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# Report On Savings By Greater Use Of Surface Transportation For Shipments Of Unaccompanied Baggage B-133025

Department of Defense

*UNITED STATES  
GENERAL ACCOUNTING OFFICE*

JULY 31, 1972

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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

LOGISTICS AND COMMUNICATIONS  
DIVISION

B-133025

Dear Mr. Secretary:

This is our report on savings by greater use of surface transportation for shipments of unaccompanied baggage. The significant contents of the report are summarized in the digest which is bound in the report.

The corrective actions taken or planned by the Department of Defense are consistent with proposals we made during the review. We therefore are making no further recommendations at this time. We shall, however, appreciate being advised periodically of the progress being made in improving the selection of that mode of transportation for unaccompanied baggage which will meet delivery requirements at the least cost to the Government.

Copies of this report are being sent today to the Secretaries of the Army, Navy, and Air Force.

Sincerely yours,

A handwritten signature in cursive script that reads "J. K. Fasick".

J. K. Fasick  
Director, Logistics and  
Communications Division

The Honorable  
The Secretary of Defense

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### ABBREVIATIONS

AFB	Air Force base
CONUS	continental United States
DOD	Department of Defense
GAO	General Accounting Office
MTMTS	Military Traffic Management and Terminal Service

D I G E S T

WHY THE REVIEW WAS MADE

The General Accounting Office (GAO) wanted to know if the Department of Defense (DOD) could use surface transportation instead of more costly air transportation for many shipments of unaccompanied baggage within the continental United States and still meet the delivery requirements of service members.

FINDINGS AND CONCLUSIONS

DOD can realize substantial savings by making greater use of commercial surface transportation to deliver baggage shipments within the continental United States. (See p. 4.)

GAO estimates that DOD can save over \$600,000 annually on shipments from the three bases reviewed--McGuire, Dover, and Travis Air Force Bases. Corrective action already taken at Travis Air Force Base should result in savings of about \$130,000 annually. (See p. 4.)

Air transportation, in GAO's opinion, had been used at these bases because information concerning the time required to effect surface delivery was

- not available (see p. 4),
- not being used (see p. 6), or
- inaccurate (see p. 7).

RECOMMENDATIONS OR SUGGESTIONS

Actions taken or planned by DOD should correct the problems at the three bases GAO reviewed. (See p. 11.)

When the matter was brought to the attention of the Secretary of Defense, GAO recommended that he direct the Military Traffic Management and Terminal Service to review the baggage program at other bases to insure selection of the least costly mode of transportation, consistent with delivery requirements. (See p. 11.)

GAO recommended also that the Secretary direct responsible internal review groups to review periodically the practices and procedures of DOD installations for moving baggage shipments. (See p. 11.)

JULY 31, 1972

AGENCY ACTIONS AND UNRESOLVED ISSUES

DOD agreed with GAO's findings and recommendations and stated that this report would assist in the overall management of the personal property movement program. (See p. 11.)

The corrective actions taken or planned by DOD are consistent with GAO's recommendations. (See p. 12.)

## CHAPTER 1

### INTRODUCTION

Each year the Department of Defense (DOD) spends millions of dollars for transporting the unaccompanied baggage of military personnel. Unaccompanied baggage includes equipment, clothing, and other essentials normally needed by service members prior to arrival of their household goods. It may also include other items necessary to their health, welfare, and morale.

The Assistant Secretary of Defense (Installations and Logistics) is responsible for establishing policy regarding the movement of baggage. The Military Traffic Management and Terminal Service (MTMTS), Department of the Army, is responsible, in collaboration with other DOD components, for the development and periodic review of the baggage program to insure its adequacy, efficiency, economy, and cost effectiveness. In addition, MTMTS is responsible for the technical direction, supervision, and evaluation of the traffic management aspects of the program on a worldwide basis, subject to overall guidance, policies, and programs established by the Assistant Secretary of Defense (Installations and Logistics).

