

DOCUMENT RESUME

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[Consolidation of Helicopter Pilot Training]. FPCD-77-52;
B-157905. May 5, 1977. 5 pp.

Report to Rep. George H. Mahon, Chairman, House Committee on Appropriations; Rep. Helvin Price, Chairman, House Committee on Armed Services; Sen. John L. McClellan, Chairman, Senate Committee on Appropriations; Sen. John C. Stennis, Chairman, Senate Committee on Armed Services; by Elmer B. Staats, Comptroller General.

Issue Area: Personnel Management and Compensation (300);
Personnel Management and Compensation: Training and Education Programs (304).

Contact: Federal Personnel and Compensation Div.

Budget Function: National Defense: Defense-related Activities (054).

Organization Concerned: Department of Defense; Department of the Navy; Department of the Army; Department of the Air Force.

Congressional Relevance: House Committee on Appropriations; House Committee on Armed Services; Senate Committee on Appropriations; Senate Committee on Armed Services.

The feasibility of consolidating the Army and Navy undergraduate helicopter pilot-training programs was studied by the Department of Defense. Findings/Conclusions: The study concluded that consolidation of the separate programs was feasible, and that large savings could be realized by this action. The claimed savings of \$13.8 million or more annually are probably conservative because they do not include reductions in future retirement costs of both military and civilian personnel no longer needed, future veterans' benefits for those military personnel, and base operating costs for the Pensacola, Florida, Naval Air Station. These items could result in additional savings of as much as \$9.2 million annually. There are also potential savings from base realignments made possible by this consolidation. The transfer of helicopter pilot-training loads to the Army will leave the Navy with substantial excess capacity at the seven bases involved in pilot training. It appears that one or possibly two bases may no longer be needed as training installations. Converting these bases to naval air facilities for use as outlying fields in support of jet and prop pilot training would result in large savings. The training syllabus used by the Army can be tailored to meet Navy and Marine Corps needs. Recommendations: Congress should approve the proposed consolidation of helicopter pilot training. (SC)

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

MAY 5 1977

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The Honorable John L. McClellan, Chairman
Senate Committee on Appropriations
The Honorable George H. Mahon, Chairman
House Committee on Appropriations
The Honorable John C. Stennis, Chairman
Senate Committee on Armed Services
The Honorable Melvin Price, Chairman
House Committee on Armed Services

We reviewed the Department of Defense study of undergraduate helicopter pilot-training consolidation submitted to the Congress on April 29, 1977. The study concluded that consolidation of the separate Army and Navy programs was feasible and that large savings could be realized. We believe that the claimed savings of \$13.8 million or more annually are conservative because they do not include reductions in (1) future retirement costs of both military and civilian personnel no longer needed, (2) future veterans benefits for those military personnel, and (3) base operating costs for the Pensacola Naval Air Station, Pensacola, Florida. We estimate that these items would be additional savings of as much as \$9.2 million annually. We discussed this report with Defense officials, and they agreed with our findings. We believe that the Congress should approve the recommended consolidation of helicopter pilot training.

BACKGROUND

In our May 1974 report entitled "Need To Assess Potential for Consolidating Undergraduate Helicopter Pilot Training," we recommended that the Secretary of Defense consider consolidating undergraduate helicopter pilot training at one site under a joint, all-helicopter program. In response, Defense asked the Interservice Training Review Organization to study the potential for consolidating this training. The Organization concluded that consolidation of the separate Army and Navy programs was feasible and that large savings would result.

Defense proposed consolidation of helicopter pilot training in the fiscal year 1977 President's budget. The conferees on the Defense Appropriations Bill did not approve consolidation but directed Defense to make a study which would more clearly document the savings and address the concerns regarding the training syllabus.

SAVINGS FROM CONSOLIDATION

As a starting point to assess savings, the Defense study used the Army's estimate of costs to assume Navy's training loads and the Navy's budget estimate for conducting a separate program during fiscal year 1978. Adjustments were made to both Army and Navy estimates to derive the net savings from consolidation. Some of the larger changes which are described in more detail in the study report included:

- Adjustments to Army costs for (1) additional support personnel, (2) additional flying hours, and (3) modifying Navy helicopters to the same configuration as Army aircraft.
- Adjustments to Navy costs for (1) base operations, (2) phaseout of training, (3) changes in student loads, (4) changes in mix of training aircraft, (5) depot-level aircraft rework, and (6) reductions in support personnel.

After adjustments, the estimated costs and savings, by fiscal year, follow.

