



United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-272234

June 12, 1996

The Honorable Stephen Horn
Chairman, Subcommittee on Government
Management, Information, and Technology
Committee on Government Reform and Oversight
House of Representatives

The Honorable Rick White
House of Representatives

As you requested, we are providing information on the military services' aircraft used for operational support airlift (OSA) missions. Specifically, we discuss the Department of Defense's (DOD) progress in implementing the recommendations we made in our previous reports.¹ In discussing DOD's response to the recommendations in our June report, we provide information on DOD's actions to improve the management of OSA aircraft.

BACKGROUND

OSA aircraft are used to meet short notice, generally smaller, cargo and passenger requirements that cannot be met by regularly scheduled tactical resupply aircraft. Approximately 500 fixed-wing airplanes and 100 helicopters are used for DOD's OSA missions. The Secretary of Defense has designated some DOD senior-level travelers as required use travelers because of their continuous requirement for secure communications, security reasons, or exceptional scheduling requirements. In addition, when not used for higher priority purposes, the Air Force's 89th Military Airlift Wing provides worldwide airlift support for the President, Vice President, and other high-level U.S. and foreign government officials. The 89th Wing has 30 fixed-wing airplanes and 20 helicopters (2 of these aircraft are for the President's exclusive use). The use of OSA aircraft as well as the 89th Wing aircraft by

¹Military Aircraft: Policies on Government Officials' Use of 89th Military Airlift Wing Aircraft (GAO/NSIAD-92-133, Apr. 9, 1992) and Government Aircraft: Observations on Travel by Senior Officials (GAO/NSIAD-95-168BR, June 5, 1995).

government officials is addressed in a variety of official policy documents, including DOD Directive 4500.43 and Office of Management and Budget Circular A-126.

Our Prior Recommendations

To provide better assurance that the 89th Wing's aircraft are being used appropriately and consistently, our April 1992 report recommended that the Secretary of Defense revise the policies that address executive branch officials' use of the 89th Wing aircraft. In addition, we suggested that the revised executive branch policies should, among other things, clearly state the purposes for which the 89th Wing aircraft can and cannot be used and clearly specify the documentation that is required to justify each use of the aircraft.

Our June 1995 report recommended that the Secretary of Defense (1) provide uniform guidance to the services concerning how to compute OSA wartime requirements; (2) develop the appropriate mechanisms to ensure the availability of each service's aircraft to help fulfill the OSA needs of the other services; (3) reassign or otherwise dispose of excess OSA aircraft; and (4) adopt, and direct the other service secretaries to adopt, the Army's policy of restricting helicopter flights to Andrews Air Force Base and possibly to other nearby locations.

RESULTS IN BRIEF

DOD has implemented the recommendation made in our April 1992 report. To do so, DOD issued new policies that should ensure that the 89th Wing's aircraft are used appropriately and consistently. The new policies, directed at improving the overall management and use of the aircraft, provide specific guidance on when, by whom, and for what purposes the aircraft should be used and the extent to which compliance with these policies, including cost comparisons with commercial services, should be documented. These new policies apply to all military aircraft used for OSA missions.

DOD has taken several actions that implement the four recommendations in our June 1995 report. To address the first recommendation, the Joint Chiefs of Staff (JCS) studied OSA wartime requirements across DOD. The JCS's resulting October 1995 report established a joint requirement for 391 OSA aircraft, or about 100 less than the fleet that existed at the time of the study, and developed a common methodology for determining OSA requirements. The Deputy Secretary of Defense subsequently approved the reduction in the size of the OSA fleet. The JCS study also addressed how the availability of each service's aircraft could help

fill the needs of the other services. As a result, DOD plans to implement the second recommendation by consolidating the military services' scheduling of OSA aircraft and reducing their flying hours. To address the third recommendation, DOD plans to reutilize or sell the excess aircraft. Finally, DOD has implemented the fourth recommendation in our 1995 report by issuing a new policy that should limit the use of helicopters for senior-level officials' travel.

DOD's IMPLEMENTATION OF OUR
1992 REPORT RECOMMENDATION

On June 10, 1994, the Secretary of Defense issued a new policy on senior officials' use of government aircraft that should provide better assurance that the 89th Wing's aircraft are being used appropriately and consistently. This policy provides specific guidance on documenting the 89th Wing's flights and on how travelers should determine if commercial services are available. Also in June 1994, DOD established a monthly internal reporting requirement for travel by civilian or military officials working in headquarters and subordinate agencies associated with the Pentagon.

This new policy also implements several White House and Office of Management and Budget (OMB) policies, including the President's policy entitled "Restricted Use of Government Aircraft," dated February 10, 1993; OMB's revised Circular A-126 entitled "Improving the Management and Use of Government Aircraft," dated May 22, 1992; OMB Bulletin No. 93-11 entitled "Fiscal Responsibility and Reducing Perquisites," dated April 19, 1993, and the White House's memorandum entitled "Use of Government Aircraft for Official Business, dated July 30, 1993.