At military bases transportation officers who initiate and forward shipments of unaccompanied baggage at Government expense select the mode of transportation to be used. They are required, by regulation, to select the mode of transportation that will result in the lowest overall cost to the Government commensurate with delivery requirements of the individual service member. Transportation of unaccompanied baggage is authorized by an expedited mode, including commercial air, when such mode is necessary to enable service members to carry out their assigned duties or to prevent undue hardship to the members and/or their families.

We have issued several reports to the Congress concerning the overseas movement of unaccompanied baggage (see app. I), and we have been informed that DOD is in the process of re-vamping its overseas program. We therefore limited this review to the transportation of shipments of baggage within the continental United States (CONUS).

## CHAPTER 2

### SUBSTANTIAL SAVINGS BY INCREASED USE OF SURFACE TRANSPORTATION

DOD can realize substantial savings by using commercial surface transportation instead of the more costly air transportation for many shipments of unaccompanied baggage within CONUS. For these shipments, surface transportation adequately meets the delivery requirements of the service member.

We estimate that DOD can save over \$600,000 annually on shipments from the three Air Force bases (AFBs)--McGuire AFB, N.J., Dover AFB, Del., and Travis AFB, Calif.--we reviewed. One of these bases has already taken corrective action which should result in savings of about \$130,000 a year.

Air transportation, in our opinion, had been used at the bases reviewed for the following reasons. At McGuire AFB officials did not have information concerning the time required to effect surface delivery even though such information was essential in selecting the most economical mode of transportation consistent with delivery requirements. Dover AFB had some transit-time information but was not using it in determining whether to use surface transportation.

Travis AFB had established transit-time criteria but had overestimated the time required to effect delivery by surface modes. As a result shipments which could have been delivered by surface carriers within the required delivery period were tendered to air carriers.

#### TRANSIT-TIME INFORMATION NOT AVAILABLE

As stated above information regarding the time required to deliver shipments by air and surface is essential in selecting the most economical shipping mode consistent with delivery requirements.

We found, however, that no studies had been made recently at McGuire AFB to develop the needed transit-time information, and the results of previous studies were no longer

available. Without such information we believe that transportation officers were reluctant to use the slower surface modes of transportation for fear of missing required delivery dates.

Unaccompanied baggage generally was moved by commercial air transportation regardless of the time available for delivery, except shipments destined to New Jersey, Delaware, New York, and Maryland were made by surface transportation.

The practice of using commercial air transportation often resulted in the Government's paying for an expedited mode of transportation when adequate delivery time was available and a less costly surface mode could have been used. For example, a shipment weighing 269 pounds destined to Fort Irwin, Calif., was not required to be delivered for a period of 56 days; yet this shipment was moved by commercial air at an estimated cost of \$75. The same shipment if moved by a surface carrier would have cost about \$42, or \$33 less than the air transportation cost.

Another example involved a shipment having 59 days available for delivery to McChord AFB, Wash. This shipment which weighed 91 pounds was moved by commercial air at an estimated cost of \$32 when it could have been moved by surface transportation at a cost of about \$15.

Although we did not find many instances at McGuire AFB where the time available for delivery was as long as shown in the examples, our review did show that 20 percent of the air shipments had 21 days or more available for delivery. Further, as shown in the table on page 10, about 70 percent of the air shipments had sufficient time, in our opinion, to have been delivered by surface means.

Our findings demonstrate the need for accurate and timely transit-time information at McGuire AFB. Without such information transportation officers cannot fulfill their function of selecting the mode of transportation resulting in the lowest overall cost to the Government consistent with the delivery requirements of the service member.



## TRANSIT-TIME GUIDELINES NOT FOLLOWED

We estimate, on the basis of transit-time guidelines established by the base, that 66 percent of the commercial air shipments of unaccompanied baggage from Dover AFB had sufficient delivery time to permit the use of less costly surface modes of transportation. Although transit-time information was available, it had not been used in selecting the mode of transportation.

Operating instructions at Dover AFB set forth transit-time criteria--by State--for determining the mode of transportation to be used in shipping unaccompanied baggage. Shipments to destinations in Delaware; Maryland; Virginia; West Virginia; Pennsylvania; Washington, D.C.; and parts of New York were required to be made by surface transportation, and all shipments to Maine were required to be made by air.

