UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D. C. 20548

FOR RELEASE ON DELIVERY
SEPTEMBER 23, 1982

STATEMENT OF

DONALD J. HORAN

DIRECTOR

PROCUREMENT, LOGISTICS AND READINESS DIVISION

BEFORE THE

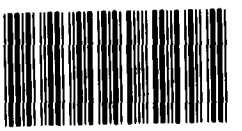
SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY

GOVERNMENT OPERATIONS COMMITTEE

HOUSE OF REPRESENTATIVES

ON

FEDERAL CIVILIAN AGENCIES' MANAGEMENT OF THEIR AIRCRAFT AND RELATED SERVICES



Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss the results of our work on the management of aircraft by Federal civilian agencies. We have prepared a supplement containing details on our work. Therefore, I will limit my comments to a short summary of our principal findings, conclusions and recommendations.

Today aircraft are being used more extensively than ever by Federal civilian agencies to carry out assigned responsibilities. Agencies spent over $446 million in fiscal year 1981 to operate and maintain aircraft. In October 1981 civilian agencies were operating 688 Government owned aircraft, ranging in size from small single engine aircraft costing less than $10,000 to large jet aircraft, such as a Boeing 747, costing many millions of dollars. (See app. I.) Information obtained from the agencies shows that the total value of the aircraft inventory is at least $475 million. It cost about $346 million to operate these aircraft, during fiscal year 1981.

In addition to owning aircraft, agencies lease, rent, and charter several thousand aircraft. These aircraft services are normally obtained by agencies' individual field organizations; therefore, information was not readily available showing either the total aircraft or costs involved. However, we were able to determine that these aircraft services cost over $100 million, during fiscal year 1981. Appendix II shows the total cost of operating Government and commercially obtained aircraft and related services by department and agency.

In December 1977, GAO reported that Federal civilian agencies were acquiring, operating and managing aircraft independently and without any Government-wide guidance.

We noted that agencies

--did not have sufficient information to determine their aircraft needs, economically obtain aircraft services, or evaluate aircraft utilization, maintenance and storage practices,

--were not using uniform methods or systems to accumulate and report aircraft program costs, and

--were doing little to coordinate their aircraft programs.

Only the Department of the Interior had recognized the need for better management of its aircraft programs and in 1973 established the Office of Aircraft Services to manage, direct and coordinate all of Interior's aircraft programs. Accordingly, we recommended that the Office of Management and Budget (OMB) take a number of actions to improve the management of the agencies' aircraft programs and to make them more efficient and economical. (See app. III for the digest from our 1977 report.)

OMB has taken no action on our recommendations. It said that a well constructed case had not been made for many of our report's conclusions and recommendations and that problems identified may have been isolated. In light of OMB's position and the continuing congressional concerns about the efficiency and economy of aircraft operations, we undertook a more rigorous review of Federal civilian agency aircraft management. In our current review, we concentrated on developing further evidence on the extent of aircraft management deficiencies, their cost, and the specific benefits to be gained from better management.

Although these agencies spent nearly a half a billion dollars to operate aircraft in fiscal year 1981, we found that since our 1977 report very little has changed in the way civilian agencies manage aircraft. Aircraft are still managed on a decentralized basis, independent of one another with no overall Government-wide guidance and little, if any, departmental guidance. Each agency is responsible for its own aircraft management and some operate aircraft without clear policies, and guidance on how, when, by whom and for what purposes aircraft may be used.

Agencies are still not using uniform methods or systems to accumulate and report aircraft costs. Many of the systems are incomplete because they do not include all costs related to aircraft operations. As a result, departments and agencies do not know how many aircraft they operate and their actual costs. Also, the lack of uniform cost systems makes it difficult to compare aircraft costs among various agencies or with the costs for similar services available from commercial sources.

Agencies have spent millions to acquire aircraft without adequately justifying their purchase and without complying with the cost comparison provisions of OMB Circular A-76. As a result, agencies are spending millions of dollars unnecessarily by operating owned aircraft instead of obtaining the service from the private sector. In our opinion, if agencies are required to justify aircraft acquisitions with a bona fide A-76 analysis, a high potential exists for reducing the number of aircraft in the Government inventory.

The method civilian agencies use to acquire aircraft--purchase, lease-purchase, or lease--seems to depend largely on the amount of funds available to the agency rather than on whether it results in the lowest overall cost to the Government. Some agencies are leasing aircraft year after year which could have been bought much cheaper. Furthermore, agencies have entered into lease-purchase arrangements where the combination of lease payments and purchase costs greatly exceeds the cost of outright purchase.

We believe savings can be realized if aircraft are obtained on a department-wide basis by consolidating procurements and by using the most cost effective acquisition methods.

We found many cases where agencies were routinely using their aircraft to transport people when commercial service was more practical and less costly. Moreover, the transportation flights frequently carried few passengers. Further, it was difficult to determine if aircraft were used for legitimate purposes because aircraft request justifications were not always detailed enough to permit thorough post audits. Moreover, cost comparisons were not made to justify the use of expensive Government aircraft rather than commercial airlines.

Many civilian agency aircraft are underused. In many cases, similar aircraft services can be obtained more economically from the private sector. In our opinion, maintaining aircraft that seldom fly and whose services are available cheaper commercially is wasteful. We believe agencies should dispose of underused aircraft and rely to a greater extent on the private sector where practical and consistent with mission accomplishments.

Agencies also are not coordinating their aircraft programs and sharing aircraft and related services even though some agencies perform similar missions, like aerial photography and agricultural spraying, and maintain and store aircraft at the same location. Agencies have no system for determining what resources are available from other Government agencies or how to consolidate needs with other agencies for joint contracting of maintenance or other services.

A number of Interior's aircraft operations were being very effectively managed by its Office of Aircraft Services. This office has established uniform aircraft policies and procedures, an aircraft management information system that includes a cost accounting system and other relevant systems that are used by both Interior and non-Interior agencies. This organization could serve as a model by those civilian departments and agencies that need to establish an office to manage and control their aircraft.

We believe that a focal point must be established before extensive sharing and consolidation efforts can be expected. There must be a management information system where agencies can find out who has similar needs, and what resources are available to fill them. Such a system also should foster better coordination among and between agencies' aircraft programs.

In our opinion, even greater economies and efficiencies can be achieved if a single coordinating activity is established to operate a Government-wide management information system for aircraft services used by civilian agencies. Since the

General Sevices Administration (GSA) now has a significant responsibility to centrally procure and supply equipment and services for executive agencies, it might be an appropriate focal point for maintaining an aircraft management information system for civilian agencies. Moreover, GSA currently has Government-wide responsibility for screening excess aircraft and disposing of them as necessary.

We continue to believe that OMB with its policymaking authority and Government-wide interest, is in the best position to lead Federal agencies in making needed improvements and establishing a solid aircraft management program. Therefore, we believe that the Director, OMB should develop

--uniform policies and procedures for aircraft management,

--overall criteria for a uniform cost system that will standardize aircraft program costs, and

--Government-wide policy guidance on aircraft use. This guidance should require that administrative travel on Government aircraft occur only when it is more economical than commercial service or is required by important mission considerations. It also should prohibit or more severely limit the transporting of spouses, dependents, and other non-official travelers on Government civilian aircraft.

