



UNITED STATES GENERAL ACCOUNTING OFFICE  
INTERNATIONAL DIVISION  
FAR EAST BRANCH  
1833 KALAKAUA AVENUE  
HONOLULU, HAWAII 96815

MAR 8 1972

Commander  
Pacific Air Forces Base Command  
15th Air Base Wing  
Hickam AFB, Hawaii 96553

Attention: Comptroller

Dear Sir:

Our office has completed surveys of the application of Military Standard Transportation and Movement Procedures (MILSTAMP) and other traffic management information systems at Hickam Air Force Base. The surveys were made at the 15th Air Base Wing Traffic Management Office (TMO), and were directed toward identifying existing information systems, determining how they are used and determining if traffic management practices could be improved.

Some of the systems in use are fairly effective for carrying out traffic management operations, however, for the movement of cargo the TMO is following several uneconomical shipping practices. Contrary to MILSTAMP and Air Force guidelines air transportation has been used extensively for low priority shipments even though less costly surface transportation could have been used to meet required delivery dates. Low priority mailed cargo has been sent by Military Ordinary Mail (MOM) rather than surface class parcel post. Also, the TMO in many instances is not combining individual items for one consignee into single consolidated shipments.

QUESTIONABLE ASSIGNMENT OF  
HIGH TRANSPORTATION PRIORITY

Air Force contractors on Hawaii who are authorized to ship cargo by military modes assign the Transportation Priority for their shipments. These shipments, to mid-Pacific destinations, are often designated as Transportation Priority 1 which entitles them to be airlifted. We believe many of these shipments are appropriate for sealift. In November 1971, one contractor shipped 236,000 pounds of cargo by military airlift of which 173,000 pounds was printed matter, rations and construction supplies. A second contractor shipped 89,000 pounds of printed matter, rations and construction supplies as Transportation Priority 1 during the same month. Items such as beer, bowling equipment and popcorn were airlifted as Transportation Priority 1 by one of the contractors in 1971.

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TMO officials told us that they were aware of the contractors' apparent abuse of the priority system, however, they have not questioned these air shipments except in extreme cases. In November 1971 the Headquarters, Space and Missile Test Center informed the TMO that their contractors in Hawaii have authority to use Transportation Priority 1 for all shipments. As a consequence the Traffic Management Officer feels compelled to honor the priority assignments. We believe that he should ensure that transportation priorities are correctly assigned based on the nature and urgency of need of the shipment.

We reviewed shipments generated by the TMO and found that Transportation Priorities were correctly assigned according to the supply issue priority, however, as discussed below military airlift is also used extensively to ship low priority cargo.

MILITARY AIRLIFT USED TO  
MOVE LOW PRIORITY CARGO

In 1971 the TMO moved over 3100 Transportation Priority 3 shipments by military airlift and only 210 by sealift. The practice at the TMO is to airlift cargo whenever possible regardless of its Transportation Priority.

Information obtained from Military Sealift Command (MSC) officials in Hawaii disclosed that there is opportunity for a greater use of sealift without exceeding order and ship time standards specified by the Uniform Materiel Movement and Issue Priority System (UMMIPS). About 12 MSC vessels depart Hawaii for the Far East each month. Voyages to mid-Pacific islands average about four per month. In addition, officials advised us that they would be willing to establish and maintain close coordination with the TMO to inform them of MSC voyages.

We did not attempt to determine the entire amount of airlifted Transportation Priority 3 cargo that could be diverted to military sealift and still meet order and ship time standards, however we believe the following example demonstrates that savings can be obtained through greater use of sealift.

In January 1972, the TMO sealifted 37.2 measurement tons of general cargo to Wake Island on the USNS Asterion, an MSC ship. During the same period in which this cargo was received and staged for surface shipment, the TMO shipped an additional 31.5 measurement tons of Transportation Priority 3 cargo to Wake Island by military airlift. Our analysis of the 31.5 tons showed that 17.3 tons could have been shipped on the Asterion

to arrive at Wake Island within the established order and ship time standards. Our analysis also showed that some of the airlifted cargo could have been shipped a month earlier on another vessel which sailed from Hawaii to Wake Island. The Military Airlift Command rate to airlift the 17.3 measurement tons is about \$1700 as compared to MSC port handling and ocean transportation charges which would have been about \$500.

MOM CLASSIFICATION USED FOR  
LOW PRIORITY MAILED CARGO

Air Force Manual 75-1 states that Transportation Priority 3 parcels will normally be shipped by surface class parcel post. The TMO, however, does not use surface class; Transportation Priority 3 parcels are mailed as MOM. In 1971, the TMO mailed over 7,000 Transportation Priority 3 parcels.

We discussed our findings with the Traffic Management Officer who agreed that low priority cargo should be shipped by surface mode when sealift is available. He also informed us that the TMO would begin using surface class mail for Transportation Priority 3 shipments.

Under existing management information procedures the Traffic Management Officer is not receiving the kind of information he needs to assure himself that freight personnel are selecting the proper transportation mode. The number and weight of shipments processed in a month by each transportation mode is summarized and reported to him in total. To properly manage the process of transportation mode selection the Traffic Management Officer needs to know which transportation modes are being selected for which Transportation Priorities. This information is included in the basic source documentation and could easily be accumulated and included in the report sent to the Traffic Management Officer.

CONSOLIDATED SHIPMENTS

MILSTAMP and Air Force regulations state that within the limits dictated by supply priorities and required delivery dates general commodities for a single destination should be consolidated into a single shipment. The TMO presently makes consolidated shipments to several locations, however we found there is opportunity for more consolidation. We also noted that the TMO's consolidation practices are resulting in some items being delayed longer than permitted by established time frames for shipment processing and that items of different Transportation Priority are being commingled.

To evaluate the effort being made to consolidate we reviewed all MOM-mode consolidated and non-consolidated shipments made for the week of November 9 through 16, 1971. We found instances of several concurrent single unit shipments to a single consignee. For example, seven single unit shipments were made to Hill AFB, Utah, but no consolidated shipments. The seven single units totaled eight cubic feet and weighed 48 pounds. In another example, eight MOM shipments were made to Wake Island on November 10, 1971; only one of which was a consolidated shipment. Two of the single shipments were for identical items with the same Transportation Priority. TMO personnel stated that despite usual procedures for consolidating shipments, if there is not enough work to keep all employees busy, each item processed is packaged and shipped individually as it arrives, without consideration of consolidation.

We also examined 100 consolidated shipments processed in October, November and December 1971 and found that for 17 shipments at least one unit within the shipment was held for consolidation longer than the allowable processing time as stated in UMMIPS. Contrary to MILSTAMP guidance, 29 of the 100 shipments had Transportation Priority 1 and 2 items commingled with Transportation Priority 3 items.

#### CONCLUSION

The use of premium transportation modes to move low priority cargo is resulting in higher than necessary transportation costs. In addition present consolidation practices are resulting in extra handling within the transportation system as well as processing delays for some items. Increased management attention to these matters is needed to achieve satisfactory material movement at the lowest cost to the Government.

We would appreciate receiving your written comments on these matters, including any corrective actions taken or proposed. Also, we would be pleased to discuss these matters with you or your representatives at your convenience.

We wish to acknowledge the courtesies and cooperation extended to our representatives during the surveys.

Sincerely yours,

*J. D. Roman*  
for C. Roman  
Director

Gilbert F Stromvall