

GAO

Briefing Report to the Chairman,
Subcommittee on Government
Information, Justice, and Agriculture,
Committee on Government Operations,
House of Representatives

August 1988

CIVIL AGENCY AIRCRAFT

Agencies' Use of Certain Aircraft to Transport Passengers



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General Government Division

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August 1, 1988

The Honorable Glenn English
Chairman, Subcommittee on Government
Information, Justice, and Agriculture
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

In response to your February 24, 1987, request and subsequent discussions with the Subcommittee, this briefing report contains data on certain aircraft models operated by civilian agencies that were used to transport passengers. The Subcommittee requested this information to assist it in identifying aircraft that might be better used by agencies involved in the war on drugs.

We obtained data on agencies' use of Beechcraft King Air, Cessna Citation, Piper Cheyenne, and certain other aircraft models. We briefed the Subcommittee on the results of our work and provided individual data sheets on 18 aircraft we reviewed that were used for passenger transportation. The data sheets contained ownership, cost, and utilization data developed by the agencies. As agreed with the Subcommittee, we did not verify the accuracy or completeness of that data. This briefing report summarizes the information presented at that briefing.

RESULTS IN BRIEF

From inventories of aircraft operated by federal civilian agencies, we selected 47 aircraft to review. Of the 47 aircraft, 29 were configured and used for agency special purpose missions and 18 were used for passenger transportation during the 12-month period ended June 30, 1987. Thirteen of the 27 King Air, Citation, and Cheyenne aircraft and 5 of the other 20 aircraft models we examined were configured and used for passenger transportation.

Of the 18 aircraft used for passenger transportation, 10 were used primarily for that purpose during the period we reviewed and 8 "mission" aircraft were used secondarily, on a space available basis, to transport passengers. Many of the flights of the 18 aircraft were to locations served by commercial airlines.

The agencies that operated those 18 aircraft may not have followed the intent of Office of Management and Budget (OMB) circulars governing the initial acquisition and continuing justification of government aircraft and their use for transporting passengers. This needs further evaluation. We have additional work now underway and planned to address, in more detail, various agencies' compliance with OMB policies and procedures as well as the adequacy and completeness of OMB's guidance.

OBJECTIVES, SCOPE, AND METHODOLOGY

As specified by the Subcommittee, the primary objective of our work was to provide data on whether certain aircraft models-- primarily Beechcraft King Air, Cessna Citation, and Piper Cheyenne--were used to transport passengers. Since some of the aircraft were used for passenger transportation, we also determined whether the operating agencies had justified the need for those aircraft and that usage, as required by OMB Circulars A-76, "Performance of Commercial Activities" and A-126, "Improving the Management and Use of Government Aircraft." Because our work was limited in scope, it did not permit us to draw conclusions about the appropriateness or cost effectiveness of the current use of those aircraft.

Our work, which was consistent with generally accepted government auditing standards, was done between April and November 1987. It consisted primarily of examining flight records and other administrative records for 47 aircraft operated by seven cabinet level departments and two independent federal agencies. (See app.) We also obtained information on aircraft requirements and usage from officials of the agencies or independent contractors that operated the aircraft. We did not verify the information obtained.

Using the General Services Administration's (GSA) fiscal year 1986 inventory records of civilian aircraft other than those operated by the National Aeronautics and Space Administration (NASA) and NASA's records as of July 1987, we identified a total of 1,123 aircraft operated by federal civilian departments and agencies, including 52 Beechcraft King Air, Cessna Citation, and Piper Cheyenne aircraft. In order to minimize our time and travel expense, we judgmentally selected 27 of the 52 aircraft for examination. Also, we judgmentally selected 20 additional aircraft from the inventory data that were based at or near the same locations as the other 27 aircraft.

We examined flight records or other available flight data for each of the 47 aircraft and either inspected or obtained photographs or other official descriptions of the aircraft to determine (1) whether they were configured for passenger transportation or with equipment that leaves little space available for passengers and (2) how they were used. The results of our review are summarized below.

AGENCIES' USE OF AIRCRAFT
FOR PASSENGER TRANSPORTATION

Of the 47 aircraft we examined, 29 were configured and used for agency special purpose missions during the 12-month period ended June 30, 1987. However, 18 aircraft--13 King Air, Citation, and Cheyenne models and 5 other models--were used for passenger transportation. Many of the 18 aircrafts' flights were to and from locations served by commercial airlines.

