

**GAO**

Testimony

Before the House Armed Services  
Committee, Subcommittee on Oversight  
and Investigations

---

For Release on Delivery  
Expected at 9:00 a.m. EST  
March 9, 2007

# OPERATION IRAQI FREEDOM

## Preliminary Observations on Iraqi Security Forces' Logistical Capabilities

Statement of William M. Solis, Director  
Defense Capabilities and Management



## Report Documentation Page

*Form Approved*  
*OMB No. 0704-0188*

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE <b>09 MAR 2007</b>	2. REPORT TYPE	3. DATES COVERED <b>00-00-2007 to 00-00-2007</b>	
4. TITLE AND SUBTITLE <b>Operation Iraqi Freedom. Preliminary Observations on Iraqi Security Forces' Logistical Capabilities</b>		5a. CONTRACT NUMBER	
		5b. GRANT NUMBER	
		5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)		5d. PROJECT NUMBER	
		5e. TASK NUMBER	
		5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>U.S. Government Accountability Office, 441 G Street NW, Washington, DC, 20548</b>		8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)	
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>			
13. SUPPLEMENTARY NOTES			
14. ABSTRACT			
15. SUBJECT TERMS			
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>	
			18. NUMBER OF PAGES <b>16</b>
			19a. NAME OF RESPONSIBLE PERSON



Highlights of [GAO-07-582T](#), testimony before the House Armed Services Committee, Subcommittee on Oversight and Investigations

## Why GAO Did This Study

The *National Strategy for Victory in Iraq*, issued in November 2005, implies a conditions-based linkage between the development of the Iraqi Security Forces (ISF) and the size and shape of the U.S. presence there. The Department of Defense (DOD) reported to Congress in November 2006 that although the Iraqi Ministry of Defense and Ministry of Interior had about 323,000 trained and equipped forces, there was a serious shortcoming for both Ministries in the planning and executing of their logistics and sustainment requirements. According to DOD, without a developed logistical system the ISF will require continued Coalition support.

Today's testimony addresses (1) the current state of the ISF's logistical capabilities, and (2) the challenges the ISF is facing to achieve logistical self-sufficiency. This testimony contains unclassified portions of a classified report that was issued on March 7, 2007.

GAO's preliminary observations are based on audit work performed from January 2006 through March 2007.

[www.gao.gov/cgi-bin/getrpt?GAO-07-582T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-582T).

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

## OPERATION IRAQI FREEDOM

### Preliminary Observations on Iraqi Security Forces' Logistical Capabilities

#### What GAO Found

Although the Ministry of Defense has an approved logistics concept in place, the implementation of that concept has been hampered by numerous challenges. For example, the development of national and regional logistics centers has lagged behind the development of other logistics formations because of manpower shortages, security issues, inadequate fuel stocks, poor maintenance, and funding procurement issues. DOD has asked for a total of \$339.2 million to build and develop maintenance, warehouse, and base support facilities at the National Depot and for \$73 million to build and outfit 58 dining facilities on Garrison Support Units and Regional Support Units. Coalition logisticians have emphasized to us that the development of all echelons of logistics units is crucial in order for the Ministry of Defense to become capable of independently sustaining its forces. Furthermore, the policies and procedures intended to guide implementation of the logistics concept have not been effectively distributed. In addition, the training of Iraqi logisticians and mechanics has been hindered by an insufficiency in the supply of Arabic-literate students, of fuel needed to power generators, and of cadre qualified to serve as faculty at the logistics schools. Finally, maintenance of the vehicle fleet poses challenges because of its diversity, the shortage of trained mechanics, and the Ministry's failure to budget for and maintain an authorized stockage level for equipment.

As of December 2006, the Ministry of Interior has not approved the draft logistics concept that has been proposed by the Coalition. The reason for this is unclear. What is clear, however, is that since the summer of 2006, the Ministry has experienced significant challenges in its warehousing and supply, and maintenance activities. For instance, in July 2006, the Coalition was procuring and distributing equipment, vehicles, and weapons for the Ministry, in addition to funding a contractor to run warehouses and transport supplies to the Ministry's facilities. These challenges have continued, and the Ministry remains dependent on the Coalition to operate its warehouse system. In February, the Ministry was supposed to assume responsibility for running its warehouses. However, this has not happened. Moreover, in its fiscal year 2007 supplemental, DOD is requesting approximately \$175 million for the construction and sustainment of Ministry warehouses and maintenance depots. Another example of the Ministry's continuing logistical challenges is vehicle maintenance. In August 2006 Ministry personnel were unable to maintain a certain type of American truck supplied to the ministry by the Coalition because its personnel were unable to work with the vehicles' computerized systems. In August 2006, the Ministry had 1,179 trucks of this type on hand. As of December 2006, Iraqi mechanics remained unfamiliar with these computerized systems which are found in most of the ministry's vehicles. Because the Iraqi National Police are not able to maintain their vehicles, the Coalition has let and funded a \$130 million Baghdad Area maintenance contract to repair these vehicles.

