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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

LOGISTICS AND COMMUNICATIONS
DIVISION

B-163453

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Dear Mr. Secretary:

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We have followed up on recommendations made previously by this office and military internal audit groups on the management of indirect support aircraft used by the Army, Navy, and Air Force to maintain pilot proficiency and transport personnel and cargo. During fiscal year 1971, the departments had about 1,500 such aircraft and spent over \$100 million for their operation and maintenance. 20, 1 35

We examined policies and procedures at the headquarters of each military department and at Continental Army Command, Tactical Air Command, and Naval Air Force Atlantic.

NAVY ACTIONS

The Navy has not substantially corrected the conditions noted in a March 1967 Naval Area Audit Service (NAAS) report on management of aircraft at 18 Navy and Marine Corps activities in the United States.

The report included these major findings:

- Many aircraft were excess--135 of 298 proficiency aircraft and 34 of 69 transport aircraft.
- There were no realistic criteria or methods for assigning proficiency aircraft to activities.
- Many aircraft were under-utilized and, in some instances, used in violation of Navy instructions.
- There were no reports to help management measure and control costs and use of aircraft.

The report stated that correction of these conditions would result in significant annual savings. For example, the 135 excess proficiency aircraft required \$5.2 million annually to operate and maintain.

In response to the report, the Navy said that certain instructions relating to the use of aircraft had been revised. Also the entire program was being studied to develop ways of determining the numbers and

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types of aircraft required, and methods for monitoring flights and flight hours needed to maintain pilot proficiency. This was expected to provide the means to more closely monitor the program.

We discussed the status of the conditions noted in the NAAS report with the Navy official responsible for managing the indirect support aircraft program. He said that although the Navy, in October 1969 had completed studies of the program, there are still no published criteria for controlling the assignment, reassignment, and utilization of these aircraft.

We found that the under-utilization cited in the 1967 NAAS report was still occurring. In fiscal year 1970 each aircraft was used an average of only 39 hours a month--20 percent less than the average flight time cited by the NAAS. Navy officials said that among the problems are a lack of operating funds and repair parts and the high maintenance needs of the older aircraft.

Until recently the Navy had not substantially reduced the number of aircraft since the NAAS report. As of January 1, 1971, the Navy operated 400 aircraft at an estimated annual cost of \$40 million. Most of them are propeller-driven and many are of World War II vintage. The Navy tentatively plans to replace most of its indirect support aircraft by 1980 with 110 small jets costing \$138 million. In anticipation of these replacements, 55 transport aircraft were retired in 1971; however, proficiency aircraft have not been similarly reduced.

In view of the potential savings identified by the NAAS and considering the large capital outlay anticipated, we recommend that the Navy expedite the establishment of an effective management system for controlling the assignment and utilization of aircraft. Also, the NAAS should follow up on these matters.

ARMY ACTIONS

61 In our report to the Congress on the need to improve management of indirect support aircraft (B-163453, May 10, 1968), we recommended that the Army establish an effective management system which would include adequate criteria for determining the number of aircraft to be authorized to organizations and adequate controls over their use.

In our follow-up work, we found that the Army has established such a system; however, we have not evaluated its effectiveness.

AIR FORCE ACTIONS

In March 1971 the Air Force Auditor General reported that Air Force indirect support aircraft were not being assigned uniformly by the operating commands and that 52 of 515 aircraft were excess. The report stated that by eliminating these 52 aircraft, \$12 million in operating costs could be saved annually. The report also stated that responsive action was being taken or was planned by Air Force officials.