OMB should also:

--Clarify Circular A-76 to strengthen its applicability

to the acquisition of aircraft and related services and require agencies compliance thereto.

--Establish aircraft utilization standards to insure that Government-owned and leased aircraft are justified based on their use for official business, and that agencies dispose of those aircraft that cannot be justified due to low and uneconomical utilization.

--Direct civilian departments and agencies that have multiple groups operating aircraft to establish an organization that would have oversight and management responsibilities for aircraft.

--Establish a single coordinating office to provide and operate a Government-wide aircraft management information system similar to the one operated by Interior's OAS. This office also could be given responsibility to standardize aircraft procurement policies and practices; ensure compliance with OMB Circular A-76; procure aircraft; establish aircraft standards; and formulate procedures for common aircraft use and increased interagency cooperation.

Appendix IV contains more detailed information on aircraft mismanagement and areas needing improvements.

While our current work was limited to Federal civilian agencies, prior audit reports have disclosed that Department of Defense (DOD) aircraft were not always used efficiently and

economically. These deficiencies have continued since at least 1976 despite Defense Audit Service recommendations and DOD directives that they be stopped. As a result of many complaints of abuse of military aircraft, a recent Defense Audit Service review was made to determine whether wasteful or abusive practices continued in the use of DOD aircraft under the Operational Support and Special Air Mission Airlift programs. We were told that a final report on this review has not yet been issued. However, we were advised that the audit has identified a number of aircraft management deficiencies similar to those we found in civilian agencies.

The seriousness of the deficiencies disclosed by the Defense Audit Service were the subject of an August 12, 1982, memorandum from the Deputy Secretary of Defense to top Defense managers. This memorandum requires that future requests for military airlift include a comparison of the cost for travel by military aircraft and commercial modes of transportation. Moreover, the memorandum states that the request should be signed by the senior traveler and include a full justification for the use of military airlift when such use is not the most economical mode of travel. It should be noted however, that these requirements are similar to ones set forth in the Deputy Secretary's August 21, 1981 memorandum which appear to have been ineffective.

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SUPPLEMENTAL MATERIAL TO THE STATEMENT OF DONALD J. HORAN DIRECTOR PROCUREMENT, LOGISTICS AND READINESS DIVISION BEFORE THE SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY GOVERNMENT OPERATIONS COMMITTEE HOUSE OF REPRESENTATIVES ON FEDERAL CIVILIAN AGENCIES' MANAGEMENT OF THEIR AIRCRAFT AND RELATED SERVICES

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AIRCRAFT OPERATED BY CIVILIAN DEPARTMENTS AND AGENCIES AS OF October 1, 1981

Department/Agency	Owned						Lease with purchase option	Leased	Grand total
	Outright Purchase	Leased Purchase	Surplus	Seized	Borrowed/ Govt. Owned	Total			
Department of Agriculture									
Animal and Plant Health Inspection Service	8		10			18			18
Science and Education Adm.	2		5			7			7
U.S. Forest Service	23	1		13		37		3	40
Department of the Interior									
Bureau of Land Management	1					1		6	7
Bureau of Reclamation	5					5		1	6
Fish & Wildlife Service	24					24		5	29
National Park Service	7					7			7
Office of Aircraft Services:									
Lower 48 States	0							2	2
Alaska Fleet	28				2	30			28
U.S. Geological Survey									2
Department of Justice									
Drug Enforcement Administration	2	10	18	10		40			40
Immigration Naturalization	28	1			8	37			37
Federal Bureau of Investigation	1		13		10	24		17	41

APPENDIX I

AIRCRAFT OPERATED BY CIVILIAN DEPARTMENTS AND AGENCIES AS OF October 1, 1981

Department/Agency	Owned						Lease with purchase option	Leased	Grand total
	Outright Purchase	Leased purchase	Surplus	Seized	Borrowed/ Govt. Owned	Total			
Department of Transportation									
Federal Aviation Adm.	40	6	5		3	54	6	3	63
U.S. Coast Guard	154					154			154
Department of the Treasury									
U.S. Custom Service	7		18	22	12	59	5		64
Bureau of Alcohol, Tobacco & Firearms								10	10
Department of Energy	19	7	3		1	30		9	39
Environmental Protection Agency					3	3			3
Nat. Aeronautics & Space Administration	68	1	27		23	119		2	121
Nat. Oceanic & Atmospheric Administration	2		1		4	7	1	3	11
Nat. Science Foundation	8	1	2		7	18			18
Smithsonian Institution			1			1			1
Tennessee Valley Authority	6	—	7	—	—	13	—	—	13
Total	433	27	110	45	73	688	12	61	761

COST OF AIRCRAFT SERVICES BY CIVILIAN DEPARTMENTS AND AGENCIES DURING FISCAL YEAR 1981

Department/Agency	Owned and Borrowed Aircraft		Lease, Lease-Purchase Contract, Charter & Rental		
	Hours Flown	Operating costs	Hours Flown	Operating Cost	Hou Flo
Department of Agriculture					
Animal and Plant Health Inspection Service	2,556	$669,223	43,613	1/$6,013,0931/	46,
Agriculture Stabilization and Conservation Service			NA	1,412,109	
Science and Education Administration	436	288,278	194	17,154	
U.S. Forest Service	12,304	25,000,000 1/	80,819	25,000,0001/	93,
Department of Interior					
Bureau of Land Management	314	NA	2,370	5,500,0002/	2,
Bureau of Reclamation	2,907	1,001,063	475	167,842	3,
Fish and Wildlife Service	10,329	700,958	18,513	2,366,015	28,
National Park Service	3,530	587,040	1,674	407,813	5,
Office of Aircraft Services	7,091	1,231,313	84,654	31,925,942	91,
U.S. Geological Service	312	46,067	NA	15,711,000	
Department of Justice					
Federal Bureau of Investigation	5,799	645,870	15,868	995,522	21
Drug Enforcement Administration	10,958	3,591,000	NA	7,420	10
Immigration Naturalization Service	27,117	922,755			27
U.S Marshall Service			NA	1,383,488	
Department of Transportation					
Federal Aviation Administration	35,618	61,144,620	30,756	4,295,940	66
Coast Guard	84,263	154,213,274 3/			84

APPENDIX II

COST OF AIRCRAFT SERVICES BY CIVILIAN DEPARTMENTS AND AGENCIES DURING FISCAL YEAR 1981

Department/Agency	Owned and Borrowed Aircraft		Lease, Lease-Purchase Contract, Charter & Rental		Total	
	Hours Flown	Operating Cost	Hours Flown	Operating Cost	Hours Flown	Operating Cost
Department of Treasury						
U.S. Customs Service	14,145	3/$6,333,602	4/		14,145	$6,333,602
Bureau of Alcohol, Tobacco and Firearms			4,100	$677,523	4,100	677,523
Department of Energy	16,932	12,041,014	3,026	2,389,748	19,958	14,430,762
Environmental Protection Agency	509	419,278	NA	83,639	509	502,917
National Aeronautic and Space Administration	27,695	52,374,000	NA	376,000	27,695	52,750,000
National Oceanic and Atmospheric Administration	1,739	2,268,400	2,497	1,055,079	4,236	3,323,479
National Science Foundation	7,035	21,017,236	NA	209,724	7,035	21,226,960
Smithsonian Institution	175	29,000			175	29,000
Tennessee Valley Authority	3,781	1,813,000	149	46,350	3,930	1,859,350
Total	275,545	$346,336,991	288,708	$100,041,461	564,253	$446,378,452

1/ Estimates. At the time of our review APHIS and the Forest Service did not know the hours flown and cost of operating commercial aircraft for fiscal year 1981. Also, the Forest Service did not know the cost of operating its owned aircraft.