---

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss issues related to the development of the Iraqi Security Forces' (ISF) logistical capabilities. Logistics is the lifeblood of any military organization. It is the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to operational requirements and the sustainment of the operations to the successful accomplishment of the mission or task. The components of logistics are sustainment, maintenance, supply, transportation, services, and health support.

In November 2005, the National Security Council issued the *National Strategy for Victory in Iraq*, which states that the Coalition will adjust its "posture and approaches as conditions evolve and Iraqi capabilities grow," and that Coalition troop levels in Iraq will decrease over time as the Iraqis take on more responsibilities for themselves. The national strategy implies a conditions-based linkage between the development of the ISF, including its logistical and other support capabilities, and the size and shape of the U.S. presence in Iraq. Currently, much of the discussion on the size and shape of U.S. forces in Iraq has focused on the relationship between trained and equipped Iraqi Security Forces and U.S. combat brigades. However, Coalition and U.S. support forces are providing extensive combat service support to the ISF. In February 2006, the Department of Defense (DOD) issued its third report to Congress, *Measuring Stability and Security in Iraq*, and stated that with the generation of regular line infantry battalions in the Iraqi Army largely completed, the focus of the train-and-equip program was shifting toward building combat support and combat service support units. In its next report to Congress, issued in May 2006, DOD stated that more than 65 percent of personnel in the Iraqi Army's support forces had been trained and equipped and that logistics units were continuing to increase in capability. However, in August 2006 DOD reported that logistics capabilities continued to be an area of significant concern for the Iraqi Police Service, particularly with respect to vehicle maintenance, and that extensive support to Iraqi military forces was being provided by Multi-National Force-Iraq. In its most recent report to Congress, issued in November 2006, DOD stated that although the Iraqi Ministry of Defense (MOD) and Ministry of Interior (MOI) had about 323,000 trained and equipped forces, the most serious shortcoming for both ministries' capabilities lay in planning and executing their logistics and sustainment requirements. According to DOD, fiscal year 2007 is the "Year of Leaders and Logistics" in Iraq. In justifying much of the \$5.8 billion in its supplemental Fiscal Year 2007 Security Forces Fund request

---

and its Fiscal Year 2008 Security Forces Fund request, DOD has pointed out that without the funds designated for MOD and MOI logistics and sustainment functions the Coalition would have to continue to support the ISF.

In response to the growing interest by members of Congress, we began a review under the authority of the Comptroller General to conduct evaluations at his own initiative<sup>1</sup> in order to provide information on the status and challenges of developing ISF support capabilities. To determine the status and challenges we reviewed relevant documents, orders, policies, and data that we obtained from DOD, the Department of State, and contracting officials. We also met with and interviewed DOD officials and contractor representatives in the United States and made two trips to Iraq, in January and August of 2006. While in Iraq we met with officials from the Department of State, Office of the Secretary of Defense (OSD), Multi-National Force-Iraq, Multi-National Corps-Iraq, and Multi-National Security Transition Command-Iraq. During our August 2006 trip, we also met with Iraqi Army officials and made a site visit to an Iraqi Army training compound and Iraq's National Depot. We determined that the data we have used are sufficiently reliable for the purposes of this report. This work is being done in accordance with generally accepted government auditing standards.

Our classified report, *Operation Iraqi Freedom: Preliminary Observations on Iraqi Security Forces Support Capabilities* (GAO-07-120C), which also includes preliminary observations on the ISF's intelligence and command and control capabilities, was issued on March 7, 2007. I will be presenting here some unclassified portions of that report, updated with information we obtained in December 2006 and February of 2007, on the development of the ISF's logistical capability. We will be conducting further, follow-on engagement work on this subject.

