



National Security and
International Affairs Division

B-282370

March 29, 1999

The Honorable Jerry Lewis
Chairman, Subcommittee on Defense
Committee on Appropriations
House of Representatives

Subject: Military Operations: DOD's Disaster Relief Assistance in Response to Hurricane Mitch

Dear Mr. Chairman:

In October 1998, Central America was hit by Hurricane Mitch, the most deadly hurricane in the Atlantic in over 200 years. In response to this natural disaster, the Department of Defense (DOD), in conjunction with other federal agencies, undertook disaster relief efforts. This letter responds to your request that we examine DOD's relief efforts in Central America in the wake of Hurricane Mitch.¹ Specifically, you asked that we provide information on the scope of DOD's efforts in response to Hurricane Mitch and their cost. This letter is part of a broader review that you requested of DOD's fiscal year 1999 contingency operations costs. We will report the results of our work on other DOD contingency operations, including the operations in Bosnia and Southwest Asia, at a later date.

BACKGROUND

Hurricane Mitch caused an unprecedented loss of life and destruction. Over 8,200 people died, approximately 9,400 are missing, and another 2.7 million people are either displaced or homeless. Additionally, 356 bridges and hundreds of miles of roads were damaged or destroyed from the severe flooding. In addition, Hurricane Georges struck the Caribbean in September 1998, causing significant damage in the Dominican Republic. The combined damage resulting from Hurricanes Mitch and Georges was estimated at over \$10 billion.

¹ The large majority of DOD's costs are for Hurricane Mitch disaster relief and restoration. DOD is also providing some restoration assistance in the Dominican Republic in response to the damage caused there by Hurricane Georges, the costs of which are included with those of Hurricane Mitch. In this letter we use the term Hurricane Mitch to include DOD's Hurricane Georges restoration efforts as well as all DOD efforts related to Hurricane Mitch.

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Honduras and Nicaragua were most affected by Hurricane Mitch. Mudslides and floods had wiped out entire towns, destroyed the countries' crops and infrastructure (roads, bridges, power, water), and isolated large numbers of people from relief. Guatemala and El Salvador also suffered significant damage. All the affected countries have declared disaster emergencies and received funding from the Department of State's Office of Foreign Disaster Assistance (OFDA) to help with relief efforts. OFDA is the lead federal agency responsible for funding and managing all federal government efforts supporting foreign disaster relief operations.

On February 16, 1999, the President submitted a request for emergency fiscal year 1999 supplemental appropriations of \$956 million for emergency disaster and reconstruction assistance. Of this amount, \$188.5 million was requested for DOD. The remainder was requested for international assistance programs administered by the United States Agency for International Development and the Department of Justice. At least 25 other countries also provided financial support for relief assistance and other countries provided material and services.

RESULTS IN BRIEF

DOD's Hurricane Mitch disaster relief assistance has been broad in scope. Initially, DOD provided life-saving assistance, which was followed by infrastructure repairs and medical services. At present, DOD is providing restoration assistance as part of joint-training readiness exercises for combat engineers and medical reserve forces, a byproduct of which will be humanitarian and civic assistance.

DOD's estimated fiscal year 1999 costs for these relief efforts totals \$223 million. To fund these efforts, the President submitted a request in February 1999 for emergency supplemental appropriations of \$956 million, including \$188.5 million for DOD. The funds requested for DOD are intended to replenish the accounts DOD initially used to fund the cost of Hurricane Mitch disaster relief assistance and to fund the restoration assistance. There are three reasons for the \$34.5 million difference between the DOD cost and requested funding: some previously planned activities financed by the Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) account could not be rescheduled, some of the funds used were provided by the State Department, and the funding requested for restoration assistance does not reflect all expected costs.

DOD'S RELIEF EFFORTS

DOD has undertaken a broad range of disaster relief activities. Its U.S. Southern Command (SOUTHCOM) immediately responded to the aftereffects of Hurricane Mitch, beginning relief efforts on October 31, 1998. These relief efforts are being provided in three distinct operational phases. Personnel from all services, the National Guard, and the Reserves are involved in these efforts.

Phase I, the emergency phase, focused on immediate life-saving assistance to people in dire need. This phase lasted from early-November through mid-December 1998, and it included about 2,100 U.S. military personnel who participated in life-saving missions and the emergency delivery of relief supplies and medical assistance. In addition to saving lives, immediate goals were to minister to the sick and wounded and to provide food, potable water, and airlift to remote or cutoff areas. During this initial phase, 45 U.S. aircraft flew 640 missions, and DOD personnel rescued more than 1,000 people; treated more than 3,400 sick and injured people; and distributed over 130,800 pounds of medical supplies, 3 million pounds of food, and 120,400 gallons of water. Because of severe damage to transportation infrastructure, DOD airlift support was the primary means of emergency relief.

