



Highlights of [GAO-03-705](#), a report to the Chairman, Subcommittee on Defense, Committee on Appropriations, House of Representatives

Why GAO Did This Study

Prior reports and studies have identified major risks in the Department of Defense's (DOD) management, funding, and reporting of spare parts spending programs. Spare parts shortages adversely affect the U.S. Army's operations and can compromise the readiness of weapon systems. To address these issues, Congress has fully funded DOD's requests for spare parts spending and in some instances increased funding for additional spare parts. Yet, the Army continues to experience spare parts shortages. The Committee requested that GAO evaluate (1) the Army's strategic plans for reducing spare parts shortages, (2) the likelihood that key initiatives will reduce such shortages, and (3) the Army's capability to identify the impact on readiness of increased investments for spare parts.

What GAO Recommends

GAO recommends that the Secretary of Defense:

- Modify or supplement the *Transformation Campaign Plan* or the Armywide initiatives to include a focus on mitigating critical spare parts shortages.
- Implement, with a specific completion milestone, the Office of the Secretary of Defense's recommendation to report the impact of parts funding on equipment readiness.

In written comments, DOD generally concurred with the intent of the recommendations but not all specific actions.

www.gao.gov/cgi-bin/getrpt?GAO-03-705.

To view the full report, including the scope and methodology, click on the link above. For more information, contact George Morse at (757) 552-8108 or morseg@gao.gov.

DEFENSE INVENTORY

The Army Needs a Plan to Overcome Critical Spare Parts Shortages

What GAO Found

The Army's logistics strategic plan provides strategic goals, objectives, and milestones for force transformation efforts, but does not specifically address the mitigation of critical spare parts shortages. The Army's *Transformation Campaign Plan*, published in April 2001, serves as a mechanism to move the Army from its present posture to a more strategically deployable and responsive force. The plan prescribes specific goals and milestones to support the transformation process. However, it lacks objectives and performance measures it could use to show progress in mitigating critical spare parts shortages.

The Army's six servicewide logistics initiatives are aimed at enhancing readiness by improving internal business processes that would increase supply availability. However, they were not designed to mitigate spare parts shortages. These processes include those that acquire, repair, and distribute spare parts. Recognizing that the Armywide initiatives were not designed to specifically focus on mitigating critical shortages, the Army recently started a new initiative to address individual spare parts shortages that affect key weapon systems readiness. However, this initiative is not part of the Armywide logistics improvement efforts, and therefore it is not coordinated with other initiatives and its results are not linked with the overall goals and performance measures. Absent this coordination and linkage, any systemic problems that the initiatives identifies may not be elevated to the Armywide initiatives for resolution and its benefit may be limited to improving the availability of only a few parts.

The Army has the means to link funding to weapon system readiness, and reports this in its budget justification documents, but it does not report to Congress how additional investments in spare parts would increase readiness. The Army Materiel Systems Analysis Activity can use models to indicate the investment needed to reach a desired level of supply availability, along with the possible corresponding increase in readiness, and it has provided such information to Army units. Additionally, the Army has used consultants to project the impact of additional funding on the readiness of specific weapon systems and provided this to the Army Vice Chief of Staff. For example, the Logistics Management Institute projected that an additional investment of \$331 million for additional spare parts would increase the overall readiness of the Apache and Blackhawk helicopters by approximately 2.6 percent.