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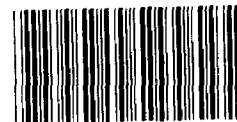
General Accounting Office

9/10/78

Progress And Problems In Consolidating Military Support Functions In The Pacific

Department of Defense efforts to improve interservice support activities still have not resulted in an effective system to consolidate duplicative military support organizations. In two prior reports, GAO recommended that DOD delegate authority to theatre commands so that they can direct, not just "recommend" interservice arrangements for support activities.

This report shows that the lack of such authority continues as a major reason why inefficiency and duplication of effort in support functions has not been stopped.



109084

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APRIL 12, 1979

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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

LOGISTICS AND COMMUNICATIONS
DIVISION

B-183619

The Honorable Harold Brown
The Secretary of Defense

Dear Mr. Secretary:

This report shows that the lack of authority to direct consolidations within the Defense Retail Interservice Support program is a major reason for continued inefficiency and duplication of effort in support functions in the Pacific.

The report contains recommendations to you on page 15. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Chairmen, Senate Committee on Governmental Affairs, House Committee on Government Operations, and Senate and House Committees on Appropriations and on Armed Services; and the Secretaries of the Army, Navy, and Air Force.

Sincerely yours,

A handwritten signature in cursive script, reading "R. W. Gutmann".

R. W. Gutmann
Director



D I G E S T

The Department of Defense's (DOD's) attempts to improve interservice support functions in the Pacific area are commendable, but duplicate military support organizations continue for many functions. Consolidation decisions are influenced too much by the units which would lose staff and give up control over functions.

GAO reported in 1975 that overseas coordinating groups either were not meeting at all or had not aggressively pursued program objectives. That report identified several support activities that should be consolidated; it recommended efforts to improve consolidation and to overcome individual service's opposition to merging activities.

DOD's coordinating groups are now generally meeting on a regular basis to study interservice support issues. The services have consolidated some functions suggested in the prior GAO report and other functions identified by the services. These actions have saved an estimated \$1.1 million and recurring savings are estimated at \$8.4 million annually. At present, consolidations carried out include housing and furniture management and two of three civilian personnel offices on Okinawa, real property maintenance at Wheeler Air Force Base in Hawaii, and other activities within the services. (See pp. 4 to 6.)

In spite of improvements, by no means have all needed consolidations been achieved. Examples include real property maintenance near Pearl Harbor and on Okinawa, civilian personnel offices in Hawaii and Japan, family housing management in Hawaii, and administrative aircraft support in Japan. A key cause of this is DOD's disagreement with GAO's previous recommendation to the

Secretary of Defense to delegate clear-cut authority below the Department level to direct, not just recommend, interservice arrangements for support activities. }
(See p. 7.)

Coordinators of the Defense Retail Interservice Support program told GAO that they cannot make effective consolidations because it is difficult to get the services to agree to even begin a study. These officials also believed that major consolidations need to be directed from the DOD level because it was difficult to get service commanders in the field to agree that parts of their organizations are unnecessary.
(See pp. 12 and 13.)

All this raises doubts as to the future progress of consolidations; for example, ad hoc committees composed of representatives from organizations to be consolidated may not always present a fair analysis of the benefits to be gained by consolidation. Even if proposals showed feasibility and savings, services desiring to keep a function could do so because theatre commands lacked directive authority and disputed consolidations were not brought to the attention of the Secretary of Defense.

There have already been too many studies and restudies on the feasibility of consolidating functions such as real property maintenance and civilian personnel offices without definitive action because one or more services oppose consolidation. In such cases, DOD should either employ an impartial arbitrator or direct that implementation be carried out immediately.

The Secretary of Defense should:

--Direct the program administrator to develop procedures which will insure that disputed studies and unresolved proposed consolidations are promptly submitted for review and arbitration to an organization with directive authority. GAO believes this can best be done by

delegating clear-cut directive authority to responsible commands within the Defense Retail Interservice Support program.

--Direct completion of several consolidation plans where progress has stalled or where new functions are shown to be duplicative. (See p. 15.)

DOD officials responsible for the Defense Retail Interservice Support program acknowledged the need for improved interservice support within DOD and cited new procedures which are being implemented to provide for escalating disputed consolidation proposals to the Department level for review and resolution. (See ch. 5.)

