levels, which commands may be reluctant to relinquish.

We compared nine current TOEs with the MTOEs of units still organized under superseded models and found significant differences. For example, as the following table shows, the units (1) were continuing to report requirements for nearly $14 million in equipment that is no longer included in current TOE models and (2) were not reporting requirements for more than $59 million in equipment prescribed in the new TOEs--equipment which the Army's doctrinal experts say the units must have to accomplish their missions.

Comparison of Current TOEs With MTOEs Based on Outdated Models

Type of MTOE	Excesses based on current TOE model	Shortages based on current TOE model
	(thousands)	
Military police company	$ 473.7	$ 185.6
Aviation company	48.3	12,137.4
Transportation company	45.9	100.6
Transportation company	2,954.8	1,501.8
Transportation company	4,340.1	1,747.8
Aviation company	637.8	39,719.9
Signal company	1,717.9	2,711.3
Headquarters battery	2,347.8	183.7
Supply and service company	1,407.6	1,150.7
Total	$13,973.9	$59,438.8

Some of the differences shown in the table merely involved replacements (e.g., replacing .50 caliber machine guns with 7.62 millimeter machine guns), but others were based on new concepts and doctrine. For example, one of the revised TOEs was based on a new concept that increases the amount of maintenance to be performed at the organizational level. Accordingly, the new TOE added more than $1 million in calibration and maintenance equipment to the requirements of units organized under that model. Units remaining organized under the superseded TOE would therefore be unable to perform some of the maintenance required under the new concept.

A similar effect can occur when units organized under current models fail to incorporate changes prescribed in the Training and Doctrine Command's semiannual revisions. Some of these changes are merely administrative, but others significantly alter the Army's requirements through the addition and deletion of model resources. For example, TOE changes for a recent 6-month period affected hundreds of models, reduced the Army's model requirements for operating and maintaining equipment by $13 million, and increased the model requirements for equipment procurement by $80 million. We must emphasize that these sums apply only to the equipment prescribed in TOE models. The actual impact on the Army's resource requirements is much greater when personnel requirements are added and the changes in model requirements are multiplied by the number of units organized under each of the affected TOEs.

FORCES COMMAND DEVIATES FROM CURRENT MODELS

In August 1979 more than 7 percent of the Army's active units and more than 13 percent of its reserve units (161 and 221 units, respectively) were organized under TOEs which had been replaced, and therefore, were no longer reviewed or updated. Consequently, these units were reporting requirements on the basis of policies, plans, doctrine, and scenarios that may no longer have been valid.

At the Forces Command, we found that about 11 percent of the active units and 18 percent of the reserve units were organized under outdated TOEs. The following table shows the exact percentages for active and reserve units.

Forces Command Units Organized Under Current and Outdated TOEs

	Active units		Reserve units		Total	
	Percent	No.	Percent	No.	Percent	No.
Organized under outdated TOEs	10.7	113	17.9	284	15.0	397
Organized under current TOEs	89.3	943	82.1	1,304	85.0	2,247
Total	100.0	1,056	100.0	1,588	100.0	2,644

We also found that, even when units were ostensibly patterned after current models, their reported requirements often failed to reflect recent TOE revisions. For example, TOE changes published in October 1978 affected the requirements of hundreds of Army units (among other things, they added chemical specialists to the personnel requirements of all armor and infantry maneuver units). These changes applied to more than one-half of the active units and about one-third of the reserve units under the Forces Command. In June 1979 we found that the changes had been implemented for most of the command's reserve units, but as shown below, had been implemented for less than one-fourth of its active units.

October 1978 TOE Changes Implemented
For Forces Command Units--As of June 1979

Degree of implementation	Active units		Reserve units		Total	
	Percent	No.	Percent	No.	Percent	No.
Fully implemented	22.0	126	90.0	469	54.3	595
Partially implemented	53.5	307	0.8	4	28.4	311
Not implemented	24.5	141	9.2	48	17.3	189
Total	100.0	574	100.0	521	100.0	1,095

Officials at the Forces Command told us they had been unable to modify the requirements reported for many units because they did not have all of the resources called for in the revised TOE models. However, this explanation ignores the important distinction between requirements and authorizations. The commands cannot authorize resources they do not have, but they can--and must--report valid requirements, regardless of whether they have the resources available. Otherwise, the Army cannot accurately identify the full wartime requirements on which its readiness reporting system and other management processes are based.

