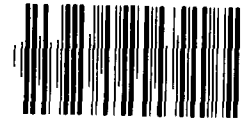


March 1987

MILITARY AIRLIFT

Management Controls Over Charter Airlift Need to Be Strengthened



132516

RESTRICTED — Not to be released outside the General Accounting Office without the specific approval by the Office of Congressional Relations.

538206

RELEASED



United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-223096

March 6, 1987

The Honorable Jim Sasser
The Honorable Albert Gore, Jr.
United States Senate

On December 12, 1985, an Arrow Air DC-8 aircraft, chartered by the Multinational Force and Observers, 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. On June 12, 1986, we provided you with a briefing report entitled Military Airlift: Information on DOD's Chartering with Commercial Air Carriers (GAO/NSIAD-86-144BR). This is our final report on your request.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its date. At that time, we will send copies to the Secretaries of Defense, State, Transportation, the Army, the Navy, and the Air Force; the Administrator, Federal Aviation Administration; 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.

Frank C. Conahan
Assistant Comptroller General

Executive Summary

Purpose

On December 12, 1985, an Arrow Air DC-8 aircraft chartered by the Multinational Force and Observers (MFO) crashed and burned at Gander, Newfoundland, Canada. MFO, an independent international organization, is responsible for supervising the implementation of the security arrangements established by the Egyptian-Israeli Treaty of Peace dated March 26, 1979. These arrangements include stationing troops in the Sinai Peninsula where they perform peacekeeping functions.

The Arrow Air crash took the lives of 248 military personnel from the 101st Airborne Division, Fort Campbell, Kentucky, and 8 crew members from Arrow Air. The U.S. military troops were returning from the Sinai. Although the aircraft had been chartered by the MFO, the crash focused national and congressional attention on how the Department of Defense (DOD) charters commercial aircraft.

GAO was asked to evaluate several issues associated with military charter operations. Specifically, GAO was asked to (1) evaluate DOD's policies and procedures for chartering commercial aircraft, (2) evaluate oversight procedures for monitoring carrier performance, including compliance with Federal Aviation Administration (FAA) safety regulations, (3) evaluate DOD's study of passenger airlift policies and procedures, (4) obtain data on DOD's and FAA's airport security evaluations, and (5) monitor and report on the investigation of the crash.

Background

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 Department of Transportation (DOT) develops, coordinates, and carries out U.S. government policy relating to the regulation of the airline industry. FAA, a part of DOT, is primarily responsible for establishing air safety regulations and for monitoring airlines and air taxi operators to ensure that they are complying with the regulations. The DOD transportation agencies Military Airlift Command (MAC) and Military Traffic Management Command (MTMC) are responsible for selecting FAA-certified airlines and air taxi operators and for monitoring contract performance.

Results in Brief

MAC and MTMC need to make a number of improvements in controls over charter airlift operations. These improvements could help ensure flight safety and enhance flight quality.

Improvements in MAC and MTMC procurement procedures could help ensure that charter airlines and air taxi operators follow contract terms covering flight safety and quality. Also, improvements in MAC and MTMC monitoring of charter airlines' and air taxi operators' contract performance could help ensure that they are following FAA safety regulations and meeting flight quality requirements.

GAO also believes that charter flight safety and quality could be improved through (1) better DOD and FAA communication on flight safety issues and coordination of their foreign airport security evaluation programs and (2) implementation of the recommendations in DOD's April 2, 1986, study of passenger airlift policies and procedures.

Principal Findings

Charter Procurement

MAC performs airlift capability surveys of potential airlift contractors' capabilities to safely meet specific and unique military air transportation requirements. However, MAC's airlift capability surveys are not as in-depth as they should be, and they have not been performed as frequently as they should be. Also, while MAC has included safety clauses in its contracts with U.S. airlines, MAC had not included such clauses in its contracts with foreign airlines. Further, foreign airlines have not been included in MAC's airlift capability survey program. Improvements are needed in the safety clauses in MTMC's transportation agreements.

Charter Oversight

One of MAC's contractor evaluation procedures is to conduct a ramp inspection of contractor aircraft at various en route locations. The ramp inspection is a check of a contractor's aircraft by an experienced Air Force representative accompanied by a representative of the contractor. GAO found that MAC's ramp inspection program has not provided sufficient coverage of charter airlines and air taxi operators. Also, the program has not been centrally managed by MAC, and the results have not been analyzed. MTMC's in-flight quality checks have been very limited. Also, its charter aircraft have not been required to have MAC ramp inspections. The MFO does not perform in-flight quality checks, and its charters do not undergo MAC ramp inspections. Effective communication between FAA and DOD on charter oversight has not always occurred.

DOD's Review of Passenger Airlift

Following the Arrow Air crash at Gander, DOD conducted a comprehensive review of DOD's passenger airlift policies and procedures. DOD's April 2, 1986, report, Passenger Airlift Policies and Procedures Review, contains a number of observations that are similar to GAO's and that point to a need for improved controls over commercial charter operations. Actions being taken by DOD to implement the report's recommendations are positive steps in improving DOD's charter operations.

Airport Security Evaluations

FAA conducts assessments of the security measures maintained at foreign airports. In a separate procedure, FAA classifies foreign airports based on the potential for terrorist activity at the airports. However, FAA has not effectively coordinated the results of its foreign airport security assessments and classifications with DOD. Also, while MAC contracts include passenger security clauses, MAC has not included an evaluation of airline security programs in its airlift capability surveys

Arrow Air Crash

As of February 1987, the crash of an Arrow Air DC-8 aircraft at Gander was still under investigation by the Canadian Aviation Safety Board (CASB). The Canadians are evaluating several issues, including the aircraft's loaded weight and balance, the possible influence of ice on the aircraft, and the aircraft's maintenance record.

Recommendations

To help ensure passenger charter flight safety and enhance flight quality, GAO believes that actions are needed to strengthen management controls over such areas as procurement, oversight, communication, and coordination. GAO is making the following overall recommendations:

- The Secretary of Defense should require MAC and MTMC to strengthen passenger charter procurement and oversight procedures.
- The Secretary of Defense should (1) establish workable implementation plans for the recommendations in the DOD passenger airlift study, (2) commit the resources required to carry out the recommendations, and (3) periodically assess the progress being made.
- The Secretary of Defense and the Secretary of Transportation should work together to improve communication on air safety issues and coordination of foreign airport security evaluations and classifications

Additional specific recommendations are included in GAO's report.

Agency Comments

GAO requested comments on a draft of this report from DOD, DOT, the State Department, the National Transportation Safety Board (NTSB), and Arrow Air. NTSB and Arrow Air provided no comments.

DOD and DOT generally concurred with most of GAO's specific recommendations and provided comments detailing implementation actions either planned or underway. GAO believes that DOD's and DOT's actions should help ensure charter flight safety and enhance flight quality.

Contents

Executive Summary		2
<hr/>		
Chapter 1		10
Introduction	Why Charter Aircraft Are Used for U.S. Troop Movements	10
	Roles of Organizations Involved in Military Passenger Airlift	14
	DOD's Reliance on FAA	16
	Objectives, Scope, and Methodology	17
<hr/>		
Chapter 2		20
Improvements Needed in Procurement of Commercial Charter Airlift	MAC Needs to Improve Its Airlift Procurement Procedures	20
	MTMC Needs to Improve Its Management of Airlift Agreements	26
	MFO's Airlift Procurement Procedures	28
	Conclusions	30
	Recommendations	31
	Agency Comments and Our Evaluation	32
<hr/>		
Chapter 3		36
Management Controls Over Military Charters Need to Be Strengthened	Improvements Needed in MAC's Controls Over Charter Airlift	36
	MTMC Should Strengthen Its Monitoring of Charter Operations	40
	MFO's Monitoring of Charter Operations	41
	Effective Communication Needed Between FAA and DOD	41
	Inspection Problems Hinder FAA's Oversight Responsibilities	43
	Conclusions	45
	Recommendations	45
	Agency Comments and Our Evaluation	46

<hr/>	
Chapter 4	48
DOD's Study of Passenger Airlift Operations Recommends Changes in Procurement and Oversight Procedures	
DOD's Review of Passenger Airlift Policies and Procedures	48
DOD's Study Recommended Several Changes in Passenger Airlift Procurement Policies and Procedures	49
DOD's Study Recommended Several Changes in Passenger Airlift Oversight Policies and Procedures	51
Implementation Plans, Review Procedures, and Reporting Needed	55
Impact of Fiscal Year 1987 National Defense Authorization Act	55
Conclusions	56
Recommendations	56
Agency Comments and Our Evaluation	57
<hr/>	
Chapter 5	58
Improvements Needed in Security Policies and Procedures	
FAA Needs to Coordinate Its Foreign Airport Security Evaluations With DOD	59
FAA Should Change Its Security Regulations	60
Contract Security Provisions Need to Be Strengthened	61
Conclusions	62
Recommendations	62
Agency Comments and Our Evaluation	63
<hr/>	
Chapter 6	66
Arrow Air, Inc., and the Crash of Arrow Air N950JW	
Air Crash Still Under Investigation	66
Arrow Air N950JW	70
Arrow Air	71
MAC's Experience With Arrow Air	72
MTMC's Experience With Arrow Air	73
Recent FAA Experience With Arrow Air	73
Agency Comments	74
<hr/>	
Appendixes	
Appendix I: Request Letter	76
Appendix II: Comments From the Deputy Assistant Secretary of Defense (Logistics)	77
Appendix III: Comments From the Assistant Secretary for Administration, U.S. Department of Transportation	99
Appendix IV: Comments From the Comptroller, United States Department of State	103

<hr/>		
Tables	Table 2.1: Passenger Weight Planning Factors	24
	Table 2.2: Airlines Used to Transport U.S. Troops to the Sinai	30
	Table 6.1: Operational History of N950JW	71
	Table 6.2: Arrow's Aircraft Fleet as of January 1986	72
<hr/>		
Figures	Figure 1.1: U.S. Troops Disembarking From a Transamerica Boeing 747 at Luxembourg Airport During a Recent Military Exercise	11
	Figure 1.2: DOD Airlift Aircraft	13
	Figure 1.3: U.S. Troops Disembarking From an Air Force C-141 Aircraft	14
	Figure 2.1: U.S. Troops Disembarking From a Commercial Aircraft With Carry-On Baggage	25
	Figure 2.2: U.S. Troops Deploying on El Al Airlines to the MFO in the Sinai Peninsula During 1982	29
	Figure 6.1: Route of the Last Flight of Arrow Air N950JW	67
<hr/>		
Glossary		105

Abbreviations

CASB	Canadian Aviation Safety Board
CRAF	Civil Reserve Air Fleet
DOD	Department of Defense
DOT	Department of Transportation
FAA	Federal Aviation Administration
GAO	General Accounting Office
MAC	Military Airlift Command
MATA	military air transportation agreement
MFO	Multinational Force and Observers
MTMC	Military Traffic Management Command
NATI	National Air Transportation Inspection
NTSB	National Transportation Safety Board

Introduction

On December 12, 1985, an Arrow Air McDonnell Douglas DC-8 aircraft, chartered by 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 Arrow Air crew members. The crash focused national and congressional attention on Department of Defense (DOD) policies and procedures for chartering commercial aircraft.

On December 13, 1985, Senators Jim Sasser and Albert Gore, Jr., asked us to review several issues associated with chartering commercial aircraft for the movement of U.S. troops. (See appendix I.) Specifically, we were asked to

- evaluate DOD's policies and procedures in chartering commercial aircraft (see ch. 2);
- evaluate oversight procedures in monitoring contract performance, including compliance with Federal Aviation Administration (FAA) safety regulations (see ch. 3);
- evaluate DOD's study of passenger airlift policies and procedures (see ch. 4);
- obtain data on DOD's and FAA's foreign airport security evaluations (see ch. 5); and
- monitor and report on the investigation of the crash (see ch. 6).

Representative Guy Molinari, as part of a larger request, and Representative Robert Smith also requested that we review DOD's chartering of commercial aircraft for U.S. troop movements.

Why Charter Aircraft Are Used for U.S. Troop Movements

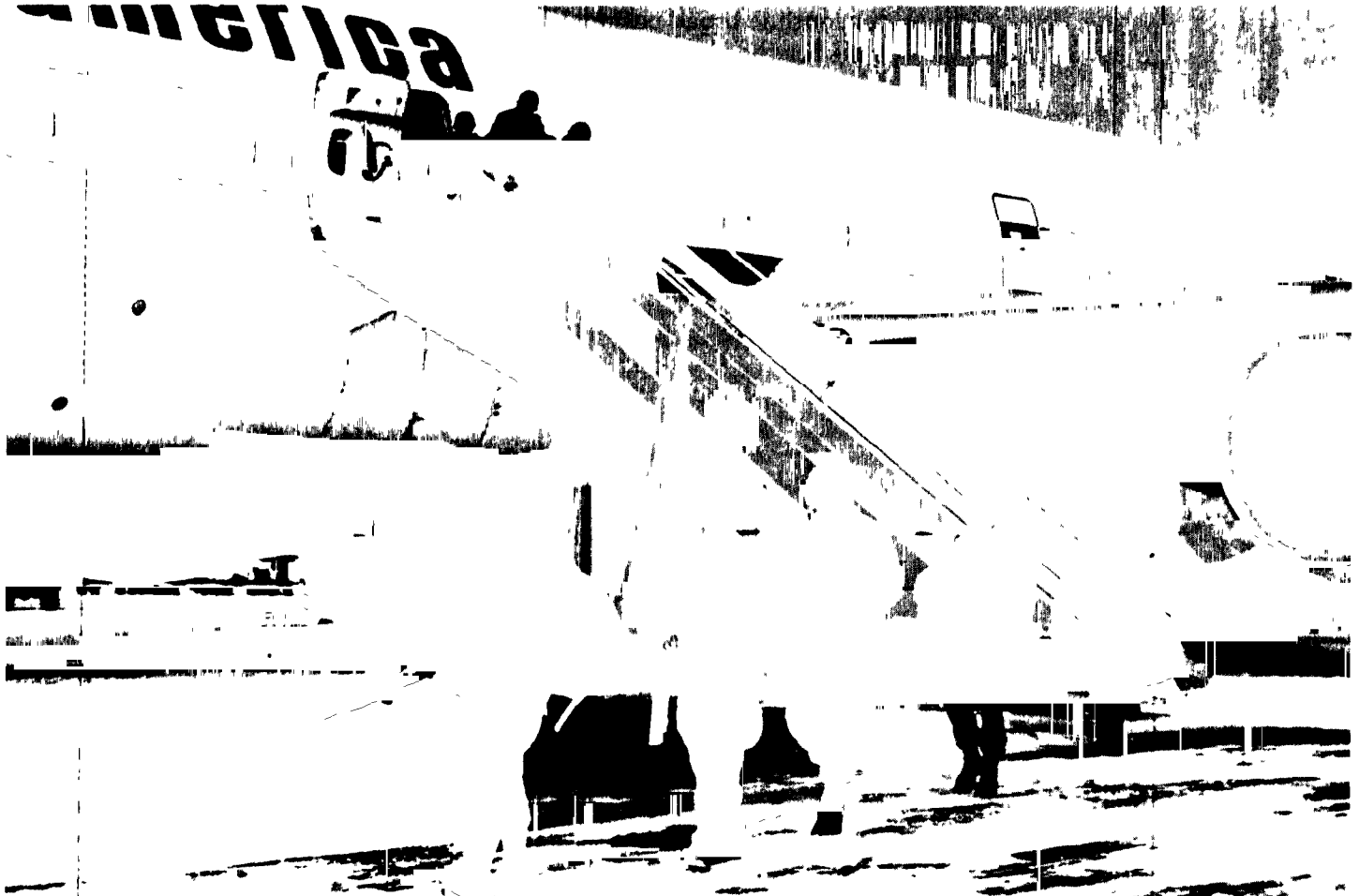
In wartime, DOD would rely on the commercial aviation industry to provide about 95 percent of required passenger airlift and about 25 percent of required cargo airlift. In peacetime, most DOD personnel and their families move on regularly scheduled or chartered commercial passenger aircraft (see fig. 1.1). Reasons for DOD's reliance on the commercial aviation industry for DOD passenger movements include

- longstanding congressional mandate and administrative policy guidance,
- wartime contingency needs, and
- limited passenger capability of military airlift aircraft.

Congressional and
Administrative Policy

According to DOD, there are over 30 years of clear and consistent guidance from the Congress and the Executive Branch recommending maximum use of available commercial passenger airlift. During the late 1940s, several DOD studies concluded that programs and policies needed to be developed to rapidly mobilize civil aircraft to augment military airlift capabilities. These policies led to the development of the Civil Reserve Air Fleet (CRAF) in 1951. CRAF consists of U.S. civilian aircraft that would augment DOD's military airlift capability in wartime.¹

Figure 1.1: U.S. Troops Disembarking From a Transamerica Boeing 747 at Luxembourg Airport During a Recent Military Exercise



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

In 1957, a Senate Committee on Appropriations report stated that DOD should utilize civilian transportation to the fullest extent possible when it is found to be more economical to do so. Then, in 1958 the House Committee on Government Operations stated that DOD should concentrate on buying aircraft for airlifting large pieces of cargo and for technical missions and let civilian airlines move DOD passengers and the more conventional types of cargo. The Committee restated this objective in 1963

In 1960, President Eisenhower approved a DOD study called The Role of Military Air Transport Service in Peace and War. The study included nine "Presidentially Approved Courses of Action" which, according to DOD, outline broad national airlift policy and continue to serve as the basis for the current DOD and airline industry relationship. The major thrust of the "Courses of Action" is that DOD should encourage the development and use of the commercial airline industry. DOD Directive 5160.2, "Single Manager Assignment for Airlift Service," dated October 17, 1973, states one of the objectives of DOD airlift:

"To develop and guide the peacetime employment of airlift services in a manner that will enhance the emergency and wartime airlift capability, achieve greater flexibility and mobility of forces, and increase logistics effectiveness and economy "

The directive goes on to state that the Military Airlift Command (MAC) should, among other things,

"Augment the airlift capacity of the Agency as required to meet requirements by the use of commercial airlift service in peacetime on a basis which will contribute to the sound economic development of an increased modern civil airlift capacity and enhance the ability of civil carriers to operate with maximum effectiveness in support of the military forces in time of war "

Wartime Contingency Needs

According to DOD, civilian aircraft are needed to meet wartime contingency requirements. Current plans are that about 95 percent of troop air movements during wartime would be by CRAF aircraft. While some troops will accompany their units' cargo on long-range C-5 and C-141 aircraft, CRAF will fly all of the troop transportation missions. In addition, civil aircraft that are part of the War Air Service Program would be needed to move civilian and DOD personnel, units, and cargo within the United States during wartime.²

²Civil aircraft not allocated to CRAF are part of the War Air Service Program. In wartime, these aircraft would operate under emergency regulations issued by the Department of Transportation. About 5,000 aircraft are in the program.

Use of Existing Military
Aircraft for Passengers

As shown in figure 1.2, the Air Force owns and maintains a large fleet of airlift aircraft. However, according to DOD, these aircraft are primarily configured for hauling cargo and performing specialized tactical missions and pilot training. U.S. troops are sometimes airlifted on these aircraft during exercises, as shown in figure 1.3. However, the preferred method for DOD passenger movement is on commercial aircraft.