---

## Summary

Although the Ministry of Defense has an approved logistics concept in place, the implementation of that concept has been hampered by numerous challenges. For example, the development of national and regional logistics centers has lagged behind the development of other unit-level logistics formations. Coalition logisticians have emphasized to us that the development of all echelons of the logistics concept—national and

---

<sup>1</sup> 31 U.S.C. § 717(b)(1) (2000).

---

regional logistics centers and unit-level logistics formations—is crucial in order for MOD to become capable of independently sustaining its forces. Furthermore, the policies and procedures intended to guide implementation of the logistics concept have not been disseminated. In addition, the training of Iraqi logisticians and mechanics has been hindered by an insufficiency in the supply of Arabic-literate students, of fuel needed to power generators, and of Iraqis who are qualified to serve as faculty at the logistics schools. Finally, maintenance of the vehicle fleet poses challenges because of the fleet's diversity, the shortage of trained mechanics, and the Ministry's failure to budget for and maintain an authorized stockage level for equipment.

As of December 2006, the Ministry of Interior has not approved the draft logistics concept that has been proposed by the Coalition. The reason for this is unclear. What is clear, however, is that since the summer of 2006, the Ministry has experienced significant challenges in its warehousing and supply, and maintenance activities. For instance, in July 2006, the Coalition was procuring and distributing equipment, vehicles, and weapons for the MOI, in addition to funding a contractor to run warehouses and transport supplies to MOI facilities. These challenges have continued, and the MOI remains dependent on the Coalition to operate its warehouse system. In February, the MOI was supposed to assume responsibility for running its warehouses. However, this has not happened. Another example of the Ministry's continuing challenges is vehicle maintenance. In August 2006 MOI personnel were unable to maintain a certain type of American truck supplied to the Ministry by the Coalition because its personnel were unable to work with the vehicles' computerized systems. As of August 2006, the MOI had 1,179 trucks of this type on hand. According to a December 2006 DOD update, Iraqi mechanics remain unfamiliar with the computerized systems which are found in most of the Ministry's vehicles.

---

## Background

In early 2005, the Ministry of Defense and Multi-National Force-Iraq approved a logistics concept for the Iraqi military. Inherent to the concept is the generation of a variety of organizations, from the ministerial to the unit level. The provision of logistics support at the lowest levels is expected to be the purview of, first, Headquarters and Services Companies, which provide limited health, maintenance, supply, and transportation support to Iraqi Army battalion, brigades, and divisions; and, second, Motorized Transport Regiments, which provide additional transportation, maintenance, and vehicle recovery support to each of the Iraqi Army's infantry divisions. Midlevel logistics support is expected to

---

come from a national depot, five Regional Support Units (RSU), and numerous Garrison Support Units (GSU). The national depot, located at Taji, provides facilities for the receipt, storage, accounting, and issue of most classes of supply for the Iraqi Armed Forces, as well as the maintenance capability to overhaul vehicles and other equipment. RSUs are to provide regionally focused supply, maintenance, and contract support for the Iraqi military, while GSUs are to provide base support for each Iraqi military installation. A Support Command provides command and control of the national depot and RSUs, while the Iraqi Joint Headquarters logistics staff section provides logistics input to plans and orders. Finally, atop the logistics structure is the Office of the Director General of Acquisitions, Logistics, and Infrastructure, which is expected to direct the overall logistical capability and the acquisition of capital equipment, develop ministerial policies and procedures, and manage the budget. The envisioned end state is a comprehensive logistics system that will provide maintenance, supply, transportation, medical, and garrison support to all elements of the Iraqi military.<sup>2</sup>

According to a December 2006 Multi-National Security Transition Command-Iraq assessment, the Iraqi military will be self-sufficient in the provision of fuel, uniforms, building supplies, and life support by December 2007 at the latest. Additionally, the same assessment states that foreign military sales will be used to attain Iraqi self-sufficiency in the following areas: ammunition management and handling and the training of ammunition managers and handlers; vehicle replacement and modernization; the purchase and stocking of repair parts and the training of repair parts managers; the development of the National Depot; and the formation of a movement coordination center and shipment of supplies. All of these foreign military sales cases are to be promulgated between March and June 2007.

