GENERAL ACCOUNTING OFFICE REPORT TO THE SECRETARY OF THE AIR FORCE FLYING HOURS FOR U.S. AIR FORCES IN EUROPE EXCEEDED LOGISTICAL SUPPORT CAPABILITY AND REDUCED REPORTED READINESS

<u>DIGEST</u>

(U) The North Atlantic Treaty Organization (NATO) relies heavily on U.S. tactical air capability to counter the Soviet and Warsaw Pact air threat in Europe. U.S. Air Forces in Europe (USAFE) provide about one-fifth of NATO's overall tactical air capability, and the United States is relied upon to provide the bulk of the reinforcements and resupply in a major conflict. USAFE consists of 11 tactical fighter and reconnaissance units, totaling approximately 661 aircraft and 61,000 personnel.

(U) USAFE tactical air forces should be as combat ready as possible because of their importance in NATO's defense efforts. Combat readiness is the collective ability of personnel and equipment to perform as designed. A DOD rating system has been established to estimate units' readiness by assessing the adequacy of their personnel, equipment and supplies, aircraft availability, and training. Readiness is one of four determinants of overall combat capability. Other determinants are force size and composition (force structure), equipment sophistication (force modernization), and ability to perform over a period of time (force sustainability).

(U) GAO did this review to evaluate the readiness of USAFE's conventional tactical fighter units to perform their assigned missions and to assess actions or plans to correct any readiness deficiencies.

(U) USAFE'S REPORTED READINESS DROPPED IN 1983

(U) In the late 1970s and early 1980s, new and more capable aircraft were provided to USAFE. This force modernization, together with



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(U) additional operations and maintenance funding in fiscal year 1981, increased the command's overall combat capability. (See pp. 2 and 3.)

(U) In addition to increased combat capability, readiness ratings (C-ratings) for USAFE tactical fighter units rose dramatically between 1980 and 1982. By the end of 1982, most units were rated fully combat ready or ready with only minor deficiencies.

(U) In 1983, however, reported readiness dropped substantially. Shortfalls between equipment and supplies on-hand and that required were the primary cause for the decline in readiness. The equipment and supply shortfalls were due to increased inventory requirements, changes in readiness reporting criteria and increased inventory demand. Increases in aircraft flying hours increased the inventory demand. (See pp. 6 to 9.)

(U) Other reports and readiness indicators also show the impact of parts shortages. In 1983 the percentage of time that USAFE aircraft were not available for flight due to parts shortages increased. This percentage would have been higher without the increased use of parts from other non-operating aircraft. (See pp. 9 and 10.)

(U) USAFE'S INCREASED FLYING HOURS CONTRIBUTED TO DECLINE IN REPORTED READINESS

(U) According to USAFE officials, aircrew proficiency was at unacceptable readiness and safety levels in the mid- to late 1970s because aircrews were not flying enough hours. These officials cited funding shortages, inflation, and spiraling fuel costs as factors limiting the number of flying hours. In response, the Commander-in-Chief, USAFE, in fiscal year 1979, initiated a policy to increase aircrew proficiency by annually increasing aircrew flying hours by 5 to 8 percent until fiscal year 1991. USAFE officials stated that aircrew proficiency is measured by hours flown per month and that

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(U) actual improvements in proficiency accruing from increased flying hours are difficult to measure.

(U) Flying hours, however, should not exceed logistical support capability. Air Force Regulation 27-7 states that major commands must program flying hours based on mission requirements or support capability, whichever is lower. However, USAFE's requested flying hours program for fiscal years 1982, 1983, and 1984 exceeded the command's computed maintenance capability by 14,664 hours, 5,048 hours, and 7,710 hours, respectively. As previously discussed, equipment and supply shortages were also experienced. (See pp. 12 to 15.)

(U) Air Force headquarters granted USAFE's flying hour program requests in each of the three fiscal years, although maintenance and supply shortfalls would occur. In addition, the Air Force did not readjust USAFE's flying hours program when estimated supply needs were not fully funded.

(U)_USAFE fully executed its fiscal years 1982 and 1983 flying hour program at the approved levels. This may have enhanced the aircrews' proficiency, but it adversely affected maintenance capability and supply levels.

(U) Impact on maintenance capability

(U) To support the increased flying hours, USAFE maintenance units deferred maintenance training. Such training is important because of critical shortages of experienced personnel. One indicator of the amount of training deferred was the growth in the backlog of personnel scheduled for required training. USAFE maintenance officials placed the backlog at over 3,000 personnel in 1982, and at over 5,000 as of March 1983. On-the-job training for maintenance personnel was also adversely affected. (See pp. 18 and 19.)