Figure 1.2: DOD Airlift Aircraft

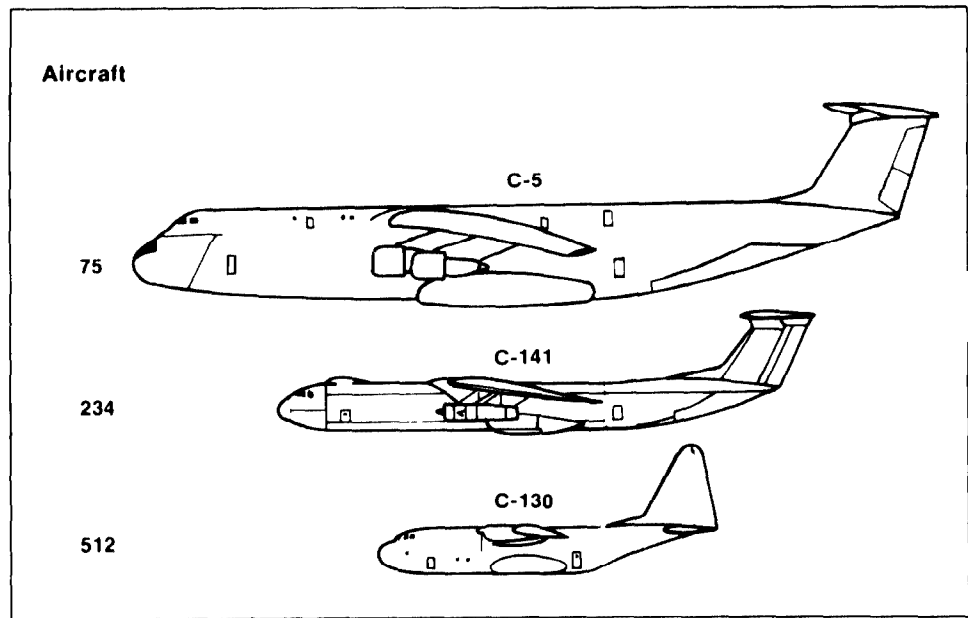
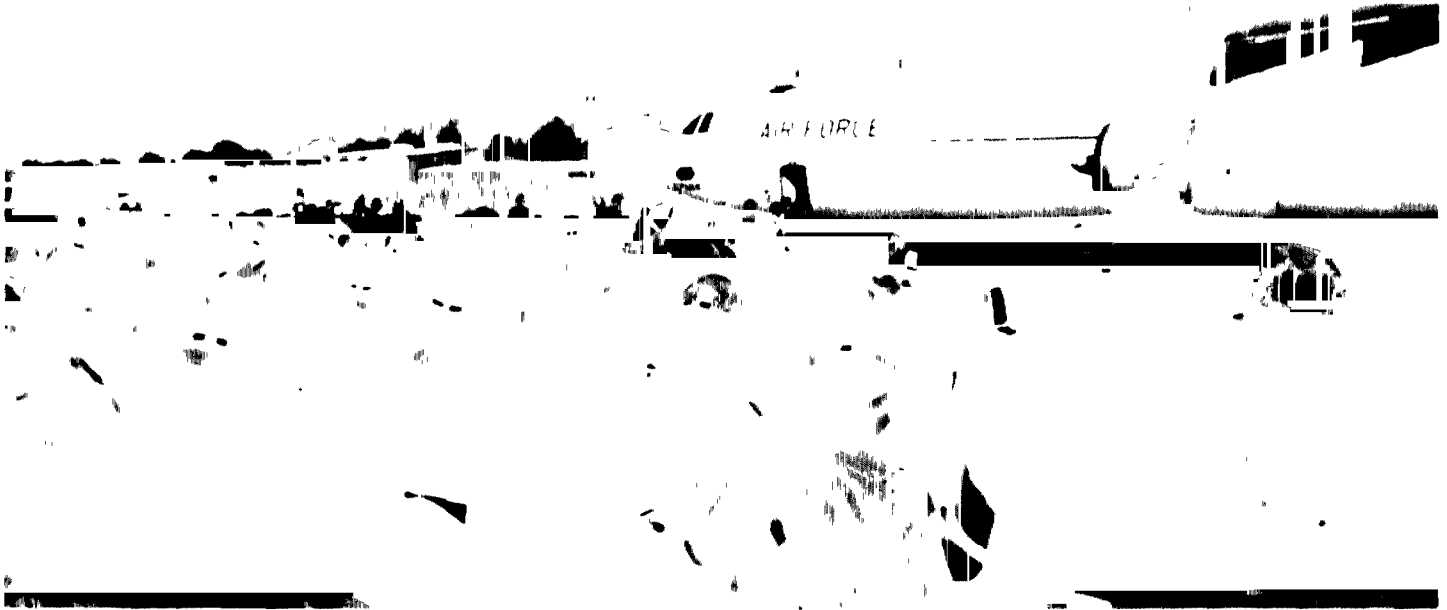


Figure 1.3: U.S. Troops Disembarking From an Air Force C-141 Aircraft



Roles of Organizations Involved in Military Passenger Airlift

The two DOD transportation agencies responsible for charter operations are MAC and the Military Traffic Management Command (MTMC). MAC, an Air Force Command, negotiates annual contracts with members of the CRAF for long- and short-range international passenger and cargo³ airlift, as well as domestic and Alaskan operations expected to last 90 days or more. MAC also negotiates annual contracts with air taxi operators⁴ for operations expected to last 90 days or more. MAC spent about \$307 million for commercial charter operations in fiscal year 1985. About \$33.7 million of this was for charters with Arrow Air.

MTMC, an Army command, arranges domestic passenger airlift and air taxi operations for less than 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

³CRAF airlines generally operate large multi-engine aircraft capable of carrying more than 30 passengers or more than a 7,500-pound payload

⁴Air taxi operators provide commercial charter airlift for small groups of DOD passengers on smaller aircraft, generally less than 30 passengers and less than a 7,500-pound payload. However, DOD does require that the aircraft have at least two engines and that they be operated by a pilot and copilot.

year 1985, MTMC spent about \$32 million on commercial charter operations. About \$1.6 million of this was with Arrow Air.

We recognize that both MAC and MTMC arrange military passenger charters. We did not address any potential consolidation issues during this assignment. In a prior report on the Grace Commission studies, we supported the consolidation of military transportation functions.⁵

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 Peace dated 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. The MFO requests proposals from various airlines and awards annual contracts. If the MFO is satisfied with the services performed under the contract, it may renew the contract for 1 year without further competition. Contracts do not have to be only with airlines from participating countries. However, the major U.S. troop rotations to the Sinai, after the initial deployment, have all been with U.S. CRAF airlines.

The Department of Transportation (DOT), among other duties, develops, coordinates, and carries out U.S. government policy relating to the regulation of the airline industry. This includes providing authority for air carriers to operate in the commercial air transportation industry. The Department also makes carrier fitness determinations. In reviewing a company's fitness to provide air service, DOT examines three areas, including (1) the qualifications of the company's management, (2) the compliance of the company, related companies, and their key personnel with aviation laws, rules, and regulations, as well as laws relating to anticompetitive or deceptive business practices, antitrust, fraud, and felonies, and (3) the financial conditions of the company, including its proposed operating plan.

FAA, a part of DOT, is responsible for regulating air commerce in ways that best promote its development and safety. The FAA issues and enforces rules, regulations, and minimum standards relating to the manufacture, operation, and maintenance of aircraft. To carry out its responsibilities, FAA has established an oversight program that includes

⁵For additional information on the consolidation of military transportation functions, see GAO report Compendium of GAO's Views on the Cost Savings Proposals of the Grace Commission (GAO/OGC-81-1), Feb 19, 1986

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

The airlines and air taxi operators have the primary responsibility for maintaining safe operations. To obtain and maintain their authority to operate in the commercial air transportation industry, they must demonstrate that they maintain their operations in accordance with applicable FAA regulations. Unsafe operations could result in FAA fines or loss or suspension of their authority to engage in commercial air transportation.

The National Transportation Safety Board (NTSB) is an autonomous agency that was established in 1975 by the Independent Safety Board Act. The NTSB seeks to promote transportation safety by conducting independent accident investigations and making recommendations to government agencies and the transportation industry on safety measures and practices. NTSB is participating in the Canadian Aviation Safety Board's ongoing investigation of the December 12, 1985, crash of the Arrow Air DC-8 at Gander.

DOD's Reliance on FAA

FAA is primarily responsible for establishing flight safety regulations for the air transportation industry and for monitoring airlines and air taxi operators to ensure that they follow the regulations. DOD relies on FAA's efforts to monitor the air transportation industry. However, due to a shortage of inspectors and other related problems, FAA has experienced some difficulty in fully implementing its oversight role. FAA has a number of initiatives underway to resolve the problems, but it could take some time to fully implement them. Chapter 3 discusses FAA's oversight problems and some of the actions FAA is taking to resolve them.

Federal Acquisition Regulations require that DOD—more specifically, MAC and MTMC—perform evaluations of potential airlift contractors' capabilities to safely meet specific and unique military air transportation requirements and to monitor contract performance once the airlift contractor begins operations for DOD. Chapters 2 and 3 discuss MAC and MTMC management control procedures used to evaluate airlift contractors' capabilities and performances. Chapters 2 and 3 also offer several recommendations for strengthening these management control procedures. Some of these recommendations, such as expanded evaluations of contract aircraft maintenance and expanded ramp inspections could require increased MAC and MTMC coordination with FAA because FAA has

the primary responsibility for air transportation industry inspections to ensure compliance with safety regulations.

Objectives, Scope, and Methodology

On December 13, 1985, Senator Jim Sasser and Senator Albert Gore, Jr., asked us to evaluate several issues associated with military charter operations. The Senators believed that the Arrow Air crash raised a number of issues regarding DOD contract administration and oversight of charter airlines and air taxi operators. As discussed on page 10, their request letter and subsequent discussions with their offices established several objectives for this assignment. Representative Guy Molinari, as part of a larger request, and Representative Robert Smith later asked us to evaluate DOD's policies and procedures for chartering commercial aircraft. Their requests were incorporated into our assignment for Senators Sasser and Gore.

Our evaluation was conducted between December 1985 and February 1987. We performed work at Headquarters, MAC, Scott Air Force Base, Illinois; Headquarters, MTMC, Falls Church, Virginia; and at DOD, FAA, NTSB, and the State Department in Washington, D.C.

At MAC we obtained information on MAC's policies and procedures for chartering airlines and air taxis. We reviewed charter contracts and associated files. We reviewed MAC's procedures for monitoring the performance of charter airlines and air taxi operators. We also reviewed MAC's airport security evaluations. We discussed the results of our review with MAC officials.

At MTMC we obtained information on MTMC's policies and procedures for chartering airlines and air taxis. We reviewed transportation agreements and the MTMC bidding process. We also reviewed MTMC's procedures for monitoring the performance of charter airlines and air taxi operators. We discussed the results of our review with MTMC officials.

At DOD we obtained information on DOD's air transportation program. We also discussed with DOD officials the results of our reviews at MAC and MTMC and the results of DOD's own review of passenger transportation policies and procedures.

At FAA we obtained information on FAA's oversight of military charter airlines and air taxi operators and reviewed communication procedures

between FAA and DOD. In addition, we obtained information on FAA's foreign airport security evaluation system. We discussed the results of our review with FAA officials.

Our staff is working on several assignments dealing with FAA's operations. We have testified a number of times concerning our ongoing work. We have included some of the observations from our testimony on the adequacy of FAA's airline inspection functions in chapter 3.

At the NTSB we discussed the ongoing investigation of the Arrow Air crash at Gander. We also reviewed the Canadian Aviation Safety Board hearings on the crash and discussed these with NTSB officials.

We obtained data on the MFO from Department of State representatives who are responsible for liaison with the MFO. At the State Department, we reviewed documents related to the MFO and discussed MFO's contracting and oversight procedures with State Department officials. We also discussed the results of our review with State Department officials.

This review was conducted in accordance with generally accepted government auditing standards.

Improvements Needed in Procurement of Commercial Charter Airlift

We found that MAC and MTMC need to strengthen their charter airlift procurement procedures. For example, MAC needs to expand the coverage of its contractor airlift capability survey procedures, which are used to evaluate the capabilities of potential contractors to perform DOD charter airlift. Other elements of MAC's contract administration procedures also need to be improved. MTMC needs to ensure that airlift capability surveys are performed on its contractors. MTMC also needs to improve the language of its military air transportation agreements (MATAs) to more specifically define flight safety and quality issues. These improvements could help ensure flight safety and enhance flight quality.

MAC Needs to Improve Its Airlift Procurement Procedures

Our review showed that MAC needs to improve its airlift procurement procedures. In addition to expanding its airlift capability surveys, MAC needs to include appropriate safety clauses in its contracts with foreign airlines. MAC also needs to develop ways to obtain and evaluate information on the operation and safety records of potential foreign airlift contractors. The Air Force should establish a permanent policy on MAC's interim passenger and baggage weight criteria. MAC needs to incorporate these interim passenger weight criteria into its contracts and review their application during airlift capability resurveys. Also, to promote ease of aircraft evacuation in emergencies and passenger comfort, MAC should closely control waivers of its seat spacing rules.

MAC Airlift Capability Surveys Should Be Improved

Federal Acquisition Regulations provide policies, standards, and procedures for determining whether potential contractors and subcontractors are responsible. According to the regulations, these determinations are made through pre-award surveys of a potential contractor's capability to perform a proposed contract. To be determined responsible, a potential contractor must (1) have adequate financial resources or be able to obtain them, (2) be able to comply with the required or proposed delivery or performance schedule, (3) have a satisfactory performance record, (4) have a satisfactory record of integrity and business ethics, (5) have the necessary organization, experience, accounting and operational controls, equipment and facilities, or the ability to obtain them, and (6) be otherwise qualified and eligible to receive an award under applicable laws and regulations.

The Federal Acquisition Regulations state that contractors' logistics support and maintenance activities are to be evaluated. They also state that no contract award shall be made to a contractor unless an affirmative determination of the contractor's responsibility is made. MAC's pre-

award surveys are called airlift capability surveys. They are performed by a MAC team that obtains factual information on potential airlift contractors' facilities, equipment, and capabilities to safely meet specific and unique military air transportation requirements.

MAC Regulation 70-1, dated November 8, 1985, requires on-site capability surveys of airlines and air taxi operators that want to provide contract airlift for DOD. During 1985, MAC survey teams performed 59 surveys. Six of these resulted in the potential contractors being found not capable because they did not have proper FAA certification or because their aircraft did not meet required specifications. MAC had four staff members available to do the surveys. The staff is now being increased to eight.

The surveys provide for discussions with FAA and contractor officials as well as reviews of pertinent records. However, we believe that the surveys could be improved if they specifically provided for (1) discussions with pilots and other air crew members and maintenance personnel and (2) more emphasis on evaluations of contract maintenance facilities and quality control.

The MAC airlift capability surveys include reviews of contractor and FAA records covering operations, training, insurance, maintenance, safety, and other items. The survey criteria also provide for discussions between MAC survey personnel and FAA officials responsible for the airline being surveyed. However, the survey criteria do not specifically require MAC personnel to contact airline or air taxi operator pilots and other air crew members or maintenance personnel. Discussions with these personnel could provide a more in-depth evaluation of a potential contractor's flight and maintenance operations, especially as they relate to safety. Such discussions could also provide another dimension to a records check and disclose areas where additional survey work may be needed.

The survey criteria require the MAC survey team to determine where a potential contractor's maintenance is performed. If maintenance is performed at another company, survey team members are to determine if the contract maintenance facility has proper authority to operate and, if so, obtain copies of the authority documents. The MAC team is not required to visit and evaluate the quality of maintenance performed at the maintenance contractor's facility. Also, the criteria do not require the MAC team to evaluate the potential contractor's quality controls over contracted maintenance. A recent DOD Safety Review Task Force report on the airline industry stated that contract aircraft maintenance is a

rapidly growing alternative to airline-controlled maintenance. We believe that MAC's surveys should recognize this trend by putting more emphasis on reviewing contract maintenance and a potential contractor's quality control of contracted maintenance. One way to initiate this would be for the MAC survey team to review and discuss with FAA officials recent FAA inspections of contractor maintenance facilities. If there is no recent FAA inspection, MAC could request that FAA do one. MAC officials told us that they plan to start evaluating the maintenance performed by aircraft maintenance contractors.

According to MAC's contract administration criteria, airlift contractors must be able to perform required airlift service meeting Office of the Secretary of Defense criteria of high standards of safety, performance, and service. Also, DOD has stated in its review of passenger airlift policies and procedures that DOD must ensure that safety and other pertinent factors associated with DOD passenger travel are fully considered. We believe that the enhancements to the MAC airlift capability survey program outlined above will help DOD to more fully consider the capabilities of potential airlift contractors. Further improvements to MAC's airlift capability survey program in the area of airport and in-flight passenger security are discussed in chapter 5.

**Need to Include
Appropriate Safety Clauses
in Foreign Contracts**

MAC's contracts with U.S. airlines and air taxi operators contain specific safety clauses in the general operational requirements sections and in the special provisions sections. The general operational requirements section states, in part, that aircraft used under the contract must be licensed, operated, and maintained in accordance with all applicable rules and regulations of FAA. The section also states that it is the responsibility of airlift contractors to perform air transportation services with the highest degree of safety. The special provisions sections of MAC's contracts contain the following safety clause:

"If the Commander in Chief Military Airlift Command, (CINCMAC) at any time during the performance period of this contract, considers that safety of flight is questionable, he may, upon notice to the Contractor setting forth reasons therefore, immediately suspend the Contractor from further performance of all or any part of this contract until such time as CINCMAC determines that the question of safety of flight has been resolved satisfactorily and advises the Contractor, in writing, of the removal of the suspension."

Our review of MAC's contracts showed that these clauses were not included in one contract with a domestic airline. Action was subsequently taken to include the clauses in the contract. At the time of our

review, MAC had contracts with seven foreign air carriers to support airlift requirements in Canada, Iceland, and Greenland. However, MAC's policy is not to include safety clauses in contracts with foreign airlift contractors. According to a MAC official, the safety clauses are not included in contracts with foreign airlift contractors because of their political sensitivity. However, the absence of these safety clauses may reduce MAC's option to suspend service when MAC suspects or has been informed by FAA or foreign aviation authorities that flight safety is being compromised.

We recognize that including the safety clauses in foreign contracts could be a sensitive issue with foreign governments. However, we also believe that MAC needs to ensure that it is taking all the actions necessary to promote flight safety on the part of its contractors. Therefore, we believe that MAC needs to pursue the inclusion of appropriate safety clauses in contracts with foreign airlift contractors. In February 1986, MAC officials began discussing this issue with Canadian officials.

**Need to Perform Airlift
Capability Surveys on
Foreign Contractors**

MAC Regulation 70-1 requires that comprehensive on-site airlift capability surveys be performed on all airlines and air taxi operators doing business with DOD. According to MAC officials, surveys of foreign airlift contractors are not done because of political sensitivities. We recognize these sensitivities. However, as with the safety clause issue, we believe that MAC should be doing all that it can to promote flight safety. Therefore, we believe that MAC should begin to explore ways to perform surveys of foreign airlift contractors that would minimize political sensitivities. One way to initiate this would be for MAC to obtain and evaluate FAA and foreign aviation authorities' information on the operations and safety records of potential foreign airlift contractors.

**Need to Incorporate Revised
Passenger Weight Criteria
in Contracts**

MAC contracts provide that a standard body weight of 160 pounds will be used for every passenger. However, the contracts state that the airlift contractor may request actual passenger weights on a specific mission. These requests must be made to the processing terminal at least 8 hours before departure. The MAC contracts also provide for a limit of 70 pounds per passenger for checked baggage on charter flights. However, there are no provisions in the contracts for weighing carry-on baggage or equipment.

