



Highlights of [GAO-05-775](#), a report to the Subcommittee on Readiness, House Committee on Armed Services

## Why GAO Did This Study

Problems in the supply distribution system dating back to the Persian Gulf War have impeded the ability of the Department of Defense (DOD) to provide effective and timely logistics support to the warfighter. DOD has taken actions to improve the distribution system by assigning new organizational responsibilities, including designating U.S. Transportation Command as the “Distribution Process Owner” (DPO); issuing a new logistics transformation strategy; and undertaking specific improvement initiatives. GAO’s objectives were to (1) assess DOD’s organizational structure and transformation strategy to improve the distribution system and (2) determine the status of, and timelines for completing, specific DOD distribution initiatives.

## What GAO Recommends

To enhance DOD’s ability to improve the supply distribution system, GAO recommends that the Secretary of Defense (1) clarify the responsibilities, accountability, and authority between the DPO and Defense Logistics Executive; (2) issue a directive to institute these clarifications; (3) direct that improvements be made in DOD’s logistics transformation strategy; and (4) address underfunding of new communications and tracking systems. DOD disagreed with the first two recommendations and agreed with the latter two.

[www.gao.gov/cgi-bin/getrpt?GAO-05-775](http://www.gao.gov/cgi-bin/getrpt?GAO-05-775).

To view the full product, including the scope and methodology, click on the link above. For more information, contact William Solis, (202) 512-8365, [solisw@gao.gov](mailto:solisw@gao.gov).

# DEFENSE LOGISTICS

## DOD Has Begun to Improve Supply Distribution Operations, but Further Actions Are Needed to Sustain These Efforts

### What GAO Found

Although DOD has made progress in addressing supply distribution problems, the department’s ability to make coordinated, systemic improvements that cut across the multiple organizations involved in the distribution system is stymied because of problems in defining who has accountability and authority for making such improvements and because the current strategy to transform logistics does not provide a clear vision to guide and synchronize future distribution improvement efforts. The U.S. Transportation Command developed a draft directive to define the DPO role, but no directive has been approved or issued almost 2 years later because of disagreement with the Office of the Secretary of Defense (OSD) concerning the Secretary’s intent in designating the DPO. Whereas the Command asserted that the Secretary intended for the DPO to have broad authority to direct changes to the distribution system, OSD took the position that the Defense Logistics Executive—the Under Secretary of Defense (Acquisition, Technology, and Logistics)—was the accountable entity and that the DPO was to act as an advisor. As a result of this disagreement, accountability and authority for improving the distribution system remain unclear. In addition, the DPO’s roles and responsibilities may overlap with those of other organizations that are involved in deployment and distribution. In recent testimony on DOD’s business transformation efforts, GAO has stated that DOD has not routinely assigned accountability for performance to specific organizations or individuals who have sufficient authority to accomplish goals. Furthermore, DOD’s current strategy to transform logistics lacks elements of an effective strategic plan, including specific performance goals, programs, milestones, and resources needed for achieving distribution objectives. Because of the problems in DOD’s organizational structure and current strategy, DOD faces challenges in taking a coordinated and systemic approach to improving the distribution system. Until these issues are resolved, DOD has little assurance that warfighters in future conflicts will have more effective and timely logistics support.

Two of DOD’s five distribution initiatives GAO reviewed have been successful enough to warrant application to future operations, but the future of the other three is less certain because they lack funding or other support. Two promising initiatives that have been implemented are, first, the establishment of a deployment and distribution operations center in Kuwait to coordinate the arrival of supplies and, second, the consolidation of air shipments to Iraq that do not require sorting and repacking when they arrive in theater. The other three initiatives GAO reviewed are facing challenges to their implementation that raise concerns about when they will be completed. For example, the Army has not fully funded two new communications and tracking systems to better connect logisticians on the battlefield, and thus has placed their fielding schedules into question. The delay increases the risk that some future deploying units will lack a capability to effectively submit and monitor their supply requisitions.