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ABBREVIATIONS

CINCPAC Commander in Chief, Pacific
DLA Defense Logistics Agency
DOD Department of Defense
DRIS Defense Retail Interservice Support
GAO General Accounting Office

CHAPTER 1

INTRODUCTION

We examined Department of Defense (DOD) consolidation of military support functions in the Pacific to see if our prior recommendations had been addressed. This report discusses improvements in the Pacific area Defense Retail Interservice Support (DRIS) program and the need for further effort to eliminate duplication in military support functions.

PRIOR REVIEWS

In May 1972 1/ and August 1975 2/ we reported potential for increased productivity and cost reductions through interservice support arrangements in the Pacific. In the two reports, we concluded that many chances to reduce costs through consolidation had been missed. In addition, we recommended that the Secretary of Defense:

- Establish a full-time interservice support program staff in the Pacific Command.
- Develop procedures to insure that the Pacific Command knows of, and adequately considers, all potential interservice support opportunities.
- Delegate clear-cut authority for the unified Pacific Command to direct advantageous interservice support arrangements.
- Simplify procedures to release or transfer resources when necessary to implement interservice support arrangements.
- Direct that achieving DRIS program goals be the primary responsibility of at least one official in each geographic area and that this responsibility be considered in that official's job performance evaluation.

1/"Opportunities to Consolidate Support Functions in the Pacific to Reduce Military Costs" (B-160683, May 11, 1972).

2/"Millions Could Be Saved Annually and Productivity Increased if Military Support Functions in the Pacific Were Consolidated" (LCD-75-217, Aug. 26, 1975).

- Require periodic internal review of interservice and intraservice support program effectiveness.
- Direct specific consolidations.
- Issue instructions that studies must emphasize finding ways to achieve consolidation, rather than to discourage it.

In commenting on the report, DOD stated it would make certain that interservice support is improved. Regarding unified Pacific Command authority to direct consolidations, however, DOD said that the Pacific Command has enough authority. Also in reference to the 1975 report, DOD said existing procedures for resource transfers are adequate.

PROCEDURES FOR INTERSERVICE SUPPORT

DOD policy guidance for interservice support during our current review was the same as during our 1975 review. DOD Directive 4000.19, dated March 27, 1972, established the DRIS program, which allowed local commanders to improve their operations by effectively using interservice support and by eliminating unjustified duplication. As before, a DRIS manual (DOD 4000.19M) provides more detailed procedural guidance.

The Defense Logistics Agency (DLA), under the direction of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), administers the program. Among others, the Director, DLA, as the designated DRIS Program Administrator, is responsible for

- developing, maintaining, and publishing uniform policy and procedures for joint use throughout DOD;
- serving as the focal point for aggressive DOD emphasis on retail support and accomplishing required coordinated action through DOD command channels in resolving problems encountered;
- developing long-range plans to further program objectives; and
- conducting studies, reviews, and surveys to determine or develop opportunities for effective interservice support.

Executive coordinating agents represent the heads of each military department for resolving interservicing problems at that level. Aggressive use of interservice

support is the responsibility of management at all DOD operating levels, and interservice support agreements are to be executed at the lowest possible level of command.

The commanders of the overseas unified command are responsible for coordinating the interservice support program within their areas of jurisdiction. The Commander in Chief, Pacific (CINCPAC), is responsible for the Pacific Theater.

CINCPAC Instruction 4000.2J, dated April 1, 1976, required the following organizations to implement the DRIS program and to detail each organization's responsibilities:

- The Joint Interservice Support Board administers the overall Pacific program.
- DRIS Program Review Boards are established at subordinate unified commands to encourage and coordinate interservice support in their areas.
- Sub-Zone Groups are established by subordinate unified commands or CINCPAC representatives to promote interservice cooperation and support, and insure maximum visibility in all functions of a given geographic area.
- Sub-Study Groups are established by Sub-Zone Groups to examine functional areas for interservice support feasibility. The groups are generally composed of representatives from the affected military components.

The instruction further requires commanders in the Pacific Command to conduct aggressive programs to achieve interservice support, publicize and periodically review interservice support objectives and concepts, and appoint a single point of contact for all interservices support matters.