2/ Includes costs for one owned aircraft.

3/ Includes other than aircraft operating costs, i.e., air station support, search and rescue.

4/ Includes data for 5 aircraft operated under a lease with option to purchase contract.

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COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

IMPROVEMENTS NEEDED IN MANAGING AIRCRAFT USED BY FEDERAL CIVILIAN AGENCIES

D I G E S T

Civilian agencies in the Federal Government own over 650 aircraft worth at least $340 million. They lease, charter, or rent several thousand more annually. Millions of dollars are spent each year by agencies to acquire and operate the combined civilian Government aircraft fleet.

This is done by each agency independently and without any Government-wide policy guidance. Each agency has its own policies and procedures for all aspects of aircraft operations and there are extensive variations among agencies. These differences contribute to inefficient and uneconomical aircraft programs making Government-wide policy guidance for aircraft programs necessary.

Agencies do not have sufficient information to determine aircraft needs, methods to obtain aircraft services, aircraft utilization practices, maintenance and storage practices, uniform operating standards, and standard pilot qualifications. This is because no information system exists for aircraft resources of the civil agencies.

Agencies are not using uniform methods or systems to accumulate and report aircraft program costs. Many cost systems are incomplete. Therefore agencies do not have adequate cost information to compare various alternatives to satisfy their aircraft needs or better control aircraft operations. The Drug Enforcement Administration, for example, considers only operating costs such as fuel, oil, parts, labor, hangar, and miscellaneous expenses. Other agencies consider operating costs plus various direct

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and indirect fixed costs such as depreciations, crew salaries and travel, administrative personnel costs, etc. (See pp. 32 to 35.)

Little has been done by agencies to coordinate aircraft programs. This has further contributed to inefficient and uneconomical operations throughout the Government.

Some agencies are recognizing the need for better management of aircraft programs. The Office of Aircraft Services has centralized control over all Interior Department aircraft programs in Alaska and is attempting to expand this control to the 48 continental States. (See pp. 12 and 13.)

Someone must take the lead to improve aircraft programs in Government. The Office of Management and Budget appears best suited to initiate action and obtain necessary agency cooperation. (See p. 37.)

The Acting Director, Office of Management and Budget, should:

--Require reevaluation of existing aircraft program needs and capabilities, even if this means releasing some aircraft or using an alternative source for support capabilities.

--Develop overall policy to provide broad guidance for standardizing common civil agency aircraft program activities such as aircraft acquisition, utilization, maintenance, and storage.

--Take action to bring about increased interagency cooperation, regarding aircraft programs, with emphasis on (1) greater interagency use of aircraft, maintenance capabilities, storage facilities, and training facilities, including military resources and (2) identifying potentials for consolidating contracts and agreements for commercial aircraft services.

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--Develop overall criteria for uniform cost systems and aircraft information systems that will standardize costs and identify agency aircraft, their location as well as potential availability for sharing, and other services that could be shared, such as hangars, maintenance facilities, training facilities, and refueling.

These actions should be initiated promptly. After this is done, in the long term, greater opportunities for achieving economies and efficiencies lie in improvements on a Government-wide basis.

Although a single manager approach is but one of many ways for achieving Government-wide savings, the Government has used this approach, in many cases, to meet needs of different customers for common services and commodities. In deciding how Government-wide savings can best be achieved, the Office of Management and Budget therefore should look into the possibility of having a single manager for common aircraft program activities. The functions of such a manager could include responsibility and authority to monitor and formulate policies and procedures for common aircraft program activities. (See pp. 38 and 39.)

Most civilian agencies agreed that increased emphasis on interagency cooperation and coordination would provide greater economies and efficiencies. The Office of Management and Budget agreed that more uniformity in cost accounting systems is needed.

Several agencies believed that a uniform aircraft management information system could and should advance interagency aircraft sharing, particularly if such a system included information on aircraft type and location, expected availability, and the types of services that might be shared.

Most agencies, however opposed designating a single manager with responsibility for Government-wide aircraft programs

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primarily because of the vast differences in agency aircraft requirements and types.

Although mission and administrative aircraft have different configurations and tasks, there are some activities--such as maintenance, storage, procurement, and pilot qualifications--that are common. It may be feasible and desirable, therefore, to standardize these activities on a Government-wide basis.

Centralized management is not the immediate or only solution to improving program weaknesses in management of civil agency aircraft programs. Based on the successful experiences of selected individual agencies, however, notably the Department of the Interior, it is an alternative that shows promise for achieving Government-wide economies and efficiencies.

The single manager approach has proven to be successful, in several cases, when the Government has had many different customers with a need for common services and commodities. (See pp. 41 and 42.)

AIRCRAFT MISMANAGEMENT AND AREAS NEEDING IMPROVEMENTS

AGENCIES DO NOT HAVE THE INFORMATION THEY NEED TO MAKE PROPER DECISIONS ON THE NEED FOR AND USE OF AIRCRAFT

Agencies do not have the management information and cost data they need when making important decisions regarding the various alternatives to satisfy their aircraft requirements. An example is the Department of Agriculture discussed below.

Department of Agriculture

Agriculture has four agencies that spent over $58 million to operate aircraft--Animal and Plant Health Inspection Service; Science Education Administration (SEA); Forest Service; and the Agriculture Stabilization and Conservation Service. However, the department does not provide aircraft management or policy guidance. Also, it did not know how many aircraft it owned or how much its agencies spent to operate their aircraft.

The agencies operated 62 owned aircraft, and flew them over 15,000 hours at a cost of about $26 million. These agencies also leased, rented, and contracted for aircraft services costing over $32 million. These figures are conservative because the Forest Service does not maintain cost data on rental aircraft or owned aircraft operations related to non-fire activities.

Each agency is responsible for setting its own aircraft policy and cost accounting and reporting systems. We found, however,

that some agencies did not have written aircraft policies or guidelines nor did they have adequate cost accounting systems. For instance, the Forest Service has nine regional offices and 154 national forest offices that autonomously operate owned, leased, contract, and rental aircraft. It did not know how much it spent for such operations and it could not provide accurate information on how many hours the aircraft were flown.

Although the Forest Service has a headquarter's aviation office, it took them from July 1981 to October 1981 to compile only limited information for fiscal year 1980. The office had to query each one of its regions and they had to manually compile the data. The data showed that 37 owned and three leased aircraft flew about 10,000 hours at a cost of $25 million. Also, during this period the Forest Service contracted for aircraft services costing $13 million. However, this only represented the aircraft costs associated with the fire program which was estimated to be about 80-85 percent of the total aviation costs.

The Forest Service did not know how much aircraft were used and the costs incurred for the other 15-20 percent, or for rental aircraft. Accordingly, it estimated that the regions and national forest offices spent an additional $12 million to rent aircraft during the same period.

The Forest Service regions do not accumulate costs by individual aircraft. Instead they accumulated costs by total

fleet. Such an accounting system precludes an evaluation of whether individual aircraft are cost effective. Forest Service officials agreed that their current method of accounting for for aircraft costs and use is inadequate and a system is being developed that will capture relevent data including rental aircraft. This system is expected to be fully operational during fiscal year 1983.

INADEQUATE JUSTIFICATION FOR AIRCRAFT ACQUISITIONS

Agencies have spent millions to acquire aircraft without complying with Office of Management and Budget (OMB) Circular A-76 to determine if needed aircraft services could have been provided more economically by the private sector. The circular is designed to facilitate agency determinations of whether a particular product or service should be provided by the Government or private industry.

The OMB Deputy Director reemphasized this policy in an April 8, 1981 directive to executive branch agencies, that stated:

"This Administration strongly supports the general policy of reliance on competitive private enterprise to supply the products and services needed by the Government." Furthermore, the Director urged agency officials to become more involved and provide the necessary leadership to fully complement the circular. In spite of this, agencies generally do not comply with the circular when acquiring aircraft or aircraft services. Agencies argue that

the circular does not apply to their aircraft acquisition because the aircraft are dedicated to a particular government function, mission, or are replacement aircraft. However, we often found that this was not the case. The aircraft acquired were used mostly to provide transportation and pilot currency which could have been provided cheaper on private sector aircraft. Moreover, the circular does apply when agencies replace aircraft.

Examples of how some agencies justified their aircraft acquisitions follow.

FAA ECT Aircraft Acquisitions

A September 1978 Federal Aviation Administration (FAA) study recommended the procurement of six turboprop aircraft to replace eight 15 year old light twin piston engine aircraft assigned to FAA's evaluation, currency and transportation, (ECT) flight program. The study pointed out that turbine powered aircraft are not readily available for rent; and when they were the rates were high. Also, the study recommended a less than one for one replacement (6 new aircraft to replace the eight old aircraft) and shared use of the new aircraft by the regions.

Between March and June 1980 FAA bought 5 Beechcraft turboprop C-90 King Air aircraft each costing $795,000. These aircraft were assigned to five of FAA's nine regions. Also, in March 1980 a FAA study recommended that four more Beechcraft turboprop aircraft were needed to (1) meet the high utilization requirement of two regions that did not have new turboprops and (2) replace two five year old

piston powered leased Cessna 421 aircraft in the headquarters flight program. During 1980 FAA acquired the four Beechcraft King Air aircraft under a lease-purchase agreement.

Washington headquarters did not receive the two King Air aircraft as planned and as of April 1982 the nine aircraft were assigned to FAA's nine regions including the two regions that the March 1980 study said could have met their requirements through rentals. This is contrary to the original 6 for 9 replacement plan. We also found little evidence of shared use.

FAA Planned Logistics Aircraft Acquisition

FAA plans to purchase a $13.5 million C-130 logistic aircraft for its Alaska Region without adequately considering alternatives which appear to be less costly. Because current logistics aircraft are old and expensive to operate the region wants to replace them with a more efficient aircraft with larger freight capability and long-range flight inspection capability. The aircraft the region wants to acquire is almost identical to the fixed wing aircraft owned by the U.S. Coast Guard in Alaska.

A February 1980 FAA study recommended purchase of the new aircraft but did not consider alternatives which appear to be less costly. These alternatives include using

--commercial airlines when available to transport people and supplies;

--U.S. Coast Guard aircraft for logistics flights to locations not served by commercial airlines, and for long-range Alaska flight inspections, and

--aircraft from FAA's Atlantic City, New Jersey, office to perform Greenland flight inspections.

Moreover, the Coast Guard told us that because of budget cuts one of their C-130 aircraft in Alaska has been put into storage.

Notwithstanding these alternatives, the FAA has $13.5 million in its fiscal year 1983 budget request to purchase a C-130 logistics aircraft. However, based on our recommendation, the House Appropriations Committee did not approve the request for these funds. (See H.R. Report No. 97-783, p. 24.)

NASA Administrative Aircraft Acquisitions

In 1981 the National Aeronautics and Space Administration (NASA) began replacing their eight administrative aircraft without considering other possible alternatives. Because the eight aircraft were old and expensive to operate and maintain NASA wanted to replace them with more modern aircraft. NASA did not do a cost analysis or study to justify their decisions to replace the aircraft. NASA officials told us that their aircraft are dedicated to a particular Government function and in their opinion OMB Circular A-76 cost analysis justifying aircraft replacements is not needed.

In November 1981 NASA's Wallops Island Flight Center and the Jet Propulsion Laboratory (JPL) acquired their new nine passenger King Air 200 aircraft each costing $1.5 million. As described below

neither center considered other alternatives to acquiring the aircraft although a JPL charter service was being used and the Wallops Island aircraft flights transported very few people.

--JPL was using a five passenger Queen Air to fly employees to a test station located at Edwards Air Force Base, California, and the Deep Space Tracking Station located at Goldstone, California. Both locations are remote and not readily accessible by commercial airline. In addition to the Queen Air, JPL was making extensive use of charter service to transport passengers between the above locations. According to a November 1981 NASA Inspector General's draft report, for the 21 month period ending June 30, 1981, 68 percent of the passengers flew on chartered aircraft. The draft report said that charter service in lieu of a replacement aircraft would be more economical and recommended that NASA examine the need for a replacement aircraft at JPL. Despite the above NASA did not consider full charter service and acquired a new aircraft.

--The Wallops Flight Center, Wallops Island, Virginia, was using a 5 passenger Queen Air to transport NASA officials between Wallops Island, the NASA Research

Center in Virginia and the Washington, D. C. area. During fiscal years 1980 and 1981 an average of only 2.8 passengers were transported and 301 flights were made without passengers. Nevertheless, in November 1981 NASA replaced the 5 passenger Queen Air with a 9 passenger King Air 200.

In addition to the above two locations we assessed the operations of a 13 passenger Gulfstream administrative aircraft located at the Langley Research Center, Langley, Virginia. During fiscal years 1980 and 1981 this aircraft was used mostly to transport passengers to locations served by more economical commercial airlines and made over 390 flights with no passengers aboard. NASA plans to replace this aircraft with a new one in fiscal year 1983.

PROCUREMENT PRACTICES ARE INADEQUATE AND COSTLY

Aircraft procurement practices differ widely between civilian agencies and has resulted in unnecessary and high aircraft costs. Our review showed that agencies were

--entering into lease-purchase agreements where the lease payments and purchase costs greatly exceeded the cost of outright purchase, and

--entering into costly leasing arrangements when the aircraft could have been bought much cheaper.

The practices have persisted despite our 1977 report which pointed out similar problems. Moreover, in 1980 the Department of Justice internal audit reported on significant differences in Justice agencies' aircraft procurement practices which resulted in unnecessary aircraft costs. In our opinion, agencies will continue to spend more than necessary to obtain aircraft services as long as such procurement practices are allowed to continue.

Costly Lease-Purchase Agreements

Agencies entered into lease-purchase agreements where the lease payments and purchase costs greatly exceeded the cost of outright purchase. Officials from various agencies stated that some aircraft procurements are made through lease-purchase rather than outright purchase because sufficient funds in any one fiscal year are not available.

For example:

--In 1981 FAA entered into an agreement to lease-purchase 4 turboprop Beechcraft F-90 King Air aircraft. FAA estimated that the lease-purchase price of each aircraft at $1.3 million or a total cost of $5.2 million. Annual lease costs for the first year was estimated at $350,000 per aircraft which was equal to 27 percent of the estimated purchase price. If the lease was extended beyond one year, the lease cost would diminish gradually so that 35 to 48 percent of the

lease costs would be applied to the purchase price. Accordingly, FAA's fiscal year 1983 budget request contains $3.5 million to purchase these aircraft. In 1980 FAA bought two similar aircraft for $795,000 each. As discussed elsewhere in this report it is questionable whether FAA needed either the purchased or lease-purchased aircraft. However, if we assume that FAA needed the aircraft, it still could have saved at least $2 million if the four leased aircraft had been purchased in 1980. The aircraft were being procured through lease-purchase because sufficient funds were not available in fiscal years 1980 and 1981 to buy them.

Costly Leasing Arrangements

Agencies repeatedly entered into costly lease arrangements when they probably should have bought the aircraft. For example:

--Interior's Bureau of Land Management (BLM) has been leasing a Lockheed Electra since at least 1971. In 1973 an Interior aircraft study pointed out that BLM should have purchased the Electra in 1971. The report stated that the program the Electra supports would continue over the years and probably increase. Notwithstanding these facts, BLM continued to lease the aircraft and has spent an estimated $1.8 million for leasing during just the

past 8 years. This aircraft could have been purchased for about $500,000 in 1975.

--BLM has also been leasing a Beechcraft King Air 200 since 1977. Through April 15, 1982, BLM has paid about $1.2 million for the use of the aircraft. At the time this aircraft was first leased the purchase price was about $867,000 and the current price of a new one is about $1.5 million.

ROUTINELY USING COSTLY GOVERNMENT AIRCRAFT TO PROVIDE TRANSPORTATION

Aircraft are being routinely used for transportation, which could be provided much cheaper by the private sector--especially commercial airlines. For example, with only limited work, we believe agencies can save millions by using readily available commercial airlines for transportation, rather than operating Government aircraft.

We also noted that many transportation flights were made

--to locations served more economically by commercial airlines;

--to locations not readily served by commercial airlines but close to airports where such service was available;

--with few passengers;

--carrying nonofficial passengers free of charge; and,

--without adequate travel justification and supporting documentation.

Flights To Locations Served More Economically By Commercial Airlines

Many agency aircraft transportation flights went to locations readily served by commercial airlines. For the periods covered in our review, we determined that using certain aircraft for such flights had cost the Coast Guard, FAA, and NASA $2.8 million more than available commercial transportation. Other undetermined costs such as crew per diem and other related travel costs also would have been eliminated if commercial airlines had been used. In addition, thousands of gallons of fuel would have been conserved.

For example, the Coast Guard's two aircraft at National Airport, Washington, D. C., were used to transport high ranking officials, their wives, and guests to locations generally served more economically by commercial airlines. It cost over $1.5 million more to transport passengers on these aircraft than if readily available commercial airlines had been used, during the 15-months ended December 31, 1981.

Flights Made to Locations Not Readily Served By Commercial Airlines

For flights made to locations not served by commercial airlines many were close to airports where such service was available. For example, 200 transportation flights made by two Coast Guard and one NASA aircraft to locations not directly served by commercial airlines were within a 50 mile radius of major commercial airports.

If passengers on these flights had taken commercial service, we estimate that additional savings of about $353,000 would have resulted.

Transportation Flights Carry Few Passengers

Many agency aircraft transportation flights carried few passengers and some flights had no passengers on board. Flying aircraft with none or with few passengers on board should be avoided whenever possible because it is uneconomical. For example,

--During fiscal years 1980 and 1981, the two NASA aircraft at Langley and Wallops Island, Virginia made 699 transportation flights costing over $489,000 with no passengers on board. Flights occurred without passengers when the aircraft flew empty to pick up passengers or departed empty after transporting passengers to their destination. For flights that carried passengers the Wallops Island 5 passenger aircraft made 196 flights with only 1 or 2 people on board, during fiscal year 1981. Notwithstanding the few passengers per flight, in November 1981 the 5 passenger aircraft was replaced with a new 9 passenger aircraft costing $1.5 million.

--The FAA headquarter's Lockheed Jet Star eight passenger aircraft made 33 passenger flights, during the three

months ended December 31, 1981. The aircraft which is routinely used to provide transportation for the Administrator and other high-ranking officials, their spouses, dependents, and other nonofficial passengers moved an average of only 1.9 official passengers on each of the flights.

Nonofficial Travelers Fly Free Of Charge On Government Aircraft

Although there is no Government-wide guidance allowing the transporting of nonofficial travelers on Government aircraft, some agencies allow spouses, and dependents to fly free of charge. As discussed below, FAA and the Coast Guard are prime examples of agencies that allow such passengers on their aircraft.

FAA Policy

FAA aircraft directives state that passengers may be carried on agency aircraft when (1) the carrying of such passengers will not result in additional cost to the Government and (2) authorization has been granted by the agency official responsible for the use of the flight hours involved. The guidelines also authorize passengers in an order or priority. Spouses and dependents have the fourth highest priority as follows:

"FAA employees and dependents of such employees in nonofficial status, on a space available basis, whose travel is in the national or public interest, essential

to the proper and appropriate accomplishment of the mission, desirable because of diplomatic or public relations, or for the health or morale of the principals concerned."

This essentially provides carte blanche authorization for the above mentioned travelers to fly any time on agency aircraft as long as their transportation is not the primary purpose stated for the trip. For instance, we determined that there were 38 FAA headquarter's aircraft flights during the first quarter of fiscal year 1981, where 63 spouses or other dependents of FAA employees were identifiable passengers.

Spouses and dependents were also flown on FAA region aircraft. For example, during fiscal year 1981 at least 238 nonofficial passengers flew on FAA Alaska region aircraft. This practice continued notwithstanding the fact that a July 1980 Department of Transportation (DOT) Inspector General's report criticized this practice. The report said that by transporting such passengers the Government is being exposed to potential and significant tort claim liability with many of these exposures unnecessary. The report further stated that the region's interpretation is that almost anyone can fly on board the aircraft as long as seats are available.

Coast Guard Policy

Coast Guard policy allows dependents to fly on its aircraft, if no additional cost is incurred and prior authorization has been

granted. The Coast Guard travel regulations state that travel may be authorized for a

> "Dependent wife accompanying a person on an administrative flight in an aircraft assigned for the use of a senior officer. The circumstances must be limited to those in which the travel of the wife is in the national interest, essential to mission accomplishment, or desirable for diplomatic or public relations reasons."

In November 1978 we reported 1/ on flights that carried high-ranking Coast Guard officials and their wives, on Government aircraft. We pointed out that:

> "In the case of Government aircraft it may be claimed that if the plane is going anyway, there is no extra cost in having extra travelers aboard. Nevertheless, regardless of the traveler's intent, these practices have been susceptible to criticism that such trips are for the benefit of the travelers rather than the Government--especially when the principal traveler is the one who authorizes the trip and decides who will be aboard."

We also pointed out that, it could be claimed that no significant cost was incurred by having spouses accompanying

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1/ Letter report (B-192053) FPCD-79-5, dated November 6, 1978, to the Director, Office of Management and Budget.

the principal travelers. We feel however, that the perceived possibility of having spouses accompany a trip at little or no extra cost could influence or at least give the appearance of influencing the decision as to whether the trip should be made. Spouse travel at Governmnent expense, like first class travel, is a practice that can be particularly susceptable to criticism as to whether it is done primarily for the benefit of the employee or the Government.

We could find no authority allowing non-State Department civilian agencies to transport relatives on Government aircraft free of charge. Moreover, neither the FAA nor the Coast Guard have the authority to conduct diplomatic business.

Inadequate Travel Justifications And Supporting Documentation For Flights

Agency aircraft were used without adequate justification for many trips. In many cases no justification for the trip was provided. Some other justifications were too general or vague, such as

--official government business;

--official transportation;

--executive transportation; and

--to transport officials.

Other justifications did not appear adequate for using expensive Government aircraft. For example, some were to attend

--graduation ceremonies;

--retirement ceremonies;

--award ceremonies;

--bridge dedication ceremonies, and

--air shows.

In our opinion, such justifications are inadequate for using agency aircraft. Justifications should contain sufficient detail to determine whether the use of the agency aircraft was practical, economical, and in conjunction with an assigned agency mission; and, why commercial transportation could not be used.

Moreover, when trips are made by high ranking Government officials the specific reasons for going to the locations visited could not be determined from any of the official travel records because (1) these officials generally have open travel orders and (2) their travel vouchers do not show why they went to the locations for which they claimed expenses. Therefore, it is not possible to readily determine that the aircraft were always used for official Government business.

A July 1981 OMB report 1/ on interagency travel management found a wide vairation in the format of and the information provided on travel records. OMB said that in many cases, the purpose of the requested travel is "to conduct official business" or something similarly vague. Without more specific information

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1/ Interagency Travel Management Project Report on Strengthening Federal Travel, dated July 1981.

on the purpose of the travel an approving official would be unable to evaluate the importance or to assure that the trip taken corresponded to the trip approved. To strengthen the travel authorization process, the report recommended that the following be adopted:

> "All travel authorizations should clearly state the purpose or purposes for the travel being approved. "Conduct of official business" or similar statements should be eliminated in all instances. The level of detail needed in the description of the purpose of travel is something which varies from agency to agency but, at a minimum, it is necessary to associate the purpose on the authorization form with the standard purpose categories developed for Government-wide travel cost reporting purposes."

In addition to inadequate justifications, we also noted that all passengers on flights were not listed or identified, passengers status not indicated (e.g., office or agency, dependent, etc.), and where passengers embark or disembark generally was not shown.

Moreover, for transportation flights cost comparisons of agency versus commercial aircraft use were not made. In view of the high cost of operating Government aircraft each request for using an aircraft should be justified on the basis of a cost comparison and Government aircraft should not be used unless

they are the most cost effective and required by important mission considerations.

AIRCRAFT ARE UNDERUSED AND COSTLY TO OPERATE

Civilian agency aircraft are underused and costly to operate. Many aircraft reviewed did not fly the agency's established annual required minimum flight hour standard. Moreover, some agency standards appeared low and fluctuated from year to year depending upon the availability of funds.

Many aircraft flights transported passengers to locations served more economically by commercial airlines. When these flying hours are subtracted from the aircraft utilization rates, they are very low and raise serious questions as to whether the aircraft are really needed. Also, some agency aircraft were underused because they are not needed year round. The required services these aircraft provide could be obtained much cheaper from the private sector through the use of full service leases--includes pilots, maintenance, fuel, etc.

The following are some examples of poor utilization of agency aircraft for purposes that could have been accomplished much cheaper on commercial or rental aircraft.

Interior's Bureau of Land Management Aircraft

Interior's BLM owned one aircraft and leased 9 others during fiscal year 1981. The aircraft are used by BLM's Boise Interagency

Fire Center (BIFC) in support of emergency fire service in four western states.

Our review showed that the 10 aircraft are not cost effective on a year-round basis. We determined that about $2 million annually could be saved if the aviation needs of BLM were met through the use of full-service leases for 7 months a year, rather than the present year-round operation with Government crews and support personnel.

We doubt that the fleet is needed during the non-fire season for western states because

1. the aircraft are used very little during the non-fire season; and
2. the aircraft are used primarily by other agencies--mostly the Forest Service in the Southeast--because the artifically low reimbursement rates make them appear less expensive than comparable aircraft services available from the private sector.

Use of these aircraft during the fire and non-fire seasons for fiscal year 1981 is shown below.

Aircraft	Hours Flown FY 1981 Total
Convair 400 (owned)	314
Electra	368
King Air	425
Bell 214 helicopter	492
Bell 206 helicopter	270
Bell 206 helicopter	135
Bell 206 helicopter	262
Hughes 500D helicopter	184
Beach Baron	178
Beach Baron	56
Totals	2,684

About 81 percent, or 2,168 hours were flown during the fire season in the western States. The remaining 516 hours (or about 19 percent) were flown during the non-fire season. These latter hours were primarily flown to furnish fire support to the Forest Service in California and southeastern states. Use of the principal aircraft for the two most recent non-fire seasons is shown below.

	Hours flown Nov.'80-Mar.'81	Average per month	Hours flown Nov.'81-Mar.'82	Average per month
Convair 400	130.5	26.1	38.7	7.7
Electra	61.6	12.3	3.0	.6
King Air	121.7	24.3	42.0	8.4
Bell 214	91.5	18.3	16.7	3.3
Bell 206	N/A	-	118.2	23.6
Bell 206	N/A	-	87.5	17.5
Hughes 500	97.5	19.5	N/A	-

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A high proportion of these hours are accumulated in the process of ferrying the aircraft from Boise, Idaho, to their duty sites and back. For example, the two Bell 206 helicopters accumulated over 40 hours flying from Boise to Florida where they were used for a controlled burning project.

Moreover, during fiscal year 1981, the Forest Service was the primary user of the BLM aircraft fleet. For example,

--the Electra was flown 368 hours of which 299 hours or 81 percent, were flown for the Forest Service.

--the Convair 440 was flown 314 hours of which 269 hours, or 86 percent, were flown by the Forest Service.

--the King Air was flown 425 hours of which 199 hours, or 47 percent were flown for the Forest Service.

BIFC's artifically low reimbursement rates encourage the use of the aircraft, which in turn is used as justification for keeping the aircraft year round. The following table shows BIFC's hourly reimbursement rates by type of aircraft versus the rates we believe should have been charged.

	BIFC use rates	GAO computed use rates
Lockheed Electra	$1,800	$2,941
Convair 440	880	1,267
King Air 200	350	947
Bell 206	325	678
Bell 206	325	695

(Data was not available for Bell 214 helicopter.)

On May 27, 1982, BIFC's director announced that its helicopter operations would be discontinued on December 31, 1982, mainly due to the availability of commercial services at a lower price.

FAA Evaluation, Currency and Transportation Aircraft

FAA has 17 owned and leased aircraft assigned to its Evaluation, Currency and Transportation (ECT) flight program. The aircraft are primarily used for (1) evaluating aviation equipment and services, (2) maintaining the flight proficiency and currency of designated FAA pilots, (3) providing VIP transportation for certain DOT and FAA officials; and (4) other transportation determined to be in the best interest of the Government.

For fiscal years 1981 FAA had established an annual minimum flight standard rate of 600 hours. In 1978 FAA recommended an annual utilization goal of 700 hours for new ECT aircraft that they planned to buy. Because of budgetary constraints, for fiscal year 1983, FAA plans to reduce the rate for ECT aircraft to 500 hours.

Our review of 8 owned and leased ECT aircraft showed that only one achieved the fiscal year 1981 600 minimum utilization standard rate as shown below.

Location	Type of Aircraft	Hourly rate to operate aircraft	Flight hour Utilization Standard	Actual Hours Flown	Hours Aircraft Under-utilized
FAA Head-quarters	Lockheed Jetstar	$3,070	600	375	225
	Grumman 159	959	600	467	133
	Beechcraft 200	615	600	493	107
	Cessna 550-Leased	965	600	617	
Southern Region	Beechcraft C-90	514	600	582	18
Pacific Northwest Region	Cessna Citation	982	600	213	187
	Cessna 421-Leased	401	600	492	108
Western Region	Beechcraft C-90	485	600	150 1/	

The majority of the actual hours flown was to transport passengers to locations served by more economical commercial airlines and for pilot currency. For example, the hours flown for transportation account for more than 64 percent of the Jetstar flight time and cost $733,730. Moreover, the western region Beechcraft flew 132 of its 150 hours for currency and transportation at a cost of over $64,000.

FAA also rents aircraft for ECT flying. During fiscal year 1981 over 17,500 hours of aircraft rentals costing about $1.7 million

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1/ Hours represent June through September 1981. Aircraft acquire in June 1981.

or $90 a rental hour were made by FAA. This does not include crew or fuel costs. The rental rate appears very reasonable and the western region was accomplishing its ECT flying with rental aircraft before receiving its Beechcraft.

The flying hour requirements for this program appear overstated and are questionable because most ECT pilots do not fly the minimum currency hours required to remain in the program. Moreover, a few pilots fly most of the program's flight hours. In our opinion, these requirements neither justify the money being spent for aircraft to support the program nor the millions spent to provide transportation on flights justified as being for pilot currency.

For example, as of February 28, 1982, there were over 1,300 pilots in the ECT program. Accordingly, these pilots are supposed to have a job related need to fly and to keep their flying proficiency current to remain in the program. But, at least 70 percent of these pilots were not current, during the 12-month periods examined. While 204 pilots did not fly at all, 98 pilots flew over twice the number of hours required to remain current.

Agriculture's Forest Service Leadplanes

Since 1977 the Forest Service has bought 15 Beech Barons for leadplane flying--to lead tankers over fires-and plans to buy 4 more for their fire prevention program. These aircraft are used very

little for the leadplane mission. We reviewed nine of the leadplanes and noted that in fiscal year 1981 these aircraft flew only 833 hours or 29 percent of their time as leadplanes, as shown below.

Aircraft Location	Aircraft No.	Hours Flown During Fiscal Year 1981 Total	Hours Flown During Fiscal Year 1981 Leadplane	Leadplane Percentage
Albuquerque, Region	131Z	337	104	31
Albuquerque, Region	132Z	349	104	30
Albuquerque, Region	133Z	73 1/	9	13
San Francisco, Region	151Z	590	156	27
San Francisco, Region	155Z	178 1/	58	32
San Francisco, Region	156Z	142 1/	52	37
Portland, Region	161Z	406	120	42
Portland, Region	163Z	474	180	38
Atlanta, Region	165Z	237	- 2/	-
		2,876	833	33

1/ Aircraft obtained in July 1982.

2/ Information not available.

Most of the non-leadplane flying was for transportation and similar aircraft are leased by other civilian agencies. For example, Interior's BLM leased a Beech Baron for a leadplane.

Justice's Immigration and Naturalization Service Aircraft

Justice's Immigration and Naturalization Service (INS) operated 37 aircraft, during fiscal year 1981. Two of the aircraft flew only 5 hours each and one other flew 29 hours. INS reported the following costs to operate the three aircraft.

Aircraft	Flight Hours	Cost	Hourly Cost
Hughes OH-6A	29	$26,853	$926
Hughes OH-6A	5	18,632	3,726
Cessna 182	5	25,020	5,004

Treasury's U.S. Customs Service Aircraft

For fiscal years 1980 and 1981 the U.S. Customs Service's 65 aircraft flew an average of 210 hours. During the latter fiscal year, 12 aircraft flew less than 86 hours as follows:

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	Hours Flown Fiscal Year 1981
Cessna 210	61
Cessna 215	56
Cessna 337	71
Piper 32	21
S-2D	64
T-39	61
T-39	45
T-39	85
T-39	43
OVIC	77
Aero Commander 680 F	83
Aero Commander 681	14

SOME AGENCIES HAVE STARTED USING MORE ECONOMICAL RENTAL AIRCRAFT

Since our 1977 report two civilian agencies have started to use more economical aircraft from the private sector. For instance, Agriculture's Animal and Plant Health Inspection Service (APHIS) has reduced its aircraft inventory from 83 in 1977 to 18 in 1981. APHIS officials told us that they plan to dispose of the remaining 18 aircraft and that more economical rental aircraft will be used for agricultural surveys, spraying and photography. During fiscal year 1981 the 18 owned aircraft cost $262 per hour to fly while the contract aircraft hourly cost was $138.

The Environmental Protection Agency (EPA) also is using commercial aircraft. For instance, in 1977 EPA owned 10 aircraft compared to none in 1981. EPA officials told us that the aircraft were excessed because they were not being flown enough to justify ownership and due to the availability of aircraft from the private sector to perform needed tasks such as aerial photography.