Adverse publicity and increased congressional concern about potential abuses resulted in a number of statements during 1994 by the White House and the Secretary of Defense emphasizing the need for senior officials to carefully consider the use of commercial transportation instead of government aircraft. On May 9, 1995, the Deputy Secretary of Defense issued a revised policy memorandum that eliminates an entire category of "required mission use" for justifying individual OSA flights and requires that many more OSA flights be justified based on a cost comparison between DOD's OSA aircraft and commercial carriers. In December 1995, we testified² that, from March 1993 to February 1995, the number of senior-level officials' OSA flights generally declined. During that period, the number of

²Travel of Government Officials on Government Aircraft (GAO/T-NSIAD-96-85, Dec. 29, 1995).

senior officials' OSA flight segments per month ranged from a high of about 1, 800 per month in March 1993 to a low of about 1,000.

On October 1, 1995, the Deputy Secretary of Defense issued a new policy on travel that (1) requires the services to use the smallest and most cost-effective mission-capable aircraft available; (2) requires the Secretary of Defense's or the military department secretary's approval for use of military aircraft by required use officials for permanent change-of-station moves; (3) prohibits the scheduling of training flights strictly to accommodate senior-level officials' travel; and (4) allows the military department secretaries to further restrict the required use designation for four-star officers in their respective departments. In addition, the Office of the Secretary of Defense issued a December 19, 1995, memorandum that highlights the basic guidelines regarding the use of military air transportation and upgraded seating on commercial transportation. Further, DOD plans to publish new instructions to the military services by September 1, 1996, regarding these and other related policies.

DOD's IMPLEMENTATION OF OUR 1995 REPORT RECOMMENDATIONS

To implement the recommendations in our 1995 report, DOD has (1) developed uniform guidance to the services concerning how to compute OSA wartime requirements; (2) developed the appropriate mechanisms to ensure the availability of each service's aircraft to help fulfill the OSA needs of the other services; (3) reduced the OSA fleet; and (4) adopted the Army's policy of restricting helicopter flights to Andrews Air Force Base and possibly to other nearby locations.

Uniform Guidance for Computing OSA Wartime Requirements

In May 1995, the Deputy Secretary of Defense requested the Chairman, JCS, to determine OSA wartime requirements across DOD. The Joint Staff subsequently formed an OSA working group to study the matter. The resulting October 1995 report³ developed a common methodology for determining OSA requirements and recommended that the methodology be used annually to validate the size of the OSA fleet. The Joint Staff also established a joint wartime requirement for 391 aircraft, or 118 less than the 509 aircraft that existed at the time of the study. DOD

³Wartime Requirements for Operational Support Airlift (OSA), The Joint Staff, (Oct. 1995).

plans to issue uniform guidance to the services for computing wartime requirements by October 1, 1996.

In June 1996, we expect to complete a study to determine if the 391 aircraft were excessive. We will (1) recalculate the Joint Staff's estimate using the same computerized model and (2) determine how changes in the flight frequency assumptions affected the calculation of the aircraft requirements. Subsequent to our initial analysis, DOD officials informed us that they had used a different capability assumption in computing the Pacific Command's (PACOM) requirement for long-range aircraft. Instead of using the assumption that these aircraft can average two round trips per day between regions, as shown in the Joint Staff study and as reflected in related briefing charts, their requirement was based on the assumption that long-range aircraft can average only one and one-half flights per day in PACOM. We will substitute this assumption in our analysis to determine if we get the same overall aircraft requirement that was reported in the Joint Staff study.

Management Initiatives to Ensure Availability of OSA Aircraft

On October 10, 1995, the Chairman of the Joint Chiefs of Staff directed the U.S. Transportation Command (USTRANSCOM), the single manager of all defense transportation services, to provide recommendations for improving the management of OSA aircraft. The resulting January 1996 report⁴ recommended that DOD (1) continue multiservice ownership of OSA assets, (2) consolidate OSA scheduling under a single unified commander, and (3) reduce OSA flying hours to those needed exclusively for pilot training.

In its report, USTRANSCOM concluded that consolidating OSA scheduling under a single, joint command would achieve economies of scale and establish the unified commander as the "honest broker." The report concluded that a consolidated scheduling system would allow USTRANSCOM to accommodate 7.7 percent more passengers on the OSA aircraft while reducing missions flown by 8.1 percent. USTRANSCOM also concluded that a transition to single-service ownership or management of OSA aircraft was premature until the gains achieved through joint, consolidated scheduling had been assessed. On March 26, 1996, the Deputy Secretary of Defense approved the consolidated scheduling of OSA aircraft in the

⁴United States Transportation Command Recommendations for Operational Support Airlift (OSA) (Jan. 19, 1996).

continental United States with USTRANSCOM as the single manager and approved the continued ownership of OSA aircraft by the individual services.

