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

National Security and
International Affairs Division

B-250022

May 13, 1993



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The Honorable Earl Hutto
Chairman, Subcommittee on Readiness
Committee on Armed Services
House of Representatives

Dear Mr. Chairman:

The Air Force is establishing composite wings at two sites-- Mountain Home Air Force Base in Idaho and Pope Air Force Base in North Carolina--to test the conceptual validity of placing a variety of aircraft types and capabilities at one base under one commander. The service had postponed establishing a third composite wing at Moody Air Force Base in Georgia but recently resumed planning and budgeting for the wing. At the request of your subcommittee, we determined the cost of establishing the two wings. We are also providing cost information on pending decisions involving these wings and establishing the third.¹

COST SUMMARY

To establish two composite wings, the Air Force plans to spend \$143 million, of which \$27 million was obligated by December 31, 1992. Of the remaining \$116 million, the Air Force plans to spend \$43.3 million at Pope, \$26.9 million at Mountain Home, and \$45.6 million to rebase the C-130 aircraft and affiliated units leaving Pope to make room for the composite wing. Costs could increase by another \$109 million depending upon what the Air Force decides to do about some matters relating to these two composite wings. In addition, costs could further increase by \$34 million if the Air Force decides to establish a third composite wing at Moody.

¹On May 5, 1993, we issued a report evaluating the basis for the decision to establish composite wings. (GAO/NSIAD-93-44, Air Force Organization: More Assessment Needed Before Implementing Projection Composite Wings.)

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Enclosures I through III summarize the "beddown costs" associated with establishing the composite wings.

- Enclosure I shows those costs associated with composite wing beddown at Pope and Mountain Home.
- Enclosure II shows these beddown costs by base and the cost estimate of the Air Mobility Command for rebasing the C-130s at Pope to make room for the composite wing.
- Enclosure III shows the additional beddown costs which may be incurred pending the outcome of certain decisions.

Cost of Two Composite Wings
Estimated to be \$143 Million

On the enclosed tables, costs are broken out to show the \$27 million which are obligated versus the \$116 million which are avoidable. Obligated funds include those through the first quarter of fiscal year 1993. The avoidable costs are those the Air Force plans to obligate for the remainder of fiscal year 1993 through fiscal year 1996, the last year composite wing beddown military construction projects are scheduled to be funded.

We have also separated the beddown costs into operations and maintenance (O&M) and military construction (MILCON). Beddown costs include all O&M and MILCON costs associated with establishing weapon systems in a particular location. O&M costs cover such items as supplies, rented facilities, and construction projects under \$300,000. MILCON refers to all construction projects exceeding \$300,000, including building new facilities and adding to or altering existing ones. MILCON funded under the Base Realignment and Closure program is referred to as BRAC. (See enclosure I).

Pending Air Force Decisions
Could Cost \$143 Million

There are three upcoming decisions which may increase the costs associated with the composite wings. Each decision is independent of the other two, and the Air Force could implement all, none, or any combination.

- The first decision (Enclosure III, Item A) is whether to establish a composite wing at Moody Air Force Base. As of June 1992, the Air Force estimated that this beddown would cost \$34 million. According to Air Force officials, this cost estimate would be re-examined if the

Air Force should decide in favor of the third composite wing.

In September 1992 the Air Force indefinitely postponed establishing this wing due to the interim stationing of F-16s from Homestead Air Force Base. Moody cannot accommodate both the interim F-16s and the composite wing. According to an Air Combat Command official, the Air Force is awaiting the Base Realignment and Closure Commission's recommendation on Homestead's status. However, in commenting on a draft of this letter, Air Force Headquarters stated "... the Air Force has resumed Moody ... composite wing planning and [budgeting] actions."

- The second decision (Item B) is whether to base B-1 bombers at Mountain Home as part of the composite wing. The beddown cost of this decision would be at least \$40 million for military construction and support equipment. However, if the Air Force chooses to provide intermediate maintenance capability at Mountain Home, the cost could increase an additional \$50 million by buying the associated equipment. According to an Air Combat Command official, B-1s are currently located at four different bases and the Air Force could move aircraft from any or all four to form the composite wing's bomber squadron at Mountain Home. The B-1s are currently located at McConnell Air Force Base in Kansas, Dyess Air Force Base in Texas, Ellsworth Air Force Base in South Dakota, and Grand Forks Air Force Base in North Dakota. Existing maintenance equipment needs to remain at these bases to service those aircraft which will not be included in the composite wing.
- The third decision (Item C) is whether to approve four additional construction projects for Mountain Home. Base officials characterized these projects as essential and estimated the cost would be \$19 million. As of April 1993 neither Air Combat Command nor Air Force headquarters had approved these projects.