POTENTIAL EXISTS TO SHARE AIRCRAFT AND CONSOLIDATE OR JOINTLY PERFORM CERTAIN AIRCRAFT MISSIONS

In certain areas many different agencies operate Government aircraft but there is limited sharing of resources. For example, FAA could use another agency's aircraft in its Western Region in Los Angeles, California. Use of such aircraft would reduce the region's overall costs. We noted that the Forest Service at Ontario, California, has four Beech Baron 58-P aircraft that, according to both the Forest Service and FAA personnel, could be used by the region's pilots to obtain proficiency and currency flight time in twin-turbo prop aircraft. The Forest Service regional aviation officer agreed to loan FAA the aircraft, assuming the details can be worked out. The FAA Regional Director of Flight Standards agreed to look into using these aircraft.

Some agencies perform similar aircraft missions. For instance, at least 11 civilian agencies conduct aerial photography and at least three perform some type of aerial agricultural spraying. Some agencies use their own aircraft to perform these missions and other agencies contract with various private firms.

The following agencies use their own aircraft for aerial photography.

Department of Agriculture

--Forest Service

--Science Education Administration

Department of Energy

--Nevada Operations Office

Department of Interior

--Bureau of Land Management

--Fish and Wildlife

--U.S. Geological Service

National Aeronautics and Space Administration

National Oceanic and Atmospheric Administration

Tennessee Valley Authority

Because agencies use aerial photography aircraft for other purposes, we could not determine the total hours and costs incurred for such flying.

EPA and the Agriculture Stabilization and Conservation Service (ASCS) contract with the private sector for aerial photography. During fiscal year 1981, the ASCS contracted for over $1.4 million and EPA for over $83,000. Aircraft used by the private sector for ASCS contracts included Cessna's, Piper Cub's, Aero Commanders and Grumman's--the same types of aircraft that are owned by civilian

agencies. On occasion ASCS contracts provided aerial photography for the Forest Service, however, its contacts with the other agencies is very limited.

CONSOLIDATION OF AIRCRAFT MAINTENANCE AND STORAGE OFFERS COST ADVANTAGES

When two or more Government-owned aircraft facilities are close to each other or can be controlled from a central location, they should be considered for consolidation. When such consolidation is feasible, it generally results in greater efficiency of aircraft operations and much lower maintenance, storage and personnel costs. For example, when OAS was established to manage all Interior's aircraft it inherited two maintenance facilities in Anchorage, Alaska. Subsequently, OAS closed one facility and consolidated the entire function into a single facility. OAS estimated that the consolidation efforts had resulted in a savings of about $505,000.

Many civilian agencies maintain and store aircraft independently of each other even though some are located at the same or nearby location. Also, some agencies do not maintain and store their aircraft at the most convenient and cost effective location. Military airfields are good places for storing Government aircraft. By using military storage facilities whenever available it would be possible to eliminate some existing commercial contracts.

The following examples highlight some of the opportunities that exist for consolidating civil agency aircraft maintenance and storage.

NASA's Langley Aircraft Could Colocate With FAA To Achieve Possible Savings

NASA has an administrative aircraft stationed at its Langley Research Center, Langley Air Force Base, Hampton, Virginia, which provides transportation for NASA, Washington, D.C., headquarter's officials. The decision to locate the aircraft at Langley was made over 12 years ago because the cost to base the aircraft in the Washington, D.C. area was more expensive than at Langley, mainly due to lower fuel costs.

Many trips could have been eliminated if the aircraft had been located in the Washington, D.C. area. For example, during fiscal years 1980 and 1981, there were 452 flights between the Washington, D.C. area and Langley. No passengers were carried on 200 of the flights costing $191,300. These costs could have been acoided if NASA had located the aircraft in the Washington, D.C. area.

FAA officials advised us that space is available at their hangar at National Airport to store the NASA aircraft.

Coast Guard's Kodiak Air Station Could Save Money By Relocating To Elmendorf Air Force Base

A July 1982 DOT Inspector General's report recommended that the Coast Guard's Kodiak Air Station should relocate its C-130 aircraft to Elmendorf Air Force Base in Anchorage, Alaska. The report concluded that $200 million could be saved in consolidating Alaskan C-130 aircraft operations in Anchorage. This position is supported by an October 1978 GAO letter of inquiry to the Coast Guard which stated that

> "Because the 1972 justification to retain C-130 operations at Kodiak no longer seems valid, the alternative of moving C-130 operations to Elmendorf should be reconsidered before implementing the Coast Guard's long range plans for the Kodiak base."

In January 1979, the Coast Guard responded by saying

> "While it is true that some of the criteria then used may have undergone change during the ensuing years, the political situation has not and our planning and expenditures have consistently followed the premise that C-130 aircraft would operate from Kodiak on a continuing basis."

INTERIOR'S OAS AIRCRAFT MANAGEMENT PROGRAM IS A MODEL FOR AGENCY AIRCRAFT OFFICES AND COULD BE USED GOVERNMENT-WIDE

The Interior's OAS has developed an aircraft management program which could be used Government-wide to improve aviation

resource management. OAS had centralized management of all Interior aircraft in Alaska and has made some progress in improving management in the lower 48 states. OAS has established many standard aircraft policies and procedures and has developed an effective aircraft management program that has not only benefitted Interior but a number of other agencies as well.

The OAS program includes a management information system, an automated A-76 cost system, an aircraft contract and rental system, flight coordinating centers, and a safety procedures system.

Civilian departments and agencies having multiple organizations requiring substantial aircraft services need an aircraft office to serve as a focal point for overall aircraft management matters throughout the agency. These agencies could use the OAS systems as models when establishing such offices. The individual agencies' systems then could be used as the basis for establishing the Government-wide aircraft management information system to foster interagency sharing of aircraft and related resources. The OAS aircraft management information system also could be a model for the overall Government-wide system.

Interior was achieving certain benefits from centralized aircraft management in the areas of management information, cost

accounting, contracting effectiveness, flight coordination, and safety. Other civilian departments and agencies requiring substantial aircraft services could achieve similar benefits by more centrally managing aircraft.

A GOVERNMENT-WIDE MANAGEMENT INFORMATION SYSTEM IS NEEDED TO IMPROVE AIRCRAFT OPERATIONS AND INCREASE THE SHARING OF AIRCRAFT AND RELATED SERVICES

There is little coordination and sharing of aircraft and aircraft services between or among agencies; even though missions and requirements often times are common and, aircraft may be maintained and stored at the same or nearby location.

Most agencies agree with interagency use of aircraft however, no central data base exists to inform agencies of the type of aircraft owned, location, availability, and type of services that might be shared. Without this data agencies do not know what other agencies have or are doing with aircraft and as a result continue to satisfy their own requirements independently.

A Government-wide management information system is needed to facilitate the exchange of aircraft information among agencies. This system should include information on such key aspects as aircraft ownership, operating cost, acquisition costs and practices, utilization, maintenance, and storage.

Interior's OAS maintains an aircraft management information system that, among other things, identifies aircraft ownership,

location, availability and costs. This system allows OAS to fill aircraft requirements and maximize aircraft use cost effectively. We believe that such a system operated Government-wide by a service organization, such as the General Services Administration, would be beneficial to the Government and to civilian agencies' aircraft management.

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