To implement a consolidated scheduling system, USTRANSCOM plans to activate a Joint Operational Support Airlift Center at Scott Air Force Base on June 30, 1996, and begin consolidating the Air Force's scheduling operations by October 1, 1996. The Navy's operations will be consolidated 2 months later and the Army and Marine Corps' scheduling operations will be consolidated on February 1, 1997.

USTRANSCOM's report recommended a 16.2-percent reduction in OSA flying hours to meet pilot proficiency and seasoning requirements.⁵ However, because of the military services' concern that the USTRANSCOM report did not include all the flying hours required for maintaining pilot proficiency and seasoning, DOD agreed to use the recommended flying hour reduction only as a goal. The military services agreed to limit future OSA flying hours to the hours necessary to meet pilot proficiency and seasoning requirements. A senior DOD official told us that the flying hour allocation process will be reviewed annually and may be adjusted in future years.

In the fiscal year 1996 National Defense Authorization Act, Congress directed the Secretary of Defense to reduce the number of hours flown by OSA aircraft during fiscal year 1996 to no more than 85 percent of the number of hours flown during fiscal year 1995 by OSA aircraft. USTRANSCOM officials pointed out that the congressionally directed reductions in flying hours was close to the 16.2-percent reduction recommended in the USTRANSCOM report.

DOD's Reduction of OSA Fleet

In December 1995, the Secretary of Defense approved budgetary action to reduce the size of the OSA fleet from 509 aircraft to the OSA wartime requirement of 391 aircraft, or 118 fewer aircraft. According to a senior official, all the military services are on track to accomplish this goal by the end of fiscal year 1997. DOD anticipates that the lower number of OSA aircraft will result in a \$46.4 million reduction in the annual flying hour and contractor logistical support costs for the OSA fleet in fiscal years 1997 and 1998. DOD plans to reutilize or sell the excess 118 OSA aircraft.

⁵Pilot seasoning is the flying hours required for pilots to improve their skill levels or progress to more advanced aircraft.

DOD's Policy to Further Restrict Use of Helicopters

In July 1994, the Secretary of the Army issued a policy memorandum that limited the use of helicopters for intra-city travel in the greater Washington-Baltimore Metropolitan area. In December 1994, he established a new policy that further limited the use of helicopters by prohibiting Army officials' use of helicopter transportation between the Pentagon and Andrews Air Force Base except in unusual circumstances. The memorandum stated that the existence of unusual circumstances would be determined by the Secretary of the Army or the Chief of Staff of the Army. In our June report, we recommended that DOD adopt this policy.

To further restrict the use of helicopters DOD-wide, the Deputy Secretary of Defense's October 1, 1995, revisions to DOD's policy on the use of government aircraft and air travel included a section on helicopter travel. The new policy states that "rotary wing aircraft may be used only when cost {is} favorable as compared to ground transportation, or when the use of ground transportation would have a significant adverse impact on the ability of the senior official to effectively accomplish the purpose of the travel." Our review indicated that since our June 1995 report, the number of senior-level officials' helicopter flights to and from the Pentagon generally declined. From July 1995 to March 1996, the number of senior officials' helicopters flights decreased from 18 flights per month in July 1995 to a range of 6 to 14 flights per month.

SCOPE AND METHODOLOGY

We performed our audit work primarily at DOD headquarters in Washington, D.C., and the U.S. Transportation Command, Scott Air Force Base, Illinois. Relying on data from our internal recommendation tracking system, DOD's audit recommendation tracking system, and other DOD documents--along with discussions with DOD officials--we developed the information for this letter.

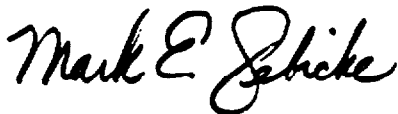
We did not obtain written comments from DOD. However, we discussed the information presented in this letter with the responsible DOD officials. They generally concurred with our observations, and their comments have been incorporated in this letter where appropriate. We conducted our review between April and June 1996 in accordance with generally accepted government auditing standards.

B-272234

- - - - -

We are sending copies of this letter to the Secretaries of Defense and the Air Force and other interested congressional committees. Copies will be made available to others upon request.

Please contact me at (202) 512-3961 if you or your staff have any questions concerning this letter. Major contributors to this letter were Elliott C. Smith, Jane D. Trahan, and Gregory J. Symons.



Mark E. Gebicke
Director, Military Operations
and Capabilities Issues

(703140)

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested
