



095710 1.44.106
71-193
36
UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

DEFENSE DIVISION

B-171896

FEB 23 1971



The Honorable
The Secretary of Defense

Attention: Assistant Secretary of Defense
(Comptroller)

Dear Mr. Secretary:

We have made a review of the management of the Defense Retail Interservice Logistics Support (DRILS) program at selected Department of Defense (DOD) installations in the United States and in Europe.

Our review concerned the effectiveness of management techniques and established procedures of the DRILS program designed to attain full participation by the various military services. The enclosure lists the organizations and installations visited during our review.

We wish to bring the following observations to your attention.

DRILS PROGRAM HAS NOT REACHED ITS POTENTIAL

We believe that the DRILS program as presently administered has been less than fully effective because the Defense Supply Agency, which manages the program, does not have the authority necessary to direct and control the program to accomplish DRILS objectives. The present DRILS program does not make it incumbent upon the military services to vigorously pursue opportunities for interservice support that would result in greater economy and efficiency nor does it furnish any strong incentive for eliminating overlapping or duplicate functions, activities, and services. We also found that information on the magnitude of the program shown in some of the reports being submitted to the Defense Supply Agency was inflated because of duplications and other errors.

Instead of being centrally controlled and coordinated at the departmental level, DRILS is a decentralized program in which reliance is placed upon the initiative of installation commanders to request needed support from other nearby military activities, or to provide support when requested if they consider such support to be within the capabilities of their local resources. Even where officials regard

200521-095710

50 TH ANNIVERSARY 1921 - 1971

200521

this program with the best of intentions, this approach has limited effectiveness because installation commanders are restricted in the amount of available resources they can divert to provide support to another military activity.

Background

The basic policies and principles for interservice logistic support are set forth in DOD Directive 4000.19, originally issued March 26, 1960, and revised August 5, 1967. The directive requires the military services to request and/or provide support to one another, and to other Government agencies, when capabilities exist, and it is to the overall advantage of the DOD. In 1965, the Defense Supply Agency (DSA) was authorized to administer the DRILS program in conjunction with the military services and other DOD agencies.

The publication of the Defense Supply Agency Manual 4140.4 in January 1965 implemented the DRILS program and provided formal guidance to lower commands. The stated program objective is to afford installation commanders a means of improving overall effectiveness and economy in their operations by utilizing logistical support (with some exceptions) available from activities of other military services or DOD agencies.

Area Coordination Groups and Subgroups have been set up within the DRILS program. There are six Area Coordination Groups in the United States. It is the responsibility of these groups to promote the use of DRILS procedures when appropriate to increase overall effectiveness and economy of operations in military organizations. The groups and their subgroups are the principal means for coordinating retail interservice support between major commands of the military services on a regional basis in the continental United States. In Europe, functions of the Area Coordination Groups are performed by the major command headquarters of the military services.

At least two subgroups are organized within each of the six areas of the United States. The subgroups are informal working groups expected to meet at least twice a year to exchange information, explore opportunities for retail interservice support, and arrange such support where beneficial. They are composed of representatives of DOD activities within stipulated geographical limits. The representatives are individuals normally responsible for providing or arranging logistic support for the activities.

Major military commands and other DOD agencies are responsible for exercising supervision over subordinate activities, for promoting interservice support, and for appointing representatives to Area Coordination Groups.

Quarterly, each installation or organization providing support to other organizations submits a report to the Defense Logistics Services Center, Battle Creek, Michigan, which shows the dollar value of support provided.

Inadequate efforts of local officials

The Coordination Groups are responsible for conducting surveys to identify and develop opportunities for use of interservice logistics support among the installations in their areas. Their subgroups are informal organizations to establish a close, working relationship to discover and develop local DRILS opportunities. However, neither the Area Coordination Groups nor the subgroups have the authority to direct the establishment of interservice arrangements between installations. This authority is vested only in the individual installation commander. The denial of direct authority over DRILS actions results in the inability of subgroups to do much more than encourage the adoption of a support possibility.