Surface shipment to other States was required when delivery time permitted, and a schedule of surface delivery times to the various States was provided to facilitate mode selection. For example, the criterion for shipments to Ohio was 10 days. Therefore, on shipments when the required delivery date allowed 10 or more days, a surface mode of transportation was to be used. If less than 10 days was available for delivery, air transportation was permissible.

We reviewed 23 shipments moved by commercial air to Ohio and found that all but one had required delivery dates which allowed more than 10 days for delivery to the consignee. Therefore these shipments, according to Dover AFB transit-time criteria, could have been delivered by less costly surface transportation. The estimated saving on these 23 shipments was about \$234, or about 50 percent of the total air costs.

The transportation officer at Dover AFB was unable to explain why the established transit-time criteria had not been followed on the specific shipments we reviewed. But, he informed us that, prior to and during the period of our review, Dover AFB was experiencing considerable difficulty in obtaining satisfactory service from the only surface carrier it was using to transport unaccompanied baggage within CONUS. He advised us that, because of the carrier's unsatisfactory performance--which included delayed pickup resulting

in backlogs, lack of tracer action on lost or delayed shipments, and excess transit times--the tendering of unaccompanied baggage to this carrier was discontinued on April 20, 1970. Thereafter unaccompanied baggage for surface movement was tendered to two other motor carriers located in the Dover, Del., area.

#### TRANSIT-TIME GUIDELINES OVERSTATED

During the 3-month period, February through April 1970, Travis AFB shipped approximately 6,200 shipments of unaccompanied baggage, of which 99 were shipped by commercial air. On September 24, 1970, transportation officials at the base changed the criteria for shipping unaccompanied baggage by commercial air.

Under the new procedures, all shipments destined to points east of Texas and Oklahoma were to be sent by commercial air if less than 25 days remained to the required delivery date. Shipments destined to points in Texas and Oklahoma and points west were to be sent by commercial air if the required delivery date was less than 15 days from the date of shipment.

We were informed that the previous criteria were 13 to 15 days, but because some complaints had been received about late deliveries, these criteria were changed. A locally prepared transit-time study indicated that it required about 25 days for surface delivery from Travis AFB to points east of Texas and Oklahoma, so the criteria were changed accordingly. This resulted in a substantial increase in the use of commercial air transportation.

Our analysis of the same transit-time study, however, showed that the 25-day criteria were overstated because (1) the dates the shipments were tendered to the surface carriers were questionable, (2) a breakdown of shipments delivered on a geographical-area basis showed that many shipments were delivered in less than 15 days, and (3) some carriers provided better delivery service than other carriers.

We brought our observations to the attention of officials at Travis AFB. As a result a new policy was issued by the Supervisor, Personal Property, Travis AFB, revising the criteria for commercial air shipments.

Under the new policy the criterion for using commercial air was changed from 25 days to 15 days to those points east of Texas and Oklahoma and from 15 days to 10 days to all other points.

## COMPUTATION OF SAVINGS

DOD should realize savings of about \$130,000 annually on shipments from Travis AFB by reducing its delivery criteria and using surface transportation when that mode will meet the delivery requirements. During calendar year 1970 Travis AFB made a total of 26,604 shipments of unaccompanied baggage by air and surface modes of transportation. We estimated that, by reducing the transit-time criteria, about 18 percent, or 4,868 additional shipments, would have been diverted to surface transportation. On a limited test of 52 shipments made in January 1971, we found that, by using surface transportation, the average saving was about \$27 a shipment, or about \$130,000 for the nearly 5,000 shipments involved.

We found that, in addition to the savings at Travis AFB, DOD could have realized savings of over \$500,000 on shipments from Dover and McGuire AFBs by using less expensive surface transportation when delivery time permitted. In arriving at the estimated savings, we first identified those air shipments which, we believed, could have been made by a surface mode of transportation. This determination was based on information obtained from a surface carrier that delivery could be made from McGuire and Dover AFBs to any location in CONUS within a maximum time of 11 days. During the 3-month period, February through April 1970, McGuire and Dover AFBs made a total of 11,651 outbound commercial air shipments of unaccompanied baggage. Our detailed analyses of these 11,651 shipments showed that, on the basis of an 11-day delivery-time criterion, 7,937, or 68 percent, of these shipments could have been made by a surface mode.