Of these 18 aircraft, 10 were used primarily for passenger transportation during the period covered by our review. (See app., note a.) Agencies' use of those 10 aircraft for passenger transportation ranged from 70 percent to 93 percent of the aircraft's total flight hours. The remaining eight aircraft were used primarily for special purpose missions, such as evaluating aviation equipment and services and maintaining the flight proficiency and currency of pilots. (See app., note c.) However, all eight of those "mission" aircraft were used secondarily, on a space available basis, for passenger transportation. The rate of "secondary" usage of those mission flights for passenger transportation ranged from 9 percent to 69 percent of the flights.

JUSTIFICATIONS FOR AGENCY AIRCRAFT AND
THEIR USE FOR PASSENGER TRANSPORTATION

We discussed with aircraft management officials their agencies' compliance with OMB Circulars A-76 and A-126. OMB Circular A-76, as revised August 4, 1983, summarizes the government's general policy of relying on commercial sources to supply the products and services it needs, including aircraft and aircraft services. It requires that agencies justify government performance of such commercial activities through cost comparisons demonstrating that the government is operating or can operate the activity at lower cost than can commercial services. Although OMB Circular A-76 applies to a broad range of commercial activities besides aircraft and related services, it contains procedures for agencies to use in determining whether aircraft and related services should be provided by the private sector or by the government.

OMB Circular A-126, issued October 5, 1983, prescribes policies to be followed by executive agencies in acquiring, managing, using, accounting for the costs of, and disposing of aircraft configured to carry passengers or cargo. Among other things, it requires that agencies justify the use of government aircraft for passenger transportation or other related administrative support purposes, in lieu of commercially available aircraft services, through flight-by-flight cost comparisons showing that the variable cost of using a government aircraft is not more than the cost of using available commercial aircraft or airline service. Cost comparisons are not required for the secondary use of a flight for passenger transportation if the primary purpose of the flight is to satisfy a bona fide mission or training requirement.

From time to time, agencies have raised questions about the scope and application of A-76 and A-126. For example, the Department of Energy's (DOE) Assistant Inspector General for Audits, in connection with an audit of DOE aircraft in March 1986, sought clarification from OMB about when and for what purposes government aircraft could be acquired and used to transport passengers. In an April 22, 1986, reply, OMB said it did not support any interpretation of the word "mission" that would justify the acquisition and routine use of government aircraft to carry passengers or cargo when those functions could be done more economically using commercial aircraft. Also, OMB said that any continued passenger air travel not time sensitive or not related to a specific exigency or emergency could not be used to justify the use of government aircraft. The DOE Inspector General subsequently questioned the justification for and use of certain DOE aircraft that were used primarily to transport passengers to locations served by commercial airlines. We found, however, that DOE as well as NASA, the Federal Bureau of Investigation,¹ and the Coast Guard used aircraft we reviewed primarily to transport passengers.

Agency officials responsible for the 18 aircraft used for passenger transportation said they had not made A-76 cost studies to justify the initial acquisition of those aircraft because they did not believe A-76 applied to aircraft or their aircraft were acquired before A-76 became effective. According

¹See note b on page 8 of this report.

to OMB, A-76 applies to all government aircraft. OMB revised A-76 in August 1983 to clarify its applicability to aircraft and related services to transport people and cargo.

Agency officials believed they had justified the continuing need for the 18 aircraft and the cost effectiveness of related aircraft operations, as required by OMB Circulars A-76 and A-126, but only one agency formally documented its reviews. Similarly, only three agencies made flight-by-flight cost comparisons, as required by A-126, when using their aircraft for the primary purpose of transporting passengers. We did not examine in detail the adequacy of those agencies' cost comparisons, but they did not appear to include all relevant costs.

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An OMB official said in April 1988 that OMB needs to look into clarifying the applicability and requirements of A-76 and A-126 as they relate to the acquisition, replacement, continuing need for, and use of government aircraft. We have additional work already underway and planned to evaluate, in more detail, various agencies' management and use of aircraft, including their compliance with OMB's guiding policies and procedures, as well as the adequacy and completeness of OMB's guidance.

As agreed, we are sending copies of this briefing report to the Chairman, Subcommittee on Environment, Energy, and Natural Resources, House Committee on Government Operations; the Chairman, Subcommittee on Coast Guard and Navigation, House Committee on Merchant Marine and Fisheries; the Director, Office of Management and Budget; the Administrator, General Services Administration; and the operating agencies we contacted to gather the requested information. We will also make copies available to other interested parties upon request.

Please call me on 275-8676 or Robert B. Mangum of my staff on 275-3532 if you have further questions about the contents of this briefing report.