SCOPE OF REVIEW

We evaluated the adequacy of DOD efforts to assure effective interservice support in the Pacific area. We examined records and met with officials at Army, Air Force, Navy, and Marine Corps locations and unified command headquarters in Hawaii and Japan (including Okinawa). We visited the Army Finance and Accounting Center at Ft. Benjamin Harrison, Indiana, and also met with American Embassy officials in Japan.

In the following chapters, we discuss program improvements made since our last report and problems which continue to impede effective consolidation of support functions.

CHAPTER 2

PACIFIC AREA INTERSERVICE SUPPORT HAS IMPROVED

DOD and military commands in the Pacific have addressed our recommendations and have acted to improve interservice support. The services have implemented some new consolidations, with estimated savings of \$1.1 million and recurring savings of \$8.4 million annually.

Whereas our 1975 review found overseas coordinating groups either not meeting at all or not aggressively pursuing program objectives, the groups now generally meet on a regular basis to study interservice support issues. Although not all studies are complete, the groups have addressed each of the consolidations recommended in our 1975 report.

The services have consolidated some of the functions addressed in our prior reports as well as other functions identified by the services. Numerous Army activities on Okinawa have been transferred to other services as part of an Army phasedown in that part of Japan. Discussed below are several examples of support function consolidations successfully implemented in the Pacific area.

HOUSING AND FURNITURE MANAGEMENT ON OKINAWA

All military family housing and household furniture management on Okinawa was consolidated under the Air Force in February 1977. The Air Force then became responsible for almost 5,000 military family housing units as well as referrals for over 4,000 private rental units. Before consolidation, the Air Force, Army, and Navy had management responsibility for about 2,100, 2,600, and 200 housing units, respectively.

Except for limited field inspection services, all housing management activity is now centralized. The family housing manager said the change was made with relative ease. Procedural differences comprised most of the few problems encountered. Such differences also affected the consolidation of furniture management functions, which was further complicated by differing furniture inventories.

Army representatives--who previously had the largest number of housing units--said that both housing and furniture services were adequate. An Army official said Army personnel are now waiting longer than before for

military housing assignments, but noted that this was actually a result of a more equitable distribution of existing housing shortages.

Based on staffing data for affected services, we computed that about 85 personnel spaces costing about \$1.4 million annually were saved through consolidation. We could not determine precise savings because many Army maintenance positions were not specifically designated as related to family housing. Furthermore, the estimate is understated to the extent that we did not adjust for the cost of Army contracts canceled because the Air Force does such functions in-house.

CIVILIAN PERSONNEL OFFICES ON OKINAWA

Air Force and Army civilian personnel offices on Okinawa were consolidated under the Air Force in July 1977. The Marine Corps opposes consolidation, and its office still functions separately.

According to Army and Air Force personnel officials, they had no major problems in consolidating. Army officials said that before consolidation, they had reservations as to whether it would succeed. After the change, Okinawa officials, including the Army Commanding General, expressed overall satisfaction with Air Force management of the civilian personnel office functions.

Air Force officials report that 17 of 96 authorized positions were eliminated in the consolidation. We estimate that recurring savings will be about \$250,000 annually.

The Air Force retained a suboffice at Army headquarters to provide day-to-day service to Army employees and to respond to activity commanders. An Air Force official said that further personnel reductions may be possible as experience is gained, but a suboffice should be retained.

REAL PROPERTY MAINTENANCE AT WHEELER AIR FORCE BASE

The Army assumed real property maintenance responsibility for Wheeler Air Force Base, Hawaii, on December 11, 1977. An Army and Air Force implementation plan identified 13 positions which DOD can eliminate for an estimated \$313,000 in personnel savings. At the time of our review, there had been insufficient experience to judge the adequacy of consolidated maintenance services.

The Army and Navy have also agreed on Army maintenance of Navy housing at Camp Stover, contiguous to Wheeler Air Force Base. Although implementation was temporarily deferred, the plan was approved by DOD and implemented in April 1978. Army officials reported that operations were expected to improve but did not yet know the amount of expected savings, if any, from the Camp Stover transfer.

