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We have completed our review of U.S. Army, Europe's (USAREUR), Prepositioned Materiel Configured to Unit Sets (POMCUS) program. The United States Army's Combat Equipment Group, Europe (CEGE), is responsible for storing, maintaining, and issuing over 129,000 pieces of POMCUS equipment, including over 20,000 pieces of rolling stock. At the end of fiscal year 1995, the Army Materiel Command will assume ownership of this equipment. This letter discusses (1) lack of readiness of POMCUS equipment, (2) factors negatively affecting readiness, and (3) opportunities for improving management.

**MOST POMCUS EQUIPMENT DOES
NOT MEET READINESS GOALS**

The Army's general standard for maintaining equipment readiness is the Technical Manual -10/-20 standard. It requires equipment to be fully capable of performing all of its missions as well as to be in near-perfect operating condition. However, the Department of the Army has allowed CEGE to relax this standard for POMCUS equipment to the fully mission capable standard during the draw down of forces in Europe. The fully mission capable standard only requires that all mission essential subsystems be installed and operating. The Army's goal is that 90 percent of the stock meet the fully mission capable standard.

There are several different ways to measure the readiness of POMCUS equipment. However, for all of the methodologies we applied, the standard was not met.

CEGE maintains readiness data for only 21 types of POMCUS equipment. However, it does not maintain readiness data on mission essential subsystems for these items. Consequently, the true readiness rate of the equipment is unknown. Our review of the data CEGE does maintain showed that, as of March 1994, only 83 percent of the non-excess equipment on-hand was considered fully mission capable (see encl. I). (This equated to approximately 48 percent of the authorized stocks because CEGE did not have the authorized quantity on hand for 8 of the 21 types.) Readiness rates for some individual POMCUS sites were even lower; at Brunssum, for example, only 66 percent of the on-hand equipment for the 21 types of equipment tracked by CEGE was considered fully mission capable (21 percent of the authorized stocks).

At two POMCUS sites, we obtained and analyzed readiness data for all maintenance significant items (i.e., all items requiring recurring maintenance). This analysis showed that, as of May 1994, only 85 percent of the non-excess POMCUS equipment on-hand (25 percent of the authorized stocks) at Brunssum were considered fully mission capable. At Miesau, the rates were 63 percent of the on-hand stocks and 47 percent of the authorized stocks (see encl. II). At both of these sites, the authorized quantities for all maintenance significant items were based on the 1993 POMCUS authorization document.

Another way to assess the overall readiness of POMCUS equipment is to determine whether each type of equipment meets the readiness standard. Of the 21 types tracked by CEGE, 11 met or exceeded the 90 percent fully-mission-capable goal for on-hand equipment and for each of these types, the on-hand quantity equalled the authorized level. Of the 10 equipment types that did not meet the readiness standard, only 2 had their authorized level on-hand. Applying this analysis to all types of equipment at the 2 sites we visited, we found that only 49 percent of the equipment types on-hand at Brunssum and 34 percent at Miesau met or exceeded the 90 percent fully-mission-capable goal (18 percent and 27 percent, respectively, based on authorized quantities).

COMPETING MISSIONS AND MAINTENANCE
PROBLEMS HINDER READINESS OF POMCUS
EQUIPMENT

Decisions pertaining to the use of POMCUS equipment and the disposition of equipment from deactivating units have reduced the readiness rates of POMCUS equipment and created a large maintenance backlog. Prior to 1990,

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POMCUS equipment was sent to POMCUS storage sites directly from the manufacturer or from a rebuilding facility. Most of the equipment was stored in controlled-humidity warehouses and was only removed for use in training exercises or for cyclic maintenance.¹ However, during Operation Desert Shield in 1990, POMCUS equipment was issued to the Commander-in-Chief, U.S. Army Central Command, to fill shortages. Much of the equipment returned to POMCUS facilities after Operation Desert Storm was badly damaged and in need of major repairs to bring it up to the Army's Technical Manual -10/-20 maintenance standard.

Also, USAREUR has directed CEGE to provide fully mission capable equipment for numerous contingency missions, including Operation Restore Hope in Somalia, Operation Support Hope in Rwanda, and prepositioning programs afloat and ashore. Drawing this equipment for these missions further reduces the readiness of POMCUS equipment.

