

GAO Highlights

Highlights of [GAO-15-651](#), a report to the Committee on Armed Services, U.S. Senate

Why GAO Did This Study

MCPP-N was established in 1981 as part of a DOD agreement to support the defense of Norway and global U.S. Marine Corps expeditionary operations. In 2012 the Marine Corps began transforming MCPP-N from an engineering and transportation capability to a Marine Air Ground Task Force capability, which includes combat vehicles and other tactical equipment, and it expects to complete the transformation in 2016.

Senate Report 113-176 included a provision that GAO review MCPP-N. This report determines the extent to which (1) MCPP-N addresses U.S. European and U.S. Africa command requirements; (2) reliable cost estimates exist to fund MCPP-N's sustainment of equipment to support a Marine Air Ground Task Force capability; and (3) the Marine Corps has quality assurance procedures in place to monitor the management of MCPP-N. GAO reviewed agency guidance and plans, analyzed budget estimates, and interviewed Marine Corps, Department of State, and Norwegian Defence officials.

What GAO Recommends

GAO recommends that the Marine Corps (1) incorporate the four characteristics of reliable cost estimates in the forthcoming prepositioning programs budget development policy; and (2) develop, in consultation with the Norwegian Defence Logistics Organization, a means to conduct a quality assurance review of the Norwegian Equipment Information Management System. The Marine Corps concurred with the recommendations.

View [GAO-15-651](#). For more information, contact Cary Russell at (202) 512-5431 or russellc@gao.gov.

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PREPOSITIONED STOCKS

Marine Corps Needs to Improve Cost Estimate Reliability and Oversight of Inventory Systems for Equipment in Norway

What GAO Found

The Marine Corps is changing its mix of equipment at Marine Corps Prepositioning Program – Norway (MCPP-N) to address the U.S. European and U.S. Africa commands' strategic and theater-specific operational requirements. U.S. European Command's posture plan identifies MCPP-N as a key program that can respond to contingencies. While U.S. Africa Command plans that refer to a need to access prepositioned equipment do not specifically identify MCPP-N as an asset to meet that need, both Marine Corps and U.S. Africa Command officials stated that MCPP-N has served and can continue to serve as a global support asset to meet combatant command requirements. The Marine Corps reported that it routinely uses MCPP-N equipment sets to support European and Africa training and exercises.

Marine Corps cost estimates for sustaining the equipment to support a Marine Air Ground Task Force capability at MCPP-N may not be fully reliable, in that they do not fully meet the four general characteristics for reliable cost estimating—that is, being accurate, well-documented, credible, and comprehensive. For example, the Marine Corps documented its cost estimates, but the documentation did not include the source data used to develop the estimates or the calculations performed and estimating methodologies used. Marine Corps officials stated that they are drafting guidance for developing cost estimates for budget plans and plan to issue it in the fall of 2015, but this guidance will not address the four general characteristics for reliable cost estimating. Without ensuring that this guidance fully addresses those characteristics, the Marine Corps will not be positioned to know whether its budget proposals will meet the goal of sustaining equipment for a Marine Air Ground Task Force capability at MCPP-N.

The Marine Corps could improve its quality assurance procedures for monitoring MCPP-N. Specifically, the service relies upon the Norwegian Equipment Information Management System for data needed to manage its equipment inventory due to limitations in its own system, such as the lack of a warehousing application to effectively manage MCPP-N equipment. The reliance on two different information systems, one of which is owned and operated by a foreign government, creates several management challenges and risks to data reliability for the Marine Corps. For example, it results in a time lag in the accuracy of information in the Marine Corps system until it is manually updated with information from the Norwegian system—a time-consuming process that introduces a vulnerability to errors. The Marine Corps and the Norwegians have taken some steps to mitigate these risks for the interim until the Marine Corps system is capable of replacing the Norwegian system. Additionally, relying on the Norwegian system for management information makes the Marine Corps vulnerable to any weaknesses that may exist within the Norwegian system. However, the Marine Corps has not conducted a quality assurance review of the Norwegian system. Performing such a review would constitute a key step toward mitigating potential weaknesses in the Norwegian system.