In our review of two of the six Area Coordination Groups in the continental United States, we were told that no surveys had been made to determine or develop opportunities for effective interservice support, as required by the DSA manual on DRILS. In only one of the two groups had an inventory of the functions and needs of each military activity under its jurisdiction been developed. At this Area Coordination Group, we found that 17 such activities were not participating in the DRILS program.

The military commands' responsibilities in the program, as set forth in the DRILS manual include (1) exercising supervision over support operations of subordinate activities, and (2) providing representation on Area Coordination Groups. We found, however, that military commands were placing only slight emphasis on participation in the DRILS program.

For example, our discussions with officials of the Sixth U.S. Army and of the Military Airlift Command revealed that command supervision over retail interservice logistics support operations of subordinate activities consisted of little more than appointment of a coordinator and review of minutes of meetings and interservice support agreements. Subordinate commands were not required to develop specific objectives for identifying functions and services for increased interservice support.

Commands we reviewed in the Washington, D.C., area told us that their participation in the DRILS program did not include establishing guidance for subordinate activities. Further, we found, in one case, that command representatives had decided not to attend future subgroup meetings because they found them to be valueless.

Officials of two of the major commands near Norfolk, Virginia, stated they did not become actively engaged in this program until November 1968, although the DRILS program was implemented in January 1965 by DSA.

Examples of potential areas of interservice support

In the geographical areas covered in our review, we found a number of situations in which DOD organizations located near one another were engaged in similar functions and/or services. Some of these were common-place, and yet, despite the DRILS program, apparently no consideration had been given to whether any could be eliminated through consolidation. Some examples follow.

Procurement activities

We found three military procurement activities with similar functions, within a radius of ten miles of Kaiserslautern, Germany. Procurement officers told us that they knew of no plan for obtaining potential benefits from consolidation under the DRILS program.

The mission of the Procurement Division of the Army's Rheinland-Pfalz Support District, Kaiserslautern, Germany, is to procure repairs and utilities services (up to \$50,000 per transaction) and other services and materials (up to \$5,000 per transaction) for a number of Army activities and installations located within a radius of about 35 miles from Kaiserslautern. The staff of 29 people processed about 40,000 procurement actions valued at about \$9.7 million during fiscal year 1969. D 2496

Two Air Force installations, located within ten miles of Kaiserslautern, also have procurement offices. The staff of 19 employees at Ramstein Air Base had processed about 3,000 procurement actions during the first 11 months of fiscal year 1969. The total local procurement programmed for the fiscal year was \$3.6 million. At nearby Sembach Air Base, the procurement office had 10 employees. Data which we obtained indicated Sembach's workload was considerably less than that of Ramstein Air Base.

The procurement function of the above three activities was quite similar. Contracts or purchases included repairs and maintenance to buildings, transportation of household effects, office machine maintenance, and general supplies. We were told that a limited amount of interservice support was provided under blanket purchase authorizations or indefinite quantity contracts, whereby one service would issue delivery orders against the contracts of the other service.

The procurement officer at Rheinland-Pfalz Support District told us that he knew of no instances where consideration had been given to consolidating procurement functions. He stated that he could see no reason why a consolidated procurement activity would not effectively serve the needs of both the Army and the Air Force in this geographic area.

Photographic laboratories

Germany

Our review revealed that there were four photographic laboratory operations at military installations within a ten mile radius of Kaiserslautern, Germany. Two of these laboratories were at Army installations and two were at Air Force installations. The operators of two of the four laboratories told us that they could take on additional work with the equipment on hand. Representatives of the laboratories with whom we discussed the potential for using these facilities under the DRILS program stated that to their knowledge no consideration had been given to availability of these resources for interservice support.

Again, the missions of these laboratories and the work performed were similar. The largest of the four facilities was the Army's 69th Signal Company laboratory. Officials of this laboratory told us that its mission was to support Headquarters, United States Army, Europe, and the Seventh Army in all photographic services. They told us that this facility had the equipment, although not the personnel, to do all the Air Force work. D2443

Representatives of each of the two Army laboratories told us that they saw no reason why consolidation and interservice support would not be feasible.