According to a Coalition document, the Ministry of Interior logistics system envisioned by the Coalition would enable the central government to procure and distribute commodities; would support both the MOI's federal forces (National Police and Border Forces) and the forces based in each of Iraq's 18 provinces (Iraqi Police Service, Facility Protection Service, and Fire/Civil Defense); and would assume accountability for items such as vehicles, weapons, and durable equipment.

---

<sup>2</sup> The areas of health and garrison support are not addressed in this testimony.

---

The Coalition has developed this draft logistics concept for the Iraqi police and border enforcement forces, but as of December 2006 it had not been approved by the Ministry of Interior. Additionally, the Ministry is working together to develop a centralized maintenance concept, but that was still in process as of December 2006.

---

### Ministry of Defense Has Approved a Logistical Concept, but Its Implementation Faces Numerous Challenges

Several challenges remain in the implementation of MOD's logistics system. First, the establishment of the national depot, regional support units, and garrison support units has lagged behind the creation of Headquarters and Service Companies and Motorized Transport Regiments. Second, the policies and procedures to facilitate implementation of the logistics concept have not been effectively disseminated. Third, the training of Iraqi logisticians has been affected by a lack of fuel, electricity, and personnel support for the training academy. Finally, the maintenance of the Iraqi military's vehicles is complicated by the diversity of MOD's fleet, the lack of trained mechanics, and the failure to budget for and maintain an authorized stockage level for equipment.

### Underdeveloped National and Regional Logistics Centers and the Failure to Disseminate Policies and Procedures Hinder Iraqi Logistical Self-Sufficiency

The creation of national and regional logistics centers has lagged behind that of lower echelon unit-level organizations because preference has been given to the generation of lower echelon logistics organizations, specifically Headquarters and Service Companies and Motorized Transport Regiments.<sup>3</sup> According to Coalition officials, this makes the attainment of MOD logistical self-sufficiency problematic. For example, the establishment of the National Depot has been plagued by manpower shortages, security issues, inadequate fuel stocks, and poor maintenance. Coalition officials assigned to the National Depot told us in August 2006 that the quantity of fuel delivered there since April 2006 had been below that needed to support routine warehouse, maintenance, and transportation requirements. The maintenance of forklifts, vehicles, and generators necessary to support day-to-day operations has suffered as well because of a lack of spare parts, a situation exacerbated by the variety of makes and models of equipment used by the National Depot. Additionally, the infrastructure at the National Depot needs to be developed. In its supplemental Fiscal Year 2007 Security Forces Fund request, DOD has asked for a total of \$339.2 million to build and develop maintenance,

---

<sup>3</sup> As of December 2006, 152 of 157 authorized Headquarters and Service Companies have been formed and 7 of 9 Motorized Transport Regiments have been transitioned to Iraqi control.



---

warehouse, and base support facilities at the National Depot. According to DOD, if these funds are not procured, the National Depot's construction will be affected and the shortfall will necessitate the continued presence and support of Coalition forces further into the future. In the words of one senior Coalition logistician, what presently exists at Taji is "a depot in name only."

The standing up of the Regional Support Units and Garrison Support Units faces similar challenges. According to a senior Coalition official with whom we spoke in January 2006, all 5 RSUs were to be operational by the end of calendar year 2006. But as of August 2006, the Ministry of Defense was still in the process of forming the RSUs and all 5 had significant shortfalls in personnel, leadership, training, and facilities. According to updated information we obtained in December 2006, MOD was still developing the RSUs and they would not be transitioned to full Iraqi control until June 2007. In August 2006 MOD had not yet determined the exact number of GSUs to be formed, and only 5 were in the process of being formed. Updated information obtained from DOD in December 2006 revealed that GSU development was still in an early stage, although the Iraqi Joint Headquarters was taking aggressive action to accelerate the development of 23 GSUs. According to DOD, full transition of GSUs to Iraqi control will not occur until late 2007. In its supplemental Fiscal Year 2007 Security Forces Funds request, DOD has asked for \$73 million to build and outfit 58 dining facilities on GSUs and RSUs. Without this funding, DOD states that those facilities might go months or years without use while waiting for equipment to be delivered through the Iraqi acquisitions systems. According to DOD, if that were to occur the Coalition would not be able to diminish its support.

