

Why GAO Did This Study

DOD uses both military depots and contractors to maintain many complex weapon systems and equipment. Recognizing the key role of the depots and the risk of overreliance on contractors, Section 2464 of Title 10 of the U.S. Code requires DOD to maintain a core maintenance capability—a combination of personnel, facilities, equipment, processes, and technology (expressed in direct labor hours) that is government-owned and government-operated—needed to meet contingency and emergency requirements. Section 2464 directs DOD to provide a Biennial Core Report to Congress and include three elements: (1) core capability requirements, (2) planned workloads, and (3) explanations and mitigation plans for any shortfalls between core capability requirements and planned workloads. In response to a requirement in Section 2464, GAO assessed the extent to which the report complied with the statute and included supporting information from the services as required by DOD. GAO reviewed relevant legislation, DOD's 2012 Biennial Core Report, the services' submissions to support the report, and related DOD guidance.

What GAO Recommends

GAO recommends that DOD improve its Biennial Core Report by including detailed explanations of why the services do not have the workload to meet core maintenance requirements for each identified shortfall. In written comments on a draft of the report, DOD concurred with the recommendation.

View [GAO-13-194](#) For more information, contact Zina D. Merritt at (202) 512-5257 or merrittz@gao.gov.

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DEPOT MAINTENANCE

Additional Information Needed to Meet DOD's Core Capability Reporting Requirements

What GAO Found

The Department of Defense's (DOD) 2012 Biennial Core Report complies with two of the three biennial reporting elements of Section 2464 by including information on core capability requirements and planned workloads available for maintaining these requirements. The Office of the Secretary of Defense (OSD) reported core capability requirements totaling about 70 million direct labor hours for the military services. Also, OSD reported a total of about 92 million direct labor hours for planned workloads with an estimated cost of about \$12 billion. OSD reported complete information on core requirements and planned workload at the top-level categories, such as Sea Ships, of the work breakdown structure. The statute directs that this information be organized by work breakdown structure, which is a group of categories of equipment and technologies. The top-level category—an entire type of system or equipment—can be broken down into lower levels of detail or subcategories, such as Aircraft Carriers or Submarines, that make up the system or equipment. DOD's overall planned workloads exceed its core capability requirements, but the report shows shortfalls in certain categories for the Army and the Air Force.

The report partially complies with the third biennial reporting element. DOD's report includes information on shortfalls at the top-level categories and plans to mitigate all shortfalls—where requirements exceed planned workload—identified in the report. However, the report does not include required information on the rationale for some of these shortfalls—reasons why the services do not have the workload to meet core requirements. The Navy and Marine Corps did not identify any shortfalls and were not required to provide explanations or mitigation plans. The report includes mitigation plans for shortfalls identified by the Army and the Air Force but does not always provide detailed explanations for why the Army and Air Force do not have sufficient planned workload to meet core requirements. The report does not always include detailed explanations for identified workload shortfalls, because the Army and Air Force did not always provide explanations for them. Without reporting clear explanations for why the services have shortfalls, Congress does not have visibility on whether the services' plans to correct or mitigate the shortfalls will address the cause of the shortfalls.

Extent to Which the Report Complies with the Required Biennial Reporting Elements in Section 2464

Required elements	GAO assessment
The core depot-level maintenance and repair capability requirements and sustaining workloads, organized by work breakdown structure expressed in direct labor hours.	Complied
The corresponding workloads necessary to sustain core depot-level maintenance and repair capability requirements, expressed in direct labor hours and cost.	Complied
In any case where core depot-level maintenance and repair capability requirements exceed or are expected to exceed sustaining workloads, a detailed rationale for the shortfall and a plan either to correct, or mitigate, the effects of the shortfall.	Partially complied

Source: GAO analysis of DOD data.

Note: Data are from DOD's Biennial Core Report.