

B-159451

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# REPORT TO THE CONGRESS



## Improvements Needed In U.S. Contractor Training Of Republic Of Vietnam Armed Forces

B-159451

Department of Defense

**BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

710689

JUNE 11, 1974

094220



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

B-159451

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

This is our report on the need for improvements in U.S.  
contractor training of the Republic of Vietnam Armed Forces.

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

Copies of this report are being sent to the Director,  
Office of Management and Budget; the Secretary of Defense;  
and the Secretaries of the Army and the Air Force.

A handwritten signature in black ink, appearing to read "A. M. Koller".

Acting Comptroller General  
of the United States

C o n t e n t s

	<u>Page</u>
DIGEST	1
CHAPTER	
2	LIMITED EFFECTIVENESS OF U.S. CONTRACTOR TRAINING
	4
	Lack of trainees and supervisory personnel
	4
	Absenteeism
	6
	Actions taken by the Air Force
	9
	Conclusions
	10
	Recommendations
	11
	Agency actions
	11
3	POOR LOGISTICS SUPPORT DELAYS TRAINING AND SELF-SUFFICIENCY
	12
	Supply system deficiencies
	12
	Actions taken to alleviate supply problems
	15
	Conclusion
	15
	Recommendation
	16
	Agency action
	16
4	SCOPE OF REVIEW
	17
APPENDIX	
I	Listing of contracts included in GAO review
	19
II	Letter dated April 10, 1974, from the Principal Deputy Assistant Secretary of Defense for Installations and Logistics
	20
III	Principal officials responsible for activities discussed in this report
	24

ABBREVIATIONS

DAO	Defense Attache Office
GAO	General Accounting Office
NAVAIDS	Navigational aids
RVNAF	Republic of Vietnam Armed Forces
VNAF	Vietnamese Air Force

D I G E S T

WHY THE REVIEW WAS MADE

GAO reviewed 9 of 34 logistics support contracts valued at \$43.3 million held by U.S. contractors as of September 1973 to provide training for Republic of Vietnam Armed Forces (RVNAF) personnel.

The nine contracts are valued at \$13.1 million and consist of six for the Vietnamese Air Force (VNAF) and three primarily for the Vietnamese Army. They are administered by the Defense Attache Office (DAO) in Vietnam.

In January 1973 GAO reported on "Logistics Aspects of Vietnamization--1969-72" and identified contract support activities as important to the success of the Vietnamization program.

GAO wanted to find out if U.S. contractors were helping RVNAF become self-sufficient in certain logistics functions within the time established.

FINDINGS AND CONCLUSIONS

The effectiveness of U.S. contractor training was limited and RVNAF self-sufficiency delayed because

--not enough people were being trained in specific skills,

--sufficient attention had not been given to training supervisory or middle-management personnel, and

--high percentages of trainees and those who completed training were absent from assigned duties. (See p. 4.)

A large number of idle and non-productive trainees and graduates were observed at several VNAF facilities. U.S. contractor instructors have no authority over VNAF trainees, and VNAF supervisors are of little assistance when trainees do not cooperate. (See p. 4.)

During the fiscal year 1974 appropriation hearings, the U.S. Air Force said it would complete its training in Vietnam by July 1974. Later, the Air Force realized this goal would not be met and therefore it plans to provide more training in fiscal year 1975, in part, because of the lack of trainees provided by the Vietnamese. The Air Force fiscal year 1975 budget includes \$4.2 million for the six contracts GAO reviewed. (See pp. 9 and 10.)

It is necessary for RVNAF to provide the necessary qualified trainees and to insure their attendance at training sessions to get the maximum benefit from U.S. contractor assistance. Failure to do this can result in unnecessary

extension of contracts and increased cost to the United States. (See p. 10.)

Poor logistics support by the VNAF supply system for spare parts, consumables, tool kits, tooling, and test equipment has also impaired the training program and caused delays in equipment repair and overhaul. (See p. 12.)

It should be made clear to VNAF that supply system deficiencies, caused in part by the massive supply and equipment buildup prior to the cease-fire in 1973, must be corrected by meaningful scheduled actions. (See p. 15.)

