



Highlights of [GAO-04-645](#), a report to congressional requesters

## Why GAO Did This Study

Federal civilian agencies own and operate a fleet of aging aircraft, many of which may soon need to be replaced. Agencies manage their fleets with help from guidance and policies issued by the General Services Administration (GSA) and the Office of Management and Budget (OMB). Numerous audit reports have disclosed that agencies lacked accurate cost data and had acquired aircraft without adequate justification. GAO reviewed (1) the composition and costs of the federal aircraft fleet; (2) the systems and controls agencies use to ensure that they effectively and efficiently acquire and manage their aircraft fleets; and (3) the operations, maintenance, safety standards, and safety records for federal aircraft.

## What GAO Recommends

GAO recommends that GSA strengthen the accuracy and reliability of data in the federal aircraft database, help programs develop more cost-effective fleet management planning systems, and assist programs in strengthening the safety oversight of their operations. GAO also recommends that OMB review and clarify its guidance for cost effectively acquiring and managing government aircraft. Departments of Agriculture, Energy, Interior, Justice, Transportation, GSA and OMB commented on a draft of this report; in general, they agreed with GAO's findings and recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-04-645](http://www.gao.gov/cgi-bin/getrpt?GAO-04-645).

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Hecker, at (202) 512-2834 or [heckerj@gao.gov](mailto:heckerj@gao.gov).

## FEDERAL AIRCRAFT

# Inaccurate Cost Data and Weaknesses in Fleet Management Planning Hamper Cost Effective Operations

## What GAO Found

GAO could not accurately determine the number of government-owned aircraft and total costs of federal aircraft program operations, because it found that GSA's database was unreliable. Although the database showed federal agencies owned nearly 1,400 aircraft and that agencies reported spending over \$700 million to operate and maintain federally-owned and contracted aircraft in fiscal year 2002, GAO found it understated the cost of federal aircraft operations by at least \$568 million over the past 3 years. This is because some agencies did not report all the required information. GAO also found there was no requirement for the agencies to report other aircraft costs such as depreciation.

The systems and controls GAO reviewed provide limited assurance that agencies are cost effectively acquiring and managing their aircraft fleets. All seven aircraft programs GAO examined failed to implement some key principles of fleet management planning, as outlined in GSA, OMB, and other federal guidance. GAO found that programs did not consistently prepare long-term fleet management plans to identify fleet requirements and aircraft that best meet those requirements. GAO also found that these programs rarely prepared OMB Circular A-76 studies to assess whether the private sector could provide aviation services at a lower cost, and often did not perform cost benefit analyses before acquiring aircraft. Finally, GAO found that programs did not use a full range of aviation metrics to measure and assess the effectiveness of their aircraft operations and rarely prepared OMB Circular A-126 studies to periodically assess the continuing need for their aircraft operations. GAO also found that OMB provides limited oversight over compliance with Circulars A-76 and A-126, leaving it up to each program to determine whether to complete the reviews.

Although exempt from many federal safety requirements, federal aircraft programs GAO reviewed developed their own operations, maintenance, and safety standards to help ensure safe operations. However, the use of oversight to evaluate the safety of the programs and help identify potential issues before they become safety problems varied greatly. Two programs that GAO visited subjected themselves to reviews by Federal Aviation Administration inspectors and two others utilized GSA-sponsored safety teams to review their operations. Historically, these GSA-sponsored reviews have found that similar safety issues existed at several programs. These issues included having an insufficient number of instructors to conduct aviation training, lack of a formal general maintenance manual, lack of trained personnel to accomplish assigned missions, and flight crews not thoroughly planning flights. The remaining three programs relied on internal reviews of their operations. GAO also identified 183 accidents and incidents occurring in federally owned or contracted aircraft over the past 9 years that resulted in 91 fatalities. GAO found that most of these were caused by human factors such as pilot error and occurred in contracted aircraft.