Seattle, Washington, area

Seven DOD activities visited in the Puget Sound area had their own photographic facilities; six of them within a forty-mile radius of Seattle. Of the six activities examined, none reported having any formal interservice agreements with other DOD activities in the Puget Sound area. Review of minutes of meetings of the Area Coordination Subgroup indicated that the possibility of exchanging support of this type had not been discussed.

Norfolk, Virginia, area

There are ten photographic laboratories in the Norfolk area ranging in size and complexity from a small Army laboratory at Fort Story, engaged

in processing photographs for identification purposes, to the second largest laboratory in the Navy at the Norfolk Naval Air Station. The Navy facility, capable of producing all types of photographic work, has rather elaborate equipment and an authorized complement of 38 people. At the time of our review, the laboratory was upgrading its motion picture facility to produce sound motion pictures in color.

We found that there were no interservice agreements in effect at any of the photographic laboratories in the Norfolk area. However, some support was being provided to others either informally or through intra-service agreements.

Additional opportunities identified
by the Department of Defense

In addition to the above information developed during our review, certain studies recently completed by the Department of Defense have indicated opportunities for greater interservice support.

The studies, performed by so-called Local Area Interdepartmental Repair and Maintenance Committees at 25 locations where there were concentrations of military installations, were concerned mainly with functions related to real property maintenance activities. Upon completion of their work, the various study groups made recommendations for improvements and greater economies in the area of real property maintenance. Many of these recommendations suggested expansion of interservice agreements in existence or establishment of new agreements.

We have started a review of some of the studies and the actions taken pursuant to the recommendations. Although we have not verified the validity of any of the recommendations, it is apparent that savings can be achieved through increased use of interservice support agreements for real property maintenance.

Reporting of program performance

The reporting system provided for in the DRILS program requires submission of a report to the Defense Logistics Services Center (DLSC) at the end of each quarter by every installation providing support to organizations of other military departments. This report lists the total dollar value of reimbursable and non-reimbursable support provided to each of the other military departments during the quarter, as well as the number of agreements, and their location. It is the sole reference used for measuring the accomplishments of the DRILS program.

We found that these quarterly reports have greatly overstated the accomplishments of the DRILS program in Europe because of the inclusion of amounts for wholesale support and duplications in the amounts reported. For example, of the \$110.2 million reported by the Army as DRILS for a period covering seven quarters, ending March 31, 1969, \$109.6 million consisted of wholesale support and duplication: about \$53.5 million constituted wholesale support to the other military services and about \$56.1 million were duplications of amounts previously reported. Therefore, the valid DRILS total should not have been more than \$0.6 million.

During our discussions with representatives from the United States Army, Europe, they told us that they knew the amounts of interservice support reported were incorrect and included subsistence support rendered on a wholesale basis. However, they had no procedures whereby they could verify the accuracy or propriety of the amounts reported as retail interservice logistics support.

In addition to the above, the DRILS reporting system as it is presently functioning is not providing accurate data on the total number of agreements entered into since the program began. We noted that many of the accomplishments reported under the program were in existence before it started, or resulted from circumstances unrelated to it. For example, we found that military installations around Puget Sound had on file 56 interservice agreements amounting to about \$773,000 in estimated reimbursements which would be reported under the DRILS program. Eighteen of these agreements, involving an estimated \$476,800, or about 62 percent of the present total estimated value, were in existence prior to the DRILS program.

CONCLUSIONS

We believe that the DRILS program has not been effective in eliminating duplication or overlapping of services. The ineffectiveness can be traced to the manner in which the program has been organized and a concomitant lack of vigorous pursuit of program goals. Although the Defense Supply Agency is responsible for managing the DRILS program, it has not been given sufficient authority to accomplish program objectives.

Participating organizations are seldom enthusiastic about volunteering to eliminate a function, activity, or service for which they have already received authorization, and which they consider important to the performance of their assigned missions. As was pointed out before, the present DRILS program does not require military departments to vigorously pursue opportunities for interservice support that would result in greater economy and efficiency. Area Coordination Groups and their subordinate subgroups,

which are jointly staffed by the services, do not have authority to direct establishment of interservice arrangements between installations. Because direct authority over DRILS implementation is denied, these groups cannot do much more than encourage adoption of a support possibility. Even in this limited capacity, the groups have not effectively developed and promoted interservice support agreements.

