



REPORT TO THE CONGRESS



*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

Withdrawal Of U.S. Forces From Thailand: Ways To Improve Future Withdrawal Operations

This report is the unclassified version of GAO's SECRET report LCD-77-402, dated June 3, 1977.

Because of changing conditions in Southeast Asia, the Government of Thailand requested that U.S. forces be removed from Thailand. Actions taken by the Departments of Defense and State to carry this out were generally effective and millions of dollars worth of material was successfully redistributed to fill requirements at other U.S. activities.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133258

To the President of the Senate and the
Speaker of the House of Representatives

This report is the unclassified version of our secret report, dated June 3, 1977 (LCD-77-402). It discusses the actions taken to overcome difficulties encountered in the withdrawal of U.S. forces from Thailand and suggests ways to avoid similar problems in future withdrawals.

It is one of a series of GAO-initiated reviews of the withdrawals of U.S. forces from foreign countries. Our objectives were to monitor the withdrawal operations, make suggestions for prompt corrective action on problems encountered, and recommend ways to improve future withdrawal operations.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Secretary of State, the Secretary of Defense, and the Secretary of the Air Force.

R. F. Keller
ACTING Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

WITHDRAWAL OF U.S. FORCES
FROM THAILAND: WAYS TO
IMPROVE FUTURE WITHDRAWAL
OPERATIONS
Departments of Defense
and State

D I G E S T

Because of changing conditions in Southeast Asia, the Royal Thailand Government asked the United States to withdraw its combat forces from Thailand. At that time, March 1975, 27,000 military personnel were authorized for six bases and other facilities throughout the country. The phasedown resulted in U.S. force levels being reduced to less than 250 as of July 20, 1976. (See p. 1.)

Although a massive U.S. military force had been deployed to Thailand--about 46,300 in 1969--agreements authorizing such a force were minimal. This was particularly true regarding most of the military facilities constructed there and the disposition of the equipment assigned to them. Meanwhile, the Thai Government controlled the bases and the transportation facilities used by U.S. forces. Given these conditions, the Thai Government could have made the withdrawal operation much less successful. (See p. 4.) However, through the cooperation of the Thai Government and agreements reached during phasedown and withdrawal, the operation was successful. (See p. 5.)

One of the objectives of the phasedown was to maintain the best possible relations with Thailand. This was to be achieved in part by leaving operable facilities and by withdrawing only those items for which a valid U.S. need existed. (See p. 6.)

Items reported as excess to U.S. needs were turned over to the Thai Government. At five Royal Thailand Air Force bases

included in our review, major items transferred were valued at over \$12.6 million, and secondary items transferred were valued at over \$19 million. GAO found that, generally, these items were excess to U.S. requirements and could not be economically removed from Thailand. Over \$204 million (acquisition value) in real property improvements was left at these five bases. (See p. 10.)

A communications system and a stockpile of ammunition remain in Thailand. Some of the communications equipment is not excess to U.S. needs. However, the Thai Government also has a requirement for these items. Components of the communications system not excess to U.S. needs are being left at no cost to Thailand under a 3-year bailment agreement with the Thai Government. The Thai Government will in turn provide communications services in Thailand to the United States at no cost. The Thai Government agreed to purchase the ammunition over a 3-year period. Details of the sale are currently being negotiated. (See p. 15.)

Withdrawal of U.S. material from Thailand was generally effective. Incorporating lessons learned in previous phasedowns, the Department of Defense attempted to withdraw only material for which valid requirements existed. (See p. 17.)

Although GAO found that some improvements are needed in planning, managing, and coordinating withdrawal operations, millions of dollars of material was distributed to Pacific bases and to other U.S. installations to satisfy valid requirements. (See p. 23.)

In view of the amount of material involved and the short amount of time available, the withdrawal operation was commendable.

RECOMMENDATIONS

Future withdrawals and associated programs could be improved by applying the lessons learned from the Thailand and prior withdrawals.

The Secretary of Defense should:

- Direct that definite criteria for the peacetime withdrawal of U.S. forces from other countries be established. This should include policies and procedures for scaled as well as complete withdrawals.
- Designate a single manager responsible for coordinating withdrawal operations.
- Designate at each closing base a team under a manager with knowledge of overall defense requirements and give this team authority to immediately withdraw or dispose of assets.

Because of changing circumstances agreements may have to be modified, but they do provide a basis for mutual understandings, intentions, and rights of the participating parties.

In negotiating future basing agreements, the Secretary of Defense should, in cooperation with the Secretary of State, include provisions for protecting U.S. investments, either through their return or appropriate compensation for them, and for moving retrograde material without hindrance.

AGENCY COMMENTS

The Department of Defense concurred with the above recommendations. Its comments have been incorporated where appropriate throughout the report, and the comments relating to the recommendations are in appendix VII.

GAO discussed the report with State Department officials, and they concurred with its recommendations. Their comments have also been included where appropriate.

Although the Departments of Defense and State concurred with the recommendations, GAO recognizes that implementation may take some time. GAO will therefore continue to monitor the implementation of these recommendations.

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ABBREVIATIONS

GAO	General Accounting Office
JUSMAG-T	Joint U.S. Military Advisory Group, Thailand
MACTHAI	U.S. Military Assistance Command, Thailand
PACAF	Pacific Air Force
RTG	Royal Thailand Government

CHAPTER 1

INTRODUCTION

Because of changing conditions in Southeast Asia, the Royal Thailand Government (RTG) stated on March 19, 1975, that U.S. combat forces had to be removed from Thailand by March 1976. At that time there were 27,000 U.S. military personnel authorized for six bases and other facilities throughout Thailand. Although the March 1976 deadline imposed by the RTG (later extended to July 1976) was the first definite withdrawal date, a phasedown of U.S. forces had begun in 1969. The phasedown, accelerated around May 1975 after the fall of Cambodia and Vietnam, resulted in U.S. troop level reductions from a high of 46,277 in 1969 to less than 250 as of July 20, 1976. (A map on the following page shows the five bases formerly used by U.S. forces in Thailand that were included in our review.)

