

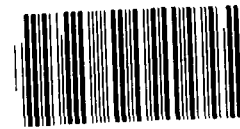
GAO

Briefing Report to Congressional Requesters

June 1986

MILITARY AIRLIFT

Information on DOD's
Chartering with
Commercial
Air Carriers



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National Security and
International Affairs Division

B-223096

June 12, 1986

The Honorable James R. Sasser
The Honorable Albert Gore, Jr.
United States Senate

On December 12, 1985, an Arrow Air DC-8 aircraft, chartered to the Multinational Force and Observers (MFO), crashed and burned at Gander, Newfoundland, Canada. The crash took the lives of 248 military personnel from the 101st Airborne Division, Fort Campbell, Kentucky, and 8 crew members from Arrow Air.

In your December 13, 1985 letter, and during subsequent discussions with your offices, you asked us to evaluate several issues associated with military commercial charter operations. Specifically, you asked us to (1) evaluate the Department of Defense's (DOD's) policies and procedures to charter commercial aircraft, (2) evaluate DOD's and the MFO's oversight procedures to monitor carrier performance, including compliance with Federal Aviation Administration (FAA) safety regulations, (3) obtain data on DOD's and FAA's airport security evaluations, (4) evaluate DOD's study of passenger airlift policies and procedures, and (5) monitor and report on the investigation of the crash.

On May 1, 1986, we briefed your staffs and agreed to provide you with a briefing report summarizing the issues we are focusing on in addressing each part of your request. Our work is continuing and we will provide you with a report at a later date that will discuss the issues outlined below and include recommendations for improving military charter operations.

CHARTER CONTRACTING AND OVERSIGHT,
AND AIRPORT SECURITY PROGRAMS

Air transportation safety is a national concern, not just a DOD concern. The airlines and air taxi operators are primarily responsible for air transportation safety. The FAA is primarily responsible for establishing safety regulations and for monitoring airlines and air taxi operators to assure they are complying with the regulations. DOD is responsible for selecting FAA certified airlines and air taxi operators and for monitoring contract performance. The roles of these organizations are discussed further in appendix I.

Our review work to date is focusing on a number of improvements DOD and the State Department, working with the MFO, could make in controls over commercial airlift operations. Specifically, we are focusing on the need for DOD to

- strengthen its contracting procedures to better assure that charter airlines and air taxi operators follow flight quality and safety requirements, and
- improve its monitoring of charter airlines and air taxi operators to assure they meet contract quality requirements and follow FAA safety regulations.

We are also looking at the need for (1) DOD and FAA to improve their communication so that each has access to the information it needs to adequately discharge its responsibilities, (2) DOD and FAA to coordinate their airport security evaluation programs, and (3) the State Department to encourage the MFO to develop better contracting and monitoring procedures that stress flight quality and safety.

DOD STUDY OF AIR TRAVEL POLICIES AND PROCEDURES

Following the crash at Gander, DOD started a comprehensive review of DOD air travel policies and procedures. A DOD study group examined the roles and responsibilities of the organizations involved in the air transportation of military personnel and their families. The study group, which included members from DOD, FAA, the Department of Transportation, and private consultants, was to perform a thorough examination and recommend changes to improve the safety and quality of DOD air passenger travel.

The study group's report, Passenger Airlift Policies and Procedures Review, dated April 2, 1986, contains a number of observations which are similar to our own and which point to a need for improved controls over commercial charter operations. The report also contains a number of recommendations to improve DOD commercial passenger airlift operations. For example, the report recommends that more specific criteria be used in selecting potential charter airlines and air taxi operators. The report also recommends improvements in the performance evaluations of the charter airlines and air taxi operators. The report and many of its recommendations, if adequately implemented, will help improve DOD's commercial airlift operations. To help achieve optimum results from the study and its recommendations, we are focusing on the need for DOD to (1) establish workable implementation plans and milestones, (2) commit the personnel and other resources required to implement the recommendations, and (3) periodically assess the progress being made in implementing the recommendations.

ARROW AIR CRASH

On December 12, 1985, an Arrow Air McDonnell Douglas DC-8-63 crashed and burned shortly after takeoff from Gander, Newfoundland, Canada, where it had stopped to refuel. The aircraft was on a charter flight for the MFO from Cairo, Egypt, to Fort Campbell, Kentucky. The Canadian Aviation Safety Board is directing the ongoing investigation to determine the possible causes of the crash. The U.S. National Transportation Safety

Board is participating in the investigation. According to National Transportation Safety Board officials, the Canadians are evaluating several issues associated with the crash, including the plane's loaded weight and balance, and the possible influence of icing on the aircraft. National Transportation Safety Board officials told us that a final report on the crash could be some months away.