NTSB stated that the ongoing investigation of the crash of the Arrow Air aircraft chartered to the MFO revealed that the standard average passenger weight estimate, including carry-on baggage used by the flight crew, was lower than the actual weight of the passengers and carry-on baggage aboard the flight. On February 14, 1986, the NTSB recommended that FAA inspectors review how airlines calculate passenger weight. FAA regulations advise airlines to use actual passenger weights when it is likely that the passenger weight will not conform to standard passenger weight. Transportation of athletic squads is an example where actual passenger weights may not conform to standard passenger weight. Aircraft weight and balance data are important in calculating takeoff performance requirements, such as takeoff speeds. NTSB findings are discussed further in chapter 6.

On March 5, 1986, following the crash and NTSB's announcement, MAC issued interim instructions on planning factors for passenger weight to several military headquarters activities. The interim instructions are to be used by requesting activities pending changes to individual and joint service directives. Table 2.1 shows the revised passenger weight criteria, including allowances for carry-on baggage and equipment, that are to be used in planning passenger airlift missions.

Table 2.1: Passenger Weight Planning Factors

Figures in pounds				
Flight type	Passenger weight	Checked baggage	Carry-on equipment	Total
Regular missions	160 ^a	70	None ^b	230
Missions with noncombat troops	175	70	20	265
Missions with combat troops	190 ^c	70	55	315

^aRegular missions generally transport personnel and their spouses and children, resulting in a lower weight planning factor

^bNo allowance provided for carry-on equipment on regular missions

^cIncludes carry-on baggage. Planning factors for regular missions and missions with noncombat troops do not include allowances for carry-on baggage under "passenger weight."

As shown in figure 2.1, accounting for carry-on baggage and equipment can be important. The troops shown in figure 2.1 are carrying briefcases, field packs, and other gear.

Figure 2.1: U.S. Troops Disembarking
From a Commercial Aircraft With Carry-
On Baggage



The MAC interim instructions on passenger weight calculations also state that, for passenger weight determinations for special and exercise airlift

missions, the actual weights or an adjusted planning weight factor may be used. The adjusted planning factor weights are to be determined by obtaining the weights of a 20 percent sample of the passengers and their hand-carried baggage. The average weight of this sample is to be used for all the passengers. However, all checked baggage is to be weighed. The interim instructions also state that the preferred method for calculating passenger weight continues to be to determine actual weights of passengers and all baggage when feasible.

The revised weight determination criteria should clarify procedures for planning passenger airlift missions. However, the interim criteria need to be finalized by the Air Force and incorporated into appropriate instructions. MAC needs to inform the contractors of these procedures and include them in future contracts. MAC should also include an evaluation of how the airlift contractors are applying these revised criteria when it performs airlift capability resurveys at contractor activities.

**Need to Control Waivers for
Seat Spacing**

Adequate seat spacing is needed for emergency evacuations and passenger comfort. Accordingly, MAC contracts provide that the space between seat rows on passenger mission aircraft will be 34 inches. The contracts do not indicate that this 34-inch seat spacing can be waived. However, we found that MAC contracting officials sometimes waive this requirement when a contractor calls and indicates that a flight could be delayed due to the need to change the seat spacing to meet MAC minimums. To enhance flight safety, seat spacing waivers should be closely controlled. DOD agreed that waivers for seat spacing should be more closely controlled.

**MTMC Needs to
Improve Its
Management of Airlift
Agreements**

Our review showed that MTMC needs to improve its airlift procurement procedures. Specifically, MTMC needs to (1) ensure that airlift capability surveys are performed on its airlift contractors, (2) revise its MATAS to include more specific safety clauses, such as those currently in MAC's contracts, (3) inform its carriers of the interim passenger and baggage weight criteria, (4) revise the MATAS to include MAC's passenger and baggage weight criteria, and (5) periodically remind military activities that hazardous material is not allowed aboard passenger aircraft

Airlift Capability Surveys Needed for MTMC Airlift Contractors

Prior to April 1986, MTMC did not require airlift capability surveys for its airlift agreements. However, we understand that surveys were requested on air taxi operators that carried hazardous materials for MTMC. Our review showed that, as of March 1986, 23 of MTMC's 66 charter airlines did not have airlift capability surveys. Those that did have them were generally also MAC contractors. We also noted that 25 air taxi operators in a random sample of 33 of MTMC's 91 air taxi operators did not have airlift capability surveys.

MTMC recognized that it did not have airlift capability surveys for all of its contractors. In January 1986, MTMC requested that MAC perform surveys on MTMC's airlift contractors. According to MTMC officials, MAC has stated it will try to assist MTMC. In a February 1986 message, MAC stated that it planned to survey MTMC airlift contractors during fiscal year 1986. However, the survey schedule would be subject to resource limitations and MAC's workload in surveying its own airlift contractors. In May 1986, MTMC also requested that MAC survey MTMC's air taxi operators. MTMC needs to ensure that its airlift contractors receive airlift capability surveys.

Transportation Agreements Need Better Safety Clauses

The safety clauses in MTMC's current transportation agreements are not as specific as the ones contained in current MAC contracts. For example, the MATAS do not specifically charge the airlift contractors with the responsibility for flight safety. The MATAS state:

"The objective of the Military Agencies is to ensure the highest degree of safety, reliability and service for movement of DOD traffic. Selection of carriers will be made among those which have demonstrated the capability to comply with all Department of Transportation (DOT) and Federal Aviation Administration (FAA) regulations and policies."

However, the MAC contracts state:

"All aircraft utilized must be licensed, operated and maintained in accordance with all applicable rules and regulations of the FAA, CAB [Civil Aeronautics Board], and USDA [United States Department of Agriculture], giving particular attention to the responsibility of the air carriers to perform air transportation services with the highest degree of safety."

As indicated, the MATAS appear to place the burden on MTMC for selecting safe operators. However, the MAC contracts are more specific and place the responsibility for flying safely with the operators.

**Revised Weight Criteria
Should Be Added to MATAs**

On March 5, 1986, MAC issued interim passenger weight criteria applicable to MAC and MTMC passenger charters. However, the revised MATAs sent to MTMC's airlift contractors in May 1986 did not contain these new criteria. The MATAs do not include an estimate for passenger weight, and the only criterion for baggage is that each passenger should be allowed two checked bags and one carry-on bag. MTMC needs to inform its carriers of the interim passenger and baggage weight criteria and revise the MATAs to include the revised weight criteria.

**MTMC Needs to Remind
Users Not to Carry
Hazardous Items on
Passenger Flights**

On two recent MTMC-arranged charters, troops included in their baggage hazardous material, which is prohibited aboard passenger flights. MTMC personnel are in the process of revising joint military regulations covering what can and cannot be included in baggage or carried aboard a military charter. MTMC needs to complete the regulation and periodically remind military activities of the restrictions.

**MFO's Airlift
Procurement
Procedures**

As shown in figure 2.2, the first deployment of U.S. troops by the MFO to the Sinai Peninsula was on El Al, Israel's national airline. The MFO's airlift contracts do not have to be only with airlines from participating countries. However, as shown in table 2.2, since the initial deployment, major U.S. troop rotations to the Sinai have all been with U.S. CRAF airlines.

Figure 2.2: U.S. Troops Deploying on El Al Airlines to the MFO in the Sinai Peninsula During 1982



Table 2.2: Airlines Used to Transport U.S. Troops to the Sinai

U.S. Airlines	Period
Flying Tiger Lines Global Airlines American Trans Air Pan American	August to September 1982
Arrow Air	January to February 1983
American Trans Air Arrow Air	July to August 1983
Arrow Air	January 1984
Arrow Air	July to August 1984
Arrow Air	January 1985
Arrow Air	July 1985
Arrow Air	December 1985

According to the State Department, smaller movements of U.S. troops to and from the Sinai are accomplished on scheduled U.S. airlines.

The MFO does not do extensive pre-award surveys at contractor facilities. However, according to the State Department, MFO's airline selection procedures do take into account airline performance and reliability, safety record, compliance with FAA and other national or international regulatory agency requirements, price of the services, ability to meet MFO schedules, financial condition of the company, insurance, and other factors. MAC and aviation industry information has been used to obtain listings of companies to obtain proposals from. Due to limited resources, the MFO has relied on FAA inspection, regulation, and certification as prime indicators in assessing the safety of U.S. flag airlines. Also, according to the State Department, the MFO has considered CRAF affiliation and related certification by MAC as evidence of satisfaction of MAC standards and suitability as carriers for movement of U.S. personnel.

Changes in MFO-Arranged Troop Rotations

The Army has decided that MAC will arrange U.S. troop rotations to and from the MFO in the Sinai Peninsula. Given this change in procedures, we are making no recommendations to the Department of State concerning MFO airlift contracting operations.

Conclusions

MAC and MTMC should improve their procurement procedures for charter airlift. These improvements could help ensure flight safety and enhance flight quality.

MAC should improve its contractor selection procedures by strengthening its airlift capability survey process. Since FAA has primary responsibility for inspecting airlines and air taxi operators, MAC should coordinate its efforts to improve its surveys with FAA. This coordination should minimize duplication of effort.

MAC should include appropriate safety clauses in its contracts with foreign airlines and develop ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contractors. The Air Force should establish a permanent policy on MAC's interim passenger and baggage weight criteria. MAC should inform existing contractors of the current interim weight criteria and include the criteria in its future contracts. MAC also needs to review the application of the new criteria during airlift capability resurveys. To promote ease of evacuation in case of aircraft emergencies, MAC should closely control waivers to its seat spacing rule.

MTMC also needs to improve its airlift procurement procedures. For example, MTMC needs to ensure that airlift capability surveys are performed on its airlift contractors. MTMC's transportation agreements need to be revised to include more specific safety clauses. In addition, MTMC needs to periodically inform its carriers of the MAC interim passenger and baggage weight criteria, and the MATAS should be revised to include this criteria. Further, MTMC needs to periodically remind military activities that hazardous material is not allowed aboard passenger aircraft and develop instructions covering this regulation.

Recommendations

We recommend that the Secretary of Defense direct the Commander of MAC to

- improve the airlift capability survey process by requiring discussions with pilots and other air crew and maintenance personnel and providing increased emphasis on evaluations of contract maintenance facilities and quality control over this maintenance,
- include appropriate safety clauses in contracts with foreign airlift contractors,
- develop ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contractors, and
- closely control waivers of the MAC seat row spacing rule.

The Secretary of Defense should also direct the Secretary of the Air Force to establish a permanent policy on MAC's interim passenger and baggage weight criteria and direct the Commander of MAC to

- inform existing contractors of the interim passenger and baggage weight criteria and include these criteria in its new airlift contracts and
- review contractor application of the criteria during airlift capability resurveys.

We also recommend that the Secretary of Defense direct the Commander of MTMC to

- ensure that airlift capability surveys are performed on MTMC airlift contractors,
- revise the MATAS to include more specific safety clauses,
- inform MTMC airlift contractors of the interim criteria on passenger and baggage weights and include these criteria in revised MATAS, and
- periodically remind its customers that hazardous materials are not allowed on passenger aircraft and develop instructions covering this regulation

Agency Comments and Our Evaluation

In its comments on a draft of this report, DOD partially concurred with our recommendations for improvements in the airlift capability survey process and for controlling waivers of the MAC seat row spacing criteria. DOD concurred with the other recommendations in this chapter and provided data on its actions to implement them.

DOD stated that the airlift capability survey process does include discussions with pilots and maintenance personnel. Our point is that the survey criteria do not specifically require this. To help ensure consistency and the most complete coverage during the survey process, we believe the survey criteria should specifically provide for these discussions and the criteria should be followed.

DOD commented that, while the surveys will examine contract maintenance operations, there are practical limitations to the survey process, given the extent of maintenance subcontract efforts. We recognize such limitations, and we are not suggesting mandatory inspection of all contractor maintenance. Rather, our point is that MAC survey criteria should be changed to provide more emphasis on contractor-provided aircraft maintenance and improved coordination with FAA officials.

DOD partially concurred with our recommendation that waivers of the MAC seat row spacing criteria not be allowed. DOD agreed that MAC seat spacing standards should apply to the maximum practical extent. However, DOD stated that some latitude must exist to allow competent MAC officials to waive the seat spacing requirements in extraordinary circumstances. According to DOD, such waivers would normally be approved only in cases where substitute aircraft conforming to MAC's seat spacing requirements were not readily available and extreme delay and passenger discomfort would result. We have modified our recommendation to recognize that some flexibility is needed.

Our draft report suggested that MAC's airlift capability survey process could be improved by (1) having the MAC survey teams review the operational histories of contractor aircraft, (2) following up with FAA on deficiencies identified during the surveys, and (3) specifically recording the resolution of these deficiencies in contract files. DOD commented that it prefers to rely on FAA's knowledge of aircraft histories. DOD also noted that a carrier is not approved for service until discrepancies are resolved to the satisfaction of MAC and FAA. DOD further commented that the survey process, which is being improved by expanding the staff, and the establishment of an Air Carrier Analysis Office, which is being developed at MAC, are designed to measure corporate effectiveness and responsibility. After considering DOD's comments and actions, we are not making recommendations on these matters.

Our draft report also suggested that the process of evaluating potential contractors could be improved by having MAC work with the Defense Contract Administrative Service, which performs financial evaluations of potential airlift contractors, to develop uniform financial evaluation criteria for potential airlift contractors. DOD commented that the establishment of the Air Carrier Analysis Office at MAC and consequent upgrading of MAC's review capabilities, supplemented by the Defense Contract Administrative Service's financial evaluation, offer a better solution to obtaining uniform financial data on airlift contractors. After considering the merits of DOD's alternative approach to the problem, we are not making a recommendation.

DOD concurred with our remaining recommendations and stated the following actions to implement them were either being taken or planned.

- New contracts with foreign carriers and renewals of current contracts will contain applicable safety clauses.

- The Air Carrier Analysis Office being established at MAC will act as the focus for collecting and evaluating pertinent information on foreign air carriers serving DOD's air transportation needs.
- DOD's regulations are being changed to incorporate MAC's interim passenger and baggage weight criteria. The MAC fiscal year 1987 contracts included the revised criteria, and future contracts will also include the revised criteria.
- MAC survey teams will review contractors' application of the revised passenger and baggage weight criteria during the airlift capability survey process.
- MAC will perform airlift capability surveys on MTMC airlift contractors.
- MTMC will revise its transportation agreements to include more specific safety clauses.
- MTMC has revised instructions to its airlift contractors on the standard weights to be used for weight and balance calculations. Also, the MATAS are being changed to include the revised weight criteria.
- MTMC has reemphasized DOD policy that hazardous cargo is not allowed on passenger aircraft.

Management Controls Over Military Charters Need to Be Strengthened

MAC and MTMC use various management controls to monitor the performance of their airlift contractors. Our review showed that improvements in several of these control procedures are needed to provide more effective oversight of airlift contractor operations. We believe that strengthened controls could help ensure flight safety and enhance flight quality.

MAC should start centrally managing its program to inspect contractor aircraft at en route locations and provide an effective program to monitor customer comments on the service provided by airlift contractors. MTMC needs to improve its charter oversight program. We also believe that FAA and DOD need to improve their communication so that each has access to the information it needs to provide effective oversight and control. FAA continues to experience a problem with performing effective oversight because of shortages in its inspector staff and other problems. Improvements are underway, but it could take FAA some time to correct the problems.

Improvements Needed in MAC's Controls Over Charter Airlift

Federal Acquisition Regulations prescribe policies and procedures to ensure that supplies and services acquired under government contract conform to the contract's quality and quantity requirements. According to the regulations, government contract quality assurance is performed at such times (including any stage of manufacturing or performance of services) and places (including subcontractors' plants) as may be necessary to determine that the supplies or services conform to contract requirements. The regulations also state that government contracting officers are to ensure contractor compliance with applicable safety requirements and maintain surveillance of flight operations where necessary.

MAC uses a variety of management control procedures to monitor airlift contractor performance as required by the Federal Acquisition Regulations. These include (1) schedule reliability evaluations, (2) contract discrepancy reports submitted by MAC contract coordinators located in the United States and overseas, (3) en route surveillance checks aboard charter flights conducted by contract administrators located throughout the MAC system, (4) mission observations by MAC pilots of charter crew operations under actual conditions, (5) MAC ramp inspections of charter aircraft at seven MAC bases, and (6) comment forms submitted by DOD passengers flying on charter flights. We found that MAC needs to strengthen its ramp inspection and passenger comment control procedures.

MAC Needs to Centrally Manage Its Ramp Inspection Program

MAC operates four to five charter passenger flights daily for scheduled charter routes (channel missions) and for special assignment and exercise airlift missions. One of MAC's procedures in providing oversight of airlift contractors was to perform, on a monthly basis, ramp inspections of 10 percent of each airlift contractor's aircraft (passenger and cargo combined) that departed from the following locations.

Charleston Air Force Base, South Carolina
Clark Air Base, Philippines
McChord Air Force Base, Washington
McGuire Air Force Base, New Jersey
Rhein Main Air Base, Germany
Travis Air Force Base, California
Yokota Air Base, Japan

The aircraft to be inspected are selected locally. Following the Arrow Air crash at Gander, MAC increased the ramp inspection criterion to 50 percent of the flights.

The ramp inspection is basically a visual check of the aircraft performed by an experienced Air Force representative accompanied by a representative of the airline. The inspection does not entail unfastening engine cowlings or air frame inspection plates unless necessary to check, for instance, the severity or source of an oil leak. Any opening of an aircraft is done only by airline representatives. The aircraft log is also reviewed by the Air Force representative. When serious deficiencies are not resolved at the base level, Air Force officials are to contact the nearest FAA maintenance representative for guidance and a decision. Only the FAA representative has the authority to ground an aircraft. However, the local MAC commander has the right to refuse to load passengers and cargo if the aircraft is considered unacceptable, even if the FAA representative does not ground the aircraft.

MAC's ramp inspection program has the potential to be an effective oversight procedure. However, to help realize that potential, MAC should (1) provide centralized management and evaluation of the ramp inspections, (2) include ramp inspections for charter aircraft departures from commercial airports, (3) target all aircraft not included in the airlift capability surveys for ramp inspections, (4) expand the program to include ramp inspections of MTMC charter aircraft, and (5) develop a program to ensure that ramp inspections are performed on air taxi aircraft.

The MAC ramp inspection program is not centrally directed by MAC. Also, the inspection results are not centrally analyzed to determine trends. According to MAC officials, the ramp inspection program has been delegated to the seven MAC air bases shown on page 37. Personnel at the bases select the aircraft to be inspected. We found no indication that anyone at MAC analyzed the results of the ramp inspections. To ensure more uniform coverage and evaluation of contractors, we believe that MAC should centrally manage the ramp inspection program by specifically selecting contractors' aircraft to be inspected and the en route locations where they will be inspected. The inspection data should be centrally evaluated by MAC to determine trends in contractors' performance. MAC generally knows which contractors perform designated flights and the destinations. MAC could use this information to pre-program ramp inspections. Centralized management would also be required for the other improvements outlined below.

Four of the seven locations where ramp inspections are performed are on MAC bases in the United States. However, MAC records indicate that most outbound passenger movements are not from these bases. For example, during fiscal year 1985, about 78 percent of outbound passenger movements were from commercial gateways located at commercial airports in the United States. MAC's ramp inspection program needs to be expanded to include charter departures from these airports.

MAC's ramp inspection program does not specifically require inspections of substitute charter aircraft. MAC's contracts allow airlift contractors to use substitute aircraft, which may not have been previously inspected by MAC. Substitution is subject to the approval of MAC contracting officers. However, there are no instructions indicating that, if a substitute aircraft is used, it should be specifically targeted for a ramp inspection. Specifically targeting substitute aircraft for ramp inspections would give MAC an opportunity to evaluate aircraft it may not have evaluated during the airlift capability survey because they were not offered by the contractor. Also, MAC's airlift capability survey program does not provide for the inspection of all the aircraft offered by a potential contractor because they may not be available at the contractor's facilities during the survey. If MAC centrally directs the ramp inspection program, then it could target for ramp inspections specific aircraft that were not previously inspected in the airlift capability surveys.