RECOMMENDATIONS AND SUGGESTIONS

The Secretary of Defense should direct the Defense Attache Office to:

- Obtain a commitment by RVNAF to insure that an adequate number of trainees is provided when required and to reduce the high level of absenteeism. (See p. 11.)
- Take action to have an adequate number of middle-management personnel trained in areas involving introduction of new functions to the RVNAF system. (See p. 11.)
- Require U.S. contractors to regularly alert the Defense Attache Office of supply system problems and that it communicate these problems to

RVNAF in order to find satisfactory solutions. (See p. 16.)

AGENCY ACTION AND UNRESOLVED ISSUES

DOD agreed with GAO's conclusions and recommendations. It said that U.S. Air Force and Defense Attache Office people have discussed the lack of trainees and absenteeism with VNAF officials. As a result of these discussions the number of trainees assigned has increased.

DOD added that it will continue to stress with the Vietnamese the need for better training attendance as well as the need for allocating more airmen for training.

DOD agreed that training an adequate number of middle-management personnel is necessary. It further stated that this was a continuing but difficult effort for the Vietnamese because of the combat demand on their people.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is intended to alert the Congress of the need for improving U.S. contractor training of RVNAF personnel and actions taken by DOD.

There is considerable congressional interest in U.S. expenditures in Vietnam and this report should assist the Congress during its fiscal year 1975 appropriation deliberations on aid to Vietnam.

## CHAPTER 1

### INTRODUCTION

In a January 1973 report to the Congress on Vietnamization,<sup>1</sup> we pointed out several areas where management audit effort could help the Republic of Vietnam Armed Forces (RVNAF) become self-sufficient. One of the areas was contract activities supporting the RVNAF logistics system.

As of January 28, 1973, the cease-fire effective date, the American Embassy's Defense Attache Office (DAO) was administering 383 contracts valued at about \$255 million. By September 30 the number of contracts had been reduced to 187 valued at \$142 million. During this same period U.S. contractor personnel in Vietnam decreased from 5,237 to 2,823. DAO anticipates that further reductions will be made and estimates that, by July 1976, 900 U.S. contractor personnel will be in Vietnam to support RVNAF and U.S. activities.

Of the 187 active contracts as of September 30, U.S. contractor personnel were providing training under 34 valued at \$43.3 million. To gain an insight into how U.S. contractors were helping RVNAF become self-sufficient, we reviewed nine contracts valued at \$13.1 million, six supporting the Vietnamese Air Force (VNAF) and three primarily supporting the Vietnamese Army. The VNAF-supported contracts include (1) overhaul of jet engines, (2) maintenance of navigational aids and other system facilities, and (3) supply activities. Army-supported contracts include (1) facilities engineering operations, (2) operation and maintenance of communication-electronics equipment, and (3) management of RVNAF telecommunications requirements. (See app. I.)

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<sup>1</sup>"Logistic Aspects of Vietnamization--1969-72" (B-159451, Jan. 31, 1973).

## CHAPTER 2

### LIMITED EFFECTIVENESS OF U.S. CONTRACTOR TRAINING

The effectiveness of U.S. contractor training in some areas was limited, and RVNAF self-sufficiency has been delayed because

- not enough people were being trained in specific skills,
- sufficient attention had not been given to training supervisory or middle management personnel, and
- high percentages of trainees and those who complete training were absent from assigned duties.

Also, many idle and nonproductive trainees and graduates were repeatedly observed on visits to several VNAF facilities. U.S. contractors advised us that the instructors have no authority over the trainees, and Vietnamese supervisors are of little assistance when trainees do not cooperate.

### LACK OF TRAINEES AND SUPERVISORY PERSONNEL

RVNAF is not providing enough trainees or supervisory personnel to be trained on two contracts to overhaul jet engines. Supervisory training is also lacking on a contract to overhaul helicopter blades.

Before September 1972, the VNAF was performing only organization and intermediate maintenance on jet engines. Contracts were awarded to General Electric Company in September 1972 and to Avco Corporation in October 1972 to train the VNAF to overhaul the J-85 and T-53 jet engines, respectively.

During July and August 1973, General Electric made at least four written requests to the VNAF through DAO for additional students to be assigned, but with little success. In the last request for 36 students dated August 22, the contractor informed DAO and the VNAF that training commitments would not be met unless students were provided. From July 9, the date of the first request, to August 28, the VNAF provided seven trainees.