RECOMMENDED INTRASERVICE
CONSOLIDATIONS WERE IMPLEMENTED

We proposed in 1975 that service commands in Japan consolidate specific functions within their own organizations. The functions included duplicate aircraft maintenance at Yokota Air Base, Japan; fragmented Army quality control/quality assurance functions in Okinawa; and three Air Force logistics staffs at Kadena Air Base, Okinawa. Each function was consolidated with reported recurring savings of about \$800,000 annually.

In each case, officials told us the consolidated functions worked satisfactorily. It should be noted, however, that the former Army Director of Industrial Operations felt that the initial consolidation of 10 quality control/quality assurance functions into 1 did not meet organizational needs. Therefore, a subsequent reorganization provided two such functions with no increase in staff.

CHAPTER 3

EXAMPLES OF NEEDED INTERSERVICE CONSOLIDATIONS WHICH HAVE NOT MATERIALIZED IN THE PACIFIC

In spite of the improvements discussed in chapter 2, other needed interservice consolidations have not materialized. We believe that a key problem relates to DOD disagreement with our previous recommendation to the Secretary of Defense to delegate clear-cut authority for the unified Pacific Command to direct needed interservice support arrangements. This and other factors frustrating needed consolidations are discussed further in this chapter.

Several potential consolidations appeared desirable based on ad hoc committee study data, but were not implemented. In some cases, the studies cited such negative factors as impact on services' missions or organizational upheaval, but in other cases, study recommendations simply had not been acted on.

The fact that ad hoc committees are generally composed of representatives from the organizations to be consolidated may introduce bias which can influence and frustrate consolidations at the local level.

REAL PROPERTY MAINTENANCE NEAR PEARL HARBOR, HAWAII

Only limited consolidation of real property maintenance has occurred in Hawaii. We recommended as early as 1968 ^{1/} that a single manager be appointed for real property maintenance on Oahu. In response, the Deputy Secretary of Defense directed three separate studies for three geographic areas on Oahu. He said that consolidating by area would be the most cost effective, at least initially. The resulting studies reported potential savings for consolidation in two areas (Pearl Harbor and central Oahu) and somewhat increased cost for consolidation in the third area on Oahu. As described in chapter 2, part of the consolidation in central Oahu was implemented. No significant interservicing consolidation has been made in the Pearl Harbor area, however.

^{1/}"Feasibility of Consolidating Military Real Property Maintenance Functions on Oahu, Hawaii, and in the Norfolk, Virginia, Area" (B-164217, Aug. 5, 1968).

The Commandant, Fourteenth Naval District, reported in January 1976 that consolidation of real property maintenance in the Pearl Harbor area was feasible and that a complete consolidation could result in recurring savings of about \$1,350,000 and one-time savings of about \$932,000. Installations in the Pearl Harbor area included Ft. Shafter, Tripler Army Medical Center, Hickam Air Force Base, and Pearl Harbor Naval Base. The report cited other factors which should be considered before acting:

- Transition costs such as retraining personnel, converting from military to civilian positions, and reconciling differing union agreements.
- Temporary problems such as inefficiency from organizational turbulence and negative public reaction.
- Adequate staffing for the consolidated organization.

Individual service comments on the study report opposed complete interservice consolidation in the Pearl Harbor area, but favored modified consolidations within its own service instead. For example, officials at Headquarters, Pacific Air Forces, reported that other factors cited in the study include intangibles which cannot be quantified, but raise doubt as to cost effectiveness of interservice consolidations. As an alternative, Air Force officials cited a proposed within-service consolidation which crossed the geographic lines previously delineated by DOD as the most cost-effective arrangement.

In lieu of total consolidation by geographic area, the Deputy Assistant Secretary of Defense (Installations and Logistics) requested in May 1976 that the Navy maintain Army property at Ft. Kamehameha. Also, DOD requested the Navy to maintain triservice housing at the Aliamanu Military Reservation as soon as the housing was completed. DOD did not request interservice consolidation of the other Pearl Harbor area activities, including Ft. Shafter, Tripler Army Medical Center, and Hickam Air Force Base.

Although both the unified Pacific Command and DOD considered the above-described limited consolidations at Pearl Harbor an interim step, installation officials told us they were not aware of any further plans for consolidation in that area.