MAC's ramp inspection program does not cover MTMC-arranged charter airlift. During fiscal year 1985, MTMC arranged 1,089 charter passenger flights. However, we could find no indication that MTMC had requested

MAC ramp inspections on these charters. MAC and MTMC should jointly develop a program that would provide ramp inspections of MTMC charters.

MAC Regulation 70-1 requires ramp inspections on air taxi aircraft. Deficiencies are to be brought to the attention of the flight crew for log entry and/or correction. Items considered to be of a serious nature are to be resolved, or the aircraft is not to be loaded. We found no indication that ramp inspections were being performed on MAC or MTMC air taxi operators. MAC officials stated that the ramp inspections were probably not done because air taxi operators do not generally operate out of the MAC bases where the inspections are performed. MAC needs to develop a program to perform ramp inspections on air taxi aircraft, including MTMC-arranged air taxi movements.

FAA performs ramp inspections as part of its air transportation safety oversight program. However, the Federal Acquisition Regulations require MAC to inspect the service provided by its contractors. Therefore, MAC should coordinate its efforts to improve its ramp inspection program with FAA to minimize duplication of effort.

MAC Needs to Improve Passenger Comment Procedures

Another useful source for obtaining data on contractor operations is passenger comments. MAC provides single-page passenger comment forms at terminals for any MAC passenger desiring to comment on MAC services. Spaces for the passenger's name and address as well as the flight number, departure airfield, and destination are provided. However, the form does not ask any specific questions about safety.

MAC's current practice is to have DOD passengers submit the comment forms to local military representatives for resolution. Passengers are also offered the opportunity, at their option, to send the forms to MAC. We believe that a more effective passenger comment monitoring program would result if MAC developed a two-copy form, with one copy to be submitted to the local military representative and one copy to be sent directly to MAC. MAC could then evaluate passenger comments and identify trends for contractor evaluations. Also, the form should be redesigned to focus passengers' attention on any flight safety problems they might have noticed as well as service quality problems. For example, the form could ask specific questions related to (1) the quality of the pre-flight safety briefing, (2) whether exits or aisles were blocked, and (3) whether dangerous or bulky items were allowed as carry-on baggage.

MTMC Should Strengthen Its Monitoring of Charter Operations

MTMC also uses a variety of management control procedures to monitor airlift contractor performance. These include (1) schedule reliability evaluations, (2) standards of service checks performed by MTMC or base transportation personnel, (3) en route surveillance checks aboard charter flights performed by MTMC quality assurance inspectors, and (4) comment forms submitted by DOD passengers. We found that MTMC needs to strengthen its en route surveillance and passenger comment procedures.

MTMC Needs to Increase En Route Surveillance Checks

En route surveillance checks, which are performed by MTMC personnel who fly on selected flights, offer MTMC an opportunity to evaluate an airlift contractor's in-flight performance. For example, the surveillance check criteria provide for evaluations of (1) in-flight safety briefings, (2) in-flight meal quality and other services, and (3) consideration given to the safety and comfort of the passengers. However, due to personnel shortages, MTMC performed only 4 en route surveillance checks on the 1,089 charter flights arranged by MTMC during fiscal year 1985. MTMC needs to expand its efforts to monitor in-flight performance.

MTMC Needs to Manage Its Passenger Comments Procedure

MTMC uses a passenger comments form as part of its airlift contractor oversight. However, unlike the MAC form, which is voluntary, the MTMC form is mandatory for all group movements arranged by MTMC, all movements of recruits traveling to initial training sites, and all movements by chartered air taxi service.

According to MTMC officials, about 50,000 passenger comment forms are received annually. However, due to personnel shortages there is a 5- to 6-month backlog of unopened and unprocessed forms. This backlog precludes MTMC from using the forms as a timely evaluation of airlift contractor performance. MTMC should consider alternative approaches that would make its passenger comments system more timely.

We also believe that the form could be made more useful if it specifically requested the passenger to identify any safety concerns raised during the flight. The form asks for passenger responses on several areas of flight quality, but it does not specifically ask the passenger to address flight safety issues such as safety briefings, blocking of aisles and exits, and adequacy of emergency lighting. In a March 4, 1986, message to military activities, MTMC did state that special emphasis should be placed on safety-related concerns. The message stated that passengers could enter

their safety concerns in the space on the form reserved for written comments. However, we believe the form would be more useful if it specifically reminded passengers to address safety concerns. MTMC officials agreed that the form is passive on these issues. They added that they intend to review the form to see if specific questions about flight safety should be added.

MFO's Monitoring of Charter Operations

According to the State Department, the MFO monitors contract performance by observing contractor operations at departure airfields. However, according to the Department, MFO staff do not do in-flight monitoring or perform ramp inspections. Rather, MFO relies on FAA regulation of contractor maintenance and other operational safety procedures. As stated in chapter 2, the Army has decided that MAC will now arrange airlift of U.S. troops to the MFO. Because of this change in procedures, we are not making any recommendations to the Department of State covering MFO's contract monitoring operations.

Effective Communication Needed Between FAA and DOD

One way to provide better oversight and monitoring of airlift contractors is to have effective communication between FAA and DOD. While FAA and DOD have regulations that provide for communication between the agencies, they have not been effectively followed. This lack of communication resulted in DOD's not being informed of a number of actions FAA had taken against DOD's airlift contractors. Ways to improve communication exist. We believe FAA and DOD need to continue to improve their communication so that each has access to the information it needs to adequately discharge its responsibilities.

Instructions Provided for Communication Between FAA and DOD

FAA's Order 8000.4E, on coordination with MAC, dated December 17, 1976, states:

"Since MAC cannot maintain frequent contact with all carriers, the district office having certificate responsibility will notify the Contract Airlift Survey Office (MAC/LCI) whenever a potential problem area is discovered, particularly involving safety. MAC/LCI will, in turn, continue working closely with the FAA district offices to resolve any problem area. Carriers performing airlift services for the Department of Defense are aware that the Commander of MAC may suspend service for compromising safety."

DOD's Directive 5030.19, on DOD's responsibilities for federal aviation matters, dated August 6, 1971, states:

"In order to assist the Administrator of FAA (Department of Transportation) in the discharge of his responsibilities, Public Law 85-726 (reference (b)) [Federal Aviation Act of 1958 as amended] places certain responsibilities upon the Secretary of Defense to establish by cooperative agreement suitable arrangements for the timely exchange of information pertaining to their mutual programs, policies, and requirements directly relating to such responsibilities."

Even though both agencies have instructions providing for communication, they had not effectively followed these instructions.

Lack of Communication Between FAA and MAC

Our review disclosed a number of instances where FAA had not informed DOD of FAA investigations of and enforcement actions against DOD airlift contractors. For example, FAA had not informed DOD of the results of the National Air Transportation Inspection, including the inspection results for DOD's airlift contractors. Also, FAA had not informed MAC of the \$34,000 in fines it had placed on Arrow Air. In addition, FAA had not informed MAC of the problems it was having with two DOD airlift contractors.⁶ In another example of the lack of timely communication between FAA and DOD, a copy of an FAA letter dated May 2, 1985, outlining fines of \$201,500 against another DOD airlift contractor, was not received at MAC until January 1986. MAC had performed a capability survey on this airline in July 1985. During the survey FAA officials were contacted. However, there was no evidence in the report that FAA officials had told the MAC survey team about the fines. According to FAA Order 8000.4E, this type of information is to be provided to MAC survey teams when they visit FAA district offices.

Actions to Improve Communication

FAA and DOD are improving their communication. For example, MAC assigned one of its personnel to FAA headquarters in Washington, D.C., in September 1986. FAA officials told us that they plan to assign an FAA liaison officer to MAC. The Air Carrier Analysis Office being established at MAC has an initial contract with DOT's Transportation Systems Center to explore avenues for accelerated reporting of safety and other related airlift issues. DOD is reviewing its directive dealing with its relationship with FAA. Also, FAA and DOD officials told us that they are continuing to identify needed improvements in their communication procedures.

⁶See GAO report Aviation Safety FAA's Surveillance of Two Contract Military Carriers (GAO/RCED-86-128FS), Mar 13, 1986

Inspection Problems Hinder FAA's Oversight Responsibilities

FAA is primarily responsible for establishing flight safety regulations and for monitoring airlines and air taxi operators. FAA manages an oversight program that includes a variety of inspections of airlines' and air taxi operators' personnel, aircraft, maintenance activities, and other operations. Our studies and evaluations have identified a number of problems with FAA's oversight programs. Improvements are underway, but these actions could take some time to accomplish.

In May 1986 hearings before the Subcommittee on Aviation, House Committee on Public Works and Transportation, we stated that the number of airlines and aircraft had increased. However, FAA had taken few steps to deal with the impact of these increases on its inspector staff. We noted that FAA had begun to respond to the inspection problem by (1) increasing the size of its inspector work force, (2) issuing interim staffing standards and national guidelines that include minimum inspection standards, and (3) affirming that inspections are the number one work priority for inspectors—ahead of certification work. FAA has also instituted a National Aviation Safety Inspection Program using large, specially assembled teams to inspect targeted airlines. We also testified that FAA plans to have in place by the end of fiscal year 1988 updated guidance for inspectors, needed revisions to existing hiring and training policies and programs, and an improved system of management oversight.

During the hearings we expressed the view that FAA's recent initiatives were a substantial step in the right direction. However, we also listed our continuing concerns that (1) FAA was not well prepared to absorb an increase in its inspector work force because it still did not know how the current work force was used and new inspectors lacked appropriate skills and experience, (2) FAA's inspection standards were not specific enough to address known safety problem areas, and (3) because FAA's internal management control system over inspections—the work program management subsystem—still had many operational problems, it was doubtful that the system would provide usable nationwide data for many years. We concluded that it could take many years to address the above problems. Meanwhile, we stated that FAA did not have an effective plan for dealing with its shorter term problem of ensuring that airlines are complying with safety regulations, while at the same time putting its longer term strategy into place.

FAA Has Several Programs Underway to Correct Identified Deficiencies

During May 1986, FAA also testified before the Subcommittee on Aviation of the House Committee on Public Works and Transportation. During these hearings the Administrator of FAA discussed the following actions FAA is taking to address identified deficiencies.

- To fill identified shortages in the inspector force, FAA recruited 300 inspectors and support personnel during fiscal year 1986. Further additions to the inspector force are planned for fiscal year 1987. Additional positions will be sought in subsequent years.
- FAA is developing a new staffing standard based on inspector job tasks FAA expects to use the new staffing standard in developing fiscal year 1988 budget requests.
- To strengthen the general qualifications requirements for hiring new inspectors, FAA is developing a better definition of the functional requirements for its inspectors. However, to meet current needs, FAA is hiring inspectors concurrent with its efforts to provide better job definitions. FAA is doing this because it needs to fill current shortages.
- FAA has restructured and improved its initial training course for inspectors. Further, FAA has established an automated on-the-job training tracking system to identify the training received by new inspectors. FAA has also improved training for existing inspectors.
- FAA has taken steps to standardize inspections by issuing stronger policy guidance and directives from headquarters. FAA believes this standardization will better ensure a national inspection program that does not rely on regional policies or interpretations for implementation.
- FAA has established a National Inspection Program, which selects specific segments of the air transportation industry for inspection. Following the Arrow Air crash at Gander, Newfoundland, the program was amended to expedite the review of airlines that provide charter service to DOD.
- FAA is conducting a pilot program to determine the feasibility of a records examination assistance program, which would supplement inspector staff with contractor personnel who are trained in auditing and would evaluate the accuracy of an airline's record-keeping system. Also, FAA recently revised its maintenance handbooks to provide uniform inspection criteria for its inspectors. In addition, FAA has established a quality control function to evaluate the quality of inspections.
- FAA has also taken steps to improve its management information system. For example, FAA recently completed 12 national software subsystems for its Aviation Safety Analysis System. Full automation of the system is not yet complete.

During the testimony, the Administrator acknowledged that, while many positive steps had been taken, much remains to be done.

Conclusions

MAC and MTMC use various oversight procedures to monitor the performance of their airlift contractors. Our review showed that to help ensure flight safety and enhance flight quality, improvements are needed in several of these procedures.

MAC needs to start centrally managing its ramp inspection program and expand it to include commercial gateway locations, MTMC flights, and air taxi contractors where possible. Since FAA also inspects commercial aircraft, MAC should coordinate its efforts to expand its ramp inspection program with FAA. This coordination should minimize duplication of effort.

MAC also needs to provide an effective program to monitor passenger comments on the services provided by airlift contractors. MTMC needs to improve its charter oversight program.

Communication is a key element in providing effective oversight and monitoring of airlift contractor operations. We believe that FAA and DOD need to continue to improve their communication so that each has access to the information it needs to provide effective oversight and control. FAA continues to experience problems in providing effective oversight because of shortages in its inspector force and other operational problems. Improvements are underway, but it may take some time to correct the problems.

Recommendations

We recommend that the Secretary of Defense direct the Commander of MAC to

- improve the management of its ramp inspection program to include (1) centrally selecting the flights and aircraft to be inspected and centrally evaluating the results by contractor, (2) expanding the ramp inspection program to commercial airport locations (commercial gateways), (3) targeting aircraft not included in the airlift capability surveys for ramp inspections where possible, and (4) expanding the program to include MTMC charter airline flights as well as MTMC and MAC air taxi flights where possible, and

- improve the passenger comments process by (1) developing and using a two-copy form with one copy always sent to MAC, (2) centrally evaluating the comments categorized by contractor, and (3) redesigning the form to focus passengers' reporting on safety and quality problems they might have noticed.

We also recommend that the Secretary of Defense direct the Commander of MTMC to

- evaluate expanding MTMC's efforts to monitor in-flight performance and
- consider alternative approaches to MTMC's passenger comments process to make it more timely and redesign the passenger comments form to add space for comments on flight safety issues when necessary.

In addition, we recommend that the Secretary of Defense and the Secretary of Transportation work together to develop policies and procedures to improve communication so that each has access to the information it needs to adequately discharge its responsibilities.

Agency Comments and Our Evaluation

DOD concurred with the recommendations in this chapter and provided data on the actions it is taking to implement them. DOT concurred with our recommendations on improved communications with DOD.

DOD agreed that ramp inspections of charter airlift form an integral part of oversight and surveillance of air carriers serving passenger airlift needs. DOD commented that the MAC ramp inspection program has been restructured to include operations at selected civil airports and inspections of MTMC as well as MAC charter flights. DOD further commented that it intends to comply with the fiscal year 1987 National Defense Authorization Act (Public Law 99-661, dated November 14, 1986), which requires frequent inspections of passenger charter aircraft. Public Law 99-661 is discussed further in chapter 4. DOD also stated that, as the Air Carrier Analysis Office at MAC becomes fully operational, it will have the capability to centrally manage and schedule ramp inspections including, where practical, charter aircraft not examined during airlift capability surveys. Finally, DOD commented that short notice movement requirements, changes in aircraft equipment, and remote geographic locations inhibit inspection of all charter aircraft.

DOD also noted that it is taking the following actions to implement the other recommendations in this chapter.

- MAC and MTMC have agreed on the design of a revised standard passenger evaluation form that focuses passenger attention on safety and service quality. Completed forms are to be sent to the Air Carrier Analysis Office being established at MAC where they will be used with other indicators to analyze carrier performance.
- MTMC's in-flight surveillance program is being expanded. Also, MTMC is reviewing ways to make its passenger comments process more timely.
- DOD agreed that timely and effective exchange of safety-related information between DOD and FAA "is a cornerstone of a sound airlift oversight program." DOD has placed a fully qualified liaison officer with FAA to aid the communication process and has requested that FAA assign an FAA advisor to MAC. Also, DOD is revising DOD Directive 5030.19 to emphasize the importance of the interdepartmental relationship between DOD and DOT. Further, the Air Carrier Analysis Office is being designed to have direct contact with FAA to facilitate the rapid exchange of pertinent data.

DOT also agreed that there was a need for more effective communication between FAA and DOD. DOT also stated that the MAC liaison officer discussed above now has access to all FAA inspection data on military airlift contractors and, in turn, is in a position to provide FAA with safety data obtained by DOD on its air carriers. FAA officials told us they also plan to assign an FAA liaison officer to MAC. DOT noted that these procedures will be further refined and strengthened as experience is gained.

DOD's Study of Passenger Airlift Operations Recommends Changes in Procurement and Oversight Procedures

Following the Arrow Air crash at Gander, a DOD study group conducted a comprehensive review of DOD passenger airlift policies and procedures. The study group's report, Passenger Airlift Policies and Procedures Review, dated April 2, 1986, contains a number of observations on passenger airlift procurement and oversight that are similar to our observations in chapters 2 and 3 and point to a need for strengthened management controls over commercial charter operations. The report also contains a number of recommendations to improve DOD commercial passenger airlift procurement and oversight. The actions recommended by the report, if adequately implemented, will help improve DOD's commercial airlift operations. To help achieve optimum results from the study and its recommendations, DOD needs to (1) establish workable implementation plans, (2) commit the personnel and other resources required to implement the recommendations, and (3) periodically assess and report on the progress being made in implementing the recommendations.

DOD's Review of Passenger Airlift Policies and Procedures

Following the crash of the Arrow Air aircraft at Gander on December 12, 1985, a DOD study group conducted a comprehensive examination of DOD's passenger airlift policies and procedures. The DOD study group, which included private consultants and members from DOD, DOT, and FAA, examined the roles and responsibilities of the organizations involved in the air transportation of military personnel and their families. The study group was to perform a thorough examination and recommend changes to improve the safety and quality of DOD passenger air travel. DOD guidance states that the DOD traveler is entitled to the same quality of service and standards of safety as the public. According to DOD it is the responsibility of the government in general and DOD in particular to ensure this result. Also, according to DOD, unlike the private citizen who is free to make travel choices, the DOD traveler is generally ordered when, where, and how to travel. As a result, DOD has stated that it and other government agencies must arrange required air transportation with full regard for the safety, comfort, and convenience of all DOD passengers.

DOD's report concluded that there are a number of areas where more can be done to ensure the quality of DOD passenger airlift. The report stated:

"Conflicting internal procedures, lack of adequate dialogue between and among DOD Components and agencies charged with the responsibility for aviation safety, and other systemic problems need to be corrected. More attention should be directed at the ability of FAA to carry out its statutory responsibilities for it is clear that current available resources are being overextended to accomplish industry oversight

The roles and responsibilities of the agencies and organizations charged with passenger aviation matters do not need change as much as they need emphasis, focus, and additional resources.”

DOD's report concluded that DOD is not a substitute for FAA. However, the report also stated that, given the size and scope of DOD activities and the unique aspects of the DOD traveler, there is a burden on DOD to ensure that safety and other pertinent factors are fully considered in all travel arrangements.

DOD's Study Recommended Several Changes in Passenger Airlift Procurement Policies and Procedures

DOD's report on passenger airlift includes five recommendations to improve procurement of passenger airlift resources. Most of these recommendations deal with improving the evaluation criteria used to initially select airlift contractors.