Then, using statistical-sampling techniques, we computed the difference between the cost of the shipments using air modes and the cost using surface modes. The following table shows the details of our computation of estimated savings for the period February through April 1970 and the projected annual savings.

<u>Location</u>	<u>Total number of air shipments</u>	<u>Shipments not requiring air transportation</u>	<u>Estimated air costs</u>	<u>Estimated surface costs (note a)</u>	<u>Estimated savings</u>	
					<u>3-month period</u>	<u>Annually (note b)</u>
McGuire AFB	8,167	5,643	\$179,673	\$ 92,206	\$ 87,467	\$349,868
Dover AFB	<u>3,484</u>	<u>2,294</u>	<u>76,046</u>	<u>35,763</u>	<u>40,283</u>	<u>161,132</u>
Total	<u>11,651</u>	<u>7,937</u>	<u>\$255,719</u>	<u>\$127,969</u>	<u>\$127,750</u>	<u>\$511,000</u>

<sup>a</sup>Based on rates charged by the Railway Express Agency from origin to destination.

<sup>b</sup>Based on the assumption that the 3-month period reviewed was representative of the annual activity.

Although our estimate of savings was based on an 11-day delivery-time criterion to all CONUS destinations, we found that 56 percent of the 11,651 shipments had been made to destinations east of the Mississippi River where delivery time required would be considerably less than 11 days. Therefore we believe our estimate of savings is conservative since many of the shipments to destinations east of the Mississippi River with less than 11 days available for delivery could have been moved also by surface transportation.

#### AGENCY ACTIONS

The transportation officer at McGuire AFB informed us that criteria would be established for surface shipment of baggage on the basis of time estimates needed to reach various regions of CONUS and that transit-time studies would be performed periodically to update these criteria.

The transportation officer at Dover AFB said that existing transit-time criteria would be used until a study could be made to obtain current information.

Officials at Travis AFB advised us that they had changed their policies for using commercial air transportation and that new transit-time procedures had been initiated to lower the required surface delivery time. These officials advised us also that new procedures had been initiated for reviewing and updating transit-time criteria.

## CHAPTER 3

### GAO CONCLUSIONS, RECOMMENDATIONS, AND AGENCY COMMENTS

#### GAO CONCLUSIONS

Transportation officers must have accurate and current information concerning the time required to effect delivery of baggage shipments by the various modes of transportation. Without such information they cannot possibly select the least costly mode which will meet the delivery requirements of the service members.

It is apparent that some action is needed to insure that transit-time information will be used effectively. Periodic internal reviews of the baggage program, we believe, would identify problem areas such as those covered in this report.

#### RECOMMENDATIONS

We brought our findings to the attention of the Secretary of Defense on January 10, 1972, and recommended that he direct MMTS to review the baggage program at bases other than those covered in this report. We recognized that the actions taken or planned by DOD during our review should correct the problems identified at the three bases we reviewed.

We recommended also that the Secretary of Defense direct responsible internal review groups to review periodically the practices and procedures of DOD installations for moving baggage shipments.

#### AGENCY COMMENTS

In a letter dated March 3, 1972, the Deputy Assistant Secretary of Defense (Installations and Logistics) commented on our findings and recommendations. (See app. II.) He said that DOD considered that the report would assist in the overall management of the personal property movement program.

Specifically DOD agreed that accurate transit-time information was essential in selecting the least costly

transportation mode. It agreed also that followup action was required to insure that such information is available and is being used.

DOD stated that:

- The Naval Audit Service had provided, and would continue to provide, audit coverage of the property movement program.
- The Customer Assistance Office of MIMTS would make special assistance visits to the three installations covered in our review.
- The Customer Assistance Office would schedule visits to other installations to insure that DOD's policy on the use of air transportation for the movement of baggage is being followed.
- MIMTS in its review of Government bills of lading would check for unnecessary use of air transportation to move baggage.
- MIMTS in all of its customer assistance visits would stress the development, maintenance, and effective use of transit-time guides.