In May 1976 DOD also asked Hickam Air Force Base to increase interservice support agreements with the Navy by at least \$500,000 in 18 months. By February 1978, new agreements totaling only about \$80,000 were in effect.

Another \$515,000 in one-time projects and ongoing agreements were under review within the Air Force. The above new and pending agreements are insignificant in relation to overall activity and total less than 3 percent of the Hickam Air Force Base annual real property maintenance budget.

REAL PROPERTY MAINTENANCE ON OKINAWA

In September 1975 the Japan DRIS Program Review Board instructed an ad hoc committee to determine what was necessary to effect real property maintenance consolidation on Okinawa. Japan Sub-Zone Group minutes from November 1976 showed that a draft report elicited service disagreement. Group members agreed that the study needed to continue but noted that realignments from an Army phasedown on Okinawa must be considered.

The study concluded that consolidation under a single real property maintenance entity in Okinawa was reasonable. The study estimated that about 190 positions could be saved and recommended further review in four areas.

In spite of the tentative study results and the apparent DRIS program agreement that completion of the study is warranted, we found no evidence of further study and a final report has not been issued. At the time of our review, DRIS program officials said there had been no plans to finish the study, but that the Army phasedown has progressed enough to warrant study continuation.

CIVILIAN PERSONNEL OFFICES

Our August 1975 report recommended consolidation of civilian personnel offices in Hawaii, mainland Japan, and Okinawa, Japan, citing potential savings of \$1.9 million. To date only two of three offices on Okinawa have been consolidated. The partial consolidation of Okinawa offices tends to support our projected savings because it will save over 80 percent of the original \$300,000 we estimated would result from total consolidation.

Ironically, consolidation of Army functions into the Air Force was successfully implemented in spite of a feasibility study which concluded that limited savings would not be worth deteriorated services. Also the reported \$250,000 savings from consolidation is over four times the feasibility study's estimate. The consolidation arose by DOD directive as part of an Army phasedown on Okinawa. The DOD directive did not apply to other civilian personnel organizations in the Pacific, however, and little more than repeated study has occurred elsewhere.

An Air Force civilian personnel official said the Marine Corps office on Okinawa could be served by the recently consolidated Air Force/Army office with a savings of at least 12 personnel. A Navy civilian personnel official also believed such a consolidation to be desirable. We estimate about \$200,000 potential annual savings from the reduction of 12 personnel. Marine Corps officials in Okinawa, however, were opposed to such a consolidation because of differences in policies and career programs, and because they believed poorer service would result.

On mainland Japan, over 17,000 civilian employees were served in March 1977 by five separate civilian personnel offices and their suboffices. Japan personnel officials reported no significant consolidation there since our 1975 report. The Pacific Joint Interservice Support Board accepted the previously mentioned Okinawa study, which recommended against consolidation as applicable to mainland Japan. In 1977 DOD requested another study to look at selected personnel functions--this study also recommended against consolidation.

In Hawaii, five offices served over 22,000 civilian employees in the first quarter of fiscal year 1977. Branch offices have consolidated within services, but there have been no interservice consolidation. A DRIS program study completed in 1975 recommended that civilian personnel functions on Oahu not be consolidated under a single service. A Defense Audit Service draft report initially concluded in 1976 that 50 personnel spaces could be saved through a recommended consolidation. However, the Defense Audit Service reported strong and sometimes emotional opposition to consolidation of personnel offices on Oahu. Accordingly, they revised their recommendation, concluding that consolidation could not succeed under those circumstances. In addition, in a covering letter, an official of the Defense Audit Service stated that complex issues involving organizational, regulatory, procedural, and manning matters need to be resolved at DOD levels before the merits of a local level consolidation can be achieved.

FAMILY HOUSING IN HAWAII

Although we did not discuss Hawaii housing management in our 1975 report, we examined this function in our latest review because of the successful experience with islandwide consolidated family housing in Okinawa. We did not find significant progress in Hawaii. The Army, Air Force, Navy, and Marines in Hawaii each have at least one family housing office to manage over 17,000 housing units. The Army and

Navy have central and branch offices; though the Marines have the fewest housing units, they have two separate offices.