As discussed in chapter 2, MAC teams perform an airlift capability survey of potential airlift contractors to determine if they are able to perform DOD airlift. The responsibility for the airlift surveys was assigned to MAC by the Secretary of Defense in 1961. However, this responsibility is not reflected in MAC's operating instruction (DOD Directive 5160.2). DOD's report recommends that DOD Directive 5160.2 be amended to provide that MAC have responsibility for conducting airlift capability surveys for all U.S. airlines providing block seat, charter, and air taxi passenger airlift. This suggestion is similar to our recommendation in chapter 2, which states that airlift capability surveys should be done on MTMC-arranged charters. However, we also recommend that MAC develop ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contractors.

DOD reported that the current airlift capability survey process is not adequate. While MAC survey teams consist of highly trained military pilots and military maintenance experts, these personnel lack significant experience in commercial operations. Also, DOD pointed out that while MAC uses Defense Contract Administrative Service offices to provide financial assessments of potential contractors, these offices do not have experts on airline operations. DOD recommended that the MAC airlift capability survey teams be augmented by an appropriate number of FAA inspectors or comparable FAA trained and qualified personnel. DOD and FAA will have to work together on the implementation of this recommendation. As discussed in chapter 3, FAA is currently experiencing a shortage of qualified inspectors for its own oversight work. Therefore, implementation of this recommendation could be difficult.

DOD's report stated that the airlift capability survey does not include an assessment of specific, readily available financial, performance, and safety-related indicators, such as accident rates, incident rates, maintenance costs, operating history, and costs per hour of operation by aircraft type. DOD stated that these indicators should be used as a baseline for comparison between the air transportation industry and the airline being surveyed. DOD recommended that MAC and MTMC identify these indicators and use them in (1) determining the eligibility of air carriers, (2) administering contracts and agreements, and (3) evaluating performance. It further recommended that MAC and MTMC are to continuously monitor and analyze these indicators.

DOD's report pointed out that MTMC required that a potential airlift contractor have 6 months of comparable experience in commercial service prior to being eligible to transport DOD passengers. However, MAC did not require this. The DOD study group noted that prior commercial experience is, next to FAA certification, the most important indicator of a potential airlift contractor's ability to safely and effectively transport DOD passengers. DOD recommended that both MAC and MTMC require that potential airlift contractors have 12 months of prior commercial experience unless exempted by the DOD Commercial Airlift Review Board that was also recommended in the DOD study.

We agree that prior experience is an important indicator. However, the 12-month period may not provide a sufficient experience base for making effective evaluations. According to DOD officials who were part of the study group, the 12-month criterion is a compromise figure. It is not based on an analysis of how much of a company's operational history needs to be evaluated in order to make the most effective decisions on a potential contractor's performance. Because this is a new evaluation criterion, DOD should, over time, evaluate whether 12 months of prior commercial experience provides sufficient data for an effective evaluation.

The DOD report also noted that MAC requires that 60 percent of an airlift contractor's revenue come from sources other than DOD. MTMC did not have this requirement. One of the reasons for this requirement is that MAC, in times of emergency, would have to expand airlift requirements and use a portion of the contractor's commercial capability. The DOD report recommended that MTMC adopt MAC's 60 percent criterion and that the DOD Commercial Airlift Review Board periodically review this requirement.

DOD's Study Recommended Several Changes in Passenger Airlift Oversight Policies and Procedures

The DOD report on passenger airlift policies and procedures contained eight recommendations to improve oversight and control of DOD passenger airlift operations. Implementation of these recommendations would (1) develop uniform criteria for suspension and reinstatement of airlift contractors, (2) expand procedures for evaluating actual airlift contractors' performance, (3) improve communication and coordination with FAA, and (4) provide more control over DOD air travel.

The DOD report stated that there was no standard DOD procedure for MAC and MTMC to follow in determining whether to continue to use an airlift contractor following a major safety violation, incident, or fatal accident. DOD went on to state that under current procedures it was possible for MAC to continue to use an airlift contractor MTMC had suspended or for MTMC to continue to use an airlift contractor that MAC had suspended. DOD recommended the establishment of standard guidelines for the suspension and reinstatement, where possible, of any airlift contractor involved in a fatal accident or cited by FAA for a major violation or serious incident pending a review by the DOD Commercial Airlift Review Board. DOD also recommended the establishment of guidelines for the creation and operation of the DOD Commercial Airlift Review Board.

Development and implementation of suspension and reinstatement criteria may be difficult. Also, DOD will have to work closely with FAA on these issues. For example, on April 17, 1986, DOD informed FAA that it had temporarily stopped using an airline following an FAA inspection that disclosed a number of serious problems with the airline's operations and that resulted in a record \$9 5 million in civil penalties against the airline. On that same day, FAA informed DOD that corrective actions were either complete or sufficiently underway to ensure that the airline was safe to fly.

The airlift capability survey can be used to evaluate potential airlift contractor capabilities and actual contractor performance. DOD reported that, prior to the Arrow Air crash, MAC had performed the survey on airlift contractors at the time of initial request to do business with DOD and subsequently on an as-required basis. Following the crash, MAC changed the survey to an annual requirement. DOD recommended the establishment of a requirement for a biennial on-site airlift capability survey complemented by a semiannual performance evaluation. The semiannual evaluation would use the financial performance and safety-related indicators that DOD recommended be developed.

The DOD study recognized the differences between the MAC and MTMC approaches to the use and evaluation of passenger comment forms. DOD recommended that MAC and MTMC develop a standard form and evaluation procedure. The form would be mandatory for all charter flights. Also, the forms would be used in the periodic evaluations discussed above. In chapter 3 we recommend that the forms specifically address safety concerns. We also recommend that MTMC consider alternative approaches to its passenger comments process to make it more timely.

The DOD report stated that MAC performed ramp inspections on 50 percent of its charter flights transiting seven major MAC terminals. According to DOD, this policy results in the inspection of about 40 percent of MAC-sponsored flights. However, the report recognized, as we did, that ramp inspections on MTMC charter flights were not performed. DOD recommended that MAC perform ramp inspections on 25 percent of MAC and MTMC flights. While the percentage of MAC flights to be inspected was reduced, the coverage was to be expanded to include samples of MTMC and MAC flights transiting civil terminals, commercial gateways, and military airfields. DOD further recommended that the frequency of inspection shall be subject to review by the DOD Commercial Airlift Review Board. In chapter 3 we recommend that MAC take control of the management and evaluation of its ramp inspection program and that the program be expanded to include MTMC flights where possible and commercial departure airfields. We also believe that the ramp inspection program needs to be expanded to cover air taxi operations where possible. DOD's report stated that FAA's enforcement actions against air taxi operators have increased significantly.

The DOD report recognized that MAC and MTMC follow different procedures at different frequencies for in-flight passenger charter evaluations. DOD recommended that MAC and MTMC (1) establish a standard in-flight survey checklist that includes provisions for evaluation of safety and unusual flight occurrences, (2) evaluate flights for each passenger airlift contractor at least once a year, and (3) evaluate not less than 5 percent of MAC and MTMC flights.

DOD's report stated that, since the final responsibility for the safety of all military personnel and their families rests with DOD, a special relationship between FAA and DOD must be fostered. DOD added that its support of FAA's efforts to increase oversight of the civil aviation industry is essential. The report recommended that the Office of the Secretary of Defense reaffirm its basic reliance on FAA in matters of airline safety.

and work with DOT and FAA to ensure surveillance of DOD airlift contractors. The report also recommended that DOD seek assurance from the Secretary of Transportation that progress will continue in areas identified for improvement by DOD and DOT, including (1) the air carrier certification process, (2) standardization among FAA organizations, (3) adequacy of adverse actions and penalties applied to air carriers, and (4) availability of fiscal and manpower resources. Chapter 3 discusses some of FAA's problems in providing adequate civil aviation industry oversight and what FAA is doing to correct them.

DOD's report recognized that increased communication between DOD and FAA could enhance contract monitoring and oversight. DOD recommended that the Office of the Secretary of Defense expand the relationship between DOD and FAA regarding airlift safety and establish firm requirements for the exchange of safety-related data. DOD also recommended that (1) DOD Directive 5030.19 (DOD's regulation on federal aviation matters) be changed, (2) FAA reestablish the FAA liaison position at MAC, (3) DOD establish a MAC liaison position at FAA, (4) FAA, in concert with MAC, establish internal guidance identifying the type and frequency of data to be provided to DOD, and (5) FAA Order 8000.4E (FAA's order on coordination with MAC) be revised. In chapter 3 we recommend increased communication between DOD and FAA

The DOD study group found several circumstances where DOD personnel could travel on airlines that do not follow the safety and quality of service standards established by FAA and DOD. These circumstances include (1) travel on foreign flag airlines, (2) foreign military sales travel, (3) nonappropriated fund activity travel, (4) unofficial (leave or vacation) travel, and (5) travel not arranged by MAC or MTMC, such as travel arranged by MFO or the U.S. Army Corps of Engineers. DOD recommended that the Office of the Secretary of Defense establish a policy that would require that all DOD-sanctioned group air travel, both official and unofficial, be accomplished with airlines authorized to perform similar services for MAC and MTMC unless this requirement is waived by the DOD Commercial Airlift Review Board. The policy is to include transportation for nonappropriated fund activities, foreign military sales cases, military service academies, and transportation arranged by organizations other than MAC or MTMC, such as MFO or the U.S. Army Corps of Engineers. The policy would exclude foreign flag travel when it is the directed mode of travel and individually procured discretionary travel, such as leave travel.

In chapter 2 we note that the MFO uses U.S. CRAF airlines although it does not have to. Also, in chapter 2 we note that MAC has contracts with foreign airlift contractors for operations in Canada, Iceland, and Greenland. In chapter 2 we recommend improvements in MAC's procurement procedures with these foreign airlines that would include putting appropriate safety clauses in the contracts and developing ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contractors.

The study group identified a number of other areas, not specifically addressed in the DOD study, that could benefit from additional emphasis. The DOD report made the following recommendations in these areas:

"The Military Departments and Defense Agencies should reinforce guidance precluding primary medical and dental records from accompanying DOD travelers

"MAC should review guidance provided to commercial air carriers with regard to passenger, baggage, and impedimenta weights and ensure that confusion does not exist with regard to these important factors in aircraft weight and balance computations

"The Military Departments and Defense Agencies should reinforce the guidance provided by the Military Traffic Management Regulation to assure that all DOD personnel and their families are afforded an opportunity to purchase commercial flight insurance prior to departure. This applies to all DOD-sponsored air travel inclusive of charter and block and individual seat travel

"Consideration should be given by MAC and MTMC to increasing the seat spacing for DOD charter airlift, both domestic and international. The military traveler may not conform to the demographics of the general public and may, therefore, need more ample seat spacing. In addition to increased comfort, greater seat spacing affords an improved measure of safety during aircraft evacuation

"MAC and MTMC should investigate the potential for improving the contracting process for charter flights with the objective of introducing a technical safety evaluation preceding cost proposals "

In chapter 2 we elaborate on the issues associated with passenger weight and seat spacing. Chapter 2 also includes several recommendations on these issues.

Implementation Plans, Review Procedures, and Reporting Needed

DOD's report presents a number of recommendations that should improve passenger airlift contracting, oversight, and control. To carry out the report's recommendations, DOD needs to develop an implementation plan. This plan should detail a method for evaluating the implementation of the recommendations. The DOD Commercial Airlift Review Board could be used to monitor implementation. However, given the great deal of concern expressed by Congress over DOD passenger air travel, it may be prudent to have an independent periodic evaluation by the DOD Inspector General of progress being made. Also, because of congressional interest, the Secretary of Defense may want to address the progress being made on these recommendations in his annual report to the Congress.

Impact of Fiscal Year 1987 National Defense Authorization Act

Section 1204 of the fiscal year 1987 National Defense Authorization Act, Public Law 99-661, dated November 14, 1986, requires DOD to implement many of the recommendations included in DOD's report. Major provisions of the Act include the following requirements for charter air transportation of members of the armed forces.

- The Secretary of Defense may not enter into a contract with an air carrier for the charter air transportation of members of the armed forces unless the air carrier (1) meets, at a minimum, the safety standards established by the Secretary of Transportation under title VI of the Federal Aviation Act of 1958, (2) has at least 12 months of operating experience equivalent to the service sought by DOD, and (3) undergoes a technical safety evaluation that shall include inspection of a representative number of aircraft and be conducted in accordance with regulations prescribed by the Secretary of Defense, after consultation with the Secretary of Transportation.
- The Secretary of Defense is to develop, after consultation with the Secretary of Transportation, a charter airline inspection program that, at a minimum, includes (1) an on-site capability survey of air carriers at least once every 2 years, (2) a performance evaluation of air carriers at least once every 6 months, (3) a preflight safety inspection of each aircraft conducted at any time during the operation of, but not more than 72 hours before, each internationally scheduled charter mission departing the United States, (4) a preflight safety inspection of each aircraft used for domestic charter missions conducted to the greatest extent practical, and (5) periodic operational check rides on aircraft.
- The Secretary of Defense is to establish a Commercial Airlift Review Board that will, among other duties, make recommendations to the Secretary on suspension and reinstatement of air carriers.

- The Secretary of Defense is to establish guidelines for the suspension and reinstatement of air carriers under contract to DOD.
- A representative of MAC or MTMC or the senior officer present may order armed forces personnel to leave a chartered aircraft if it has been determined that a condition exists on the aircraft that may endanger the safety of the armed forces personnel.
- The Secretary of Defense is to request that the Secretary of Transportation provide DOD with a report on each inspection performed by FAA personnel and the status of corrective actions taken on each aircraft of an air carrier under contract with DOD for passenger charter airlift.

The Act provides that the Secretary of Defense may, after considering recommendations by the Commercial Airlift Review Board, waive provisions of section 1204 in an emergency. Also, the Secretary of Defense is to prescribe the regulations needed to carry out section 1204 of the Act not later than 120 days after enactment.

Conclusions

The DOD report on passenger airlift policies and procedures contains a number of observations on DOD passenger airlift that are similar to our own and that point to a need for improved controls over commercial passenger airlift operations. The report also contains a number of recommendations to improve DOD commercial passenger airlift procurement and oversight. We believe that 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, DOD needs to (1) establish workable implementation plans, (2) commit the personnel and other resources required to implement the recommendations, and (3) periodically assess and report on the progress being made in implementing the recommendations.

We recognize that the establishment of the requirement of 12 months' prior commercial service as a contractor selection criterion is an improvement. However, we are concerned that 12 months of prior commercial service may not provide sufficient data. DOD needs to study the application of the 12-month criterion to determine if it is sufficient.

Recommendations

To help ensure optimum results from the DOD study and recommendations on commercial passenger airlift policies and procedures, we recommend that the Secretary of Defense

- establish specific implementation plans for the recommendations in the report,
- commit the personnel and other resources required to implement the recommendations,
- direct the DOD Inspector General to provide an independent assessment of the implementation of the recommendations, and
- evaluate, over time, whether 12 months of prior commercial service provides sufficient data to make effective evaluations of potential airlift contractors' performance.

Agency Comments and Our Evaluation

DOD concurred with these recommendations, stating that it has planned or has taken the following actions to implement the recommendations.

- DOD has provided guidelines and milestones to cognizant military departments to accomplish many of the recommendations in the DOD report. Also, DOD is developing a new directive on commercial passenger airlift management and quality control.
- DOD is taking action to develop the Air Carrier Analysis Office at MAC and to commit other resources needed to implement the recommendations in its report.
- DOD has agreed to have the DOD Inspector General perform an assessment of the implementation of the recommendations in its report. DOD noted that the Air Force Inspector General is already reviewing issues associated with charter airlift.
- DOD has also agreed to continue to evaluate whether 12 months of prior commercial service provides sufficient data to make effective evaluations of potential airlift contractors' performance.

Improvements Needed in Security Policies and Procedures

Airport and in-flight security are important elements of air transportation safety. To assist DOD personnel in making travel arrangements, DOD develops and publishes a listing of high threat areas. Also, MAC includes reviews of airport security issues in its airfield surveys program. According to FAA officials, the results of these DOD surveys have been provided to FAA.

Public Law 99-83, International Security and Development Cooperation Act of 1985, dated August 8, 1985, requires the Secretary of Transportation to conduct assessments of the security measures maintained at foreign airports. In a separate procedure, FAA classifies foreign airports based on the potential for terrorist activity at the airports. However, FAA has not provided DOD or MAC with the results of the FAA airport security assessments or the security classifications of the airports that have been reviewed.

FAA regulations do not require that military charter operations comply with FAA security measures. Further, FAA regulations do not require that its security classifications of foreign airports be provided to DOD or to DOD charter operators.

We believe that, to enhance air transportation security and safety, FAA should provide DOD with the results of the FAA foreign airport security evaluations and the security classifications. Also, to provide a uniform approach to airport security, FAA should change its regulations to require that military charter operators have an approved security operations plan. Further, FAA should change its regulations to require that DOD and DOD charter operators be provided with the classifications of foreign airports and the security measures these operators must take at these airports.

MAC contracts include a clause stating that the contractor shall establish a program to apprise its air crews of safeguards against and guidance to cope with acts of unlawful seizure of aircraft. However, MTMC transportation agreements contain no such airline security clauses. Also, even though MAC contracts include airline passenger security clauses, the airlift capability survey does not include an evaluation of airline passenger security programs. We believe that, to improve military charter passenger security, MTMC should include passenger security clauses in its transportation agreements. Also, MAC should include evaluations of potential airlift contractors' passenger security programs in its airlift capability survey program.

FAA Needs to Coordinate Its Foreign Airport Security Evaluations With DOD

Air travel poses unique security problems. DOD and FAA have responded to these problems. Considering the potential terrorist threat at various locations, DOD has published lists of high risk countries, while FAA provides security classifications of foreign airports. However, because there is no coordination of these efforts, it is possible for FAA to classify an airport as having a high risk of terrorist activity in a country that DOD has not classified as a "high risk" country. DOD's access to the FAA's foreign airport security evaluations and FAA's foreign airport security classifications could result in more complete DOD personnel travel advisories. MAC's access to the evaluations and classifications could improve MAC's own airport evaluation program, which includes some coverage of airport security issues.

DOD and MAC Air Transportation Security Measures

To assist DOD personnel in making travel arrangements, DOD establishes lists of high threat countries. DOD travel security policy states that, when official business requires travel to high risk areas, DOD personnel and their dependents should be briefed on precautionary measures. The policy also states that travel should be accomplished by military air or MAC charters to the maximum extent possible. The use of foreign flag airlines and/or indirect routings is authorized in an effort to avoid high risk airports.

MAC surveys airports to determine whether their runways and taxiways can support MAC military aircraft. Other areas and services surveyed are weather and communication facilities, ground transportation, fuel supplies, and the nearest FAA facilities. These surveys also include 14 questions on security issues such as (1) armed guard patrol, (2) lighting of aircraft parking areas, (3) restricted access to the flight line, and (4) security checks of passengers. Before actual operations at an airfield begin, the survey is checked to determine if deficiencies exist. If, for example, a deficiency in security is found, additional personnel and/or equipment may be used to support security requirements for military aircraft.

FAA Airport Security Evaluations and Classifications Should Be Coordinated With DOD

Public Law 99-83, International Security and Development Cooperation Act of 1985, dated August 8, 1985, requires the Secretary of Transportation to conduct assessments of the effectiveness of security measures maintained at foreign airports. If the Secretary of Transportation finds that certain airports do not meet standards and take no action to improve the situation, then the Secretary may, according to the Act, withhold, revoke, or impose conditions on the operating authority of an

airline to use those airports. According to FAA officials, there are about 180 foreign airports that are served by U.S. airlines or are the last point of departure to the United States by a foreign airline and subject to the assessment program required by Public Law 99-83. FAA completed comprehensive assessments of 50 of these airports in 1985 and planned more assessments in 1986

In a separate assessment, certain foreign airports are classified as having a higher risk of terrorist activity than others. The resulting classifications are used to inform air carriers of the security procedures they must follow. For example, at several foreign airports airlines are required to implement "enhanced" security procedures that are more stringent than those required at other airports. Also, at several other airports, airlines are required to take even more stringent, "extraordinary" security measures.