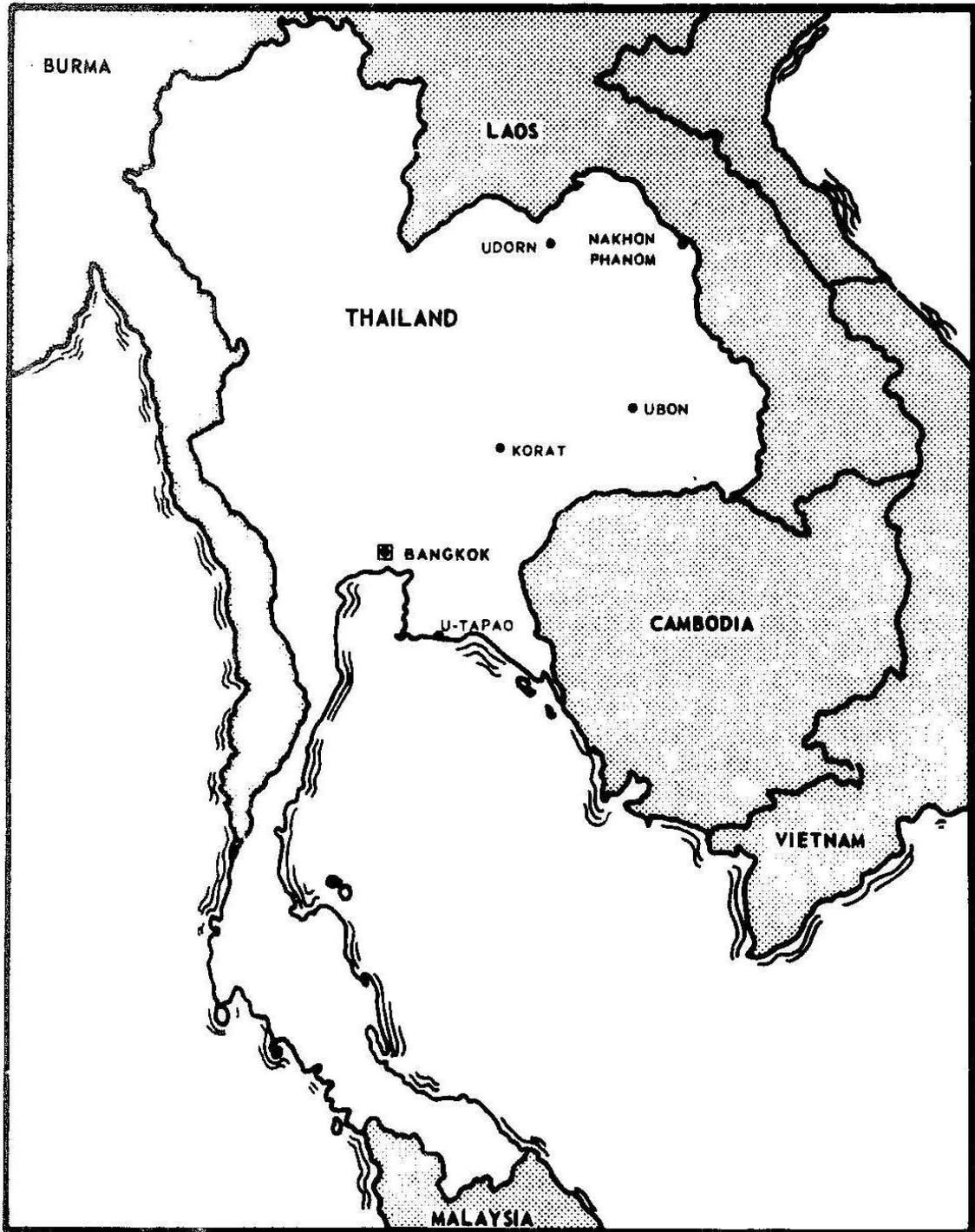
The withdrawal of U.S. forces from Thailand resulted in the transfer of millions of dollars worth of facilities and the disposition of related U.S. material. We have previously reported 1/ that the United States had spent hundreds of millions of dollars for major construction or improvements of air bases, troop facilities, communication lines, and other facilities in Thailand since fiscal year 1965. Title to these facilities was vested in the RTG. The turnover of these facilities to the RTG and the withdrawal of U.S. forces made available for distribution to U.S. and Thai activities a large volume of material.

The objective of our review was to evaluate the effectiveness of the withdrawal from Thailand. Specifically, we examined (1) the impact of the changing political scene on U.S. withdrawal policies, (2) procedures for identifying assets in Thailand for retrograde 2/ and for turnover to the RTG, and (3) the control and use of supplies, equipment, and other assets removed from Thailand.

1/"Restrictions on U.S. Procurement Activities in Thailand" (B-133258, June 5, 1974) and "U.S. Assistance and Other Expenditures Benefiting Thailand" (B-133258, Apr. 7, 1975).

2/Retrograde refers to the actions taken to return to the supply system material that has been deployed to forward areas.

BASES FORMERLY USED BY U.S. FORCES
AND INCLUDED IN OUR REVIEW



• Bases
▣ Capital

During our 1975 examination of the withdrawal from Thailand, we saw a need for more precise policy guidance for program managers in Thailand. Accordingly, on August 6, 1975, we issued a letter to the Secretary of Defense concerning this issue. This and our prior reports concerning withdrawals from France, Libya, and Vietnam are listed in appendix I.

SCOPE OF REVIEW

Our report is based on work done during base closures in Thailand in mid-1975 and fieldwork done during May and June 1976 at military activities in Hawaii, Thailand, the Philippines, and Korea. We visited, among others, the Commander in Chief, Pacific; Pacific Air Forces (PACAF); U.S. Forces, Korea; and PACAF bases. We also contacted Embassy officials in Thailand. Our review included discussions with responsible officials, observation of retrograde operations in Thailand, and visits to recipients of material retrograded from Thailand. We concentrated on the Air Force retrograde operations, since this service had most of the U.S. assets in Thailand. Our evaluation was based primarily on operations conducted between July 1975 and July 1976. A complete list of activities visited is included in appendix II.

CHAPTER 2
IMPACT OF CHANGING POLITICAL
SCENE IN SOUTHEAST ASIA ON
PHASEDOWN AND WITHDRAWAL POLICIES

In 1969 the U.S. Ambassador to Thailand summed up the U.S. agreements with the Royal Thailand Government in hearings before the Subcommittee on United States Security Agreements and Commitments Abroad of the Senate Foreign Relations Committee. He noted that with the exception of facilities built with Military Assistance Program funds, a few communications facilities, and the equipment and facilities covered by the Special Logistic Action Thailand Agreement, the United States had no written agreements with the RTG regarding the ownership of the military facilities in Thailand. There were no American bases in Thailand; instead, with the approval of the RTG, the United States improved and expanded bases and facilities controlled by the RTG. Land owned by the RTG was made available free of charge. When land had to be acquired for these purposes, the United States helped pay for it. The RTG retained title to the land and permitted the United States to use Thai bases and facilities rent-free. As U.S. forces were withdrawn from Thailand, the disposition of these facilities was to be discussed and negotiated with the RTG.

Many of the Thailand contractors working for the United States were partly or completely under RTG control. Therefore, the RTG could have almost completely controlled the withdrawal, particularly through those contractors who handled the road transportation outside U.S. bases and loading activities at the ports.

In a 1974 report to the Congress on procurement activities in Thailand, ^{1/} we noted that a lack of U.S. control over access to Thai military bases and a lack of flexibility in selecting transportation resources had led to excessive costs for U.S. operations in Thailand. We recommended that the Secretaries of State and Defense negotiate agreements with the RTG that would have resolved the problems of access to bases and limited transportation

^{1/}See footnote, p. 1.

flexibility. However, attempts to reach flexible arrangements were not successful because the RTG did not consider the costs excessive.

AGREEMENTS FOR WITHDRAWAL OF U.S. FORCES FROM THAILAND

On September 30, 1969, the United States and Thailand announced that about 6,000 U.S. military personnel would be withdrawn from Thailand. Turnover of buildings and facilities had begun in fiscal year 1968. The two governments said they would continue to evaluate the size of the U.S. force in Thailand. In 1969 the U.S. Ambassador to Thailand said that both governments agreed that there would have to be compelling reasons for U.S. forces to remain in Thailand following a satisfactory solution to the current hostilities. From late 1969 to early 1975, the United States continued to lower troop levels in Thailand and to turn over facilities to the RTG in response to the changing U.S. military posture in Southeast Asia.

On March 19, 1975, the RTG announced a national policy of seeking better relations with its neighbors by having U.S. combat troops withdrawn from Thailand within a year. After the fall of Cambodia and South Vietnam in April 1975, the United States and Thailand, on May 5, 1975, announced a reduction in authorized military strength from 27,000 to 19,500. During November 1975 through March 1976 discussions, the United States and Thailand failed to reach any understanding on a U.S. residual force to remain in Thailand after March 20, 1976.

On February 4, 1976, the RTG informed the U.S. Ambassador that all U.S. forces had to be withdrawn by March 20, 1976, and that any remaining after that date could do so only on the basis of certain agreed principles. The text of the RTG announcement, including the seven principles, is provided in appendix III. During the week of March 15 to 19, 1976, U.S. and Thai officials reportedly discussed procedures to allow a residual U.S. force to remain. After the United States and Thailand failed to agree on the status of the residual force, the RTG on March 20 ordered all remaining U.S. military forces (except 270 military advisors, the Defense Attache Office, and Marine Corps Embassy guards) out of Thailand by July 20, 1976. This force level was reduced to less than 250 by this date.

