



UNITED STATES GENERAL ACCOUNTING OFFICE  
 INTERNATIONAL DIVISION  
 FAR EAST BRANCH  
 PRINCE JONAH KUHIO KALANIANA'OLE FEDERAL BUILDING  
 300 ALA MOANA BOULEVARD  
 HONOLULU, HAWAII 96850

GAO 00200  
 090240

MAR 30 1978

Commander  
 U.S Army Support Command, Hawaii  
 Fort Shafter, HI 96858

DLG04192

Dear Sir:

We visited the U S Army Support Command, Hawaii (USASCH) as part of our survey and followup of military support function consolidations. Two matters which arose during the survey are of a local nature and involve USASCH initiatives to streamline military pay and self-service supply support within the Army on Oahu. We endorse these and other USASCH consolidation efforts, but are concerned that the military pay consolidations may not be implemented. The military pay and supply functions are discussed further below.

Consolidating Army Military Pay on Oahu

The Army now has two organizations responsible for military pay on Oahu: the USASCH Finance and Accounting Office at Ft Shafter and the 25th Infantry Division's 125th Finance Company at Schofield Barracks. The two organizations service pay records for almost 18,000 military personnel located primarily on Oahu.

A study begun about September 1977 resulted in a recommendation for immediate consolidation of a USASCH suboffice at Schofield with the 125th Finance Company, and eventual (1980-1981) full consolidation of the main offices. Study data showed potential to save 10 spaces through consolidation. Exact position transfer would depend on the form of consolidation, but USASCH officials told us the spaces saved would probably be supervisory. Personnel savings could therefore exceed \$100,000 annually.

Army officials told us the consolidation has been decided against, but that the matter is not necessarily closed. Consolidating military pay could be reconsidered at a later date.

Representatives of the 25th Infantry Division told us they oppose the consolidation because of the Division's need to be self-sufficient when deployed. They said that Army consolidations in the continental United States do not apply in Hawaii because

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USASCH is the senior command here, whereas the divisions are usually the senior command on the mainland. They also said the mainland consolidations are more closely collocated than Ft Shafter and Schofield Barracks, which are about 15 miles apart.

We do not believe that the objections raised to consolidated military pay outweigh the advantages. Deployable units are supported by consolidated organizations not only at mainland Army bases, but in Hawaii at Kaneohe Marine Corps Air Station as well. Whether USASCH or the 25th Infantry Division is the senior command does not appear to have great bearing on the feasibility of consolidation. As to distance between installations, the Air Force Accounting and Finance Office at Hickam Air Force Base provides military pay support not only to Hickam personnel but also to Air Force personnel at Wheeler Air Force Base and Bellows Air Station.

We believe that the consolidation of Army military pay functions on Oahu warrants reconsideration. Contact with the other services on Oahu, which have consolidated these functions, may help to show how to overcome the objections raised regarding deployment and distance between installations served.

#### Self-Service Supply Stores

USASCH has self-service supply stores at Ft Shafter and Schofield Barracks. In August 1977, USASCH considered closing its Ft Shafter store to reduce personnel, but did not proceed, mainly because of General Services Administration (GSA) comment that insufficient staffing precluded GSA's taking on additional workload at its Hickam Air Force Base self-service supply store.

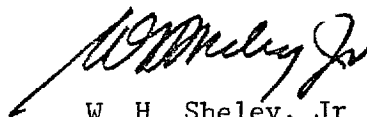
We asked GSA in December 1977 whether they could then take on the additional workload and were told they could. In January 1978, GSA's Federal Supply Service Regional Commissioner responded to a formal USASCH request and advised that self-service supply assistance could be made available to the Army. He said Army data showed no need for additional GSA staff at that time.

A USASCH and GSA ad hoc committee has since been studying plans to close the Ft Shafter self-service store and has requested Army customers to advise the Directorate of Industrial Operations of the impact of the proposed closure. The closure would result in reduction of five personnel spaces costing about \$66,000 annually, but savings can be offset to some extent by additional costs such as for personnel and transportation.

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We commend the Army initiatives in trying to streamline military pay and supply operations. We believe that the military pay consolidation should be reconsidered and hope that the supply store closure will be approved. Please advise us of final disposition in each of the matters discussed.

Sincerely,



W H Sheley, Jr  
Director