Sincerely yours,



L. Nye Stevens
Associate Director

FORTY-SEVEN AIRCRAFT GAO REVIEWED

<u>Department/ agency</u>	<u>Aircraft model</u>	<u>Aircraft location</u>
Agriculture		
Forest Service	Beechcraft King Air 200	Boise, ID
Forest Service	Swearingen Merlin III	Boise, ID
Commerce		
National Oceanic and Atmospheric Administration	Beechcraft King Air 90	Miami, FL
National Oceanic and Atmospheric Administration	Cessna Citation II	Dulles Airport, VA
Energy		
Bonneville Power Administration	Beechcraft King Air 200 ^a	Portland, OR
Bonneville Power Administration	Beechcraft King Air 200 ^a	Portland, OR
Nevada Operations Office	Beechcraft King Air 200	Las Vegas, NV
Nevada Operations Office	Beechcraft King Air 100	Andrews AFB, MD
Nevada Operations Office	Cessna Citation II	Las Vegas, NV
Albuquerque Operations Office	Beechcraft King Air 200 ^a	Albuquerque, NM
Albuquerque Operations Office	Beechcraft King Air 200 ^a	Albuquerque, NM
Western Area Power Administration	Cessna Citation II ^a	Broomfield, CO
Interior		
Bureau of Reclamation	Aero Commander 690A	Boise, ID
Bureau of Reclamation	Cessna 414A	Boulder City, NV
Office of Aircraft Services	Grumman Goose	Anchorage, AK
Office of Aircraft Services	Grumman Goose	Anchorage, AK
Office of Aircraft Services	Grumman Goose	Page, AZ
Office of Aircraft Services	Grumman Goose	Anchorage, AK
Office of Aircraft Services	Piper Apache PA-23	Boise, ID
Office of Aircraft Services	Beechcraft Baron 55	Anchorage, AK
Office of Aircraft Services	Cessna 340	Atlanta, GA

<u>Department/ agency</u>	<u>Aircraft model</u>	<u>Aircraft location</u>
Office of Aircraft Services	De Havilland Beaver DHC-2	Anchorage, AK
Office of Aircraft Services	Cessna 402	Anchorage, AK
Justice		
Drug Enforcement Administration	Piper Cheyenne IIIA ^C	d
Drug Enforcement Administration	Swearingen Merlin III ^C	d
Federal Bureau of Investigation	Beechcraft King Air 90 ^{a b}	d
National Aeronautics and Space Administration		
Goddard Space Flight Center	Beechcraft King Air 200 ^a	Wallops Island, VA
Jet Propulsion Laboratory	Beechcraft King Air 200 ^a	Burbank, CA
Kennedy Space Center	Gulfstream G-1 ^a	Patrick AFB, FL
National Science Foundation		
Center for Atmospheric Research	Beechcraft King Air 200	Broomfield, CO
Transportation		
Coast Guard	Gulfstream G-2 ^a	National Airport, VA
Federal Aviation Administration	Beechcraft King Air BE-F90	Sacramento, CA
Federal Aviation Administration	Beechcraft King Air BE-C90 ^C	Seattle, WA
Federal Aviation Administration	Beechcraft King Air 90 ^C	Fort Worth, TX
Federal Aviation Administration	Cessna Citation I ^C	National Airport, VA
Federal Aviation Administration	Cessna Citation II ^C	National Airport, VA
Federal Aviation Administration	Lockheed Jetstar ^C	National Airport, VA
Federal Aviation Administration	Gulfstream G-1 ^C	National Airport, VA

<u>Department/ agency</u>	<u>Aircraft model</u>	<u>Aircraft location</u>
Federal Aviation Administration	Rockwell Sabreliner	Sacramento, CA
Federal Aviation Administration	Rockwell Sabreliner	Sacramento, CA
Federal Aviation Administration	Rockwell Sabreliner	Sacramento, CA
Treasury		
Customs Service	Piper Cheyenne III	d
Customs Service	Piper Cheyenne III	d
Customs Service	Cessna Citation II	d
Customs Service	Cessna Citation II	d
Customs Service	Cessna Citation II	d
Customs Service	Beechcraft King Air 200	d

NOTES: a Aircraft used primarily for passenger transportation during the 12-month period ended June 30, 1987.

b Although used primarily for passenger transportation, this aircraft, due to mechanical problems, was flown only 33 hours during the 12-month period ended June 30, 1987. Also, some of its flights transported personnel and equipment in support of operational missions.

c Aircraft used secondarily, on a space available basis, for passenger transportation during the 12-month period ended June 30, 1987.

d The aircraft location is not being disclosed because of security considerations.

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