General Electric submitted a detailed trainee input schedule to DAO on August 28 calling for 11 trainees during September and 10 in October. On September 13, the contractor informed DAO that no additional students had been enrolled since July 30 and that it was mandatory that the VNAF provide the students so the training requirements could be met. The VNAF provided 3 trainees on September 26 and 10 on October 1.

Avco submitted a detailed trainee input schedule to DAO on August 30 calling for 17 trainees during September and 40 in October. The VNAF provided 1 trainee in September and 21 in October but 11 of the 21 trainees were not assigned until October 22. Through October, the contractor was short 35 trainees.

The trainees projected by both contractors, the VNAF, and a DAO official and those actually assigned are shown below.

<u>Skill level to be trained</u>	<u>Overhaul facility</u>			
	<u>General Electric</u>		<u>Avco</u>	
	<u>pro- jected as of March 1973</u>	<u>Assigned October 21, 1973</u>	<u>pro- jected as of March 1973</u>	<u>Assigned October 21, 1973</u>
Supervisory:				
Officer	1	0	6	0
9-level	10	0	15	0
7-level	<u>64</u>	<u>11</u>	<u>106</u>	<u>7</u>
	<u>75</u>	<u>11</u>	<u>127</u>	<u>7</u>
Operator:				
5-level	92	43	151	22
3-level	0	60	0	68
1-level	0	1	0	0
Civilian	<u>5</u>	<u>3</u>	<u>6</u>	<u>0</u>
	<u>97</u>	<u>107</u>	<u>157</u>	<u>90</u>
Other:				
Avco test cell	0	0	20	7
Additions since March 1973	<u>3</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	<u>175</u>	<u>118</u>	<u>305</u>	<u>104</u>

The overhaul of the UH-1H helicopter main rotor blade is also a new operation for the VNAF. Although 63 personnel, including 9 supervisors, are authorized for this facility, a VNAF official said that VNAF contemplates training only the 54 nonsupervisory personnel.

A few problems have occurred because operating and supervisory personnel have not been trained in comparable methods and procedures. For example, General Electric personnel told us of students being reprimanded by their supervisors for performing an operation according to the methods taught by the contractor.

Avco personnel told us a VNAF supervisor had not been trained to set up machines and was improperly instructing VNAF students to grind T-53 engine parts. As a result, during October 1973, 12 parts (housing and shafts) were ground to dimensions outside the limits of serviceability. Seven of the parts had to be condemned and the other five had to be reworked.

It is important to train all levels of management in comparable methods and procedures to reduce the problems which arise between operating and supervisory personnel, particularly when new operations are being introduced.

#### ABSENTEEISM

Six of the nine contracts reviewed had high levels of absenteeism. Absenteeism among those who completed training and idle trainees and graduates was observed on the two jet engine overhaul contracts. Some examples follow.

#### Jet engines

In August 1973 we visited the General Electric and Avco work areas three times to see if the assigned trainees were there. The schedule below shows the results of the visits.

<u>Date of visit</u>	<u>Total assigned personnel</u>	<u>In area</u>	<u>Not in area</u>
General Electric:			
Aug. 22	51	36	15
Aug. 23	51	22	29
Aug. 24	51	31	20
Average	51	30	21
Percent	100	59	41
Avco:			
Aug. 30 (morning)	57	38	19
Aug. 30 (afternoon)	57	33	24
Aug. 31	57	35	22
Average	57	35	22
Percent	100	61	39

Contractor representatives stated that the trainees casually observe scheduled work hours and generally are available for only 4-1/2 hours of the scheduled 8-1/4-hour day. The trainees are frequently assigned to work details or guard duty or are absent all day on paydays, or for haircuts, sick call, or medical shots.

Trainee attendance at these two contractor facilities was checked again with improved results in October 1973. The rate of trainees not in the work area at the General Electric facility decreased from 41 to 26 percent while the rate at the Avco facility decreased from 39 to 38 percent. Representatives of both contractors stated that trainee attendance had improved, but it was still a problem affecting the training program.

Another problem affecting the program was a lack of active participation by the trainees. A large percentage was not working or benefiting from the instructor's knowledge. An average of 35 percent of General Electric

trainees and 60 percent of the Avco trainees were idle. Contractor representatives informed us that instructors have no authority over the Vietnamese and the Vietnamese supervisors are of little assistance when the trainees refuse to cooperate.

#### Absenteeism among graduates

Students that have completed training in the overhaul of the two types of jet engines are supposed to be phased into production so that contractor personnel can be reduced.