Phase II, the rehabilitation phase, focused on the continued provision of medical services, including preventative medicine and disease control, and on infrastructure repairs required to reestablish national capabilities to provide for the health and basic welfare of the populace. This phase, which occurred between mid-December 1998 and mid-February 1999, involved over 5,300 active duty military personnel and 63 aircraft that delivered over 6,400 short tons of supplies and equipment. The goal of this phase was to provide temporary bridging, road reconstruction, and other infrastructure projects, including building or rebuilding clinics and digging wells. DOD established hundreds of temporary medical clinics, treating over 27,000 persons and 7,000 animals. It also completed numerous engineering projects, including reconstructing approximately 90 miles of roads, constructing 18 bypasses and 4 bridges, repairing 2 clinics and 2 schools, building 1 clinic and 2 schools, and drilling 4 wells.

Phase III, the restoration phase, is scheduled from mid-February through September 1999. In this phase, the focus is on maintaining a U.S. military presence in the affected countries as U.S. assistance transitions from rehabilitation efforts to the nation rebuilding efforts orchestrated by other Federal agencies. This phase builds on an ongoing SOUTHCOM exercise program called New Horizons. In this program, National Guard and Reserve medical and engineer units conduct their 2-week annual training in Central America. SOUTHCOM has added five additional exercises to support the efforts of host nations to reconstruct their countries to pre-hurricane levels. About 23,000 National Guard and Reserve personnel from 30 states are involved in the exercises in Honduras, Nicaragua, Guatemala, and El Salvador as well as in the Dominican Republic, which was severely damaged by Hurricane Georges. Although these nations will receive incidental benefits in terms of humanitarian and civic assistance, the primary purpose of the exercises according to DOD is to improve the joint-training readiness of the participating National Guard and Reserve engineer and medical units. The Enhanced New Horizons exercises include 166 humanitarian assistance and civic aid projects to restore 12 clinics; to repair 56 miles of roads, 26 bypasses, and 2 bridges; to drill 27 wells; to repair 33 schools; and to provide medical assistance during 39 medical readiness training exercises.

DOD'S COSTS AND FUNDING

DOD's cost for Hurricane Mitch relief efforts is estimated at \$223 million, including \$155 million for phases I and II and \$68 million for phase III. To provide funding for these costs, the President included \$188.5 million for DOD in his request for supplemental appropriations to replenish DOD accounts initially used to fund the cost of Hurricane Mitch disaster relief assistance and to fund phase III. There are three reasons for the \$34.5 million difference between the DOD cost and requested funding: some previously planned activities financed by the OHDACA account could not be rescheduled, some of the funds used were provided by the State Department, and the funding requested for the Phase III restoration assistance does not reflect all expected costs. Of the three, only the third represents a gap between estimated costs and requested funding. Table 1 summarizes the cost and funding for DOD's Hurricane Mitch relief efforts by operational phases.

Table 1: DOD's Hurricane Mitch Estimated Costs, Supplemental Request, and Difference by Operational Phases
(Dollars in millions)

DOD's relief effort operational phase	Estimated cost of relief operations	Supplemental request	Difference
Phases I and II ^a	\$ 155.0	\$ 132.5	\$ 22.5
Phase III	\$ 68.0	\$ 56.0	\$ 12.0
Total	\$ 223.0	\$ 188.5	\$ 34.5

^a DOD combined these two phases for funding purposes.

To fund phase I and II relief efforts, DOD used \$75 million in drawdown authority approved by the President, \$50 million from the OHDACA account, \$20 million from the Chairman of the Joint Chiefs of Staff Commander-in-Chief Initiative Fund (CIF) account, and \$10 million transferred to DOD from OFDA. These latter funds were State Department funds. The supplemental appropriations request includes \$56 million to fund phase III. Table 2 shows DOD's Hurricane Mitch funding sources, funding provided from these sources, requested supplemental amounts, and differences between DOD's costs and the supplemental request.

Table 2: DOD's Hurricane Mitch Funding Sources, Funds Provided, and Requested Supplemental Funding
(Dollars in millions)

DOD's Hurricane Mitch funding sources	Funding source amount	Supplemental request amount	Difference
Drawdown Authority	\$ 75.0	\$ 75.0	0
Overseas Humanitarian, Disaster, and Civic Action funds	\$ 50.0	\$ 37.5	\$12.5
Chairman of the Joint Chiefs of Staff Commander-in-Chief Initiative Fund	\$ 20.0	\$ 20.0	0
State Department Office of Foreign Disaster Assistance funds transferred to DOD	\$ 10.0	0	\$10.0
New funding requirement	\$ 68.0	\$ 56.0	\$12.0
Total	\$223.0	\$188.5	\$34.5

DOD has spent the \$75 million in drawdown authority, and the supplemental request asks for full reimbursement. In November 1998, the President approved a drawdown of up to \$75 million in articles and services to provide emergency disaster assistance to Honduras, Nicaragua, Guatemala, and El Salvador. The President determined that a strong U.S. response to save lives and assist in reestablishing basic infrastructure was essential if these nations were to resume their economic growth, maintain political stability, and deepen democracy. This drawdown authority allowed DOD to use existing inventory and resources for its relief efforts. With these funds, DOD deployed and redeployed forces and materiel between the continental United States and Central America, financed temporary duty travel expenses for deployed forces, and will reconstitute equipment once it is redeployed. Unless the drawdown amount is replenished, the Services will have to absorb the \$75 million from their operation and maintenance accounts used to finance the drawdown.