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	Cumulative <u>1978-82</u>
	----- (million) -----					
Reduction in Navy costs	\$33.6	<u>a/\$67.7</u>	\$41.8	\$40.4	\$39.3	\$222.8
Increased Army costs	<u>19.8</u>	<u>24.8</u>	<u>24.8</u>	<u>24.8</u>	<u>24.8</u>	<u>119.0</u>
Net savings	<u>\$13.8</u>	<u>\$42.9</u>	<u>\$17.0</u>	<u>\$15.6</u>	<u>\$14.5</u>	<u>\$103.8</u>

a/Includes \$23 million for procurement of T-34 aircraft which would be avoided.

We traced Defense's cost estimates to the source documents provided by the services and verified the accuracy of the computations. We did not verify the accuracy of each service's cost estimate but believe that the estimates represent the best available data since their budgets for the program are based on this data. We believe that, except

for the items discussed below, the study presents a fair assessment of the savings that can be achieved by consolidation.

Future retirement costs
and veterans benefits

Since the study addressed only current costs, it did not consider savings from reductions in future retirement costs and veterans benefits. The consolidated program would eventually result in reductions of 1,918 Navy and Marine Corps military personnel and 268 civilian employees. Although the military spaces no longer needed in this program were used by the Navy partly to satisfy personnel required to man its new ships, it is appropriate to consider these as savings because the Navy's total personnel authorizations would have to be increased accordingly if the consolidation is not approved. We estimated the unfunded retirement cost for these personnel based on factors which represent the discounted present value of expected future retirement benefits currently accruing to active duty military personnel and civilian employees. These costs would amount to \$5.8 million annually.

Likewise, the reduction in military personnel will result in savings due to lower costs for veterans benefits in the future. We could not estimate the current value of these reduced benefits.

Operating costs for Pensacola
Naval Air Station

The Navy estimated that the total base operating costs for the Pensacola Naval Air Station were \$21,259,000 of which the Navy allocated \$5,156,000 to undergraduate helicopter pilot training. Because of uncertainties as to the extent of reductions in functions at that location and to assure that estimated savings were conservative, Defense did not consider these costs in its study.

On the basis of the Navy's claim that these costs are directly related to this program, we believe it would be appropriate to consider any reduction in such costs from consolidation as an additional savings. Using Navy's estimate that two-thirds of base operating costs are variable, additional savings of as much as \$3,444,000 would be realized annually if all functions related to undergraduate helicopter pilot training are phased out.

Potential for additional savings
from base realignments

The Defense study did not include savings from base realignments made possible by this consolidation. The Navy is studying alternative basing alignments and has proposed other alternatives for further study. Since final decisions on basing could not be made before these studies were completed, savings resulting from base releases were not considered.

The transfer of helicopter pilot-training loads to the Army will leave the Navy with substantial excess capacity at the seven bases involved in pilot training. It appears that, considering future training loads, one and possibly two bases may no longer be needed as training installations but could be converted to naval air facilities for use as outlying fields in support of jet and prop pilot training. Converting these bases would result in large savings.

TRAINING SYLLABUS CONCERNS

The two major concerns about the adequacy of the training syllabus follow.

--Navy and Marine Corps students need more instrument instruction than provided in Army's syllabus.

--Navy and Marine Corps students should be trained in a maritime environment.

Concerning instrument training, the study concluded that (1) the Army's syllabus provided more rotary-wing instrument flying hours and simulator time than the Navy's program and (2) it was expected that from 25 to 30 flying hours would be available in the service-unique portion of the consolidated training syllabus which could be used to provide additional instrument instruction.

The study concluded that a relatively minor part of the Navy's training was related to a maritime environment. Navy's syllabus provides for 48 minutes' flying time for field carrier-landing practice which is conducted over land

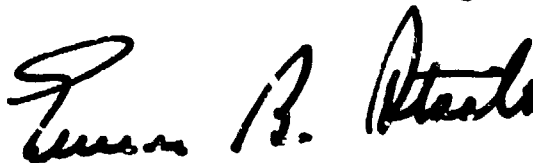
and only 42 minutes' flying time for carrier qualification which is conducted over water. In the past, the Navy waived the latter training when a carrier was not available, such as during major overhaul.

CONCLUSIONS AND RECOMMENDATION

We believe that the Defense study demonstrates once again the feasibility and desirability of consolidating helicopter pilot training. Savings of \$23 million or more annually can be achieved. In our opinion, the training syllabus can be tailored to meet Navy and Marine Corps needs.

We recommend that the Congress approve the proposed consolidation of helicopter pilot training.

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of Defense.

A handwritten signature in black ink, appearing to read "E. B. Stearns". The signature is written in a cursive, flowing style.

Comptroller General
of the United States