RECOMMENDATION

We recommend that the Defense Supply Agency be given the necessary authority to direct this program and to develop a uniform and systematic approach to identify, evaluate and, where feasible, eliminate unnecessary functions and services that overlap.

We would appreciate your comments on the matters disclosed in this report. Copies of this report are being sent to the Secretaries of the Army, Navy, and Air Force, and to the Director, Defense Supply Agency, for their information.

Sincerely yours,

for R. W. Luttwak
Director

Enclosure

List of Organizations and Installations
Visited During Our Review

UNIFIED COMMANDS

U. S. European Command, Patch Barracks, Stuttgart, Germany.

MAJOR COMMANDS

U. S. Army, Europe, Heidelberg, Germany.
First U. S. Army Headquarters, Fort George G. Meade, Maryland.
U. S. Army Test and Evaluation Command, Aberdeen Proving Ground,
Maryland.
U. S. Continental Army Command, Fort Monroe, Virginia.
U. S. Army Recruiting Command, Hampton, Virginia.
Sixth U. S. Army Headquarters Presido, San Francisco, California.

United States Navy

U. S. Naval Forces, Europe, London, England.
U. S. Naval Supply Systems Command, Washington, D. C.
Commander in Chief, U. S. Atlantic Fleet, Norfolk, Virginia.
Headquarters, Fifth Naval District, Norfolk, Virginia.

United States Air Force

U. S. Air Forces in Europe, Wiesbaden, Germany.
U. S. Air Force Headquarters Command, Bolling Air Force Base,
Washington, D. C.
Tactical Air Command, Langley Air Force Base, Virginia.
Military Airlift Command, Scott Air Force Base, Illinois.

INTERMEDIATE AND SUBORDINATE ACTIVITIES AND INSTALLATIONS

United States Army

Army Engineer Command, Europe
Frankfurt, Germany

Army Engineer District, Palatinate
Kaiserslautern, Germany

Theater Army Support Command, Europe
Worms, Germany

INTERMEDIATE AND SUBORDINATE ACTIVITIES AND INSTALLATIONS (Continued)

Army Materiel Command, Europe
Zweibrucken, Germany

Forces Support District, Rheinland-Pfalz
Kaiserslautern, Germany

Pirmasens Army Depot
Pirmasens, Germany

Fort George G. Meade, Maryland

Fort Belvoir, Virginia

U. S. Army Transportation Center, Virginia

Fort Eustis, Virginia

Fort Story, Virginia Beach, Virginia

Fort Lewis, Washington

United States Navy

U. S. Naval Support Activity, Naples, Italy

Naval Air Facilities, Andrews Air Force Base, Maryland

Naval Research Laboratory, Washington, D. C.

Naval Photographic Center, Washington, D. C.

U. S. Marine Corps Base, Quantico, Virginia

Naval Weapons Station, Yorktown, Virginia

Naval Supply Center, Norfolk, Virginia

Naval Air Station Oceana, Virginia Beach, Virginia

Naval Amphibious Base, Norfolk, Virginia

Thirteenth Naval District Headquarters,
Seattle, Washington

United States Navy (Continued)

Puget Sound Naval Shipyard, Washington
Naval Supply Center, Puget Sound, Washington
Naval Ammunition Depot, Bangor, Washington
Polaris Missile Facility, Pacific, Washington
Naval Torpedo Station, Keyport, Washington
Naval Air Station, Seattle, Washington
Naval Air Station, Whidbey Island, Washington
Naval Communications Station, Puget Sound, Washington

United States Air Force

Wiesbaden Air Base
Wiesbaden, Germany

Ramstein Air Base
Ramstein, Germany

Sembach Air Base
Sembach, Germany

1100th Air Base Wing, Bolling Air Force Base,
Washington, D. C.

1001st Composite Wing, Andrews Air Force Base, Maryland
(Effective July 1, 1969 changed to 1st Composite Wing)

Langley Air Force Base, Hampton, Virginia

McChord Air Force Base, Washington

Other activities

U. S. Dependents School, European Area
Karlsruhe, Germany