Officials at the Forces Command also told us that complying with the latest TOEs would lower some units authorized levels of organization, and thereby, the maximum readiness ratings the units could achieve. We confirmed this fact, but the point is that this is not a valid reason for failing to report legitimate requirements. To the contrary, both indicators should reflect degraded operating capabilities if the units do not have all of their essential resources. Otherwise, the Army will not know the real status of its combat units.

In some cases, officials at the Forces Command contended that actual (compared with reported) readiness conditions would be degraded if units were reorganized under the latest TOE models. The officials pointed out that some units organized under older TOEs were staffed and equipped to perform their missions, but because of resource shortages, would not be able to obtain the types of people and equipment prescribed in newer models. They therefore contended that it would be unreasonable to degrade the units' readiness merely to comply with the latest TOE models. This assessment may have merit from the Forces Command's perspective, but it must be balanced against the Army's overall goals and plans.

HEADQUARTERS IS NOT ENFORCING IMPLEMENTATION OF TOEs

Army officials have long been aware that major commands are not reorganizing their units and revising their MTOE-reported requirements in accordance with new or republished TOEs. When we cited this problem in our 1976 report, Army officials contended that it was caused by the large volume of TOE changes and the turbulence the changes had created within field commands. They therefore assigned the Concepts and Analysis Agency the task of studying the problem and recommending ways of reducing the turbulence. In 1977 the agency suggested several changes which the Army adopted, but the changes have not solved the problem. The Army has since asked the agency to restudy the problem and recommend additional improvements. This second study was underway at the time of our review, but in the meantime, the problem persists.

In June 1978 Army headquarters aggravated, rather than improved, the situation by rescinding the policy that required field commands to reorganize their units and revise their MTOEs within 6 months after TOE changes were published. It did so after major field commands began complaining that the policy was hurting their readiness ratings by establishing requirements that could not be filled. A new policy was then adopted that merely encourages the commands to implement TOE changes as soon as possible, thus, relieving them from reporting new requirements unless they have the prescribed resources available.

This new policy also ignores the critical distinction between the resources that units need (requirements) and the resources that are available for allocation (authorizations). This distinction underlies both the TOE and authorization documents systems. By removing the deadlines within which the major commands must implement newer or revised TOEs, the new policy has undermined Army headquarters' control over the requirements process. One high-ranking Army official acknowledged that, under current procedures, the major commands decide when new requirements will be reported in MTOEs, and he emphasized that headquarters must regain control of the process. Another high-ranking official also recently alluded to the loss of control at the headquarters level when he stated:

> "It is recognized that the original purpose of MTOEs was to make allowances for differences in missions and operating environments and effect cost savings through elimination of unneeded items. They have become, however, a mechanism for each commander to impose his personal desires upon equipping his unit."

A third high-ranking official at one of the major commands also recently cited the lack of control over TOE changes and concluded that the Army's current system was error-oriented, contributed to a lack of standardization, and caused misstated requirements and other problems that translate into wasted dollars.

EXAMPLES OF INACCURATELY REPORTED REQUIREMENTS

Army regulations specify that the requirements reported in MTOEs may deviate from those prescribed in TOE models only in limited circumstances. Regulations also specify that field commands must continuously review their MTOEs to ensure that they are accurate.

We examined 10 MTOEs at the Forces Command, which has about 65 percent of the Army's MTOEs, to see whether these policies were being followed. The MTOEs we examined covered several types of battalions (infantry, artillery, and engineer) and companies (aviation, medical, and transportation). The MTOEs deviated widely from the model requirements depicted in TOEs. For example, 225 line items (nearly 14 percent) contained $4.8 million more equipment than prescribed in the TOEs and 128 line items (about 8 percent) contained $10.3 million less equipment than the TOEs. Although some of these differences were attributable to the nature of units involved, others were clearly unjustified. The following examples illustrate the types of deviations we found:

--The TOE for an armored cavalry troop established a requirement for 20 night vision sights, but the MTOE showed a requirement for 29 of the sights. An analyst at the Forces Command acknowledged that the 9 additional sights, valued at $38,943, should not have been reported as a requirement.