While all but five of the graduates were assigned to the area for which they were trained there was a high rate of absenteeism, and those present performed very little work. At Avco in August 1973 an average of 54 percent of the 37 assigned graduates were not in the area and, of the 46 percent present, only 8 percent were working. At General Electric we found a similar situation--62 percent of the 50 assigned graduates were not present and, of those present, only 30 percent were working.

Additional checks of the two overhaul facilities in October disclosed some improvements in the absenteeism rates and the productivity of the graduates. At Avco the rate dropped from 54 percent to 47 percent and the number of people working increased from 8 percent to 37 percent. At General Electric it dropped from 62 percent to 51 percent, while the number of people working increased from 30 percent to 35 percent.

#### Main rotor blade

The VNAF has provided 23 trainees to the Parsons Corporation of California for overhauling the UH-1H helicopter main rotor blade. The production foreman said the trainees are present for the rollcall at 7:30 a.m. but leave soon after. The Vietnamese shop chief has been requested to have his people stay in the assigned work areas but has been of little help in correcting the problem. We visited the Parsons shop on 4 different occasions in October, and an average of 52 percent of the 23 trainees were not in their assigned work areas.

## Navigational aids and avionics equipment

Student absences were also a problem reported by Page Communications Engineers, Inc., the contractor giving formalized on-the-job training in maintenance of navigational aids (NAVAIDS) and avionics equipment. In an attempt to determine the magnitude of the problem, we reviewed the daily activity reports for 3 days in August and September 1973 for 15 students in the NAVAIDS and avionics areas. An average of 53 percent of each training day was lost because the students were performing primarily military duties or shop cleanup and were not available for training.

## Effect of continuing combat on availability of trainees

We were told that one reason for the shortage of trainees was the continued military fighting in Vietnam, which drains off young men for the combat arms. Unofficial reports indicate that combat casualties have been about 120,000 since the cease-fire in January 1973.

The South Vietnamese have limited the size of the Armed Forces (1.1 million men in the fall of 1973). Since the fighting continues and has predominantly been on the ground, it may well be that RVNAF has placed the top priority in assigning its young men to replace losses in the ground combat units. Under such a policy the training of men in maintenance and overhaul is secondary.

While we did not investigate this matter in depth, our general familiarity with conditions in South Vietnam indicates that it is probably a significant reason for the difficulties in obtaining trainees for support functions.

## ACTIONS TAKEN BY THE AIR FORCE

During fiscal year 1974 House appropriation hearings, the Air Force stated that the training effort in Vietnam would be completed by July 1974. On a trip to Vietnam in late August 1973, the Deputy Chief of Staff, Systems and Logistics, U.S. Air Force, concluded that the VNAF could not

be trained within the time frames originally established, in part, because of the lack of VNAF trainees.

The Deputy Chief of Staff, Systems and Logistics, said he discussed the problem with VNAF and obtained its commitment to increase the number of trainees. The Air Force provided us with figures that showed from August 1973 to December 1973 the number of trainees increased by about 40 percent.

At the time we completed our work, the U.S. Air Force had not extended any of the training contracts beyond June 30, 1974, but the Air Force fiscal year 1975 budget included \$4.2 million for the six contracts included in our review.

### CONCLUSIONS

RVNAF has not received maximum benefit from U.S. contractor assistance because it has not provided the necessary qualified trainees or insured their attendance and cooperation at training sessions. To attain the original contract objectives, it appears that the contracts will be extended resulting in added costs to the United States.

If the manpower shortage in RVNAF is, as we believe, an important reason for problems in obtaining adequate trainees, then RVNAF has two decisions to make.

First, it can decide to continue assigning its men to the combat arms or other duties and continue to have shortfalls in its training and manning of critical support functions. If so, it also faces the possibility that the Congress will not continue to appropriate funds for the program. It could mean continuing present levels of support for the limited (as distinguished from major offensive) warfare experienced during 1973 at the expense of not adequately supporting its major weapons, communications, and supply systems should more massive fighting break out in the future.

Secondly, RVNAF can decide to insure full manning of training for critical technical and management skills. This should better insure maintaining its critical equipment and systems in the event of future expanded hostilities. It

should also result in receiving the maximum amount of training when the U.S. funding support for such training is provided.