Scope and Methodology

In performing our review, we examined cost documents and interviewed personnel at: Air Force Headquarters, Pentagon, Arlington, Virginia; Air Combat Command, Langley Air Force Base, Virginia; Air Mobility Command, Scott Air Force Base, Illinois; 366th Wing, Mountain Home Air Force Base, Idaho; and 23rd Wing, Pope Air Force Base, North Carolina. Air

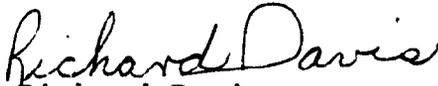
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Force officials reviewed our cost summaries (enclosures I-III), and their comments have been incorporated where appropriate. In some instances, we used cost estimates reflecting the major command's position because it represents the most recent data. We conducted our work between October 1992 and April 1993 in accordance with generally accepted government auditing standards.

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If you have any questions regarding this letter, please call me on (202) 512-3504. Copies of this letter are being sent to the Chairman, House Appropriations Committee, Subcommittee on Military Construction, Chairman, Senate Appropriations Committee, Subcommittee on Military Construction, the Department of Defense, and the Secretary of the Air Force.

Sincerely yours,



Richard Davis
Director, National Security
Analysis

Table I.1: Composite Wing Beddown Costs

Dollars in Thousands

Cost Category	Obligations as of December 31, 1992	Avoidable Costs		
		1993	1994-1996	Total
O&M				
Construction & C-130 Move	\$10,269	\$14,630	\$700	\$15,330
Other	14,308	0	0	0
Total O&M	\$24,577	\$14,630	\$700	\$15,330
MILCON				
BRAC	1,845	29,042	4,900	33,942
Non-BRAC	844	21,159	45,360	66,519
Total MILCON	\$2,689	\$50,201	\$50,260	\$100,461
Total O&M and MILCON	\$27,266	\$64,831	\$50,960	\$115,791

Note: The table includes projects for Pope, Mountain Home, Air Mobility Command estimates of costs for moving C-130s from Pope, and \$406,000 obligated for Moody Environmental Impact Statement and design costs. The table does not include future beddown costs for Moody under the "avoidable costs" columns. Military construction obligations to date are for design only.

Table II.1: Composite Wing Beddown Costs By Base

Dollars in Thousands

Cost Category	Obligations as of December 31, 1992	Avoidable Costs		
		1993	1994-1996	Total
Pope				
O&M	\$5,969	\$3,231	\$0	\$3,231
MILCON	1,545	26,064	14,010	40,074
Pope Total	\$7,514	\$29,295	\$14,010	\$43,305
Moving C-130s from Pope				
O&M	0	8,791	700	9,491
MILCON	0	4,785	31,350	36,135
Moving C-130s Total	\$0	\$13,576	\$32,050	\$45,626
Mountain Home				
O&M	18,202	2,608	0	2,608
MILCON	1,144	19,352	4,900	24,252
Mountain Home Total	\$19,346	\$21,960	\$4,900	\$26,860
Total O&M	\$24,171	\$14,630	\$700	\$15,330
Total MILCON	\$2,689	\$50,201	\$50,260	\$100,461

Table III.1: Additional Costs Pending Air Force Composite Wing Decisions

Dollars in Thousands

Cost Category	Avoidable Costs		
	1993	1994-1997	Total
A. Moody Composite Wing			
O&M Construction	\$	\$3,000	\$3,000
MILCON	3,960	27,070	31,030
Total Moody	\$3,960	\$30,070	\$34,030
B. B-1s to Mountain Home			
Support Equipment		13,862	13,862
Maintenance Equipment		50,000	50,000
MILCON		26,600	26,600
Total B-1s	\$	\$90,462	\$90,462
C. Four Other MILCON projects at Mountain Home		18,550	18,550
Total Pending Decisions	\$3,960	\$139,082	\$143,042

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