--The MTOE for an engineer battalion failed to show a requirement for two items specified in the TOE. The analyst told us he omitted the items (valued at $11,699 and $1,102) from the unit's requirements because they were not available in the supply system, and including them in the MTOE would have adversely affected the unit's readiness rating.

--The MTOE for a combat support battalion omitted a TOE-prescribed requirement for a $1,610 water control set. The analyst could not explain the omission, but one official conceded that it was probably an error.

--Another MTOE unjustifiably omitted requirements totaling $621,463 for equipment, such as trailers, toolkits, heaters, and gas masks. Officials at the Forces Command acknowledged the deviation.

Other unjustified deviations in the MTOEs we reviewed resulted from the Forces Command incorrectly reporting requirements for substitute items of equipment. For example, one of the MTOEs we reviewed was for a support battalion, whose requirements included a 10-kilowatt generator and a 2,500-gallon tank truck. In place of these items, the battalion was allowed to substitute a 30-kilowatt generator and a cargo truck with a trailer-mounted tank. Regulations permit such substitutions when the required items are not available and the requirement can be met by other available equipment. However, regulations also specify that the prescribed items must be reported as requirements and the substitute items reported only as authorizations. This policy can help ensure that all required resources (and only required resources) are considered in the Army's procurement objectives. As shown below, however, the battalion's MTOE reported only the substitute items as requirements.

	Requirements that should have been reported	Requirements that were reported
TOE-prescribed items:		
10-kw. generator	1	0
2,500-gallon tank truck	1	0
Substitute items:		
30-kw. generator	0	1
Cargo truck	0	1
Trailer	0	1
Trailer-mounted tank	0	1

Army officials at the headquarters level confirmed that the types of unjustified deviations we found in MTOEs at the Forces Command could adversely affect critical management processes. They pointed out, for example, that the deviations could cause (1) budget requests and acquisition objectives to be misstated, (2) resources to be misallocated, and (3) units to report higher readiness conditions than actually exist.

An official at the Forces Command contended that analysts did review MTOEs indepth, but he acknowledged that they did not have time to review all of the command's MTOEs.

He also acknowledged that the analysts were not fully qualified to independently review and structure MTOEs to the specific requirements of individual units. In any event, we believe that the types of unjustified deviations we found indicate weaknesses in the command's review process. Moreover, an example brought to our attention indicates that MTOE review procedures at other commands may also be less than thorough. A soldier recently submitted a beneficial suggestion than an electronic tube tester be deleted from his unit's MTOE, since it was no longer needed. He also suggested that the same situation applied to other units.

Upon checking, the Army found out that not only was the item excess to the soldier's unit, but for years had been unnecessarily reported as a requirement for most of the Army's armor, artillery, and infantry units.

CONCLUSIONS

The Army's systems for identifying the resources needed by its combat units are ineffective. The Training and Doctrine Command's failure to adequately review the TOE models is partially to blame, but a bigger problem is the field commands' failure to base their reported requirements on current TOE models.

As a result of these weaknesses, headquarters officials cannot assure that the requirements reported for individual combat units accurately reflect the resources the Army needs to accomplish its mission. Nor can they assure that those units are actually organized and equipped in accordance with current Army policies and doctrine. The following misplaced priorities have apparently caused both of these problems.

First, Army officials contend that more thorough reviews of TOEs are not possible unless additional people are assigned to that function. If that is true (and we have no reason for believing it is not), then the Army must make the additional people available or suffer potentially serious consequences. The adverse impact on the Army's combat capabilities and the wasted resources that can result from inaccurately reported requirements must overshadow any personnel savings that the Army may realize by forgoing periodic, thorough reviews of its TOE models.

Second, some major field commands are apparently giving more emphasis to their readiness ratings than they are to the Army's actual readiness condition. The Army's efficiency and effectiveness depend on compliance with the TOE models developed by its doctrinal experts, and the failure of the field commands to implement changes in the

model requirements is undermining critical management processes. Surprisingly, Army headquarters has recently endorsed these actions by adopting a policy that permits field commanders to forgo changes unless they have the resources available. In the process, Army headquarters has lost an essential element of control over the requirements reported for individual combat units.