#### RECOMMENDATIONS

We recommend that the Secretary of Defense direct DAO to:

- Obtain a commitment by the RVNAF to insure that an adequate number of trainees is provided in the time established.
- Take action to have an adequate number of middle-management personnel trained, particularly in those areas that introduce new functions to the RVNAF system.
- Obtain a commitment from RVNAF to reduce the high level of absenteeism and idle time among trainees and graduates.
- Instill in its middle managers the need to provide closer supervision of trainees and graduates.

#### AGENCY ACTIONS

DOD agreed with GAO's recommendations. U.S. Air Force and DAO representatives met and discussed the lack of trainees and absenteeism with VNAF officials. As a result, the number of trainees assigned increased. The representatives will continue to stress with VNAF the need for better training attendance as well as the need for allocating more airmen for training.

DOD said the need for training an adequate number of middle-management personnel was a continuing but difficult effort for the Vietnamese because of the combat demand on their people.

### CHAPTER 3

#### POOR LOGISTICS SUPPORT DELAYS TRAINING

##### AND SELF-SUFFICIENCY

Poor logistics support by the VNAF supply system for spare parts, consumables, tool kits, tooling, and test equipment impaired the training program and caused delays in equipment repair and overhaul.

During October and November 1972, before the cease-fire in Vietnam, the United States delivered large quantities of material--including several hundred aircraft, aircraft engines, ground support equipment, spare parts and other supplies--to Vietnam. VNAF did not have the personnel to process receipts or the warehouses to store the material. Therefore, large quantities of equipment were stored outside and were not recorded in the stock records resulting in a loss of material accountability.

Other events which strained the capacity of the logistics system in the pre-cess-fire period and after were:

- VNAF increased from 49 squadrons in November 1972 to 65 squadrons in June 1973.
- The depot level maintenance program expanded causing a large increase in the number of items in the VNAF inventory.

#### SUPPLY SYSTEM DEFICIENCIES

All supplies and equipment needed to support the contractors must be obtained from the VNAF supply system unless approved by DAO. Contractor personnel and a DAO official told us that the VNAF supply system had problems which impaired its effectiveness and caused delays to the contractors' training and production schedules. The main problems were (1) the requisitioning procedures were complex and required as many as 10 to 15 signatures before an item could be obtained from the warehouse, (2) physical inventories had not been taken, and the recorded quantities and



warehouse locations were inaccurate, (3) the supply computer was frequently inoperative, (4) supply personnel were inadequately trained, and (5) the supply personnel were uncooperative and sometimes refused to order or issue items needed by the contractor.

Supply system deficiencies, caused in some part by the massive buildup in VNAF before the cease-fire in January 1973, delayed training and production on four of the six VNAF contracts reviewed. The Chief, Air Force Division, DAO said he was aware of some of the supply problems, but wanted to make the VNAF supply system responsive. Therefore he was reluctant to authorize alternative sources of supply to meet the contractors' needs. Discussions on the three contracts having supply problems follow.

#### Avco

As of October 26, 1973, there were 30 jet engines disassembled in the overhaul facility, 11 of which were received before March 1973. A contractor representative told us that the lack of repair parts, consumables, and tooling caused this backlog of engines and continuously hampered the training effort since overhaul operations began in November 1972. For example, in August 1973 the contractor requested DAO assistance in obtaining the necessary repair parts, consumables, shop equipment, and tooling to rework 49 different engine components. A contractor representative told us he had been trying to get many of these items since the facility became operational in November 1972. By October 18, 1973, the contractor still lacked the necessary items to rework 42 of the 49 engine components.

The overhaul of jet engines has slipped severely as a result of the supply support problems. During fiscal year 1974 the monthly programmed production quantities ranged from 27 to 40 engines. By October 31, 1973, 116 engines were to be overhauled, but only one had been done. According to a DAO representative, "Training depends upon productive flow \*\*\* you must maintain a productive flow or OJT [on-the-job training] cannot be accomplished."

The original contract completion date was January 31, 1974. In late October 1973 a contractor representative told

us that only 20 percent of the required training was completed and therefore provided DAO with a revised phaseout schedule showing December 31, 1974, as the revised completion date.

### General Electric

Twenty-six jet engine components were awaiting repair in August 1973, five of which were received in January and February 1973. The large backlog developed because of shortages of parts and tooling.