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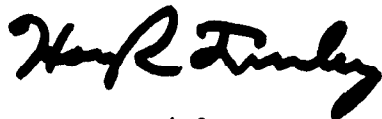
As arranged with your offices, we did not obtain agency comments on this briefing report. However, we did discuss the issues outlined above with DOD, FAA, State Department, and National Transportation Safety Board officials who generally agreed with them.

DOD officials stated that increased communication on flight quality and safety issues, as well as airport security issues, is a shared responsibility between DOD and FAA. They believe that DOD and FAA need to work together to improve communication. FAA officials believe that communication between DOD and FAA will be further enhanced when the Military Airlift Command representative starts working at FAA.

State Department officials told us that the MFO is a small organization that lacks expertise in aviation matters. Thus, the MFO relies on DOD and FAA to assure the quality and safety records of the U.S. airlines used by the MFO. State Department officials stated that only U.S. Civil Reserve Air Fleet airlines that have been accepted by the Military Airlift Command and certified by FAA are used for U.S. troop rotations. State Department officials also said that the MFO is improving its contracting procedures and they have initiated some actions to improve monitoring of contract performance.

As also arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this briefing report until 30 days after its date. At that time, we will send copies to the Secretaries of Defense, Transportation, the Army, the Navy, and the Air Force; the Administrator, FAA; the Chairman, National Transportation Safety Board; and the Director, Office of Management and Budget. Copies will also be made available to other interested parties upon request.

If you have any questions, please contact me on (202) 275-4268.



Harry R. Finley
Senior Associate Director

ROLES OF ORGANIZATIONSRESPONSIBLE FOR AIR CHARTER OPERATIONS

The two DOD activities responsible for charter operations are the Military Airlift Command and the Military Traffic Management Command. The Military Airlift Command negotiates annual contracts with members of the Civil Reserve Air Fleet for long-range and short-range international passenger and cargo airlift, as well as domestic and Alaskan operations expected to last more than 90 days. The Civil Reserve Air fleet is a group of domestic airlines that would augment U.S. military airlift capabilities during emergencies.¹ The Military Airlift Command also negotiates annual contracts with air taxi operators for operations expected to last more than 90 days. The Military Airlift Command spent about \$307 million for commercial passenger operations in fiscal year 1985, about \$33.7 million of this was with Arrow Air.

The Military Traffic Management Command arranges domestic passenger airlift and air taxi operations for up to 90 days duration through air transportation agreements with several airlines and air taxi operators. Requirements are sent to the airlines and air taxi operators to bid on. The lowest bidder receives the airlift charter or air taxi movement. During fiscal year 1985, the Military Traffic Management Command spent about \$32 million on commercial charter operations, about \$1.6 million of this was with Arrow Air.

The MFO is an independent international organization. The MFO's mission is to supervise the implementation of the security arrangements established by the Egyptian-Israeli Treaty of March 26, 1979. The MFO may make its own arrangements for airlift of forces to and from the Sinai Peninsula where the forces are stationed. Solicitations are requested from various airlines and annual contracts are awarded. If the MFO is satisfied with the services performed under the contract, it may renew the contract for 1 year without competition. Contracts do not necessarily have to be only with airlines from participating countries. However, the major U.S. troop rotations to the Sinai have all been with Civil Reserve Air Fleet airlines.

The FAA is responsible for certifying airlines and air taxi operators. It is also responsible for airworthiness certificates for the aircraft used by the airlines and air taxi operators. The FAA also manages an oversight program that

¹For additional information on the Civil Reserve Air Fleet program see GAO report Emergency Airlift: Responsiveness of the Civil Reserve Air Fleet Can Be Improved (GAO/NSIAD-86-47, Mar. 24, 1986).

includes a variety of inspections of airlines' and air taxi operators' personnel, aircraft, maintenance activities, and other operations.

The various airlines and air taxi operators are primarily responsible for maintaining safe operations. To obtain and maintain their certificates, they must demonstrate that they are maintaining their operations in accordance with applicable FAA regulations. Unsafe operations could result in FAA fines or loss or suspension of FAA certificates.

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