**MILITARY PLANNING NOT DIRECTED
TO COMPLETE WITHDRAWAL**

Early in the negotiations, the United States considered the March 20, 1976, withdrawal date flexible and did not key overall phasedown policies and procedures to this date.

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At the request of the Joint Chiefs of Staff, an accelerated phasedown plan was developed by MACTHAI. On November 14, 1975, an amended accelerated plan was approved. Under this plan, U.S. forces would drop to 3,075 personnel and 25 aircraft by July 1976. Given these military personnel and aircraft levels and planned phasedowns, the closeout schedule for the remaining bases (excluding certain facilities used for intelligence operations) was:

<u>Base</u>		<u>Amended accelerated plan</u>
Ubon		Close 6/75
Nakhon Phanom	deleted	Close 2/76
Udorn		Close 3/76
Korat		Close 3/76
U-Tapao		Open indefinitely

The approved plans were for the phasedown, not withdrawal of U.S. forces. Pacific Command officials said that, once approved, the accelerated plan was used for closing bases, reducing forces, and retrograding or turning over material. The plan was changed only when the RTG on March 20, 1976, ordered the withdrawal of all U.S. forces from Thailand, resulting in the closure of U-Tapao and the intelligence bases.

**POLITICAL CONSIDERATIONS OF
THE PHASEDOWN AND WITHDRAWAL**

According to U.S. Embassy officials in Thailand, one of the objectives of the phasedown and withdrawal was to maintain the best possible relations with Thailand. This was to be achieved in part by leaving facilities operable and by retrograding only items for which there was a valid U.S. need. The RTG position had always been that facilities

used by U.S. military forces in Thailand were the property of the RTG and would remain after the withdrawal of U.S. forces.

There were reasons for maintaining good relations with Thailand. After more than 20 years of close political, military, and economic relations, the United States did not want to give Thailand or other nations the impression that we were abandoning Southeast Asia after the loss of Cambodia and Vietnam. State Department officials believe reassurance was particularly important to Thailand because developments in Southeast Asia would cause Thai perceptions of their national security threat to become more severe. Also, the RTG controlled customs operations, the bases used by the United States, and most of the transportation facilities needed to retrograde material from Thailand.

Pacific Command officials knew of no instances of RTG customs officials refusing to clear retrograde material for shipment from Thailand. They did acknowledge, however, that there were customs and stevedore slowdowns and that less RTG-controlled trucking was available. However, Pacific Command officials did not consider these problems to be severe.

To demonstrate our continued support for Thailand, the Embassy and MACTHAI transferred a communications system to the RTG and offered to sell it an ammunition stockpile. (See ch. 4.) According to

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and, along with the transfer of facilities and equipment, benefited the withdrawal. Pacific Command officials said that whatever the United States transferred to Thailand benefited the withdrawal.

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The United States left hundreds of millions of dollars worth of facilities and facility improvements in Thailand. Although Pacific Command officials believe that turning these facilities over to the RTG facilitated the withdrawal, we believe that, in the absence of written agreements covering the disposition of these facilities, there were few alternatives.

In negotiating basing agreements, the United States should anticipate and establish a firm basis for the eventual turnover of property and retrograde of material. In a 1972 report to the Congress, 1/ we pointed out some problems the United States was having in reaching agreement on the value of property returned to other governments. We concluded that the failure of U.S. efforts to obtain payments from France for improvements to properties released in 1967 demonstrated the importance of establishing agreements on settling the value of residual property. We also concluded that the residual value problems in Germany could suddenly be magnified many times if there was any large-scale withdrawal of U.S. troops from Germany.

CONCLUSIONS

On March 19, 1975, the RTG requested that U.S. combat forces be removed from Thailand within a year. Early in negotiations the United States considered the March 20, 1976, withdrawal date flexible and did not key overall phase-down policies and procedures to this date. Although the withdrawal was accomplished and U.S. material worth millions of dollars was retrograded, the operation probably could have been carried out more efficiently (see ch. 5) if the United States had developed and followed definite criteria that provided for the complete withdrawal of U.S. combat forces by the specified date. If needed, these criteria and associated policies and procedures could have been modified to meet a changed RTG attitude.

The United States deployed over 46,000 military personnel to Thailand and spent millions of dollars for equipment and facilities to support them. Most of this was done without regard to agreements authorizing such a force and protecting U.S. investments. Given that there were only minimal agreements and the RTG controlled the bases and most of the transportation facilities used by U.S. forces, the RTG could have made the withdrawal much less successful. Although Pacific Command officials did not consider the slowdown actions to be severe problems, they could have been and probably should have been anticipated.

1/"Efforts by the United States to Obtain Agreement on the Value of Improvements on Properties Returned to the Federal Republic of Germany" (B-156489, June 9, 1972).

We recognize that because of changing circumstances, agreements may have to be modified. However, they do provide a basis for mutual understandings, intentions, and rights of the parties involved when modifications are necessary.

RECOMMENDATIONS

To effectively apply some of the lessons learned from the Thailand withdrawal and prior withdrawals, we recommend that the Secretary of Defense direct that definite criteria for the peacetime withdrawal of U.S. forces from foreign countries be established. These criteria should include policies and procedures for scaled as well as complete withdrawals.

We also recommend that in negotiating future basing agreements, the Secretary of Defense, in cooperation with the Secretary of State, include provisions for protecting U.S. investments, either through their return or appropriate compensation, and for moving retrograde material without hindrance.

AGENCY COMMENTS

The Department of Defense concurred with our recommendation regarding the establishment of definite criteria for the peacetime withdrawal of U.S. forces from foreign countries. The State Department and the Department of Defense agreed that provisions for protecting U.S. investments and moving retrograde material are important elements of a foreign basing agreement. The State Department did, however, note that including these provisions depends on the host country. According to the State Department, the RTG did not consider agreements on these issues necessary to the purpose for which we sought the use of Thai military bases.

CHAPTER 3

TRANSFERS TO THE ROYAL THAILAND GOVERNMENT

A program was established to make available to the RTG excess defense articles in Thailand. After U.S.-owned equipment and supplies in Thailand were screened against U.S. requirements and were determined not to be needed, the items were made available to the RTG at no cost under Excess Defense Article Procedures. At the five Royal Thailand Air Force bases included in our review, items worth about \$32 million were transferred without determining that the RTG needed all the items. Generally, we found that these items were excess to U.S. requirements or were not economical to retrograde.

SCREENING PROCEDURES FOR DISPOSING OF U.S. ASSETS IN THAILAND

The screening procedures used to transfer the excess material were designed to make certain that all known U.S. Government requirements for an item were filled before it was made available to the RTG. The system allowed items to be screened by (1) the service inventory manager for the service requirements, (2) the Defense European Pacific Redistribution agency for all other Department of Defense requirements, and (3) the Defense Property Disposal Office in Thailand for other U.S. Government needs. Screening time was reduced from the normal 45 days to 15 days and finally to 5 days near the end of the withdrawal. Once an item had been screened and no requirements for it had been identified, it was declared an Excess Defense Article and could be offered without charge to the RTG. After April 15, 1976, primarily at U-Tapao Air Force Base, service retrograde teams were given the authority to declare items excess on the spot. This expedited the process of reporting items for disposition.

MATERIAL TURNED OVER TO THAILAND

Over \$235 million worth of real property improvements (buildings and other facilities' items) and personal property (major items such as vehicles and secondary items such as repair parts and furniture) was turned over to the RTG. The following is a summary as of June 10, 1976, of the acquisition value of property turned over at five Royal Thailand Air Force bases formerly used by the U.S. Air Force.