DRIS program officials told us consolidation in Hawaii has been discussed over the years, but no islandwide studies have resulted. They told us that the DRIS program's Hawaii Sub-Zone Group discussed an islandwide study in 1977, but the Navy objected to the study and the group could not agree to begin. Reasons given included the lack of personnel available for studies and the desire to observe progress at military housing at Aliamanu--a 2,600 unit complex built and managed by the Army but maintained by the Navy on Oahu.

Some localized studies in Hawaii support the need for consolidation. The Naval Audit Service recommended in 1973 that the Marine Corps Camp Smith housing management function be transferred to the Navy for a \$38,000 annual savings. The Marines disagreed with the report. The Naval Audit Service updated its report in December 1976, estimating annual savings at \$181,000. The Service had not received an official response from the Marines by February 7, 1978.

Also, a previously cited January 1976 study of Pearl Harbor real property maintenance consolidations included family housing management as part of its report. The report identified 24 positions which could be eliminated and estimated about \$180,000 could be saved by consolidating the housing management functions of the Army, Navy, and Air Force in just the Pearl Harbor area. In the subsequent 2 years, however, no action has been taken other than the above-mentioned Navy maintenance and Army management of military housing at Aliamanu.

At an exit interview in Hawaii, DRIS program officials told us a joint housing board had been formed after our fieldwork was completed. This group may be able to address the above issues.

ADMINISTRATIVE AIRCRAFT SUPPORT IN JAPAN

We recommended in 1975 that administrative aircraft support to Camp Zama and Yokota Air Base in Japan be consolidated. Even though a subsequent ad hoc committee study found savings for three alternative consolidations, no consolidation has been implemented.

The ad hoc committee study, completed in February 1976, showed the following alternative options which had savings:

<u>Transfer functions to</u>	<u>Net annual savings</u>
Air Force at Yokota Air Base	\$134,100
Army at Camp Zama	227,400
Army at Yokota Air Base	286,900

No one-time savings from release and redistribution of equipment were shown in the study. Army officials, however, told us that Air Force equipment would not be needed if functions were transferred to the Army. The equipment not needed cost about \$960,000.

The study recommended continued dual operation. It cited the following constraints which in the committee's opinion result in questionable feasibility for consolidation:

- Air Force and Army requirements during contingencies would necessitate retaining aircraft even under consolidation.
- Locating a consolidated facility outside of Camp Zama could, in inclement weather, preclude originating a mission elsewhere in support of Camp Zama medical transportation needs.
- Family housing is scarce at Yokota Air Base, but plentiful at Camp Zama.

The cited constraints do not, in our opinion, preclude consolidation. Our analysis of limited contingency data made available by the Army and Air Force showed nothing which would prevent a consolidated facility from meeting contingency needs. The remaining two factors bear on the choice of location rather than on the desirability of consolidation, in that both factors favor locating at Camp Zama.

DRIS PROGRAM COORDINATORS STILL
DO NOT HAVE ADEQUATE MEANS TO
ASSURE EFFECTIVE CONSOLIDATION

This chapter has included examples of promising consolidations studies which have been deferred, discontinued, or, if completed, not acted on. DRIS program officials told us they cannot direct consolidations, and that even beginning a study requires an agreement by the participants to proceed.

The officials stated further that, in their opinion, major consolidations need to be directed from the DOD level--that trying to get service commanders to agree that parts of their organizations are unnecessary is not a reasonably attainable objective at the field level.

In response to our 1975 recommendation for greater directive authority in the DRIS program, DOD replied that the unified Pacific Command had sufficient authority and pointed out that the chain of command for purposes other than operational matters runs from the President to the Secretary of Defense to the Secretaries of the military departments. This may be true, but in a July 1978 report on the national military command structure prepared at the request of the President, it was recommended that the role of the unified commands be expanded to include a participating voice in determining requirements of the forces under their commands. The present arrangement of the DRIS program appears to be a classic example of assignment of responsibility without corresponding delegation of authority.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The improved activity by DRIS program committees and the examples of successfully consolidated military support functions show positive efforts by DOD and subordinate military organizations. We are pleased to see these efforts and they should help pave the way for future consolidation implementations.