(U) Problems were also experienced in the quality of flight line maintenance. For example, USAFE quality assurance reports showed that flight line aircraft maintenance squadrons

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(U) consistently failed a higher percentage of inspections than either the component repair or equipment maintenance squadrons. Maintenance and quality assurance officials attributed the flight line maintenance squadrons' lower ratings to several factors, including lack of training and experience, but said that a major cause was meeting increased maintenance demands because of the flying hour goals. (See p. 19.)

(U) Impact on supply levels

(U) Supply shortages have reduced USAFE's reported readiness. Contributing to the supply shortage is the greater spare parts consumption resulting from increased flying hours. Parts shortages forced USAFE to rely on war reserve stocks and cannibalize parts from idle aircraft to achieve its flying hour goals.

(U) War reserve stock withdrawals became an increasingly important source of äircraft spare parts for USAFE tactical fighter units. USAFE logistics analysts told GAO that some tactical aircraft units relied upon war reserve assets at least half the time to return grounded aircraft to mission capable status. The drawdown of war reserve spares to meet increased flying hour requirements decreased USAFE's reported readiness levels. (See pp. 23 and 24.)

(U) Aircraft cannibalization rates in USAFE tactical fighter wings increased steadily since 1980, a further indication of pressure to support expanded flying operations. The rates increased for four of USAFE's five tactical aircraft systems during fiscal year 1983. (See pp. 21 and 22.)

(U) USAFE RECOGNIZES FLYING HOUR PROGRAM EFFECTS

(U) USAFE officials (operations, maintenance, and supply) recognize that the limits of their resources were reached in fiscal years 1982 and 1983. Their concerns about the effects of flying hour increases on the command's maintenance capability and supply levels resulted in a reduction in planned increases in flying hours. In mid-1983, USAFE reduced the fiscal year

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(U) 1983 flying hour program by 2,668 hours, citing maintenance capability as a limiting factor. (See p. 26.)

(U) To obtain a flying hour program that would meet operational requirements as well as logistical resources, USAFE revamped its procedure for computing the flying hour program requirement. The new method more realistically considers logistical support requirements in determining aircraft flying hours. Both USAFE operations and logistics officials believe that the new procedure will provide slower growth in flying hours and will be more logistically supportable.

(U) Air Force officials provided projected USAFE flying hour program data based on the new computation method for fiscal years 1984 through 1986. The new data shows a sharp reduction in flying hours from what USAFE originally programmed for fiscal years 1984 to 1986. Similar data for fiscal years 1987 through 1989 was not available. (See pp. 26 and 27.)

(U) CONCLUSION

(U) If USAFE adheres to its revised computation methods, the needed balance between flying hour requirements and support capability should exist. However, the flying hour program is under constant review and revision because of budgetary changes and inherent pressures to maximize flying hours. If logistical funding is reduced without a corresponding decrease in flying hours, or flying hours are increased without an increase in support capability, USAFE would continue to experience a deteriorating maintenance and supply base resulting in reduced readiness capability. This highlights the importance of recognizing the interrelationships of separate budget accounts when preparing budget submissions and making budgetary decisions.

(U) USAFE, in recognizing the issues addressed in this report, has taken steps to bring its flying hour program into balance with its logistical support capability. GAO advocated

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(U) and supports these actions. Accordingly, recommendations are not being made at this time. However, GAO will maintain oversight as part of planned Air Force audit coverage.

(U) AGENCY COMMENTS

(U) DOD, in official oral comments on a draft of this report, concurred that imbalances between USAFE flying hours and logistical support capability existed and that action has been taken to correct the situation. DOD also concurred that the readiness reports showed marked declines, and acknowledged that increased flying hours contributed to the decline. However, DOD emphasized that the principal reasons for the reported decline was due to increased requirements and changes in reporting criteria. GAO recognizes and accepts that factors in addition to increases in flying hours resulted in declines in reported readiness. Neither GAO nor DOD determined the relative impact of these factors.

(U) DOD disagreed that overall USAFE readiness declined. They explained that DOD's readiness report only reflects the number of flying hours and aircrew proficiency required to obtain a fully combat readiness rating. Increases in flying hours and proficiency beyond the fully ready level is not reported. DOD stated that such unreported improvements in aircrew proficiency more than offset the reported decreases in other readiness factors.

(U) GAO recognizes that many judgements can be made regarding the possible impact of such unreported factors on readiness. The readiness declines addressed in this report are based on DOD's established readiness reporting system and have been acknowledged by USAFE officials. DOD established the system to estimate units' ability to perform wartime missions by assessing the adequacy of unit personnel, resources, and training. It is probably the most authoritative source of unit readiness data available.

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