In some cases, reported requirements unjustifiably deviate from approved models because of human error. Officials at the Forces Command acknowledged that their MTOE analysts were not fully qualified to establish units' requirements, and, in fact, we did find many unjustified deviations that could have been detected through indepth reviews.

We believe that these weaknesses in the Army's systems for identifying and reporting requirements can have potentially grave consequences. Our review was concerned only with the way these systems work, not with the Army's need for specific resources or the overall quality of its resource management. Consequently, we do not know the full extent to which the Army's reported requirements are invalid or the full effect that misstated requirements are having on critical management decisions. More important, however, we believe the Army does not know either.

RECOMMENDATIONS

We recommend that the Secretary of Defense direct the Army to improve the accuracy of its reported resource requirements. Specifically, we recommend that the following actions be included in any changes the Army makes in its existing systems:

--The Training and Doctrine Command must thoroughly and frequently review the model requirements established through the TOE system. At a minimum, the policy requiring 3-year cyclic reviews should be enforced for all TOEs serving as models for units in the field, including those that have been replaced by newer versions. The policy of evaluating TOEs in a scenario-based environment also should be enforced.

--Army headquarters must regain control over the requirements established for combat units. Specifically, officials at the headquarters level must ensure that the major field commands report requirements based on the official policies and plans depicted in TOEs. To accomplish this, they should establish a firm policy specifying the time within which field commands must implement new or revised TOE requirements. They should also review the requirements reported in MTOEs, at

least through samples, to identify significant deviations from current TOE models. They should then require the major field commands to either justify or eliminate the differences.

--The major field commands must pattern their reported requirements after the models prescribed in TOEs, regardless of the resources they have available or the effect that unfilled requirements may have on their reported readiness conditions. In particular, the commands must more promptly incorporate into their units' MTOEs the changes prescribed in new or revised TOE models. To reduce the risk of errors in their MTOEs, the commands should also consider more thorough training of their analysts and more thorough reviews of their reported requirements.

AGENCY COMMENTS AND OUR EVALUATION

Department of Defense officials agreed that deficiencies exist in the Army's TOE systems, and they informed us that the Army had begun trying to correct them. They also pointed out that the continuing study by the Army's Concepts and Analysis Agency is aimed at some of the problems cited in this report and in at least one instance, is expected to result in similar recommendations.

In commenting on TOE reviews, Defense officials emphasized that:

--It is uncertain whether the savings may result from enforcing the Army's 3-year TOE review policy would offset the increased personnel costs incurred.

--Instead of strictly adhering to a 3-year cycle, the Army's TOE review efforts have been concentrated on units which have critical missions and expensive equipment, as well as on entire divisions and corps.

--TOEs, in effect, undergo constant review by units in the field and many beneficial changes are identified through these reviews.

--The scarcity of scenario-based TOE evaluations is less an indictment of the Army's efforts than an affirmation of the complex and costly nature of such evaluations. Also, scenario-based evaluations of only selected TOEs and organizations may be most cost effective to the Army.

In response, we must point out that our recommendation regarding TOE reviews is essentially that the Army begin enforcing its existing policies. Furthermore, we believe the cost of adding more people to the TOE review process must be weighed not only against expected savings in equipment procurement costs, but also against the overall improvement in the Army's efficiency and effectiveness that could result from enforcing existing review policies. For example, some of the improvements would be reduced equipment maintenance costs, more efficient allocation of resources, and a more capable force structure.

We agree that the Army's review efforts should emphasize those TOEs that have the biggest impact on its operations. Even so, the Army's existing review policies acknowledge that even the lower priority TOEs need to be reevaluated frequently. We also agree that TOEs constantly undergo some degree of review by units in the field, but the issue is the nature and extent of reviews required to ensure that TOEs remain efficient and doctrinally sound models. Piecemeal and isolated changes, particularly those recommended by units with parochial interests, are not substitutes for the indepth and comprehensive reviews that can be provided by the Army's doctrinal experts at the Training and Doctrine Command.

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