FAA has not provided DOD with the security assessments required by Public Law 99-83 or its separate security classifications of foreign airports. FAA officials said that the results were not provided to DOD because all the airports assessed met the minimum standards prescribed in Public Law 99-83. Also, FAA has not shared its security classifications with DOD because FAA believes DOD may have better information. However, it is an FAA responsibility to interpret security information and classify foreign airports. Accordingly, FAA should share its foreign airport assessments and security classifications with DOD because FAA has primary responsibility for air passenger safety and security.

FAA Should Change Its Security Regulations

FAA airline security regulations do not cover DOD charter operations. FAA's security regulations prescribe aviation security rules for scheduled airline operations and public charter operations. The regulations require the development and approval of airline security programs for (1) screening passengers, (2) monitoring the carrying of weapons aboard aircraft, (3) providing security for airplanes and facilities, (4) responding to bomb or air piracy threats, (5) using X-ray systems on carry-on baggage, and (6) training crew members on emergency procedures for hijacking or other unusual situations. DOD charter contractors are not required to comply with the regulations when conducting DOD charters because the regulations define military charters as private charters. In the interests of promoting consistent air transportation security and safety for DOD air passengers, FAA should change its regulations to require that DOD charter contractors follow FAA security procedures that could be tailored to U.S. military requirements where

necessary. Further, we believe that FAA should provide DOD charter operators with information on the classifications of foreign airports and require them to take prescribed security measures when using those airports.

Contract Security Provisions Need to Be Strengthened

FAA officials did not know whether MAC imposed any security requirements on its charter contractors. FAA's lack of knowledge about MAC's security programs may stem from the limited communication between FAA and DOD discussed in chapter 3 and the fact that FAA's security regulations do not cover DOD's charter operations. MAC's contracts with airlift operators generally provide some coverage of airport and in-flight security considerations. However, MTMC's transportation agreements contain no similar provisions. Also, while MAC's contracts do contain provisions for airport and in-flight security, the airlift capability surveys do not cover evaluations of potential airlift contractors' security programs.

The general operational requirements sections of MAC's airlift contracts contain the following air transportation security clause.

"The Contractor, in performance of this contract, shall establish a program to apprise its aircrews of safeguards against, and guidance to cope with, acts of unlawful seizure of aircraft. As a minimum, this program will include the provisions of SECTION B, paragraph 6-37, MACR 70-1. At commercial stations, the Contractor will adopt and use a screening system to prevent and deter the introduction or carriage aboard aircraft of sabotage devices or weapons by passengers, in baggage or otherwise. Contractor will also establish procedures for off-loading baggage of gate 'No Show' passengers at commercial stations unless a predeparture customs check of this baggage has been made, additionally, Contractor will establish procedures to cope with bomb threats or other actions which would jeopardize safety of a mission. Copies of the Contractor's program will be furnished to the Contracting Officer upon his request."

MAC Regulation 70-1, "Contract Airlift Management, Civil Air Carriers," dated November 8, 1985, cited in the above clause, provides MAC policy guidance on unlawful seizure of MAC contractor aircraft. The policy guidance outlines prevention procedures to be used at military bases and prevention procedures contractors should use at commercial airports. The policy guidance also outlines procedures for ground and in-flight resistance to any hijacking attempt. MTMC's air transportation agreements do not have security clauses. To help ensure air transportation security and safety, we believe that MTMC should include security clauses in its transportation agreements.

MAC's contracts and policies place security responsibilities with airlift contractors. However, MAC's airlift capability survey criteria do not specifically require the MAC survey teams to review a potential airlift contractor's airport and in-flight security programs and procedures. The survey criteria task the survey team to ask questions about a potential contractor's actions in obtaining security clearances for its personnel. However, no survey questions or procedures are directed at evaluating the contractor's airport and in-flight security programs. To strengthen the airlift capability survey process and help ensure air transportation security and safety, MAC should include evaluations of a potential airlift contractor's airport and in-flight security programs and procedures in its airlift capability surveys. These programs should also be reviewed during resurveys.

Conclusions

Airport and in-flight security are important elements in a complete air transportation safety program. To assist DOD personnel in making travel arrangements, DOD develops and publishes a listing of high threat areas. Also, MAC includes reviews of airport security issues in its airfield survey program. Public Law 99-83 requires DOT assessments of security at foreign airports. However, FAA has not provided DOD with the results of the assessments or its separate security classifications of foreign airports. Also, FAA regulations do not require that military charter operations comply with FAA security procedures tailored to military requirements or that FAA provide military charter operators with foreign airport security classifications and required security measures to be taken

MAC contracts include clauses on airport and in-flight security requirements and procedures that place certain responsibilities for security with airlift contractors. MTMC does not have these clauses in its transportation agreements. Also, MAC's airlift capability survey program does not include evaluations of contractors' airport and in-flight security programs even though MAC contracts require these programs.

Recommendations

To help ensure air transportation security on military charters, we are making the following recommendations.

- The Secretary of Transportation should direct the Administrator of FAA to provide FAA's foreign airport security assessments and airport security classifications to DOD.

- The Secretary of Defense should provide these foreign airport security assessments and security classifications to the military departments and commands responsible for personnel air transportation security and safety.
- The Secretary of Transportation should direct the Administrator of FAA to change FAA's security regulations to (1) require that DOD's charter contractors follow FAA security procedures tailored to military requirements where necessary and (2) require that FAA provide DOD's charter operators with information on the classifications of foreign airports and the security measures required.
- The Secretary of Defense should direct the Commander of MTMC to include airport and in-flight security clauses in MTMC's transportation agreements and monitor the implementation of those clauses.
- The Secretary of Defense should also direct the Commander of MAC to provide for evaluation of contractors' airport and in-flight security programs during the airlift capability surveys.

Agency Comments and Our Evaluation

DOT agreed with our recommendation that FAA provide DOD with the results of the FAA foreign airport assessments and airport classifications. DOT was concerned that DOD would require substantial additional resources to review the many foreign airport assessments produced annually. DOT further commented that FAA, through its DOD liaison officer, will discuss the public security benefits that may be realized by the sharing of pertinent information with DOD. We believe that one topic for discussion should be how to summarize the data for DOD's use so that additional DOD review resources would not be required.

DOT also commented that threat classifications are assigned by FAA to foreign airports using information gathered by a variety of U.S. intelligence sources, including DOD. Therefore, DOT believes it may be somewhat redundant to provide the foreign airport classifications to DOD. We did not evaluate how FAA and DOD gather their security data on foreign airports or which organization may have the best data. Our point is that FAA uses its data to classify the potential terrorist activity at foreign airports and to instruct airlines on what security methods must be followed under the circumstances. If DOD had these classifications, it might help DOD carry out its responsibilities for air passenger security and safety. FAA agreed to discuss the sharing of this information with DOD.

DOT did not fully agree with our recommendation that FAA be directed to change its security regulations to require that DOD charter contractors follow FAA security procedures tailored to military requirements where

necessary. DOT believes that having security clauses in DOD's transportation agreements would correct any current weaknesses. However, FAA is responsible for regulating air commerce in ways that best promote its development and safety. Ensuring airport and in-flight security is part of FAA's safety mission. FAA has developed regulations for airport and in-flight security for most of the air transportation industry. We believe that to promote a consistent application of security standards in the air transportation industry, FAA should change its regulations to include DOD charter operations. DOD agencies could then enhance these standards, where necessary, through contract clauses. DOT agreed that FAA could discuss security measures required for certain foreign airports with DOD's charter operators.

DOD agrees that airport security is an important element in transportation safety. DOD commented that, given the importance of this issue, DOD, through enhanced liaison with FAA, will ask to be informed of airport security evaluations and classifications applicable to DOD's passenger and charter operations. DOD also commented that MTMC has reviewed the security clauses in MAC's contracts and will use them as a guide when revising the MATAS. DOD further commented that airlift contractors' security programs should be evaluated during the capability survey process.

Arrow Air, Inc., and the Crash of Arrow Air N950JW

On December 12, 1985, an Arrow Air DC-8 aircraft chartered to the 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 Arrow Air crew members. This chapter discusses the crash, the airplane that crashed, and the company that operated the airplane, Arrow Air, Inc.

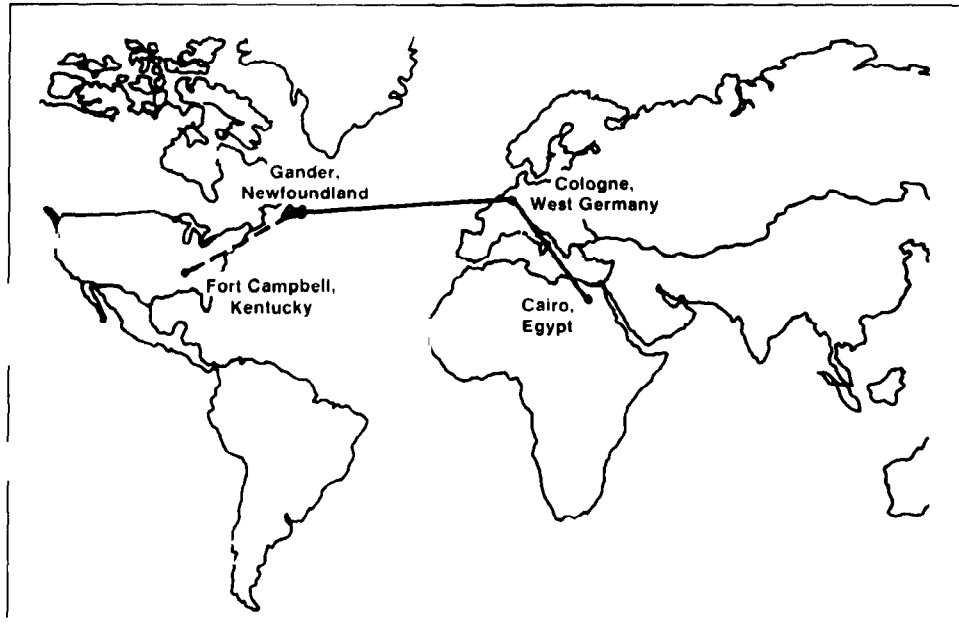
Air Crash Still Under Investigation

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 charter flight MFO-1285R for the MFO from Cairo, Egypt, to Fort Campbell, Kentucky, via Cologne, West Germany, and Gander. (See figure 6.1.) The Canadian Aviation Safety Board (CASB) is directing the ongoing investigation to determine the possible causes of the crash. The U.S. National Transportation Safety Board (NTSB) is participating in the investigation. According to NTSB officials, the Canadians are evaluating several issues associated with the crash, including the plane's loaded weight and balance, the possible influence of ice on the aircraft, and other issues. NTSB officials told us that the CASB investigation was still ongoing during February 1987.

Crash Details in Brief

During April 1986 the CASB held hearings in Ottawa, Canada. During the hearings, the following data on the crash were discussed. The Arrow Air DC-8 was operating on an international charter flight for the MFO. The aircraft was transporting 248 troops of the 101st Airborne Division and 8 crew members and their personal effects from Cairo, Egypt, to Fort Campbell, Kentucky, via Cologne, West Germany, and Gander, Newfoundland. The aircraft departed Cairo on December 11 and arrived in Cologne approximately 5 hours later on December 12, 1985. A crew change took place at Cologne. The new crew was the same crew that had flown the aircraft (N950JW) the previous day from McChord Air Force Base in Tacoma, Washington, to Cologne, Germany. The aircraft departed Cologne and arrived at Gander on December 12, 1985, for what was a planned technical stop. The aircraft was on the ground at Gander for just over an hour. During that time the aircraft was refueled and serviced. The aircraft was not deiced, nor was this service requested by the flight crew.

Figure 6.1: Route of the Last Flight of
Arrow Air N950JW



Following refueling and other procedures, the aircraft taxied for departure on runway 22 at Gander airport. Witnesses reported that the aircraft lifted off runway 22 but that no appreciable altitude gain took place. The aircraft was observed to cross the Trans-Canada Highway, which is approximately 900 feet from the end of the runway, at low altitude, and to continue to descend until it crashed and burned.

According to CASB investigators, an analysis of the information gathered indicated that the aircraft's acceleration to takeoff speed on the accident flight had been normal. However, according to CASB investigators, shortly after takeoff, the performance of the aircraft deviated significantly from the norm. Little altitude gain took place, and after apparently achieving a peak speed of just over 170 knots (196 miles per hour), the airspeed decreased until the aircraft stalled and then descended into the trees and crashed.

During the hearings, a CASB investigator stated that the aircraft probably had not climbed more than 150 feet. He also stated that, along with this very limited altitude gain, airspeed apparently had increased only marginally above the takeoff speed and thereafter decreased. The investigators believe that such a degradation in performance requires either a

significant increase in drag or a significant decrease in thrust with associated decrease in aircraft lift. The precise identification of the degradation in takeoff performance that occurred is hampered due to the small quantity and poor quality of information available from the flight data recorder, which was not working properly, and the lack of information available from the cockpit voice recorder.

Possible Causes of the Crash Still Being Investigated by CASB

CASB is still investigating the possible causes of the crash. Issues that CASB is still reviewing include the aircraft's loaded weight, the possibility of ice on the wings, and the aircraft's maintenance record.

Aircraft Load Weight Underestimated

CASB investigators have estimated that the actual takeoff weight of the aircraft was about 12,000 pounds in excess of the crew-calculated weight. As a result, takeoff speeds, on which takeoff performance is predicated, might have been lower than optimum, according to CASB investigators.

Accurate aircraft weight and balance data are needed to determine takeoff and landing performance factors. In a February 14, 1986, safety recommendation resulting from the crash investigation, NTSB stated that the flight crew of the plane that crashed had used an adjusted weight-units loading system that indicated a weight estimate of 42,500 pounds for a planned load of 250 passengers. The 42,500-pound estimate was then entered on the crashed aircraft's load sheet. According to NTSB, the 42,500 pounds represented a standard average weight per passenger of 170 pounds including carry-on baggage. NTSB stated that the investigation had revealed that the standard average passenger weight of 170 pounds used by the flight crew of the crashed aircraft was considerably lower than the actual weight of the passengers and carry-on baggage. In supporting this conclusion, NTSB provided the following data:

"1. From U.S. Army records, it was determined that the average weight of the passengers (without uniform) was about 164 pounds

"2. The carry-on baggage carried on the accident airplane nearly filled the baggage holds of the two Boeing 737 airplanes used to shuttle the troops from their base in the Sinai Desert to Cairo, where they boarded N950JW

"3. N950JW transported a group of soldiers from the United States to Cairo on December 10-11, 1985. The U.S. Army determined that the actual weight of the passengers and carry-on baggage of that flight was 54,726 pounds, or about 219 pounds average weight per passenger. These troops were of comparable age and size to

those aboard the accident flight. It was not established whether that weight information was given to the flightcrew

"4. Witnesses have stated that the amount of carry-on baggage on flight MF128R from Cairo exceeded the amount on the inbound flight to Cairo, presumably because the passengers were required to wear civilian clothes upon departure from Cairo and they carried aboard their field uniform (fatigues, helmet, boots, weapon, etc.) Witnesses also have stated that, during the stop at Gander, additional carry-on items were purchased."

NTSB's safety recommendation also stated that the U.S. Army had estimated the weight of each passenger departing from Cairo on Arrow Air flight MFO-1285R as 210 pounds, including passenger carry-on baggage. Investigators were not able to locate the actual documentation on passenger weights provided to the flight crew in Cairo before the departure of N950JW on flight MFO-1285R. The CASB investigator estimated that the actual weight of each passenger carried on the flight was at least 220 pounds, including carry-on baggage. According to NTSB this weight estimate results in a total passenger weight estimate of 54,560 pounds at Cairo, Cologne, and Gander, or about 12,000 pounds more than the passenger takeoff weight used by the flight crew. Also, according to NTSB the 12,000-pound excess is based solely on revisions to passenger and carry-on baggage weight figures and does not consider possible errors involving the weight of baggage carried in the cargo holds.

The NTSB safety recommendation stated that the investigation had not yet reached definitive conclusions regarding the effects of the weight discrepancies on the takeoff performance of N950JW or their relationship to the causes of the accident. However, NTSB did state that obvious performance penalties and safety issues are involved in operating aircraft with inaccurate passenger weight determinations. NTSB also stated its concern that flight crews of other aircraft on which passenger loads are not representative of the standard average weight may not be using correct passenger weight figures. NTSB recommended that FAA:

"Issue an Air Carrier Operations Bulletin to all Air Carrier Operations Inspectors directing them to (1) review the operations specifications and associated operational documents for carriers under their jurisdiction to verify that the provisions for use of actual weights, versus average weights, are complete and accurate, and clearly understood, and (2) reemphasize to each air carrier the need to use actual weights for passengers if the passenger complement dictates."

Effects of Possible Icing Still Being Investigated

During the hearings a CASB investigator stated that conditions during the time the aircraft had been on the ground in Gander might have been

conducive to the formation of ice or frost on the wings. However, according to CASB investigators, there is no direct evidence to prove this theory. According to these investigators, the flight path and profile of the aircraft are consistent with the performance degradation that could occur as a result of ice contamination of the wings. The CASB is still investigating the possibility of icing.

Effects of Possible Maintenance Problems Still Being Investigated

According to CASB investigators, there seem to have been some problems with the aircraft's hydraulic system. Arrow Air's maintenance log records show that the hydraulic system had been serviced at least five times or more during 1985. Some entries indicate that quantities of 4, 6, and 12 quarts of fluid were added. According to CASB investigators, the log indicates that the system was checked for leaks but none were found.

During the hearings, CASB investigators discussed problems associated with movement of the control column. There were also reports on (1) a higher operating temperature and a lower RPM at ground impact on the number 4 engine when compared to the other three (this was the engine that was scheduled to be replaced), (2) one engine thrust reverser light that was apparently occasionally illuminating, and (3) reported leakage of the aircraft's potable water system.

According to FAA, the Canadian Government obtained the maintenance records for the aircraft to use in the accident investigation. An FAA inspector assigned to the inspection team went to Canada to review the records. The inspector found that the records for several parts and components installed on the aircraft were either incomplete or missing. Some of the records indicated that several foreign parts (not approved by FAA) had been installed on the aircraft. Also, a review of the aircraft maintenance records in Canada showed that either Arrow Air or contract personnel had taken maintenance action to correct chronic hydraulic problems on the aircraft. However, according to FAA, the actions taken did not appear to have corrected the problems. FAA expects that a review of the aircraft's maintenance problems will be included in the final accident report.

Arrow Air N950JW

The Arrow Air aircraft that crashed, N950JW, had serial number 46058. The aircraft was built as a passenger freighter series with a cargo floor. However, since the aircraft had no standard cargo door, it was primarily used as a passenger aircraft. The aircraft was about 16 years old which,

according to MAC officials, is the useful life of a DC-8. However, MAC officials also told us that the useful life of DC-8 aircraft was extended when the manufacturer demonstrated to FAA that the aircraft type should last longer. Flying hours on the aircraft as of September 30, 1985, totaled 50,547. The aircraft had 15,552 landings. Table 6.1 shows the operational history of the aircraft.

Table 6.1: Operational History of N950JW

Years	Company
1969-74	Eastern
1974	UTA (French)
1974	Air International
1974-75	UTA
1975-76	Air Afrique
1976-81	UTA
1981	International Air Leases
1981-83	Capitol International
1983-84	International Air Leases
1984-85	Arrow Air

The aircraft was part of the CRAF program while it was with Eastern Airlines. However, it had not recently been a part of the CRAF program. MAC did, however, use the aircraft 54 times in fiscal year 1985 and 8 times in fiscal year 1986. MTMC used the aircraft five times during calendar year 1985.