Coalition logisticians have emphasized to us that the development of all echelons of the logistics concept is crucial in order for MOD to become capable of independently sustaining its forces. To that end, Multi-National Security Transition Command-Iraq and Multi-National Force-Iraq have developed Logistics Action Plans that include detailed event trackers and delineate Coalition decision points throughout the year. Overseeing implementation of the Logistics Action Plans is the purview of the Logistics Concept Implementation Committee, an entity formed in March 2006 to develop policies and procedures and steer their implementation. The Logistics Concept Implementation Committee is composed of both Iraqi and Coalition General Officers, and it meets fortnightly. As of December 7, 2006, the Logistics Concept Implementation Committee had produced 27 policies, procedures, and plans. However, according to DOD officials, MOD does not have an effective process for disseminating the

---

---

Training of Iraqi Logisticians  
Poses Challenges

policies and procedures throughout the Iraqi military. We do not know the reason for this.

Providing trained officers and noncommissioned officers to fill support and combat service support positions throughout the Iraqi Army is the mission of the Iraqi Armed Service and Supply Institute (Institute). However, during our August 2006 visit to the Institute we found several problems that negatively affected its ability to fulfill its mission. One such problem, according to a senior Iraqi Army official from the Institute, is Arabic illiteracy. At least 25 percent of the students who report for each course, including students from the Kurdish provinces who are literate in their own language, are turned away because they cannot read the required manuals, written in Arabic.<sup>4</sup>

Quality-of-life problems also hamper training. There is not enough fuel for the generators that provide the power necessary to run air conditioners, water pumps, and other life-support functions. According to an OSD report, the Taji RSU, which supports the Iraqi Armed Service and Supply Institute, was so starved for fuel that the generators were allowed to run only for 12 hours out of 24. During one 24-hour period, most generators had no fuel at all.

Furthermore, the number of trained Iraqis is not sufficient for training the number of logisticians required by the Iraqi military. As of August 2006, the Iraqi Armed Service and Supply Institute was staffed with just over half of its authorized Iraqi officer instructors. Lacking the needed faculty, the Institute has had to operate at less than full capacity, resulting in the training of fewer logistics specialists for the Iraqi Army. The reasons for this shortage remain unclear.

Maintenance Is Challenged by  
Diversity of Vehicle Fleet and  
Undermined by a Lack of  
Trained Mechanics and MOD  
Budgeting for Authorized  
Stockage Levels

Vehicle maintenance is another challenge that MOD faces, one exacerbated by the heterogeneous mixture of the Ministry's vehicular fleet. This diversity evolved because the fleet was assembled variously from vehicles left over from Saddam's army, MOD vehicle purchases, and vehicle gifts received from donor countries. According to an August 1, 2006, vehicle inventory, the Iraqi Army has 6 different types of fuel trucks, at least 4 of which come from different manufacturers: Nissan, Ford, KrAZ (Ukrainian), and MAZ (Belarusian); 21 different types of light utility

---

<sup>4</sup> As a result of the literacy problem within the country, Multi-National Security Transition Command-Iraq has developed a literacy course.

---

vehicles, including vehicles manufactured by Chevrolet, Gazelle (Russian), Honker (Czech), Kia, Mercedes, Mitsubishi, Nissan, and UAZ (Russian); and 15 different types of medium cargo vehicles, including U.S. military 2.5- and 5-ton cargo trucks. It also has vehicles manufactured by AMC, Ashok Leyland (Indian), GAZ (Russian), Hyundai, Kamaz (Russian), Nissan, and Mercedes. According to Coalition officials, obtaining repair parts for such a heterogeneous vehicular fleet, especially for vehicles of non-U.S. manufacture, is so expensive that crews have preferentially taken needed parts from similar vehicles awaiting repair. The result is that some vehicles never get repaired.<sup>5</sup> Furthermore, vehicle maintenance in some Iraqi Army units is adversely affected by the low octane rating in the fuel they are receiving. According to an OSD report, some units in the Kirkuk region are receiving fuel with an octane rating of between 70 and 78. As a result, fuel pumps are failing and the units are forced to change fuel filters every 7 to 10 days.

As an interim solution to meet the maintenance requirements of this diverse fleet, Multi-National Security Transition Command-Iraq committed to a national maintenance contract. According to the statement of work, the command's intent was to contract the services of a maintenance contractor to support the sustainment of the vehicles and equipment issued to the Iraqi Armed Forces and to assist the Iraqi Armed Forces in becoming self-sufficient. To facilitate the transfer of organizational and intermediate maintenance tasks, the designated contractor was to be organized to conduct on-the-job training for Iraqi personnel. However, Coalition officials stated that this training regimen has not yet produced sufficient numbers of trained Iraqi mechanics.