Preparing equipment for contingency missions (inspecting, repairing, and shipping) has forced CEGE staff to scale back on periodic maintenance and inspection of POMCUS equipment. Furthermore, much of the equipment pulled from POMCUS stocks for these missions has not been returned; instead, it is replaced with equipment from deactivating units, much of which is badly in need of repair. According to combat equipment company staff, the maintenance necessary to bring the turned-in equipment up to the fully mission capable standard is far more labor intensive and costly than cyclic maintenance work the CEGE sites were intended to provide.

As a result of these actions, a large backlog of general support and cyclic maintenance and inspections has developed. According to CEGE officials, staff and some spare parts used for the repair of equipment turned in by deactivating units and contingency missions are funded by the CEGE budget--not by the units that have used or will use the equipment. Consequently, according to CEGE officials, the resources needed for the core CEGE mission, conducting cyclic inspections and maintenance, have been invested in

¹Equipment stored in a controlled-humidity warehouse is scheduled to receive cyclic maintenance every 48 months and equipment stored outside is scheduled to receive cyclic maintenance every 24 months--Department of the Army Technical Manual 38-450.

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equipment for other areas (such as contingency missions), creating a funding deficit for the equipment left to meet the POMCUS mission.

As of July 27, 1994, the number of outstanding work orders totaled 15,395. Over 3,300 of these were over 365 days old. Table 1 shows the status of CEGE's work orders as of July 27, 1994.

Table 1: Total Active CEGE Work Orders^a

Total work orders	0-180 Days old	181-365 Days old	Over 365 days old
15,395	9,203	2,831	3,361

^aIncludes work orders for all maintenance significant equipment (i.e., equipment requiring recurring maintenance).

Army officials said a lack of spare parts has also contributed to the CEGE's overall readiness problem. Officials at some of the POMCUS storage sites we visited reported difficulties obtaining some needed spare parts, including tires, unit assemblies, generators, and brake shoes. However, based on a sample of unavailable parts, we found that in several cases, supplies of these stocks were available at the European Redistribution Facility. We also found many parts had been sent to disposal offices by other units. For example, disposal offices reported having 120 tires, 15 unit assemblies, 13 generators, and 46 brake shoes in serviceable or unserviceable but repairable condition needed by one site we visited. Finally, we found that the Tank-Automotive Command (TACOM) had ample stocks of some of the needed spare parts. Specifically, the TACOM reported having 2,439 tires, 24,913 unit assemblies, 173 generators, and 1,181 brake shoes.

CEGE officials contend that although spare parts are available, funding for them is not. They assert that repairing equipment used in numerous contingency missions and making major repairs on equipment turned in by deactivating units has caused CEGE's spare parts requirements to exceed its normal operational funding requirements. To compensate for the current funding problem, CEGE is using spare parts from closing POMCUS sites. However, CEGE officials believe that spare parts funding will be a problem in the future.

Although CEGE officials maintain that current spare parts funding is inadequate, they could not provide GAO with data to support their claims. Consequently, we were unable to verify CEGE's spare parts funding requirements.

MANAGEMENT INFORMATION COULD BE IMPROVED TO BETTER MANAGE POMCUS ASSETS

Although the Department of the Army's Technical Manual 38-450² states that "one of the keys to an effective POMCUS operation is a management information system which records and reports all aspects of materiel readiness," we found that neither CEGE headquarters nor individual storage sites has an integrated management information system that would allow CEGE to readily determine the readiness of all POMCUS equipment. Instead, we found numerous incompatible automated systems that provide information on location, condition, and maintenance status. In order to clearly determine the readiness of POMCUS equipment, information must be extracted from these incompatible systems and analyzed--a labor intensive exercise.

Lack of complete and accurate readiness measures complicates CEGE's ability to manage its equipment. Currently, POMCUS equipment is stored in controlled-humidity warehouses in 15 locations in 3 European countries. However, by the end of fiscal year 1995, the number of locations (i.e., end-state sites) will be reduced to seven. Given the lack of an adequate management information system, it will be difficult for CEGE staff to readily determine the quantity and condition of equipment at the closing sites. Consequently, CEGE's efforts to efficiently redistribute equipment from closing POMCUS sites will be impeded. Without accurate readiness data, CEGE may direct fully mission capable equipment to the United States, foreign military sales, or disposal offices and retain non-fully mission capable equipment. In order to prevent this from occurring, CEGE must inspect all equipment prior to issuing final disposition instructions. Such an inspection effort will be both laborious and time consuming.