Arrow Air

In May 1981, Arrow Air began operations as a charter cargo airline flying 707 aircraft. After beginning cargo services, Arrow Air moved into the passenger charter market when additional 707 aircraft became available. Arrow became a part of CRAF in 1981. Arrow Air also expanded its commercial charter service during the winter months of 1981 and 1982 to include flights from the East Coast to destinations in the Caribbean, Mexico, and Peru. Arrow later sent commercial charters to the South Pacific from the Midwest and the West Coast. Commercial charter services were further expanded to include flights from New York and Miami to Europe. Regularly scheduled commercial passenger service was started in July 1982. A review of Arrow Air's operations prior to the award of fiscal year 1986 contracts shows that Arrow Air's DOD revenues were 25 percent of total revenue. Arrow Air's aircraft fleet as of January 1986 is shown in table 6.2.

Table 6.2: Arrow's Aircraft Fleet as of
January 1986

Type/Model	Number
DC-8-55	1
DC-8-62	8
DC-8-63	2
DC-10	1
B-727	3
B-707	1
Total	16

According to MAC officials, Arrow Air had had no military charter accidents prior to the crash of the Arrow Air DC-8 at Gander.

MAC's Experience With Arrow Air

MAC has surveyed Arrow Air operations several times. The results of these surveys, which were conducted to evaluate contract compliance and passenger complaints, are outlined below.

- On May 27, 28, and 29, 1981, MAC performed the initial pre-award survey on Arrow Air for entry into CRAF. According to DOD, the survey indicated that Arrow Air's performance was satisfactory.
- On April 6 and 7, 1983, a resurvey was done because of complaints from passengers and en route MAC personnel. The complaints were about bad service and dirty aircraft. According to DOD, Arrow Air corrected the service problems and cleaned the aircraft.
- On July 1, 1983, Arrow Air was surveyed to determine the number of available crews for CRAF aircraft. Arrow Air did not have the number of crews available to support the number of aircraft offered to the CRAF program. According to MAC officials, Arrow Air hired and trained a sufficient number of crews to meet the CRAF requirement of four crews per aircraft.
- On April 19, 1984, Arrow Air was surveyed to determine the actual number of cargo conversion kits available. MAC found that Arrow Air had a satisfactory number of kits available to fulfill Arrow Air's CRAF requirements.
- On February 14, 15, and 16, 1985, MAC and MTMC participated in a joint survey of Arrow Air's operations. The survey revealed that Arrow Air had problems with its DC-10 aircraft, including dirty interiors and torn seats. According to MAC officials, Arrow Air refurbished the interiors of both aircraft.

MTMC's Experience With Arrow Air

According to MTMC officials, Arrow Air began passenger charters for MTMC during 1982. On March 6, 1984, MTMC placed Arrow Air on a 30-day probation. The reasons for the probation were that Arrow had experienced two delays on December 1983 MTMC charters of 2 hours and 43 hours, respectively. Then, on October 17, 1984, MTMC disqualified Arrow Air from MTMC charters for 90 days with an additional 120 days' probation. According to MTMC, the reasons for these actions were other delays, faulty refrigeration and air conditioning, broken seats, and dirty lavatories. According to DOD, MTMC has taken similar actions with other airlines.

Recent FAA Experience With Arrow Air

The FAA had conducted a number of surveillances of Arrow Air's operations in 1984, 1985, and 1986. These include (1) the National Air Transportation Inspection Phase I and Phase II operations conducted in 1984, (2) over 200 routine surveillance activities and a fine of \$34,000 in 1985, and (3) an in-depth inspection in 1986.

National Air Transportation Inspections

In February 1984, the Secretary of Transportation directed FAA to conduct a nationwide inspection of the safety of the air transportation industry. The inspection was called the National Air Transportation Inspection (NATI) and was conducted in two phases. Arrow Air was 1 of 327 air carriers evaluated by FAA during NATI Phase I, conducted in the spring of 1984. FAA used Phase I results to assess how well the airline industry was complying with FAA regulations and to select airlines requiring further investigation in a more in-depth Phase II inspection. Arrow Air was 1 of 43 airlines selected for a Phase II inspection, which was conducted in March of 1984.

According to FAA, the NATI Phase II inspection of Arrow Air discovered 25 problems involving operations specifications, company manuals, training records, passenger briefing cards, minimum equipment lists, defective seat cushions, aircraft weight and balance, maintenance training, maintenance records, tools and special equipment, maintenance inspection programs, and contract maintenance. According to FAA, all the irregularities found by FAA were corrected by Arrow Air by September 18, 1984.

Surveillance Activities in 1985

During 1985, FAA performed various surveillance activities on Arrow Air about 220 times. These activities included reviews of minimum equipment lists, dispatcher training, flight attendant manuals, pilot

flight time, and inspection of Arrow Air's aircraft. In June 1985, Arrow Air was assessed \$34,000 in civil penalties as a settlement of outstanding FAA enforcement actions against the airline. Civil penalties against other airlines have been higher.

FAA's In-Depth Inspection in 1986

Following the crash of an Arrow Air aircraft at Gander, Newfoundland, the Secretary of Transportation announced on January 14, 1986, that FAA's National Aviation Safety Inspection Program would include in-depth inspections of military charter airlines. Arrow Air was the first airline scheduled for inspection. According to FAA, the in-depth inspection of Arrow Air, which was completed on February 21, 1986, discovered 49 irregularities involving operations specifications, company manuals, training programs, records systems, dispatch and flight release, minimum equipment lists, aircraft weight and balance, compliance with airworthiness directives, maintenance reliability programs, maintenance inspection systems, fueling and servicing, and deferred maintenance items.

Use of Unapproved Parts

In February 1986, Arrow Air grounded 10 of its aircraft after it was notified by FAA that the aircraft contained numerous unapproved parts. The parts were of original U.S. manufacture. However, they had been obtained from a foreign source that could not demonstrate compliance with FAA standards. FAA noted that Arrow Air's corrective action in grounding a portion of its fleet because of foreign parts is an example of the effectiveness of FAA's surveillance efforts.

Agency Comments

DOD concurred with the facts presented in this chapter and stated that the Arrow Air crash at Gander is still being investigated by the CASB. The State Department provided a technical comment correcting the flight number of the Arrow Air aircraft that crashed.

Request Letter

MARK O HATFIELD OREGON CHAIRMAN

TED STEVENS ALABAMA
 LOWELL P WICKER JR CONNECTICUT
 JAMES A MCCLURE IDAHO
 PAUL LAXALT NEVADA
 JAKE GARN UTAH
 THAD COCHRAN MISSISSIPPI
 MARK ANDREWS NORTH DAKOTA
 JAMES ABNOR SOUTH DAKOTA
 ROBERT W KASTEN JR WISCONSIN
 ALPHEUS M D'AMATO NEW YORK
 BRACK MATTHEWS GEORGIA
 WARREN RUDMAN NEW HAMPSHIRE
 ARLEN SPECTER PENNSYLVANIA
 PETE V DOMENICI NEW MEXICO

JOHN C STENNIS MISSISSIPPI
 ROBERT C BYRD WEST VIRGINIA
 WILLIAM PROXMIRE WISCONSIN
 DANIEL K INOUE HAWAII
 ERNEST F HOLLINGS SOUTH CAROLINA
 LAWTON CHILES FLORIDA
 J BENNETT JOHNSTON LOUISIANA
 QUENTIN N BURDICK NORTH DAKOTA
 PATRICK J LEAHY VERMONT
 JIM SASSER TENNESSEE
 DENNIS DUCONCHI ARIZONA
 DALE BUMPER ARKANSAS
 FRANK R LAUTENBERG NEW JERSEY
 TOM HARKIN IOWA

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510

J KEITH KENNEDY STAFF DIRECTOR
FRANCIS J SULLIVAN MINORITY STAFF DIRECTOR

December 13, 1985

The Honorable Charles A. Bowsher
Comptroller General of the United States
441 G Street
Washington, D. C. 20548

Dear Mr. Bowsher


As you know, the casualties on Thursday's Arrow Air crash were all members of the 101st Air Assault Division based outside Clarksville, Tennessee. Since many of the soldiers' families live in Tennessee, we are, of course, very concerned with getting the facts surrounding the crash. In addition, we believe the incident raises a number of issues regarding the adequacy of Air Force safety reviews and contract administration of charter carriers.

Therefore, we request the General Accounting Office to initiate an investigation into the policy of the Department of Defense to contract with commercial charter airlines for most personnel and dependent travel. Specifically, we request GAO to review the causes of the most recent incident involving Ft. Campbell soldiers.

In addition, the GAO should review all Air Force regulations regarding the utilization of contract airlines, as well as review each commercial charter contract in force. We would ask that the report detail the responsibilities of, and actions by, the Military Airlift Command to assure that all civilian and military regulations are being complied with. Finally, the report should address the adequacy of Air Force contract administration and safety and security reviews.

Thank you for your consideration of this request

Sincerely,


 Jim Sasser
 United States Senator


 Albert Gore
 United States Senator

Comments From the Deputy Assistant Secretary of Defense (Logistics)



ACQUISITION AND LOGISTICS

THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON D C 20301-8000

L/TP

10 DEC 1986

Mr. Frank C. Conahan
Director, National Security and
International Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the September 29, 1986, General Accounting Office (GAO) draft report, "MILITARY AIRLIFT: Management Controls Over Chartered Airlift Need To Be Strengthened" (GAO Code 392197 - OSD Case No 7054-A). The Department concurs in principle with the conclusions of the draft report.

The Department is the single largest customer of the U.S. civil airline industry and has an abiding responsibility to provide safe and quality airlift for military personnel and their families. Over the past year, great interest has been focused on the procedures and policies governing DoD-arranged airlift. The Department appreciates the interest of the GAO in this important matter and notes that the GAO draft report closely follows the conclusions and recommendations contained in the DoD Passenger Airlift Policies and Procedures Review, published earlier this year. The Department is implementing the recommendations in the Passenger Airlift Review and will take necessary action to incorporate the findings and suggestions in the GAO draft report in the implementation plan.

The detailed DoD comments on each of the findings and recommendations contained in the report are provided in the enclosure.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Shriber".

Maurice N. Shriber
Deputy Assistant Secretary of Defense
(Logistics)

Enclosure

GAO DRAFT REPORT - DATED SEPTEMBER 29, 1986
(GAO CODE 392197) OSD CASE 7054-A

"MILITARY AIRLIFT: MANAGEMENT CONTROLS OVER
CHARTER AIRLIFT NEED TO BE STRENGTHENED"

DEPARTMENT OF DEFENSE COMMENTS

* * * * *

FINDINGS

FINDING A: Charter of Aircraft. The GAO found that in wartime, the Department of Defense (DoD) would rely on the commercial aviation industry to provide about 95 percent of the required passenger airlift and 25 percent of the required cargo airlift. The GAO reported that in 1960, then President Eisenhower approved a study, called The Role of Military Air Transport Service in Peace and War, which encouraged the development and use of the commercial airline industry. The GAO noted that, according to the DoD, there are over 30 years of clear and consistent guidance from the Congress and the Executive Branch to maximize the use of available commercial passenger airlift. In addition, the GAO reported that the DoD estimates it is more economical to use commercial passenger aircraft. According to the GAO, the DoD advised that, in exchange for peacetime passenger and cargo airlift business, Civil Reserve Air Fleet (CRAF) participants obligate over 250 wide-body equivalent aircraft for DoD use in wartime. The GAO observed that while the Air Force owns a large fleet of airlift aircraft, these are primarily configured for cargo, specialized missions, and pilot training. The GAO reported that the two transportation agencies responsible for charter operations are the Military Airlift Command (MAC) and the Military Traffic Management Command (MTMC). In contrast, the GAO found that the Multinational Force and Observers (MFO) is an independent international organization, responsible for supervising the Egyptian-Israeli Peace Treaty dated March 26, 1979. The GAO found that it was the MFO that chartered the Arrow Air DC-8 aircraft, which crashed at Gander, Newfoundland, on December 12, 1985, with the loss of 248 members of the 101st Airborne Division and eight crew. The GAO observed that the airlines and air taxi operators are primarily responsible for maintaining safe operations and to obtain and maintain their certificates, they must demonstrate they are maintaining and operating with applicable Federal Aviation Administration (FAA) regulations. (p. 1, pp. 9-16/GAO Draft Report)

DoD Response. Concur. Civil airlift augmentation is important to the Department in peace and war. The Department cannot adequately accomplish its total airlift responsibilities with military organic resources. Within the DoD, the MAC and the MTMC

Now on pp 2, 10-16.

are responsible for arranging charter passenger airlift. The Department relies on the FAA in matters of federal air safety policy and air carrier certification while maintaining an independent oversight and surveillance capability.

FINDING B: DoD Reliance on the FAA. The GAO observed that the FAA is primarily responsible for establishing flight safety regulations for the air transportation industry and for monitoring airlines and air taxi operators to assure that they follow the regulations. The GAO reported that to carry out its responsibilities, the FAA has established an oversight program, which includes a variety of inspections for airlines and air taxi operators. The GAO found that the DoD relies on FAA efforts to monitor the air transportation industry. The GAO further found, however, that due to a shortage of inspectors and other related problems, the FAA has experienced some difficulty in implementing its oversight role. The GAO also found that the Federal Acquisition Regulations (FAR) require that the DoD perform evaluations of potential airlift contractors' capabilities to meet safely specific and unique military air transportation requirements and to monitor contract performance once the airlift contractor begins operations for the DoD. The GAO concluded that, even though the FAA is currently experiencing some problems in fully implementing its oversight role, the DoD should not assume or duplicate portions of the FAA role. The GAO concluded that, instead the FAA should resolve its problems, and the DoD should continue to rely on the FAA as much as possible, so as to minimize duplication of effort. (pp. 15-18/GAO Draft Report)

DoD Response. Concur. The Department does not intend to duplicate the role of the FAA in matters of air carrier certification or aviation safety. Rather, the Department has an abiding responsibility to provide safe and quality transportation for DoD personnel. To enhance this effort, the Department has taken measures to review air carrier performance and to structure procurement mechanisms for selecting responsible air carriers to satisfy DoD's transportation needs.

FINDING C: MAC Needs To Improve Its Contracting Airlift Procedures By Improving Its Airlift Capability Surveys And Financial Reviews. The GAO reported that international, Alaskan, and domestic military charter operations (including air taxis) expected to last more than 90 days are contracted by the MAC. The GAO also found that, in accordance with the FAR, preaward surveys are made to determine a potential contractor's ability to perform, and that a contractor's logistics support and maintenance activities are to be evaluated. The GAO also found that MAC Regulation 70-1, dated November 8, 1985, requires on-site capability surveys for potential airline and air taxi contractors to the DoD. The GAO noted that, at the time of its on-site work, the MAC had four staff members available to do surveys (now being increased to eight). The GAO found that the surveys provide for discussions with FAA and contractor personnel and review of pertinent records. They do not, however,

Now on p 16.

specifically require MAC personnel to (1) contact contractor pilot, aircrew or maintenance personnel, (2) emphasize evaluation of maintenance contractors, (3) obtain and review the operational histories of offered aircraft, or (4) review the correction on unsatisfactory MAC survey findings through a review of FAA followup documentation. In addition, the GAO noted that MAC regulation 70-1 states that the MAC will use the Defense Contract Administration Services (DCAS) area offices to analyze a potential contractor's financial capability. The GAO found no uniform criteria for the financial evaluations by these offices. The GAO found that the surveys could be improved if they specifically provided for these inspection activities. The GAO also concluded that the MAC should improve its contractor selection procedures by strengthening its airlift capability survey process, including developing uniform criteria for financial reviews of potential airlift contractors. Since FAA has primary responsibility for inspecting airlines and air taxi operators, the GAO concluded that, in order to minimize duplication of effort, the MAC should coordinate its efforts to improve its surveys with FAA. Finally, the GAO concluded that improvements to MAC contract procedures could help assure flight safety and enhance flight quality. (pp. 21-27, p. 40/GAO Draft Report)

Now on pp. 20-22, 30

DoD Response. Partially Concur. As a result of the recommendations in the DoD Passenger Airlift Policies and Review, the Department has taken a number of steps to enhance the survey and procurement responsibilities associated with commercial airlift. The MAC survey team staff has been increased allowing for more frequent and in-depth reviews. An Air Carrier Analysis Office is being established at Scott AFB, Illinois to act as the focus for analytical efforts relating to commercial airlift operations. The combination of the enhanced survey staff and the Carrier Analysis Office will result in improved oversight and surveillance of the air carriers used by the Department. More carrier aircraft will be inspected. However, the size and complexity of air carrier operations inhibit survey and inspection of each individual aircraft used in charter service by the DoD. While the surveys will examine contract maintenance operations, there are practical limitations to the survey process given the extent of maintenance subcontract efforts. On the other hand, programs such as the cockpit observer program offer increased opportunities for dialogue with commercial aircrew personnel, and improvements in liaison with the FAA will facilitate improved flow of pertinent information. Use of the DCAS, in conjunction with the analysis performed by the Carrier Analysis Office, provides improved scrutiny over airline financial matters. The DoD does not agree with surveying every maintenance contractor or obtaining operational histories of all offered aircraft. These are discussed in the DoD response to Recommendation 1. Also, see response to Recommendation 2 concerning development of uniform survey for financial reviews of potential airlift contractors.

FINDING D: Need To Include Appropriate Safety Clauses And Perform Airlift Capability Surveys for Foreign Contracts. The GAO found that it is MAC policy not to include specific safety clauses in contracts with seven foreign airlift contractors in Canada, Iceland, and Greenland. The GAO noted that, according to a MAC official, these clauses are not included in such contracts because of their sensitivity. The GAO found that the absence of safety clauses may reduce the MAC options to suspend service when the MAC suspects or has been informed by the FAA or foreign aviation authorities that flight safety is being compromised. The GAO also noted that, according to MAC officials, comprehensive on-site airlift capability surveys are not done on foreign airlift contractors, again because of the sensitivities. The GAO concluded that the MAC should be doing all it can to promote flight safety and, therefore, the MAC should (1) include appropriate safety clauses in its contracts with foreign airlines and (2) develop ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contractors. The GAO noted that one way to accomplish the latter would be for the MAC to obtain and evaluate FAA and foreign aviation authorities' information on the operations and safety records of potential foreign airlift contractors. (pp. 28-29, p. 40/GAO Draft Report)

DoD Response. Concur. The MAC is taking action to incorporate appropriate safety clauses in contracts with foreign carriers providing charter airlift services to the Department as current contracts are renewed and as new contracts are established. The first such contract was completed at the beginning of FY 1987. The Department agrees that the MAC should make every attempt to obtain pertinent information on foreign carrier operations. While practical difficulties exist in physical evaluation of foreign air carrier operations, improved liaison with the FAA and the creation of the Air Carrier Analysis Office should facilitate greater scrutiny of foreign air carriers in addition to the U.S. certificated airlines serving the Department.

FINDING E: Need To Incorporate Revised Passenger Weight Criteria In Contracts. The GAO found that MAC contracts provided that a standard body weight of 160 pounds will be used for every passenger. (The GAO noted, however, that the airlift contractor could request actual weight at least eight hours before a specific mission.) Also, according to the GAO, MAC contracts provided a limit of 70 pounds per passenger of checked baggage, but no provisions for weighing carry-on baggage. The GAO found that, after the December 1985 Gander crash and a National Transportation Safety Board (NTSB) February 1986 recommendation calling for FAA inspectors to review how airlines figure airline passenger weight, the MAC issued interim instructions on planning factors for passenger weight. The GAO noted, however, that these interim instructions also state the preferred method of determining passenger weight continues to be actual weights of passengers and baggage. The GAO concluded that the Air Force should establish a permanent policy for the MAC

Now on pp 22-23, 30.