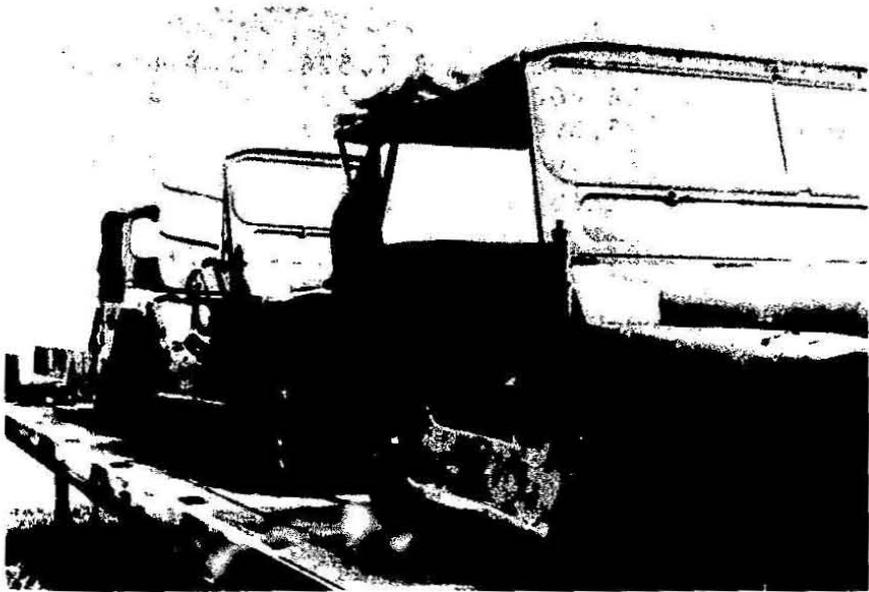
<u>Base</u>	<u>Real property</u>	<u>Major</u>	<u>Secondary</u>	<u>Total</u>
	(000 omitted)			
U-Tapao	\$102,200	\$ 5,526	\$ 6,629	\$114,355
Korat	36,600	2,420	4,102	43,122
Nakhon Phanom	25,500	1,953	3,463	30,916
Udorn	22,600	2,289	3,695	28,584
Ubon	<u>17,100</u>	<u>469</u>	<u>1,325</u>	<u>18,894</u>
Total	<u>\$204,000</u>	<u>\$12,657</u>	<u>\$19,214</u>	<u>\$235,871</u>

The items turned over to the RTG were generally in poor condition. Most major items turned over were coded as requiring repairs equal to at least 26 percent of acquisition value. Most secondary items turned over were not economical to retrograde because their value was not great compared to the cost of packing and shipping them. Photographs of some of the vehicles and furniture accepted by the RTG are presented on the following pages.

Some facilities that could have been removed and that the Defense Department could use were left in place. For example, as U-Tapao was being closed, the RTG requested that 99 facilities be left for RTG forces after the United States departed. These facilities included preengineered buildings which were retrogradable and in good condition. The United States had identified a requirement for 37 of these buildings; however, to comply with the RTG request, suitable replacement buildings were obtained from U-Tapao and other bases to satisfy U.S. requirements.

THAI REQUIREMENTS FOR EXCESS MATERIAL
WERE NOT CONSIDERED BEFORE TURNOVER

The Pacific Command instructed military officials in Thailand to make certain that the RTG had requirements for items turned over under Excess Defense Article procedures. According to MACTHAI officials, however, because of the large volume of material turned over in a short period, they did not have enough personnel to determine that all items turned over were needed. MACTHAI officials said they provided a list of the items available, and the RTG selected the items it wanted. The RTG generally accepted most of the items; the RTG need was identified only after the items had actually been turned over. The RTG informed the Joint U.S. Military Advisory Group, Thailand (JUSMAG-T), of its disposition of the items by service component.



VEHICLES TURNED OVER TO THE RTG AT KORAT AIR BASE



EXTENSIVELY DAMAGED OFFICE AND DORMITORY EQUIPMENT
TURNED OVER TO THE RTG AT U-TAPOO AIR FORCE BASE.

JUSMAG-T personnel then identified RTG material shortages and filled them with the excess material. In some cases, items were turned over for which no shortages had been identified. These items were placed into a line where shortages of similar items existed.

According to the records on material transfers to the RTG, items transferred were generally of marginal serviceability. Military officials indicated that in some cases two or three items might be required to make one serviceable item. Although the items turned over are not in good condition, JUSMAG-T will have to check the end use of these items and see that an annual inventory is made. In addition, any items which become excess to RTG requirements must be disposed of through JUSMAG-T channels.

We recognize that because of the volume of material and limited numbers of personnel, determining requirements before release would have been difficult. We also recognize that because the RTG controlled transportation resources, even if an initial requirements determination had been made, disposing of excess material in Thailand or shipping it elsewhere for disposal or other allied use might also have been difficult.

Real property turned over to the Thais will probably not be fully used. As we reported ^{1/} in April 1975, the facilities were designed to meet U.S. requirements and RTG defense needs, and postwar uses were not considered. We further stated that the facilities were larger and more sophisticated than the RTG needed or could maintain.

^{1/}See footnote, p. 1.

CHAPTER 4

COMMUNICATIONS EQUIPMENT AND AMMUNITION

REMAINING IN THAILAND

To demonstrate continued support for Thailand, the United States left a communications system and an ammunition stockpile there. Some of the communications equipment is not excess to U.S. needs. However, the RTG also has requirements for the items. The nonexcess communications material was initially offered to Thailand through the Foreign Military Sales Program, but they elected not to accept the offer. The nonexcess communications equipment is being left in Thailand under a 3-year bailment agreement. The Thai Government agreed to purchase the ammunition stockpile over a 3-year period.

COMMUNICATIONS EQUIPMENT

Thailand and the U.S. military used the U.S.-owned Integrated Communications System in Thailand. At the time of the U.S. withdrawal a determination was made to leave a usable 60-channel system in Thailand.

The value of the communications network is about \$7 million. Of this total, \$1.9 million represents radios excess to U.S. needs and about \$1.8 million represents channel equipment not excess to U.S. needs. The remaining items include nonexcess generators and other communications equipment.

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Under a proposed United States and Thailand agreement, the communications system is being left at no cost to Thailand under a 3-year bailment agreement with the RTG. The RTG will in turn provide communications services in Thailand to the United States at no cost. The bailment agreement may be renewed at the end of the 3-year period. Components not excess to U.S. requirements may be sold to or removed from Thailand if the bailment agreement is not renewed.

AMMUNITION

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In April 1976, after the RTG decision to have U.S. forces completely withdraw from Thailand, the ammunition stocks were offered to the RTG under the Foreign Military Sales Program. Although the RTG wanted to purchase the stocks, they did not have the funds immediately available. The RTG identified certain stocks they did not desire, and these were retrograded.

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CHAPTER 5

RETROGRADE PROGRAM

Although program managers had to work within political and time constraints and with a changing phasedown operation, the retrograde of U.S.-owned assets in Thailand was generally effective. Millions of dollars worth of assets were distributed to Pacific Air Force bases and other Department of Defense recipients, thus precluding expenditures for similar items. (App. IV shows some of the material retrograded.)

We believe, however, that based on the lessons learned from the Thailand experience, future phasedowns and associated retrograde programs could be enhanced by (1) providing earlier, more precise policy guidance, (2) designating a single manager, with sufficient authority to make immediate decisions, to coordinate retrograde operations, (3) giving this single manager retrograde teams at each closing base with knowledge of overall Department of Defense requirements and authority to dispose of assets immediately, and (4) accurately determining requirements for retrograde material.

MORE PRECISE POLICY GUIDANCE NEEDED TO IMPROVE THE RETROGRADE PROGRAM

Initially, there was inadequate policy guidance concerning phasedown operations and base closures after the RTG announced that U.S. forces had to be removed. Also, the Department of Defense did not designate a single manager responsible for coordinating withdrawal operations or disposing of material. Consequently, there was no overall plan for coordinating or managing the retrograde operations.

Responsibility for operations during the early stages of the phasedown shifted among the Departments of State and Defense, the various services, the U.S. Embassy in Bangkok, elements within MACTHAI, and various base program managers. As a result, although there were plans for closing bases, these plans were not integrated into an overall plan for coordinating and directing the movement of personnel, assets, and supplies out of Thailand.