The national maintenance contract's statement of work also requires the contractor to determine and maintain an adequate authorized stockage level for all equipment repaired, the intent being to reduce the "wait time" for parts. Coalition officials we spoke with in August 2006 said that although an authorized stockage level has been completed, updated, and partially funded by the Coalition, MOD has not yet budgeted for maintaining it once the contract expires in March 2007. Coalition officials fear that a failure by the Iraqis to budget for and maintain the authorized stockage level will result in repair part shortfalls, which in turn will have a

---

<sup>5</sup> According to DOD's Fiscal Year 2008 Security Forces Fund request, a portion of the \$1,043 million it has requested for equipment and transportation will be used to purchase common system vehicles for MOD, with an eye toward reducing the fleet to just one or two systems.

---

negative impact on equipment readiness levels. In its supplemental Fiscal Year 2007 Security Forces Fund request, DOD has asked for \$499.6 million to procure recommended levels of supplies initially required to meet Iraqi wholesale and retail authorized stockage levels for most major classes of supplies. If it does not receive this funding, DOD states that the Iraqis will require continued support from Coalition forces.

Coalition officials have remarked that the national maintenance contract is too expensive for MOD to continue past its March 2007 end date. Coalition officials told us that they have presented an alternative to the national maintenance contract based on foreign military sales and direct vendor contracts to MOD. As of August 2006, MOD had taken no action with regard to this alternative. However, according to a DOD official, Multi-National Security Transition Command-Iraq has reprogrammed some of its funds to extend the National Maintenance Contract beyond its March 2007 expiration date.

---

### Ministry of Interior Has Drafted a Logistics Concept, but It Is Not Self-Sufficient in Logistics

As of December 2006, the Ministry of Interior had not approved the draft logistics concept that has been proposed by the Coalition. The reason for this is unclear. What is clear, however, is that since the summer of 2006, the Ministry has experienced significant challenges in its warehousing and supply, and maintenance activities. Because of these challenges, the Ministry is dependent on Coalition support for much of its logistics requirements. If left uncorrected, these challenges will likely prolong the Ministry's dependence on Coalition support into at least fiscal year 2008.

### MOI's Warehousing and Supply Infrastructure Requires Continued Coalition Support and Funding

In December 2006, DOD reported that the MOI warehouse system consists of five warehouses operated by the Coalition, one that is planned for MOI operation in late December 2006, and several additional warehouses at the headquarters of both the Ministry and its Department of Border Enforcement. According to DOD, each of the Provincial Directors of Police offices is responsible for establishing its own warehouse.

Since the summer of 2006, MOI has depended on the Coalition and contractors to run its warehouses and supply much of its forces. For example, in July 2006, not only was the Coalition procuring and distributing equipment, vehicles, and weapons for MOI, it was also funding a contractor to run the supply distribution warehouses and provide the transportation assets needed to get the supplies from the warehouses to MOI facilities. According to a Coalition assessment, this state of affairs was necessary because MOI's existing logistics capabilities were being overwhelmed by the force the Coalition was developing for the MOI.

---

These challenges have continued, and MOI remains dependent on the Coalition to operate its warehouse system. Although MOI was supposed to assume responsibility for running these warehouses, this has not happened. In August 2006, a Coalition-funded contractor was operating six warehouses for MOI, and plans called for all six to transition to MOI control by February 2007. However, according to an update we received from DOD in December 2006, only one of the six warehouses will be transitioned to Iraqi control by February 2007. The remaining five are to continue under Coalition control until July 2007.

Moreover, it seems that MOI's dependence on Coalition support of its logistics facilities will continue into fiscal year 2008. DOD states that MOI requires approximately \$175 million from the supplemental Fiscal Year 2007 Security Forces Fund for the construction and sustainment of warehouses and maintenance depots. DOD states that without this funding, the Ministry will be unable to sustain its warehouses, and the Coalition's significant investment in the MOI vehicular fleet, comprising some 19,222 Coalition-supplied vehicles, will be put at risk. In addition, DOD is seeking funding for MOI logistics projects in the Fiscal Year 2008 Security Forces Fund request.