The lack of progress in other areas and, in fact, the circumstances surrounding some of the successful consolidations, raise disturbing echoes of the narrow and short-sighted objections to consolidation that we criticized in our 1975 report. Ad hoc committees, composed of representatives from the organizations to be consolidated, may not always present a fair analysis of consolidation potential. The most recent Okinawa civilian personnel feasibility study findings were negative, but Army and Air Force offices were consolidated anyway. An Army phasedown was the motivation behind that successful consolidation. Even if proposals showed feasibility and savings, services which wanted to keep a function within their fold could do so because of the lack of directive authority in the DRIS program. The Marine Corps still has not agreed to be served by the consolidated personnel office on Okinawa.

These negative factors serve to dilute consolidations at each step in the process. For instance, we initially recommended a single manager for real property maintenance on Oahu in Hawaii. Feasibility studies, however, were restricted to consolidation by area on Oahu. Implementation directives further modified consolidations so that no one entity had full responsibility for an area. Implementation actions have resulted in even more limited interservice consolidation of real property maintenance.

We do not believe the current approach to consolidation will achieve a reasonable degree of success in the foreseeable future. Consolidation decisions still depend too much on the organizations which would lose staff, not only through composition of study groups but through the ability of individual services to decline participation in a consolidated organization. Also, local military officials sometimes opposed consolidations under one of the services.

One objection to consolidation has been the upheaval resulting from organizational changes. Where the duplicative organizations have been in existence for long periods of time, personnel resistance can naturally be expected. We recognize that services should try to soften the impact of organizational changes, but emphasize that the changes are mandatory to effect consolidation and reduce costly support functions. Also the practice of consolidating a support function in one localized area--such as civilian personnel offices in Okinawa--and allowing the same function to continue under duplicative service management at other locations within the theatre (mainland Japan and Hawaii) demonstrates the need to overcome local opposition to worthwhile consolidations.

RECOMMENDATIONS

To assure that worthwhile consolidations are not lost because of local opposition and bias, we recommend that the Secretary of Defense instruct the DRIS program administrator to develop procedures which will insure that disputed consolidations are promptly submitted for review and arbitration to an organization with directive authority. In our opinion, this could best be done by delegating clear-cut directive authority to responsible commands within the DRIS program. This would enable the unified commands overseas to direct, not simply recommend, needed interservice support arrangements.

We further recommend that the Secretary direct review and completion of implementation plans for consolidations where progress has stalled and initiate new studies where functions are known to be duplicative. Examples include real property maintenance and civilian personnel functions on Okinawa and in Hawaii, family housing management in Hawaii, and the consolidation of administrative aircraft support in Japan.

CHAPTER 5

AGENCY COMMENTS AND OUR EVALUATION

We discussed our findings with CINCPAC officials. These officials acknowledged that under existing DRIS program procedures the military services can frustrate any consolidation efforts with which they do not concur.

We further discussed our findings with DOD headquarters staff of the Assistant Secretary, Manpower, Reserve Affairs and Logistics, and with DRIS representatives of DLA and the respective services. These officials acknowledged the need for improved interservice support within DOD and said that they are in the process of implementing new DRIS program procedures which will (1) assure that interservice consolidation studies are not stalled due to opposition at the local level and (2) provide for escalating disputed consolidation proposals to the Department level for review and resolution. They also stated that while bias may exist in some study groups, they believed it to be the exception rather than the rule and pointed out that the new procedures for assigning and reviewing study results would dilute its impact.

They concluded that there was no need to delegate directive authority below the Department level and expressed the belief that vast opportunities exist worldwide (especially in the United States) to reduce support costs through increased use of interservice support arrangements.

To realize this potential it was explained that 76 geographical zones have been established worldwide and responsibility for accomplishing DRIS program objectives has been assigned under a structured and controlled program.

We concur that there is vast potential for consolidations of support functions in the United States, and indeed worldwide, and recommended in our 1975 report that DOD pursue this objective.

The procedures described to escalate disputed studies to the Departmental level for review and resolution are encouraging and should improve the problem areas discussed in this report. Encouraging also is the action to establish a worldwide program for accomplishing DRIS objectives.

As the new procedures are implemented, we will monitor the future course of the DRIS program to assure that studies are not frustrated by opposition at local levels.

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