²This manual contains the procedural requirements for the storage, maintenance, and surveillance of POMCUS equipment.

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OBJECTIVE, SCOPE, AND METHODOLOGY

To obtain information on the management and requirements for POMCUS equipment we visited Headquarters, U.S. Army, Europe, Heidelberg, Germany; Army Audit Agency, Alexandria, Virginia, and Frankfurt, Germany; Army Materiel Command, Seckenheim, Germany; 21st Theater Army Area Command and 200th Theater Army Materiel Management Center, Kaiserslautern, Germany; and the Combat Equipment Group, Europe, Mannheim, Germany.

To inspect POMCUS equipment and obtain information about maintenance problems, we visited the 5th Combat Equipment Company, Pirmasens, Germany; the 6th Combat Equipment Company, Miesau, Germany; and the 18th Combat Equipment Company, Brunssum, the Netherlands.

We conducted our work from August 1993 to June 1994 in accordance with generally accepted auditing practices.

If you have any questions concerning this report, please contact me at (202) 512-5140. The major contributors to this work were Joan B. Hawkins, National Security and International Affairs Division; and David M. Bruno and Jose Pena, European Office.



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Readiness Rates for 21 POMCUS Equipment Types Tracked by CEGE (as of March 1994)

Equipment Type	Authorized ¹ quantity	On-hand ² quantity	FMC ² quantity	Percent authorized on-hand	Percent FMC based on on-hand quantity	Percent FMC based on authorized quantity
M1A1 Tank	433	433	433	100.0	100.0	100.0
M2 Infantry Fighting Vehicle	320	269	174	84.1	64.7	54.4
M3 Cavalry Fighting Vehicle	50	50	50	100.0	100.0	100.0
M109 Medium Self Propelled Howitzer	144	144	144	100.0	100.0	100.0
M981 Fire Support Tracked Vehicle	71	71	71	100.0	100.0	100.0
M992 Forward Artillery Armored Supply Vehicle	144	144	26	100.0	18.1	18.1
M270 Multiple-Launch Rocket System	54	25	16	46.3	64.0	29.6
M106 107 Millimeter Mortar Carrier	81	81	81	100.0	100.0	100.0
M577 Carrier Command Post Light Tracked	270	270	270	100.0	100.0	100.0
M113 Carrier Personnel Full Tracked	475	475	475	100.0	100.0	100.0
M9 Armored Combat Earth Mover	140	0	0	0.0	0.0	0.0
M728 Combat Engineer Vehicle	24	5	2	20.8	40.0	8.3
M88 Recovery Vehicle Full Tracked	125	125	125	100.0	100.0	100.0
M984 Wreck Truck Heavy, Expanded Mobility	119	46	27	38.7	58.7	22.7
M978 Fuel Truck Heavy, Expanded Mobility	304	107	45	35.2	42.1	14.8
M985 Cargo Truck Heavy, Expanded Mobility	455	455	334	100.0	73.4	73.4
M1025/26 HMMWV Military Police	279	279	279	100.0	100.0	100.0
M1035 HMMWV Ambulance	226	226	210	100.0	92.9	92.9
M1038 HMMWV Utility Cargo/Troop Carrier	2,377	345	139	14.5	40.3	5.9
M969 Semitrailer Tank: 5000 Gallon Fuel Dispensing	482	100	69	20.7	69.0	14.3
M1037 HMMWV Communications	345	345	345	100.0	100.0	100.0
TOTAL	6,918	3,995	3,315	57.7	83.0	47.9

¹Authorized quantities are based on POMCUS Authorization Document 1994.

²Fully mission capable (FMC) and on-hand quantities do not include excess equipment.

Readiness Rates for all Maintenance Significant Items as of May 1994 at two POMCUS Sites

Site	Authorized ¹ quantity	On-hand ² quantity	FMC ² quantity	Percent authorized on-hand	Percent FMC ¹ based on on-Hand quantity	Percent FMC ¹ based on authorized quantity
SITE 1 - Miesau	3,174	2,362	1,489	74.4	63.0	46.9
SITE 2 - Brunssum	23,502	6,816	5,792	29.0	85.0	24.6
TOTAL	26,676	9,178	7,281	34.4	79.3	27.3

¹Authorized quantities are based on POMCUS Authorization Document 1993.

²Fully mission capable (FMC) and on-hand quantities do not include excess equipment.

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