The actions taken or planned by DOD are consistent with our recommendations. We therefore are making no further recommendations at this time. We shall, however, appreciate being advised of the results to date of DOD's efforts to improve the selection of that mode of transportation for unaccompanied baggage which will meet delivery requirements at the least cost to the Government.

## CHAPTER 4

### SCOPE OF REVIEW

Our review was directed to determining whether DOD had used the most economical commercial mode of transportation consistent with delivery requirements of the service members.

We did work at McGuire, Dover, and Travis Air Force Bases. We examined selected shipments of unaccompanied baggage and studied DOD's procedures and practices for selecting the commercial mode of transportation to ship baggage within CONUS. Also we held numerous discussions regarding commercial surface and air modes of transportation with officials at the bases visited and with officials of commercial surface carriers. No effort was made to evaluate DOD's overall baggage program.



REPORTS ISSUED  
BY THE GENERAL ACCOUNTING OFFICE  
CONCERNING THE UNACCOMPANIED BAGGAGE PROGRAM  
OF THE DEPARTMENT OF DEFENSE

Use of Commercial Air Carriers for Overseas Travel and Shipment of Unaccompanied Baggage (B-133025, Jan. 9, 1962).

Savings Available by Using Space on Military Aircraft to Transport Baggage Between United States and Europe (B-133025, Sept. 26, 1968).

Savings Available by Using Space on Military Aircraft to Transport Baggage Between United States and Points in the Pacific and Southeast Asia (B-133025, May 6, 1969).

BEST DOCUMENT AVAILABLE

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

INSTALLATIONS AND LOGISTICS

MAR 3 1972

Mr. T. E. Sullivan  
Director, Transportation Division  
United States General Accounting Office  
Washington, D. C. 20548

Dear Mr. Sullivan:

This answers your letter of January 10, 1972 to the Secretary of Defense which forwarded copies of your draft report, "Savings by Greater Use of Surface Transportation for Shipments of Unaccompanied Baggage", Code 43157 (OSD Case #3398).

The limitation on the funds available for the permanent change of station of personnel makes it essential that transportation officers select the least costly mode of transportation which will meet the required delivery date of the member. It is also essential that the shipment of baggage be scheduled so that required delivery dates are met. We agree that these two essentials can be met only when accurate transit data is available to, and effectively utilized by, each installation transportation officer.

We also agree that follow-up action is required to assure that transit time information is available and used. The Naval Audit Service has provided and will continue to provide audit coverage of this important subject. The other audit agencies will do so in the future.


Department of Defense Regulation 4500.34R, which is dated May 1, 1971, prescribes our policy on the shipment of unaccompanied baggage (paragraph 8002), the method of determining a required delivery date (paragraph 6002b), and the basis for mode and carrier selection (paragraph 6002c). The unwarranted use of air transportation would be eliminated if these guidelines were followed.

Special assistance visits will be made to the three audited installations by the Customer Assistance Office of the Military Traffic Management and Terminal Service (MTMTS). That office will also schedule customer assistance visits to other installations to assure that our policy on the use

of air transportation for the movement of baggage is followed. In addition, MTMTS in its review of Government Bills of Lading will check for the unnecessary use of air transportation to move baggage. In all of its customer assistance visits, MTMTS will stress the importance of the development, maintenance and effective use of transit time guides.

We appreciate the opportunity of commenting on this draft report and consider that the report will assist in the overall management of the personal property movement program.

Sincerely,



Glenn V. Gibson  
Deputy Assistant Secretary of Defense

Copies of this report are available from the U. S. General Accounting Office, Room 6417, 441 G Street, N W., Washington, D.C., 20548.

Copies are provided without charge to Members of Congress, congressional committee staff members, Government officials, members of the press, college libraries, faculty members and students. The price to the general public is \$1.00 a copy. Orders should be accompanied by cash or check.