According to Defense Department managers in Thailand, their primary problem during the initial phasedown was a lack of policy guidance and decisions from higher commands.

They were concerned that delays in decisions about closures would lessen the chances of orderly withdrawals.

Some of the problems resulting from the lack of guidance from higher commands were:

- Udorn Air Base officials had 4,600 short tons of ammunition to move out of Thailand. The base was closing down, but base munitions personnel were not given advance information on the transportation plans to move the ammunition because these plans were developed on a daily basis depending on the availability of RTG-controlled transportation resources.
- The MACTHAI Support Group was responsible for providing in-country transportation but could only react to service requests. Under this arrangement, the movement and storage of retrograde was hindered by the Group's inability to adequately plan requirements.

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- The fall of Vietnam effectivity eliminated the Coast Guard's LORAN (navigation system) mission in Thailand. On May 9, 1975, a week before receiving the expected authorization for LORAN closings, the Embassy requested that no further action be taken for political reasons. On June 23, 1975, we found that the Coast Guard was still waiting for authorization to leave, while an Embassy official thought they were leaving. After we notified the Embassy of this situation, an Embassy official advised the Coast Guard that there were no objections to its withdrawing from Thailand.
- In mid-1975, Defense Department procurement agencies in Thailand were awarding yearend construction contracts at several bases. At Korat Air Base, the Air Force Audit Agency believed only two of several of

these ongoing projects for the base were essential to operations over the following 6 to 12 months.

In monitoring the early phasedown operations, we recognized that more precise policy guidance was needed. In an August 1975 letter to the Secretary of Defense, 1/ we noted that directives were needed to guide program managers in making prudent judgments about the Thailand retrograde program.

On November 14, 1975, a phasedown plan was approved and guidance was issued to officials in Thailand. In our opinion, these actions improved the situation.

Local programs initially encountered by program managers included: (1) requisitions for B-52 bomber support items were not properly canceled after the aircraft were redeployed, (2) base supply computers were redeployed before the supply accounts were closed, (3) items of questionable value were scheduled for retrograde, and (4) retrograde material was improperly packaged and stored. For the most part these problems were corrected through the establishment of closeout offices at the bases to coordinate the phasedown and withdrawal operations, experience from other base closures, and responsiveness to audit activities. As a result, bases were closed on time and the necessary material retrograded.

OTHER MANAGEMENT IMPROVEMENTS

In addition to the need for timely policy guidance and a single manager to coordinate operations, we believe that improvements can be made in requirements determinations, in information systems for managing and later evaluating the program's success, and in the use of retrograde teams to help do actual retrograde work at the individual bases.

Requirements determinations

deleted

1/Letter report to the Secretary of Defense concerning the need for more precise policy guidance for program managers in Thailand (B-159451, Aug. 6, 1975).

deleted

After April 15, 1976, toward the end of the withdrawal, these retrograde teams did not know about all Department of Defense equipment and supply requirements; therefore, requirements of all services were not fully considered.

PACAF directed that equipment in Thailand would be retrograded only to meet valid requirements. Generally, this policy was followed; however, in some instances equipment (vehicles, generators, test sets, etc.) and supplies were retrograded to PACAF bases that did not need the items. This happened because activities had not accurately determined the requirements for retrograde material before it was shipped.

We found that more modular dormitories and associated equipment were retrograded than needed for designated projects. The Department of Defense has informed us that it was Air Force policy to retrograde all modular dormitories determined to be cost effective for relocation. The Department of Defense further stated that at the time of retrograde and our field visits receiving base officials may not have been informed of this Air Force policy and the valid requirements for the additional buildings.

Officials did indicate that the excess material is available for further redistribution to meet requirements at other activities. Also, although firm requirements may not exist for retrograde material, it might be usable in emergencies. For example, Clark Air Base shipped several retrograde generators to Guam to be used after Typhoon Pamela.

Information systems

No overall system was established for reconciling total assets retrograded or transferred to the RTG with total U.S. assets in Thailand. Data on all assets distributed or the requirements filled by them was not maintained by each base or a central agency for use by

managers during the operations or for later evaluation of the complete program.

MACTHAI maintained lists of major items turned over to the RTG by all services. However, except for overall statistics in tons, gallons, etc. (as shown in apps. V and VI), PACAF did not maintain data on the total dollar volume of all material shipped to its bases or transferred to other organizations.

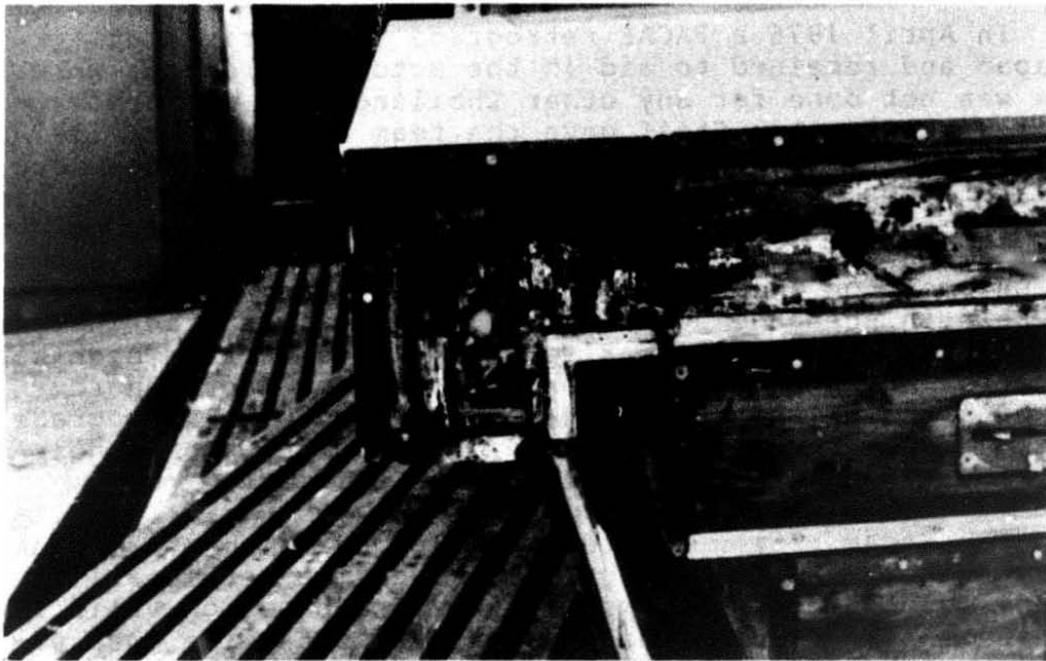
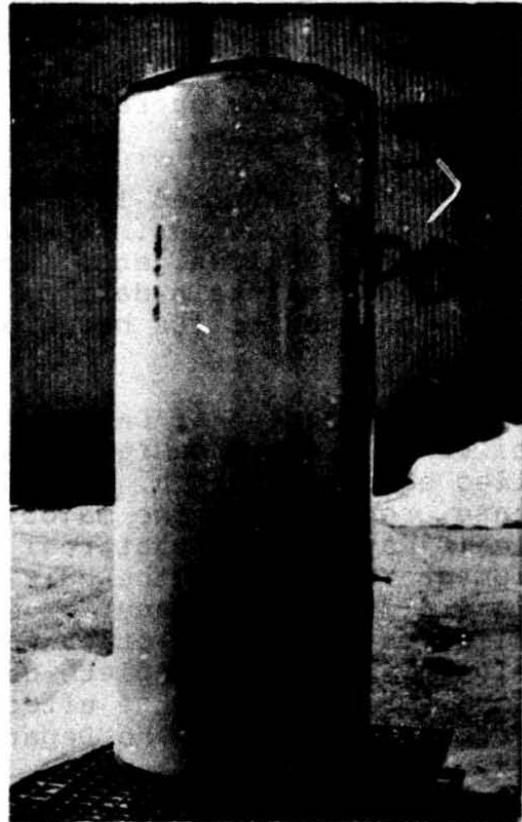
The Department of Defense said that PACAF did maintain detailed statistics on real property and real property installed equipment which, according to the Department of Defense, represented the majority of the material involved. While it may be true that real property and associated equipment represented the bulk of the material considered, it is still only one facet of a total retrograde program. Detailed data covering other material should have also been developed. Without complete data, reconciliations and subsequent evaluation of the effectiveness of the complete retrograde program by the Department of Defense will be difficult.

