United States General Accounting Office 129179

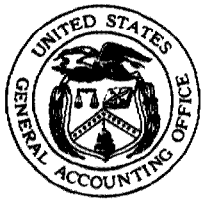
GAO

Fact Sheet for
The Honorable Bill Alexander
House of Representatives

February 1986

MILITARY EXERCISES

Cost of Military Exercises in Honduras



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

February 19, 1986

B-213137

The Honorable Bill Alexander
House of Representatives

Dear Mr. Alexander:

On December 4, 1985, after GAO staff briefed you on our review of U.S. military activities in Honduras, you requested that we provide additional information on the costs of construction engineer exercises in Honduras.

In response to that request, we have obtained cost reports prepared by the participating units or the U.S. Forces Command for exercises which occurred after Ahuas Tara II. The reported costs are shown in this fact sheet (see app. I). The costs for Ahuas Tara II exercise construction activities are included in the Comptroller General decision, which was provided to you on January 30, 1986.

Unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 30 days from the date of this letter. At that time we will send copies to appropriate congressional committees and other interested parties upon request.

If we can be of any further assistance in this matter, please call me on 275-4128.

Sincerely yours,

Joan M. McCabe

Joan M. McCabe
Associate Director

U.S. MILITARY CONSTRUCTION EXERCISE COSTS: APRIL 1984 - SEPTEMBER 1985

The following exercise cost reports were prepared by Defense Department personnel in accordance with Army Regulation 415-35, "Minor Construction, Emergency Construction and Replacement of Facilities Damaged or Destroyed." The regulation defines funded and unfunded costs as shown below.

Funded costs

(1) Government-owned real property materials, supplies, services, or items applicable to the project.

(2) Installed capital equipment.

(3) Transportation costs applicable to materials, supplies, and government-owned equipment;

(4) Labor costs of construction units composed of foreign nationals (U.S. military labor excluded).

(5) Certain overhead costs.

(6) Travel and per diem for troop labor directly related to the project.

(7) Costs for maintenance and operation of government-owned equipment (including organic troop unit equipment), based on hourly-rate tables included in the regulation.

(8) Costs of applicable installed-systems operation manuals.

(9) Site preparation costs.

(10) Installation costs of new equipment.

(11) Maintenance of repair work, in the case of a facility conversion.

Unfunded costs

(1) Costs financed from military personnel appropriations (i.e. troop labor).

(2) Depreciation of government-owned equipment (with certain exceptions).

(3) Materials, supplies, and equipment procured on a nonreimbursable basis.

(4) Costs of real property items relocated on an installation (except transportation/relocation costs).

(5) Planning and design costs.

(6) Certain costs for licenses and permits.

(7) Maintenance and repair costs not directly related to the project.

(8) Costs of installing movable equipment not integral to the facility.

The construction costs reported for the exercises do not strictly conform to the requirements set forth in AR 415-35. The costs reported as funded generally include only materials and equipment operation costs; the costs reported as unfunded generally include only troop labor and equipment depreciation costs. Costs of transportation for unit personnel and equipment and per diem, specified as funded costs in AR 415-35, are not included in the reported costs. The transportation of unit personnel and equipment is paid by Joint Chiefs of Staff exercise funds.

GRANADERO I (April - June 1984)	FUNDED COST	UNFUNDED COST
Project:		
-Upgrade and expand U.S. base camp at Palmerola	$ 37,391	$110,533
-Upgrade airstrip at Jamastran to C-130 capability	119,871	236,266
-Upgrade airstrip at Cucuyagua to C-130 capability	92,969	164,131
-Place concertina wire barrier for Honduran Forces	2,011	814
BIGGER FOCUS 84 (November - December 1984)		
Project:		
-Upgrade and expand U.S. base camp at Palmerola	$ 22,215[a]	$ 81,203
-Upgrade and refurbish airstrip at San Lorenzo initially constructed during Ahuas Tara II	36,745	46,836
AHUAS TARA III (February - May 1985)		
Project:		
-Add soil, cement, and parking apron to airstrip at San Lorenzo	42,992	$217,854
-Re-excavate and expand antitank traps near Choluteca. Initially constructed during Ahuas Tara II	11,238	120,817

-Construct and dismantle base camps near San Lorenzo airstrip and the antitank traps	$ 5,485	$ 66,971
-Dig 14 water wells at various locations	37,374	57,468
-Upgrade and expand airstrip at Cucuyagua	7,454[b]	46,472
-Upgrade and expand U.S. base camp at Palmerola	2,724	20,281
-Other construction at various locations (roads, damage repair, engineering support for other units, etc.)	8,378	70,873

CABANAS 85 (June - September 1985)

Project:[c]		
-Construct 23.3 kilometer all-weather road capable of 2 1/2-ton truck traffic from San Lorenzo Abajo to Jocon	$265,135	$382,721
-Improve 36.7 kilometers of road from San Jose to San Lorenzo Abajo	55,689	87,203
-Construct 1,000-person base camp for engineers performing the road work.	80,568	106,264

[a]Costs for eighty-four 3-foot sections of concrete culvert and forty-one bundles of airfield matting used in the construction were not reported.

[b]Costs for approximately 200 feet of steel-reinforced concrete culverts used in the construction were not provided.

[c]Diesel fuel, jet fuel, and gasoline costs (estimated at $1.00 per gallon) of $122,350 were reported for these projects. However, fuel consumption is also included as a factor of the equipment operation costs.

Source: Department of Defense documents.

(463733)

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