DOD is spending the funds provided through the OHDACA (\$50 million) and CIF (\$20 million) accounts on in-country humanitarian activities. These include flying hundreds of rotary and fixed wing airlift missions to distribute supplies, food, and water; purchasing construction material and supplies needed to support 67 individual engineering projects; operating the temporary base camps housing over 5,000 troops at its two Joint Task Forces locations; purchasing medical supplies; setting up temporary medical clinics to treat thousands of persons; and resupplying military forces in Central America. The supplemental request includes \$37.5 million to partially replenish the OHDACA account and \$20 million to replenish the Chairman's CIF account. However, in March 1999, the Army estimated that it would return about \$3 million to the OHDACA account and about \$5 million to the CIF account as it finalizes reconciling its accounting records and completes all redeployment. This could reduce the cost and associated funding needs of the relief effort.

The \$37.5 million requested for the OHDACA account represents restoration of 75 percent of the originally appropriated \$50 million funding level. Full reimbursement was not requested because some activities that were previously planned cannot be rescheduled. According to DOD, the OHDACA funds are needed to conduct humanitarian activities, including demining, during the year or to respond to any future humanitarian crisis.²

The CIF account may be used by the Chairman of the Joint Chiefs of Staff to provide up to \$25 million in fiscal year 1999 to combatant commanders for a variety of purposes. These can include force training, contingencies, selected operations, command and control, joint exercises, and humanitarian and civic assistance. The funding provided for Hurricane Mitch relief efforts falls within the authorized uses of these funds. DOD specifically asked that the full \$20 million provided from the CIF account be reimbursed to support his commanders-in-chief in honing the warfighting capabilities and readiness of their forces. The effect of the supplemental request would be to almost double the original appropriation.

DOD used the \$10 million in funding provided it by OFDA to help finance phase I flying hour costs and to purchase construction supplies and materials used by DOD engineers for repairing roads, bridges, schools, and clinics. It also used some of these funds to purchase two commercial bridges for Honduras to ensure timely completion of the bridging projects before U.S. forces redeployed. The Administration did not include reimbursement of this money to the State Department in its supplemental request.

² According to an official in the Office of the Secretary of Defense (Comptroller), about \$34 million of the appropriated OHDACA amount was to be used for DOD's demining efforts. The funding request would restore the full \$34 million for demining and provide DOD with an additional \$3.5 million for any humanitarian crises.

The Administration requested \$56 million to fund DOD's phase III Enhanced New Horizons exercises. These five additional exercises complement the two previously scheduled and funded New Horizons exercises in Honduras and Guatemala. The supplemental request is to fund the Guard and Reserve's military personnel, the Services' operation and maintenance, and the Joint Staff's exercise accounts. Funds will be used to transport reserve military units, supplies, and equipment; to finance predeployment costs; to sustain forces in-country by establishing duration staff in each country to deploy, receive equipment, and coordinate project scheduling and temporary base operations; and to operate a forward control element. However, according to officials in the Office of the Secretary of Defense (Comptroller), the estimated cost of this phase as of March 1999 is understated by \$12 million. The estimate used to develop the supplemental request was not updated to include the cost of National Guard and Reserve pay and allowances associated with the duration staff.

SCOPE AND METHODOLOGY

To assess DOD's Hurricane Mitch relief efforts, we obtained documents and interviewed officials from the Office of the Secretary of Defense (Comptroller); the Department of the Army in Washington, D.C.; the Army's Forces Command in Atlanta, Georgia; and SOUTHCOM in Miami, Florida. The information that we gathered included details about DOD's role and response to the Central American countries affected by Hurricane Mitch, the extent and status of relief efforts, the estimated cost of these efforts, and the source of funds used to provide this disaster assistance. We also reviewed the President's February 16, 1999, request to Congress for supplemental appropriations for DOD and other agencies for this disaster assistance.

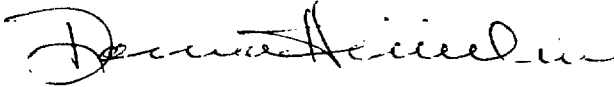
We performed our work between January and February 1999 in accordance with generally accepted government auditing standards. We reviewed the information in this letter with DOD officials and made changes where appropriate. We will continue to review the cost of DOD's other fiscal year 1999 contingency operations. As work progresses, we will keep you apprised of our results.

We are sending copies of this letter to The Honorable William Cohen, Secretary of Defense; The Honorable William J. Lynn, Under Secretary of Defense (Comptroller); and The Honorable Jacob Lew, Director, Office of Management and Budget. Copies will also be made available to others upon request. Principal contributors to this report were Steve Sternlieb, Assistant Director, Joseph Rutecki, Evaluator-in-Charge,

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and Bonita Anderson, Senior Evaluator. If you or your staff have any further questions concerning this issue, please contact me at (202) 512-4300.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Donna M. Heivilin".

Donna M. Heivilin
Director of Planning and Reporting

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