### MOI Is Unable to Independently Maintain its Vehicles and Equipment

Maintenance is another area in which the MOI continues to face challenges. As of December 2006, the MOI had at least two different vehicle maintenance concepts. The first, for provincial police forces, directs that vehicles be maintained at the provincial level. The second, for the National Police, is still in development and is expected to be based on a military model and centered in the Baghdad area. Although MOI is developing a centralized vehicle maintenance concept, as of December 2006 this concept was not complete.

Since the summer of 2006, MOI has faced significant vehicle maintenance challenges. For instance, in August 2006, Coalition officials told us that in Baghdad alone approximately 1,600 police vehicles were inoperable. In addition, MOI personnel were unable to maintain a certain type of American truck supplied by the Coalition because its personnel were unable to work with the vehicles' computerized systems. As of August 2006, MOI had 1,179 trucks of this type on hand.

Based on our latest information, some of these challenges have persisted. For instance, according to a December 2006 DOD update, Iraqi mechanics remain unfamiliar with the computerized systems which are found in most of the MOI's vehicles. Moreover, a significant component of the MOI's forces, the National Police, is unable to maintain its vehicles.

---

Maintenance of communications equipment is another challenge that MOI has faced since the summer of 2006. In August 2006, Coalition officials stated that there was little or no sustainment for certain types of police radio equipment but that plans called for MOI to fund a 12-month, \$4.5 million contract for radio maintenance and training of Iraqi communications mechanics. The current status of this contract is unclear.

Based on recent DOD information, we believe that the Ministry's maintenance challenges will keep it dependent on Coalition assistance into fiscal year 2008. For instance, according to Coalition officials the Multi-National Security Transition Command-Iraq has established the \$130 million Baghdad Area Maintenance Contract to repair National Police vehicles. According to Coalition officials, the contract is currently set to expire in mid-2007, when MOI is supposed to assume responsibility for maintenance of the National Police vehicle fleet. Another example is the \$145 million DOD is requesting to build 130 maintenance facilities for MOI. DOD states that without this infrastructure the Ministry will not be able to maintain its vehicle fleet. In addition, DOD is seeking funding for MOI logistics projects in the Fiscal Year 2008 Security Forces Fund request.

Furthermore, DOD has requested \$27 million in U.S. funding for MOI communications maintenance and has stated that without this money, MOI's radio networks will be severely jeopardized, its first-responder network will degrade and become inoperable, and it will be unable to assume responsibility for its national command and control network.

---

## Concluding Observation

The Coalition has been working steadily toward the goal of transferring full security responsibility to the Iraqi military and police. During our trips to Iraq we met with scores of dedicated military, DOD civilian, and contractor personnel who work daily to redress the challenges we have pointed out in this testimony. We believe, however, that much remains to be done before the ISF is logistically self-sufficient. Until that happens, the Iraqi Security Forces will continue to be reliant on the Coalition to provide the support they cannot provide for themselves. According to DOD's November 2006 report to Congress, the department has increasingly focused on addressing these challenges by partnering Iraqi logistics units with U.S. units and, within MOD, embedding civilian advisors to assist MOD officials in developing MOD's capacity to organize, train, equip, sustain, and upgrade its forces. Furthermore, the Government of Iraq has increasingly turned to foreign military sales to execute equipment and sustainment cases for both MOD and MOI. However, as we have shown, several challenges have to be overcome in the areas of training,

---

maintenance, and sustainment before the Iraqis can become logistically independent of the Coalition.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. At this time, I would be happy to answer any questions that you may have.

---

## GAO Contact and Staff Acknowledgments

For questions regarding this testimony, please call William Solis at (202) 512-8365. Other key contributors to this statement were Marilyn Wasleski, Guy LoFaro, Christopher Turner, and Cheryl Weissman.

---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



---

## GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site ([www.gao.gov](http://www.gao.gov)). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to [www.gao.gov](http://www.gao.gov) and select "Subscribe to Updates."

---

## Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office  
441 G Street NW, Room LM  
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000  
TDD: (202) 512-2537  
Fax: (202) 512-6061

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Gloria Jarmon, Managing Director, [JarmonG@gao.gov](mailto:JarmonG@gao.gov) (202) 512-4400  
U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, D.C. 20548

---

## Public Affairs

Paul Anderson, Managing Director, [AndersonP1@gao.gov](mailto:AndersonP1@gao.gov) (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548