

DOCUMENT RESUME

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[Transportation Policies and Practices of the Department of Defense]. LCD-78-226; B-165069. May 26, 1978. 2 pp.

Report to Rep. George H. Mahon, Chairman, House Committee on Appropriations; by Robert F. Keller, Deputy Comptroller General.

Issue Area: International Economic and Military Programs: Foreign Military Sales (605); Program and Budget Information for Congressional Use (3400).

Contact: Logistics and Communications Div.

Budget Function: National Defense: Department of Defense - Military (except procurement & contracts) (051).

Organization Concerned: Department of Defense.

Congressional Relevance: House Committee on Appropriations. Rep. George H. Mahon.

In November 1977, GAO agreed to provide the House Committee on Appropriations with current information on transportation policies and practices of the Department of Defense (DOD) for use in fiscal year 1979 appropriation hearings. In January 1978, it was agreed that work should be terminated on the Military Personnel Appropriation following the suggestion that further work would be nonproductive since the actual obligations shown in the fiscal year budget for 1978 equaled 95% of the estimated obligations for that year. Subsequent to this meeting, DOD officials asserted that the estimate for transportation of things in the Procurement Appropriation was based on formulas relating to the procurement program and was not their best estimate for these costs. The information furnished shows only the actual payments for the transportation of things in the Procurement Appropriation during the 5-month period from October 1977 through February 1978. Since historical data on disbursements by object class were not available beyond the period furnished, there is no basis for expressing an opinion on the validity of the projections. (RRS)

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

B-165069

May 26, 1978

The Honorable George H. Mahon
Chairman, Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

On September 7, 1977, you requested that we be prepared to provide current information on transportation policies and practices of the Department of Defense for use in fiscal year 1979 appropriation hearings.

On November 3, 1977, we met with your representative and agreed to (1) furnish information concerning the transportation costs for Foreign Military Sales shipments that were moved by the Defense Transportation System in fiscal years 1976 and 1977, (2) determine what the Department of Defense had done to prevent using section 22 rates for Foreign Military Sales shipments, and (3) compare estimated obligations with actual obligations for fiscal years 1975 through 1977, and to the extent possible, show actual payments made in fiscal year 1978 for the "transportation of things" in the Military Personnel, Procurement, and Operations and Maintenance Appropriations.

At a January 25, 1978, meeting, your representative agreed that we should terminate our work in the Military Personnel Appropriation. We had suggested that further work would be nonproductive since the actual obligations shown in the fiscal year 1978 budget for fiscal year 1976 equaled 95 percent of the estimated obligations for that year.

We met with and gave the requested information to your representative on March 30 and April 4, 1978. He advised us that our information and explanations would satisfy your request.

Subsequent to our meeting with your representative, officials of the Department of Defense said the estimate for transportation of things in the Procurement Appropriation was based on formulas relating to the procurement program and was not their best estimate for these costs. These officials advised us that a more valid comparison would be between the actual expenditures for transportation and the estimated transportation costs shown in the Procurement Programs Document (P-1).

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We would like to point out that the information furnished shows only the actual payments for the transportation of things in the Procurement Appropriation during the 5-month period from October 1977 through February 1978. Since historical data on disbursements by object class for transportation of things was not available beyond the period furnished, we have no basis for expressing an opinion on the validity of the projections we made and furnished at the request of your representative.

No further work on this assignment is planned. However, my staff will be available to you or your representative throughout the mark-up session.

Sincerely yours,


Comptroller General
of the United States