Retrograde teams

In April 1976 a PACAF retrograde team arrived at U-Tapao and remained to aid in the actual retrograde work. This was not done for any other Thailand base closure. On April 16, 1976, Air Staff gave the team authority to immediately dispose of equipment and supplies. The team could declare items excess if they were unserviceable or uneconomical to retrograde without using screening procedures or contacting the inventory managers. Some equipment was rejected for shipment on the spot, and other equipment was challenged and held in suspense pending communication with the intended recipient. The team advertised by message certain high-cost items for which no disposition instructions had been received although the item had been screened by a retrograde team. The pictures on the following page show some equipment the retrograde team screened for shipment.

The PACAF retrograde team challenged shipments to make certain that material being retrograded met serviceability standards, that shipping priorities were based on valid requirements, and that the movement was otherwise cost effective. The team reportedly downgraded about 25 percent of U-Tapao retrograde shipments from air to less costly

WATER HEATER CHALLENGED BY RETROGRADE TEAM AND DETERMINED TO BE UNECONOMICAL TO RETROGRADE.



REFRIGERATOR BOXES CHALLENGED BY RETROGRADE TEAM. FOUND TO BE ECONOMICAL TO SHIP AFTER CONSULTATION WITH CIVIL ENGINEER.

surface modes. In one instance, auxiliary automatic data processing equipment items had been justified for air shipment because they were considered too sensitive for surface transportation. The team questioned the sensitivity of these auxiliary items, such as key punch, sorter, and collator equipment, and removed them from the more costly air shipment category.

The Air Force Audit Agency also helped make the retrograde program more successful. For example, the Agency found that the central medical supply activity for the Thailand bases assigned the highest priority possible to every shipment, causing routine items to be shipped exclusively by air. Based on the remaining tonnage, this activity saved an estimated \$118,000 by following through on the Audit Agency recommendation to use surface modes to transport routine items.

CONCLUSIONS

Initially, there was inadequate policy guidance concerning withdrawal operations and base closures after the RTG announcement that U.S. forces were to be removed from Thailand. Also, no single manager in Thailand had the authority to make decisions concerning the overall phasedown and withdrawal. We believe early policy guidance and a single manager are needed to provide for an orderly, economical operation avoiding many problems encountered earlier in the withdrawal. In November 1975 a phasedown plan was approved and guidance was issued to officials in Thailand. But a single manager was never designated.

The United States attempted to maintain the best possible relations with the RTG during the phasedown and withdrawal. This was achieved in part by leaving the RTG operable facilities and by removing assets only if there were valid U.S. requirements for them.

We believe the withdrawal of U.S. assets from Thailand was generally effective. Incorporating lessons learned in previous withdrawals, the Department of Defense attempted to retrograde only material for which there were valid requirements. Although in some instances retrograded material was excess to unit needs and shipment was economically questionable, most material retrograded to activities we visited satisfied valid requirements and improved the supply postures of PACAF bases and other recipients. Considering the amount

of material involved and the short amount of time available, the withdrawal operation was commendable.

The PACAF retrograde team facilitated the retrograde process. After April 16, 1976, the team had authority to immediately dispose of supplies and equipment. Previously, this team had visited all bases and identified items to be retrograded but had not remained to aid in the actual retrograde work. We believe that in future phasedown operations a retrograde team with knowledge of overall Defense Department requirements should remain at each base being closed to aid in retrograde.

We believe that the Defense Department could improve future withdrawals and associated retrograde programs by applying the lessons learned from the Thailand and prior withdrawals.

RECOMMENDATIONS

In addition to our recommendation in chapter 2 regarding the establishment of definite criteria for peacetime withdrawals, we recommend that the Secretary of Defense:

- Designate a single manager responsible for coordinating retrograde operations.
- Designate at each closing base a retrograde team under a retrograde manager with knowledge of overall Defense requirements and give this team authority to immediately retrograde or dispose of assets.

AGENCY COMMENTS

The Department of Defense concurred with our recommendations. They did, however, note that the retrograde teams will be responsive to existing systems for determining Defense requirements and recommending changes to the system when necessary. They added that the team's authority to dispose of assets cannot be arbitrary but must be within the limitations of Defense-approved systems. We agree; this was within the intent of our recommendation.

GAO REPORTS CONCERNING
PHASEDOWN AND WITHDRAWAL OPERATIONS

FRANCE

Letter report to the Secretary of Defense proposing that additional war reserve stocks be stored in the United Kingdom, B-162488, Sept. 26, 1967 (Classified report).

"Movement of American Forces from France (Operation FRELOC)," B-161507, Aug. 7, 1968 (Unclassified report).

"Army and Air Force Controls Over Inventories in Europe," B-161507, June 30, 1969 (Unclassified report).

GERMANY

Report to the Secretary of Defense, "Survey of United States Ammunition Storage Facilities in Germany," B-163143, Jan. 3, 1968 (Classified report).

Report to the Congress, "Efforts by the United States to Obtain Agreement on the Value of Improvements on Properties Returned to the Federal Republic of Germany," B-156489, June 9, 1972 (Classified report).

LIBYA

Letter report on withdrawal of U.S. forces from Libya, B-159835, Aug. 28, 1970 (Classified report).

THAILAND

Report to the Congress, "Restrictions on U.S. Procurement Activities in Thailand," B-133258, June 5, 1974 (Classified report).

Letter report to the Secretary of Defense concerning the need for more precise policy guidance for program managers in Thailand, B-159451, Aug. 6, 1975 (Classified report).

VIETNAM

"First Review of Phasedown of United States Military Activities in Vietnam," B-171579, Mar, 15, 1971 (Unclassified report).

"Second Review of Phasedown of United States Military Activities in Vietnam," B-171579, Aug. 9, 1971 (Unclassified report).

"Logistic Aspects of Vietnamization--1969-72," B-159451, Jan. 31, 1973 (Unclassified report).

ORGANIZATIONS AND ACTIVITIESINCLUDED IN THE REVIEWHAWAII

Commander in Chief, Pacific, Camp Smith
Commander in Chief, Pacific Air Forces, Hickam Air
Force Base
CINCPAC Support Group, Fort Shafter
6th Signal Command, Fort Shafter

THAILAND

U.S. Military Assistance Command, Thailand, Bangkok
Joint U.S. Military Advisory Group, Thailand, Bangkok
U-Tapao Air Base and other Defense Department activities

PHILIPPINES

Thirteenth Air Force
3rd Tactical Fighter Wing
374th Tactical Airlift Wing

KOREA

U.S. Forces, Korea, Yongsan
Eighth U.S. Army, Korea, Yongsan
314th Air Division, Osan Air Base
51st Composite Wing, Osan Air Base
8th Tactical Fighter Wing, Kunsan Air Base
1st Signal Brigade, Yongsan

SEVEN CONDITIONS FOR THE UNITED STATESTO REMAIN IN THAILAND

✓The following is a copy of a text handed by the Thai Minister of Foreign Affairs to the U.S. Ambassador at the outset of their meeting on February 4, 1976.✓

Excellency,

I have the honour to refer to the question of future co-operation between the Royal Thai Government and the United States Government in the Ramasum Radio Research Project and such other activities which would involve some American military presence in Thailand after March 20, 1976, and to state that before there could be any discussion and agreement on this matter, the Royal Thai Government considers it necessary to establish an understanding with the United States Government on certain principles which should govern their future co-operation. In this connection, I would specify that where co-operation between the Royal Thai Government and the United States Government would involve the presence of American military facilities and personnel on Thai territory, the Royal Thai Government would require the application of the following principles:

1. American facilities and personnel shall be subject to Thai jurisdiction unless exempted by specific agreements between the Royal Thai Government and the United States Government;

2. These facilities and personnel shall in no way be used to threaten or interfere with the national sovereignty of any other country;

3. In keeping with the spirit of mutual co-operation and interests, reports on the activities involving these facilities including information and data derived from such activities shall be communicated regularly to the Royal Thai Government;

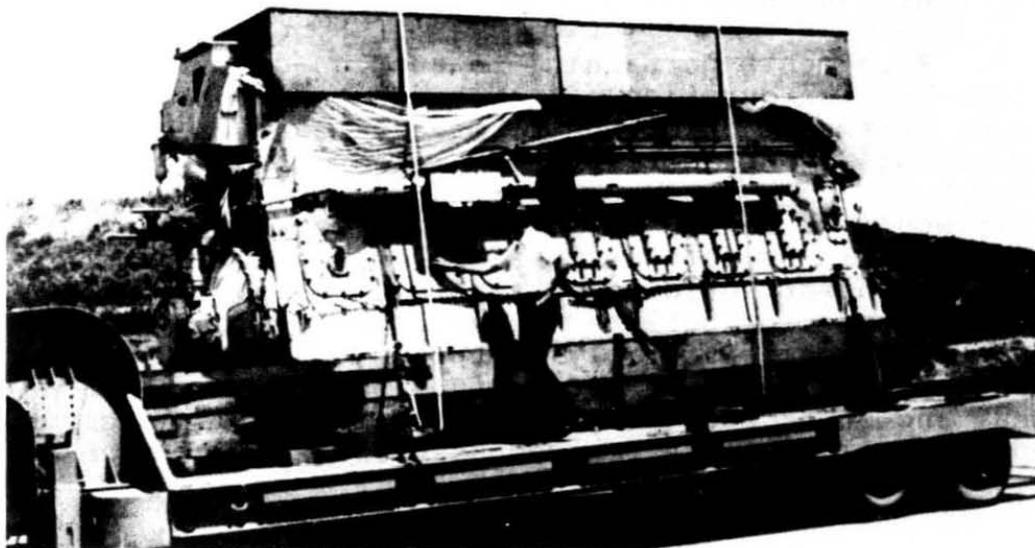
4. On-the-job training programmes shall be launched with the view to the rapid replacement of American personnel operating the facilities by Thai personnel;

5. American personnel authorized to operate facilities in Thailand shall not exceed the number agreed by the Royal Thai Government;

6. These authorized American personnel shall enjoy such privileges as are accorded to technical experts from other countries; and

7. Agreements pertaining to such co-operation shall continue for the duration of not more than 2 years, but shall be renewable or may be terminated earlier by either party giving advance notice.

It would be highly appreciated if your Excellency could ascertain as soon as possible whether the United States Government would be agreeable to the basis of future co-operation outlined above. And I would emphasize that an early positive reply to this proposal is necessary if discussions are to be successful and agreements on Ramasum and other such projects of co-operation concluded. Accept, Excellency, the renewed assurances of my highest consideration.



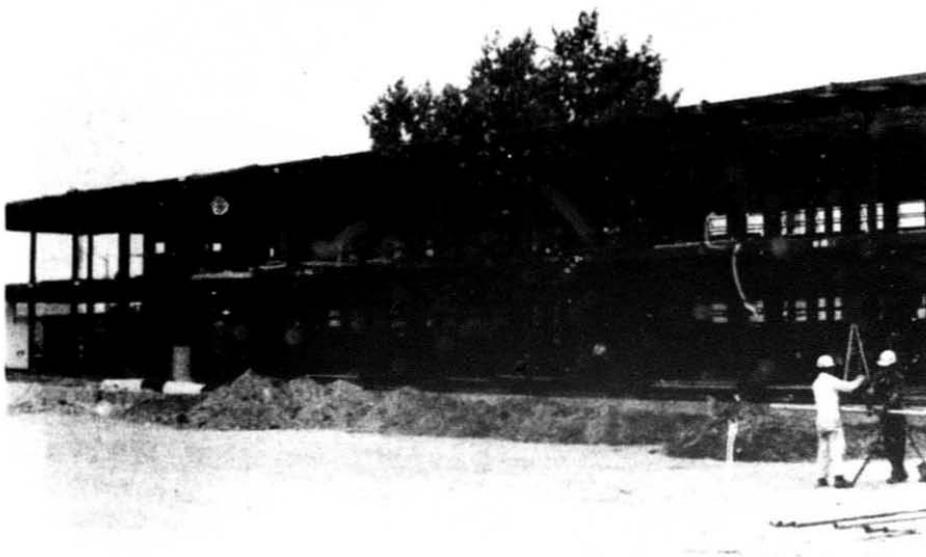
ONE OF FIVE 1,250-KILOWATT GENERATORS RETROGRADED FROM KO KHA, THAILAND. UNIT COST IS ABOUT \$350,000.



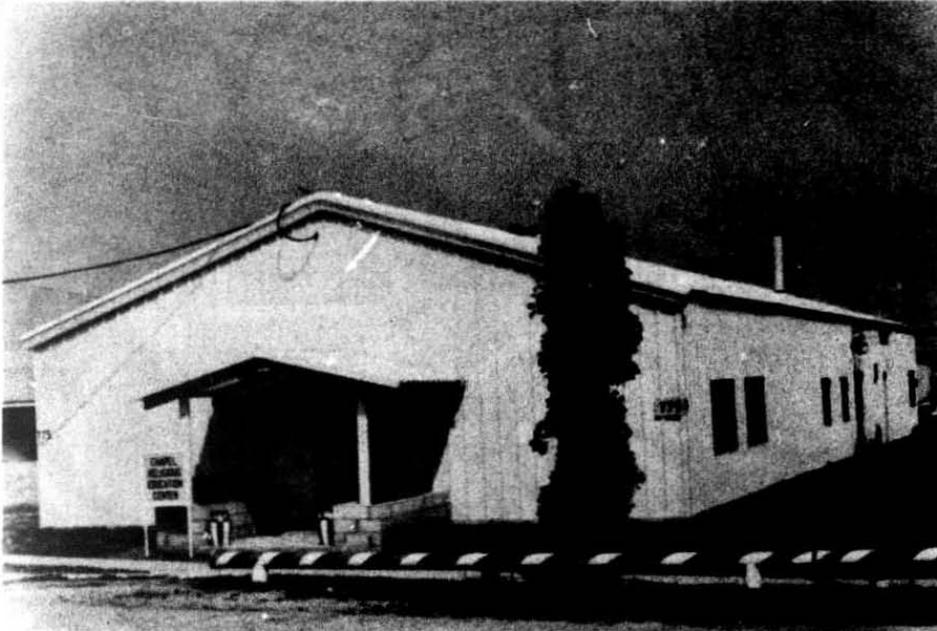
PICKUP TRUCK RETROGRADED TO CLARK AIR BASE, PHILIPPINES.