We made a computer inquiry at the VNAF supply depot on October 22 to determine the stock status for 5 repair parts that were reported as needed by the contractor on July 6 and 11 repair parts that were reported as needed on August 24. Depot reports do not show a due-out for 6 of the 16 parts. As a result, new requisitions would have to be submitted for these six items.

Many trainees have been unable to effectively participate in the training program because of the lack of tool boxes. On July 8 the contractor reported that 40 students did not have them. On October 24, 23 of the 47 assigned students were without toolboxes. A General Electric representative told us that the primary reason for the reduction was that the number of students decreased.

By October 31, 1973, 36 engines were to have been overhauled. But, because of shortages of parts and tooling, only seven had been overhauled. As a result, the anticipated contract termination date has been changed from January 1974 to September 1974.

### Parsons

A review of requisitions submitted by the contractor to VNAF from April 21 through October 10, 1973, showed that only 49 of 542 requisitions had been filled. VNAF rejected 13 because they were considered "glamour" items susceptible to pilferage, and the remaining 480 are apparently still on order.

Contractor personnel gave us information on attempts to obtain 16 repair parts needed to overhaul the main rotor blade. Eighty requisitions were submitted for the 16 parts at various times between April and October 1973. By October 26, eight requisitions for three parts had been filled--one in August and seven in October. The contractor reported that shortages of 4 of the 16 parts had caused work stoppages.

Requisitioning of consumables has been less successful than for repair parts, according to the contractor. He gave us information on some consumables, such as screwdriver bits, that have a high usage rate and are required to preclude a complete work stoppage. According to the contractor, the lack of these items caused partial or complete work stoppages ranging from 2 to 28 days.

The poor support has impeded the overhaul of helicopter blades. In the first 2-1/2 months the contractor averaged 24 blades a month compared to a goal of 60 a month. As a result, the contractor has requested a 3-month extension of the contract which, if granted, would result in added costs to the United States.

#### ACTIONS TAKEN TO ALLEVIATE SUPPLY PROBLEMS

Despite DAO's continuing reluctance to authorize alternative sources of supply, the rotor blade contractor on August 29, 1973, submitted a 90-day requirements list for repair parts and consumables to DAO and requested that they be procured from U.S. sources for direct shipment to the contractor in Vietnam. DAO approved the request and the items were ordered in September 1973.

#### CONCLUSION

Poor logistics support by the VNAF supply system for spare parts, consumables, tool kits, tooling, and test equipment impaired the training program and caused delays in equipment repair and overhaul. It should be made clear to the VNAF that the supply system deficiencies, caused in some part by the massive supply and equipment buildup before the

cease-fire in 1973, must be corrected by meaningful scheduled actions.

RECOMMENDATION

We recommend that the Secretary of Defense require U.S. contractors to regularly alert DAO of supply system problems and that it communicate these problems to RVNAF in order to find satisfactory solutions.

AGENCY ACTION

DOD agreed with our recommendation and advised us that appropriate action would be taken.

## CHAPTER 4

### SCOPE OF REVIEW

We examined the progress being made by U.S. contractors in helping RVNAF attain self-sufficiency. To evaluate this progress we reviewed nine contracts awarded to provide training to the RVNAF and contract files at DAO and contractor offices.

Various aspects of the contracts were discussed with DAO, contractor, and RVNAF officials, including programs implemented by the contractor and problem areas being encountered. We visited and observed operations at training sites operated by each of the contractors.

Our review was performed in Vietnam at DAO, contractor offices, and RVNAF activities in the Saigon/Long Binh area during June 14 to November 23, 1973.

