



Highlights of [GAO-09-625](#), a report to congressional committees

Why GAO Did This Study

To move passengers and cargo, the Department of Defense (DOD) must supplement its military aircraft with cargo and passenger aircraft from commercial carriers participating in the Civil Reserve Air Fleet (CRAF) program. Carriers participating in CRAF commit their aircraft to DOD to support a range of military operations. In the Fiscal Year 2008 National Defense Authorization Act, Congress required DOD to sponsor an assessment of CRAF and required GAO to review that assessment. GAO briefed congressional staff on its observations. As discussed with the staff, GAO further analyzed some of the issues identified in its review. This report assesses (1) the extent to which DOD has assessed potential risks to the CRAF program, and (2) the extent to which DOD's management of CRAF supports program objectives.

For this engagement, GAO reviewed DOD-sponsored CRAF study reports and interviewed study leadership. GAO also interviewed over 20 of 35 CRAF participating carriers that responded to a request for a meeting, DOD officials, and industry officials.

What GAO Recommends

GAO is recommending that DOD (1) conduct risk assessments on two CRAF passenger and cargo issues and (2) develop policies to strengthen its management of the CRAF program. In comments on a draft of this report, DOD disagreed with the first recommendation and agreed with the second.

[View GAO-09-625 or key components.](#)
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MILITARY AIRLIFT

DOD Should Take Steps to Strengthen Management of the Civil Reserve Air Fleet Program

What GAO Found

DOD needs to establish the level of risk associated with declining charter passenger capabilities and DOD's increased need to move very large cargo. Although DOD depends on CRAF charter passenger aircraft to move more than 90 percent of its peacetime needs, there has been nearly a 55 percent decline in this CRAF capacity since 2003. In addition, since 2003, DOD's large cargo movement needs have increased with the acquisition of over 15,000 Mine Resistant Ambush Protected vehicles. Since there are no U.S. commercial cargo aircraft capable of moving cargo this size into Iraq and Afghanistan, DOD is using foreign-owned carriers to assist its military aircraft in such movements. However, there are scenarios where foreign-owned carriers may be unwilling or not allowed to fly. As a result, the lack of a commercial U.S. outsized cargo capability might restrict DOD's ability to meet its large cargo airlift needs in a timely manner. DOD has not quantified the risks these challenges pose to the CRAF program's ability to meet DOD's future transportation requirements because DOD has not completed risk assessments as described in the 2008 National Defense Strategy. Until risk assessments are conducted, DOD will not be sufficiently informed about potential risks in the CRAF charter passenger segment and in very large cargo airlift capability that could prevent DOD from managing its future airlift needs and the CRAF program effectively.

DOD's management of CRAF has not provided CRAF participants with a clear understanding, which could strengthen the program's ability to support its objectives, in some critical areas of the program. Although internal controls such as policies can help meet program objectives, CRAF business partners do not have a clear understanding of DOD's expectations concerning four CRAF objectives—an enhanced mobilization base, modernization, increased air carrier participation, and communication—because DOD has not developed policies in these four areas. First, DOD has not developed policies regarding the enforcement of its business rules, such as the 60/40 rule that states that participants should fly only 40 percent of their total business for DOD. DOD does not consistently enforce this rule and this may decrease the mobilization base since it is difficult for carriers to size their fleets to meet DOD demands. Second, DOD has not developed policies or economic incentives that promote CRAF modernization and this may hinder CRAF carriers from modernizing their aircraft. Third, DOD has not developed policies regarding oversight of the distribution of its peacetime airlift business, the primary incentive to carriers for participating in CRAF. DOD has no involvement in this distribution, and the perceptions of some carriers that this process is unfair could ultimately reduce carrier participation in CRAF. Fourth, DOD has not developed policy concerning communication with the carriers on CRAF studies or proposed changes to the CRAF program. DOD has not always communicated with carriers prior to implementing changes or completing studies. Until DOD develops policies that provide carriers with a clear understanding of CRAF, DOD cannot provide reasonable assurance that CRAF will meet its primary objective of providing critical airlift.