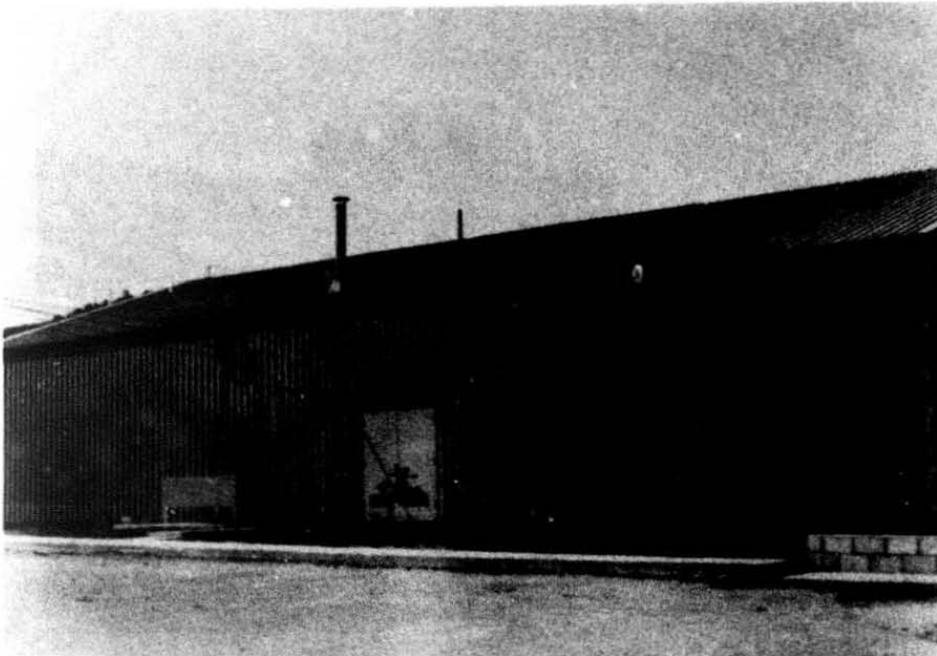
FORKLIFT RETROGRADED TO CLARK AIR BASE,
PHILIPPINES, IN POOR CONDITION.



MODULAR DORM UNDER CONSTRUCTION AT KUNSAN AIR BASE, KOREA.



PREENGINEERED BUILDING CONSTRUCTED AT OSAN AIR BASE, KOREA.



BASE EDUCATION CENTER AT OSAN AIR BASE, KOREA.

PACAF ASSETS RETROGRADED FROM THAILAND

	<u>Nakhon Phanom</u>	<u>Korat</u>	<u>Udorn</u>	<u>Korat Ko Kha</u>	<u>U-Tapao</u>	<u>Total (note a)</u>
General cargo (short tons):						
Air	785	2,123	2,381	257	473	
Surface	<u>4,108</u>	<u>3,232</u>	<u>6,669</u>	<u>739</u>	<u>4,962</u>	
Total	<u>4,893</u>	<u>5,355</u>	<u>9,050</u>	<u>996</u>	<u>5,435</u>	<u>25,729</u>
Munitions (short tons)	132	12,091	7,854	8	37,108	57,193
Vehicles:						
Number	207	211	200	11	224	853
Short tons	948	1,304	1,064	30	1,460	4,806
Relocatable structures (number)	37	46	88	2	55	228
Real property installed equipment (short tons)	-	-	-	b/461	1,211	1,672
Fuel (gallons):						
JP-4	-	-	-	-	2,907,282	2,907,282
JPTS	-	-	-	-	68,586	68,586
Baggage (short tons)	388	581	368	35	431	1,803

a/Similar data for Ubon is not included because it was not available at the time of our review.

b/Most of this is 1,250-kilowatt generators.

CIVIL ENGINEERING ITEMS RETROGRADED FROM THAILAND

<u>Base</u>	<u>Modular dormitories</u>	<u>Preengineered buildings</u>	<u>Genera- tors</u>	<u>Bundles of AM-2 matting</u>	<u>Central air conditioners</u>
Ubon	-	55	16	2,671	64
Nakhon Phanom	10	27	23	4,558	70
Udorn	-	65	18	512	57
Korat	-	45	14	1,677	79
U-Tapao	22	57	8	1,082	85
Ko Kha	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>7</u>
	<u>32</u>	<u>249</u>	<u>84</u>	<u>10,500</u>	<u>362</u>



DEFENSE SECURITY ASSISTANCE AGENCY
AND
DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA
WASHINGTON, D.C. 20301

In reply
refer to: I-25765/77

Mr. Fred J. Shafer
Director, Logistics and
Communications Division
United States General Accounting
Office
Washington, D.C. 20548

Dear Mr. Shafer:

This is in reply to your 17 December 1976 letter to Secretary Rumsfeld regarding GAO's draft report "The Withdrawal of US Forces from Thailand: Opportunities to Improve Future Withdrawal Operations" (OSD Case #4490).

We wish to express our appreciation for the opportunity to review the draft report which was generally found to be factual and objective. We do have, however, some significant comments and are submitting them for your consideration (Incl 1). If you are unable to accommodate the DOD's comments, request that they be incorporated into the final report as an appendix. 1/

DOD is conducting the requested security classification review of the draft report and the results thereof will be furnished separately.

Sincerely,

H. M. FISH
Lieutenant General, USAF
Director, Defense Security Assistance Agency
and
Deputy Assistant Secretary (ISA), Security Assistance

Inclosure
a/s

1/Their comments regarding our recommendations are on the following page.

DOD COMMENTS

GAO DRAFT REPORT "THE WITHDRAWAL OF US FORCES FROM THAILAND
OPPORTUNITIES TO IMPROVE FUTURE WITHDRAWAL OPERATIONS"

- (U) Recommendation #1, pages iii and 9.

Concur with the revised recommendation which reads as follows:
"Direct that definite criteria for the peacetime withdrawal of
US forces from foreign countries be established. This criteria
should include policies and procedures for scaled as well as com-
plete withdrawals."

(See GAO note below.)

- (U) Recommendation #2, pages iii and 24, and #4, pages iii and 9.

Concur.

- (U) Recommendation #3, pages iii and 24.

Concur in the establishment of base retrograde teams. However, these
teams will be responsive to the existing systems for determining DOD
requirements and recommending changes to the system when necessary.
The team's authority to dispose of assets cannot be arbitrary but must
be within the limitations of DOD-approved systems. The US Air Force
provided a retrograde team in Thailand during the withdrawal and the
team exercised approved authority to make immediate asset disposition.

(See GAO note below.)

GAO note: Deleted comments pertain to matters which were
presented in the draft report but have been
revised in this final report. Recommendation
and page numbers have been changed to reflect
locations in this final report.

PRINCIPAL OFFICIALS RESPONSIBLE
FOR ADMINISTRATION OF
ACTIVITIES DISCUSSED IN THIS REPORT

Tenure of office

From To

DEPARTMENT OF DEFENSE

SECRETARY OF DEFENSE:

Harold Brown	Jan. 1977	Present
Donald H. Rumsfeld	Nov. 1975	Jan. 1977
James R. Schlesinger	July 1973	Nov. 1975

SECRETARY OF THE AIR FORCE:

John C. Stetson	Mar. 1977	Present
Thomas C. Reed	Jan. 1976	Mar. 1977
James W. Plummer (acting)	Nov. 1975	Jan. 1976
John McLucas	July 1973	Nov. 1975

CHAIRMAN, JOINT CHIEFS OF STAFF:

General George S. Brown, USAF	July 1974	Present
Admiral Thomas H. Moorer, USN	July 1970	July 1974

DIRECTOR, DEFENSE SECURITY

ASSISTANCE AGENCY:

Lt. General Howard M. Fish, USAF	Aug. 1974	Present
Vice Admiral Raymond E. Peet, USN	June 1972	Aug. 1974

DEPARTMENT OF STATE

SECRETARY OF STATE:

Cyrus R. Vance	Jan. 1977	Present
Henry A. Kissinger	Sept. 1973	Jan. 1977

ASSISTANT SECRETARY FOR EAST

ASIAN AND PACIFIC AFFAIRS:

Arthur W. Hummel, Jr.	June 1976	Present
Philip C. Habib	Sept. 1974	June 1976
Robert S. Ingersoll	Jan. 1974	Sept. 1974
Arthur W. Hummel, Jr.	May 1973	Jan. 1974

U.S. AMBASSADOR TO THAILAND:

Charles S. Whitehouse	May 1975	Present
William R. Kinter	Sept. 1973	May 1975
Leonard Unger	Aug. 1967	Sept. 1973