## CONTRACTS INCLUDED IN GAO REVIEW

<u>Contract</u>	<u>Period of performance</u>	<u>Contract value (millions)</u>	<u>Purpose of contract</u>
DAJBO4-73-C-0087 Pacific Architects and Engineers, Inc.	7- 1-73 to 12-31-73	*\$1.1	Conduct a program to develop RVNAF self-sufficiency in facilities engineering operations.
DAEA18-74-C-0026 Federal Electric Corporation	9- 1-73 to 1-31-74	4.2	Operation and maintenance of communications-electronics equipment, system, and support for residual U.S. Government elements in Vietnam. Communications-electronics technical assistance for the RVNAF.
DAEA18-69-A-0041 Page Communications Engineers, Inc.	1-17-73 to 1-16-74	1.2	Engineering and management advice for the RVNAF Communications Management Agency in attaining self-sufficiency and support for U.S. critical circuits.
F09603-73-C-0241 Parsons Corporation of California	8-25-72 to 6-30-74	1.4	Establish a UH-1H main rotor blade depot overhaul facility to repair 60 blades per month and to train the VNAF to operate the facility.
F33600-73-C-0014 General Electric Company	9-15-72 to 1-31-74	2.0	Train the VNAF to overhaul J-85 series jet engines.
F33600-73-C-0020 Avco Corporation	10- 1-72 to 1-31-74	1.4	Train the VNAF to overhaul T-53 jet engines.
F62111-71-C-0056 Kentron Hawaii, Ltd.	7- 1-73 to 12-31-73	.6	Train the VNAF to operate and maintain diesel engine generators at DaNang, Bien Hoa, and Tan Son Nhut Air Bases.
F62272-73-C-0042 Pacific Architects and Engineers, Inc.	7- 1-73 to 6-30-74	.4	Train 309 VNAF personnel in supply activities.
F62272-73-C-0073 Page Communications Engineers, Inc.	7- 1-73 to 6-30-74	.8	Assist and train the VNAF in (1) organizational and depot level maintenance of NAVAIDS, aircraft and warning equipment, ground radio, weather and key system facilities, and other related equipment, (2) depot level maintenance of avionics equipment, and (3) the management and operation of precision measurement equipment laboratories.

\*Does not include \$1.4 million which is entirely for support of DAO activities.



ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

10 APR 1974

INSTALLATIONS AND LOGISTICS

AC

Mr. F. J. Shafer  
Director, Logistics and  
Communications Division  
U. S. General Accounting Office  
Washington, D. C. 20548

Dear Mr. Shafer:

In response to your letter of 15 February 1974 to the Secretary of Defense, we have reviewed the draft report, "Improvements Needed in U. S. Contractor Training of Republic of Vietnam Armed Forces" dated February 1974 (OSD Case #3779). Our comments are attached and I suggest they be published in the Appendix to the final report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Hugh E. Witt".

Attachments  
As Stated

Hugh E. Witt  
Principal Deputy Assistant Secretary of Defense  
(Installations and Logistics)

Department of Defense Comment on GAO Draft Report  
"Improvements Needed in U.S. Contractor Training of RVNAF"  
dated February 1974 (Code 947057) (OSD Case #3779)

DoD General Comment: We concur in the GAO findings and conclusions as representative of the training situation which existed at the time the survey was conducted (Jun-Nov 1973). During this period, training improvements were being made and the favorable trend has continued to the present time. However, performance is still not satisfactory and we are continuing to impress the RVNAF with the necessity of aggressively fulfilling their training needs.

With respect to the Department of the Air Force contracts cited by GAO, the original goal was to train the VNAF and phase out U.S. contractor training support by June 1974. We now recognize this goal will not be achieved and some of the Air Force contracts will be extended into FY 1975 to further the training effort. Consistent with the GAO report, the problem of assignment of an insufficient number of trainees is caused by the priority of assignment that the RVNAF has established in replacing losses to the ground combat units. These actions take priority over training of men in maintenance and overhaul functions. Additionally, contractors serve the dual role of production and training. The productive efforts of the contractors certainly have contributed to the endurance of the VNAF during a most critical period. Admittedly, the end objective of their attaining self-sufficiency has not progressed at the hoped for rate because of the factors cited in the GAO report. However, there has been noteworthy progress toward VNAF self-sufficiency. Following is an illustration of progress made on the VNAF contracts reviewed by the GAO:

Parsons has demonstrated the capability to produce 60 blades per month. Thirty-two personnel are in training and have completed training to varying degrees and thirty-two more are scheduled to enter training in March and May.

The VNAF are considered 90% self-sufficient in the rotor blade shop and the FY 75 contract effort is expected to be reduced to provide limited supervisory and technical assistance.

The General Electric Shop has completed training of 88 personnel and another 35 are currently in training, against a contract requirement to train 175. Training in certain processes of production, e.g., metalizing, shot peening, and bearing reclaim, are not yet completed, however, there will be an appreciable reduction of contract effort in FY 75, when our effort will be limited to training in remaining critical and deficient areas.



## APPENDIX II

AVCO has completed training of 77 personnel and 55 are currently in training. Considerable reduction in contract effort is anticipated in FY 75.

Kentron has trained 17 of the 33 personnel called for in the contract. It is anticipated that the required number will be trained by 30 June 1974.

P.A.&E. has trained or has in training 249 of the 305 supply personnel to be trained. It is anticipated that the required number will be trained by 30 June 1974.

Page has completed training of six personnel and 26 are in training which will fulfill the training requirement. It is anticipated, however, that there will be a continuing need to provide augmentation training in selective technical areas such as the Precision Measurement Equipment Laboratory (PMEL).

Additionally, we believe the report should reflect that with respect to contractor training in support of the RVNAF, the Defense Attache Office (DAO) functions as agent of the Military Departments and not as part of the Defense Intelligence Agency.

Our comments pertaining to the recommendations listed on page 3 of the GAO Report are as follows:

a. Recommendation: Obtain a commitment by the RVNAF to insure that an adequate number of trainees are provided in a timely manner and to reduce the high level of absenteeism among trainees and graduates.

Comment: Agree. This has been an on-going effort since March 1973. Several meetings have occurred between the Deputy Chief of Staff, Systems and Logistics, USAF, and the responsible VNAF General Officers. Further, the DAO and his staff have, on many occasions, discussed this deficiency with the VNAF command. As a result of these meetings there has been an improvement in the number of VNAF trainees allocated for training as follows:

### VNAF TRAINING BY U.S. CONTRACTORS

	Aug. <u>1973</u>	Nov. <u>1973</u>	Jan. <u>1974</u>	GOAL <u>Jun. 1974</u>
Total Requirement				6,740
Total In-Training	2,366	3,100	3,531	
Total Completed Training				
Since 30 June 1973	21	873	2,082	

We shall continue stressing with the VNAF the necessity for better training attendance as well as the need for allocating additional VNAF airmen for the training.

b. Recommendation: Take action to have an adequate number of middle management personnel trained particularly in those areas that involve the introduction of new functions to the RVNAF system.

Comment: Agree. This is an on-going effort and a difficult one for the VNAF to satisfy because of the combat demand on their people.

[See GAO note]

GAO note: The deleted comments relate to matters omitted from this report.

## APPENDIX III

PRINCIPAL OFFICIALS RESPONSIBLE  
FOR ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of Office	
	From	To
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE:		
James R. Schlesinger	June 1973	Present
William P. Clements, Jr. (acting)	April 1973	June 1973
Elliot L. Richardson	Jan. 1973	April 1973
Melvin R. Laird	Jan. 1969	Jan. 1973
DEPUTY SECRETARY OF DEFENSE:		
William P. Clements, Jr.	Feb. 1973	Present
Kenneth Rush	Feb. 1972	Jan. 1973
ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS):		
Arthur I. Mendolia	April 1973	Present
Hugh McCullough (acting)	Jan. 1973	April 1973
Barry J. Shillito	Feb. 1969	Jan. 1973
<u>DEPARTMENT OF THE AIR FORCE</u>		
SECRETARY OF THE AIR FORCE:		
John L. McLucas	July 1973	Present
Dr. Robert C. Seamans, Jr.	Feb 1969	May 1973
UNDER SECRETARY OF THE AIR FORCE:		
Vacant	June 1973	Present
John L. McLucas	March 1969	June 1973
ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGISTICS):		
Richard J. Keegan (acting)	Aug. 1973	Present
Lewis E. Turner (acting)	Oct. 1972	Aug. 1973

Tenure of OfficeFromToDEPARTMENT OF THE AIR FORCE (continued)

## COMMANDER, AIR FORCE LOGISTICS

## COMMAND:

Gen. Jack J. Catton	Sept. 1972	Present
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DEPARTMENT OF THE ARMY

## SECRETARY OF THE ARMY:

Howard Calloway	May 1973	Present
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Robert F. Froehlke	July 1971	May 1973
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## UNDER SECRETARY OF THE ARMY:

Herman R. Staudt	Oct. 1973	Present
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Vacant	June 1973	Oct. 1973
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Kenneth E. Belieu	Aug. 1971	June 1973
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## ASSISTANT SECRETARY OF THE ARMY:

Eugene E. Berg	Nov. 1973	Present
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Vincent P. Huggard (acting)	Apr. 1973	Nov. 1973
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Dudley C. Mecum	Oct. 1971	Apr. 1973
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