Now on pp 23-26, 30

interim passenger and baggage weight criteria and, further, that the MAC should inform existing contractors about the interim weight criteria and include the criteria in its future contracts. The GAO also concluded that the MAC needs to review the application of the new criteria on airlift capability resurveys. (pp. 30-33, p. 40/GAO Draft Report)

DoD Response. Concur. The Department promulgated standard passenger and baggage weights in February 1986. Subsequently, MAC contracts have incorporated these standards and the MTMC Military Air Transportation Agreements (MATAs) are being revised to reflect these criteria. Further, the FAA has advised air carriers, in an industry wide notice, to use actual weights, or adjusted average weights, in calculating weight and balance for unusual passenger loads, such as those associated with the movement of combat forces.

FINDING F: Need To Eliminate Waivers For Seat Spacing. The GAO noted MAC contracts provide that the space between seat rows on passenger aircraft be at least 34 inches. There is no indication in the contract that this 34 inch seat spacing can be waived. The GAO observed that adequate seat spacing is needed for emergency evacuations and passenger comfort. The GAO found, however, that MAC contracting officials sometime waived this requirement when a contractor calls and indicates that a flight could be delayed due to the need to change the seat spacing to meet MAC minimums. The GAO reported that MAC officials nonetheless stated that waivers for seat spacing should not be allowed. The GAO concluded that, to promote ease of evacuation in case of aircraft emergencies and passenger comfort, the MAC should discontinue allowing waivers to its seat spacing rule. (p. 23, p. 40/GAO Draft Report)

Now on pp 26, 30

DoD Response. Partially Concur. The Department agrees that safety considerations as well as passenger comfort dictate compliance with the MAC 34 inch seat space criteria. However, the Department does not agree that the 34 inch standard must be inviolate. Under extraordinary circumstances, competent officials of the MAC should have the latitude to grant an exception to the seat spacing criteria in cases where extreme delay and discomfort to the passengers would result. Such exceptions should only apply on a case-by-case basis and be fully documented. Contract penalty should ensue in those cases where an air carrier repeatedly fails to provide aircraft conforming to the standards required in the contract.

FINDING G: MTMC Needs To Improve Its Management Of Airlift Agreements. The GAO found that, as of March 1986, 23 of 66 MTMC charter airlines and 23 of 25 MTMC air taxi operators (selected in a random sample) did not have airlift capability surveys. The GAO noted that the MTMC has requested that the MAC perform surveys on MTMC airlift and air taxi operators. Furthermore, the GAO reported that the safety clauses in current MTMC transportation agreements (MATAs) are not as specific as

those in current MAC contracts. The GAO cited, for example, that the MATAs do not specifically charge airlift contractors with responsibility for flight safety. The GAO also found that the MATAs sent to airlift contractors in May 1986 did not contain the MAC interim weight criteria (issued in March 1986). Finally, the GAO found that on two recent MTMC-arranged charters, the troop baggage included hazardous material. The GAO concluded that MTMC needs to improve its airlift procurement procedures. The GAO observed that the MTMC needs to (1) ensure airlift capability surveys are performed on the airlines and air taxi operators it uses, (2) inform its carriers about the MAC interim passenger and baggage weight criteria, and (3) revise the MATAs to include more specific safety clauses such as those currently in MAC contracts. The GAO also concluded that the MTMC needs to remind its customers that hazardous material is not allowed aboard passenger aircraft and to develop instructions on this. The GAO generally would help assure flight safety and enhance flight quality. (p. 21, pp. 34-36, p. 40/GAO Draft Report)

Now on pp 26-28, 30

DoD Response. Concur. The MTMC Regulation 15-5 now contains specific requirements for commercial carriers, which wish to bid on DoD business, to first receive a MAC capability survey. Air carriers approved for service prior to the revised MTMC policy have been identified to the MAC, which has included them in the schedule of carriers requiring surveys. Both MAC and MTMC have determined specific weights to be used by commercial air carriers for weight and balance calculations. The MTMC transmitted these standards to commercial air carriers via memorandum as well as to military transportation officials in field activities. The MATA is being revised correspondingly. The Defense Traffic Management Regulation prohibits movement of hazardous material on passenger aircraft and the MTMC has reemphasized this matter to field activities. It was addressed at the November 17-20, 1986, MTMC Passenger and Personal Property Workshop. Finally, the MATAs will be revised to incorporate safety clauses similar to those in MAC contracts.

FINDING H: MFO Airlift Procurement Procedures And Monitoring Of Contract Operations. The GAO reported that the MFO contracts do not have to be with participating countries. The GAO found, however, that after the initial deployment, the major troop rotations to the Sinai have all been with U.S. CRAF airlines. The GAO also found that the MFO does not do extensive preaward surveys at contractor facilities--that instead the MFO has relied on FAA inspection, regulation and certification as a prime indication in assessing safety of U.S. airlines. The GAO noted that, according to the State Department, the MFO has considered CRAF affiliation and related certification by the MAC as evidence of satisfaction of MAC standards. The GAO also noted that, according to the State Department, the MFO monitors contract performance by observing contractor operations at departure airfields, but does not do in-flight monitoring or perform ramp inspections. The GAO reported that the Army has now

Now on pp 28-30, 41.

decided that the MAC will arrange U.S. troop rotations to and from the MFO. (pp. 36-40, pp. 51-52/GAO Draft Report)

DoD Response. Concur. The Department's policy for the movement of U.S. forces to and from the Sinai calls for such movement to be accomplished by airlift provided through the MAC. The MFO reimburses the Department to the extent of costs associated with commercial contract airlift.

FINDING I: To Improve Controls Over Charters, The MAC Needs To Centrally Manage Its Ramp Inspection Program. The GAO found that the MAC uses a variety of control procedures to monitor airlift contractor performance. The GAO reported that one of these procedures is to perform, on a monthly basis, ramp inspections of 10 percent of each airlift contractor's aircraft departing from seven MAC bases. The GAO noted, however, that in FY 1985 about 78 percent of outbound passenger movements were from commercial gateways, not from MAC bases. In addition, the GAO found that a MAC ramp inspection was not specifically required for substitute aircraft, nor does it cover MTMC charters. The GAO also found that air taxi aircraft did not undergo such inspection, despite MAC regulations requiring this. The GAO observed that, following the crash at Gander, the MAC increased inspections to 50 percent of departures from these seven MAC bases. The GAO concluded that while the MAC ramp inspection program has the potential to be an effective oversight procedure, to reach that potential, the MAC should (1) provide centralized management and evaluation of the ramp inspections, (2) include ramp inspections for charter aircraft departures from commercial airports, (3) target all aircraft not included in the airlift capability surveys for ramp inspections, (4) expand the program to include ramp inspections of MTMC charter aircraft, and (5) develop a program to assure that ramp inspections are performed on air taxi aircraft. The GAO also concluded that the MAC should coordinate its efforts to improve its ramp inspection program with the FAA (which also performs ramp inspections), to minimize duplication of effort. The GAO observed that such improvements in control procedures are needed and would help assure flight safety and enhance flight quality. (pp. 44-49, p. 58/GAO Draft Report)

Now on pp 37-39, 45

DoD Response. Partially Concur. The MAC has revised its ramp inspection procedures following the recommendations contained in the DoD Passenger Airlift Policies and Procedures Review, with a view to incorporating operations at selected commercial gateways and MTMC charter airlift flights in this important element of the Department's oversight and surveillance program. The FY 1987 National Defense Authorization Act contains explicit direction to the Department to conduct such aircraft inspections and the Department is taking appropriate action to structure an inspection program consistent with these Congressional guidelines. Creation of the Air Carrier Analysis Office will enhance the MAC's capability to centrally manage and monitor the results and

implications of the ramp inspection program within the context of a comprehensive review of each air carrier. Even with this increased oversight program, however, it may not be possible to inspect each aircraft used in charter service. This is particularly true for domestic operations, where short notice requirements, large and varied carrier fleets inhibit inspection scheduling. Despite these problems, given the clear Congressional direction supportive of the Department's initiatives, the inspection program will be tailored to achieve optimum results.

FINDING J: The MAC Needs To Improve Customer Comment Procedures. The GAO noted that the MAC provides customer comment forms at terminals; however, the form does not ask any specific questions about safety or services. The GAO found that the current MAC practice is to have DoD passengers submit the form to local military representatives. The GAO concluded that the MAC needs to provide an effective program to monitor customer comments on the service provided by contractors. The GAO also concluded that a more effective customer monitoring program would result if a copy of the form were also sent to the MAC, and if the form were redesigned to focus customer attention on flight safety as well as service problems. (p. 49, p. 58/GAO Draft Report)

Now on pp 39, 45

DoD Response. Concur. A revised customer evaluation form has been developed, which will standardize MAC and MTMC data elements to facilitate improved and timely analysis. The data elements focus the customer's attention on matters of safety and quality.

FINDING K: The MTMC Should Strengthen Its Monitoring Of Charter Operations. The GAO also found that the MTMC uses a variety of control procedures to monitor airlift contractor performance. The GAO found that in-flight surveillance checks by MTMC personnel offer an opportunity to evaluate an airlift contractor's performance, but due to personnel shortages the MTMC performed only four such checks on the 1089 flights arranged by MTMC in FY 1985. The GAO also found that the MTMC uses a mandatory customer comments form. The GAO reported that, according to MTMC officials, about 50,000 such forms are received annually; however, due to personnel shortages, there is a five to six month backlog of unprocessed forms. The GAO concluded that the MTMC needs to evaluate the benefits of its in-flight surveillance checks. The GAO further concluded that the MTMC should consider alternative approaches to making its customer comments system more timely. (pp. 50-51/GAO Draft Report)

Now on pp 40-41

DoD Response. Concur. The MTMC now has two Quality Assurance Inspectors. They have been tasked to perform an annual in-flight surveillance check on each carrier performing full plane charter passenger airlift and to conduct surveillance checks on five percent of all MTMC arranged passenger charters each year. The frequency of inspections will be periodically reviewed to determine if they adequately evaluate carrier performance. The

MTMC is evaluating the feasibility of automating the processing of customer evaluation forms to speed administrative processing time and assist the Air Carrier Analysis Office.

FINDING L: Effective Communication Needed Between the FAA And The DoD. The GAO found that the FAA and the DoD regulations, which provide for communications between the agencies, are not being effectively followed. The GAO found examples of lack of communication between the FAA and MAC, which have resulted in the DoD not being informed of a number of actions the FAA has taken against MAC contractors. The GAO cited, for example, that the FAA did not inform the DoD (1) of the results of its National Transportation Inspection, (2) of the \$34,000 fine it placed on Arrow Air, or (3) of problems it was having with two DoD airlift contractors. The GAO noted that the MAC had planned to assign one of its personnel to FAA headquarters in September 1986; however, because of personnel shortages the FAA will not be able to reestablish a position at the MAC headquarters. The GAO also noted it had observed a number of problems with FAA oversight programs. The GAO found that, since deregulation, the number of aircraft and airlines have increased, but the FAA has taken few steps to deal with the impact of these increases on its inspector staff. The GAO concluded that communication is a key element in providing effective oversight and monitoring of airlift contractor operations. The GAO also concluded that the FAA and the DoD need to improve their communication so that each has access to the information it needs to provide effective oversight and control. Finally, the GAO concluded that although improvements are underway, the FAA continues to experience problems in providing an effective oversight role because of shortages in its inspector force and other operational problems and it may take some time to correct the problems. (pp. 52-58/ GAO Draft Report)

Now on pp 41-42

DoD Response. Concur. The Department acknowledges the role of the FAA for carrier certification and in matters of aviation safety and is concentrating its efforts on methods to improve the flow of communication on these pertinent issues. Establishment of a MAC liaison officer with the FAA and the Department's request to reestablish a full time FAA position with the MAC at Scott AFB will assist the communication process. The Air Carrier Analysis Office has an initial contract with the Transportation Systems Center of the Department of Transportation to explore avenues for accelerated reporting of safety and other germane airlift issues. This same agency is examining internal FAA enhancements. This natural confluence will further improve communications. In addition, the increased exposure of surveys and inspections by the MAC creates improved opportunity for dialogue with FAA district and field offices. Finally, the DoD Directive dealing with relationships with the FAA is being rewritten to underscore the need for open and timely communications between these two activities.

FINDING M: The DoD Accomplished Broad Review Of Passenger Airlift Policies And Procedures. The GAO reported that, following the crash at Gander, a DoD study group conducted a comprehensive review of DoD passenger airlift policies and procedures. The study group's report, DoD Passenger Airlift Policies and Procedures Review, dated April 2, 1986, contains a number of recommendations to improve DoD commercial passenger airlift procurement and oversight. The GAO concluded that the report and many of its recommendations, if adequately implemented, will help improve DoD's commercial airlift operations. (pp. 61-62/GAO Draft Report)

DoD Response. Concur. The Passenger Airlift Review creates a framework to further improve the Department's commercial airlift practices. The report's recommendations are being implemented and will contribute to improved oversight of the commercial air carriers employed by the Department. Many of the recommendations in the Passenger Airlift Review have been incorporated in the FY 1987 National Defense Authorization Act. The statutory impetus reinforces the commitment of the Department to increase its air carrier oversight responsibilities.

FINDING N: DoD Report Recommended Changes in Commercial Airlift Procurement. The GAO noted that the MAC responsibility for airlift surveys is not reflected in DoD Directive 5160.2. The GAO observed that the DoD report recommended that the Directive be amended to reflect this MAC responsibility. The GAO noted that the DoD study reported that the current survey process is not adequate--i.e., MAC teams now consist of military pilots and maintenance experts, but not experts on commercial operations, and DCAS offices providing financial assessments do not have experts on airline operations. The DoD survey recommended that MAC survey teams be augmented by FAA inspectors or FAA-trained personnel. The GAO also noted the DoD report added that the survey does not include a specific assessment of readily available financial, performance, and safety related indicators, and recommended that the MAC and the MTMC identify these indicators and use them in determining eligibility, administering contracts and evaluating performance. The GAO further noted the DoD report pointed out that the MTMC, but not the MAC, required that a contractor have six months of comparable commercial experience, and recommended that both the MAC and the MTMC require that potential airlift contractors have 12 months of such experience, unless exempted by the DoD Commercial Airlift Review Board. The GAO observed, however, that 12 months may not provide sufficient experience for evaluation, and the DoD should, over time, evaluate this. Finally, the GAO pointed out the DoD report also noted that the MAC required 60 percent of an airlift contractors revenues come from non-DoD services (so as to provide capability for expansion in emergencies) and recommended that the MTMC adopt the same criterion. (pp. 63-65/GAO Draft Report)

Now on pp 48-49

Now on pp. 49-50

DoD Response. Concur. Each of the specific recommendations referenced by the GAO are being implemented following publication of the Passenger Airlift Review. DoD Directive 5160.2 will contain the explicit responsibility for carrier surveys. The combination of the DCAS financial evaluations with the ongoing analysis of the Air Carrier Analysis Office expands the MAC's ability to judge air carriers prior to selection and during contract performance. The 12 month prior experience requirement in being institutionalized; a comparable requirement for this was contained in the FY 1987 National Defense Authorization Act. This, along with standards to require substantial commercial business are methods to induce the best qualified air carriers to satisfy the Department's transportation needs. The Department agrees with the GAO that, over time, both the 12 month and 60 percent criteria referenced should be reexamined in light of the airlift operating environment and experience.

FINDING O: DoD Report Recommended Changes In Passenger Airlift Oversight. The GAO reported that the DoD report contained eight recommendations to improve passenger airlift oversight. These recommendations included (1) the development of standard guidelines for the suspension of a contractor following a fatal accident, (2) a biennial on-site airlift capability survey complemented by semiannual performance evaluations, (3) the development of a standard customer comments form and evaluation procedures, (4) MAC ramp inspections on 25 percent of MAC and MTMC flights transiting civil terminals and commercial gateways as well as military airfields, (5) the establishment of a standard in-flight survey checklist to be used on each contractor once a year and on not less than 5 percent of MAC and MTMC flights, (6) the reaffirmation by the Office of the Secretary of Defense of reliance on FAA for matters of airline safety while seeking assurance from the Secretary of Transportation that progress will continue in areas that the DoD and the DOT have identified for improvement, (7) the establishment of increased communication between DoD and FAA, including establishment of firm requirements for the exchange of safety related data, and (8) establishment of a policy that all DoD-sanctioned group air travel be accomplished with airlines authorized to perform service for the MAC and the MTMC, unless waived by the DoD Commercial Airlift Review Board. The GAO observed that the DoD report on passenger airlift policies and procedures contains a number of observations and recommendations similar to those of the GAO. The GAO concluded, therefore, that if the report and its recommendations are adequately implemented, the DoD commercial airlift operation will be improved. (pp. 65-71/GAO Draft Report)

DoD Response. Concur. The Department is committed to implementing these recommendations. The Assistant Secretary of Defense (Acquisition and Logistics) provided guidelines to the cognizant Military Departments to accomplish many of the individual recommendations cited herein. The Department has coordinated a new Directive, DoDD 4500.XX, "Commercial Passenger

Naw on pp 51-54

Airlift Management and Quality Control," which will institutionalize a number of the recommendations of the Passenger Airlift Review. Specifically, the Directive authorizes the Air Carrier Analysis Office and a review board architecture to oversee commercial augmentation. The Directive also incorporates those elements of the FY 1987 National Defense Authorization Act which relate to passenger charter airlift. As noted in the DoD response to Finding L, the Department is pursuing initiatives to increase the effectiveness of communication with the FAA.

FINDING P: Implementation Plans, Milestones, Review Procedures And Reporting Needed. The GAO observed that, in order to implement the report recommendations, the DoD needs to develop an implementation plan, including a method to evaluate implementation. The GAO concluded that the DoD Commercial Airlift Review Board could be used to monitor implementation. The GAO also concluded, however, that given the great deal of concern expressed by the Congress over DoD passenger air travel, it may be prudent also to have an independent evaluation of the progress being made done periodically by the DoD Inspector General. (The GAO suggested that, because of Congressional interest, the Secretary of Defense may want to address the progress being made on those recommendations in his annual report to the Congress.) Finally, the GAO concluded that, to achieve optimum results, the DoD must commit the personnel and other resources required to implement the DoD report recommendations. (pp. 71-72/GAO Draft Report)

DoD Response. Concur. Both MAC and MTMC, through their cognizant Military Departments, are required to report periodically on the status of implementing actions associated with this issue. As indicated in the DoD responses to Findings L, N, and O, implementation of the recommendations is well underway. The Department appreciates the suggestion for an independent assessment of progress in this regard. Accordingly, the DoD Inspector General will be asked to review the programs and policies resulting from the Passenger Airlift Study. Action is underway with respect to additive manpower and financial requirements associated with this matter.

FINDING Q: FAA Needs To Coordinate Its Foreign Airport Security Evaluations With The DoD And Change Its Security Regulations to Provide For Coverage Of DoD Flights. The GAO found that airport and in-flight security are important elements of air transportation safety. The GAO found that Public Law 99-83 requires the Secretary of Transportation to conduct assessments of the security measures maintained at foreign airports; however, the FAA has not provided the DoD or the MAC with the results of these assessments. The GAO also found FAA regulations do not require that military charter operations comply with FAA security measures, nor that the classification of the foreign airports be provided to the DoD or to DoD charter operators. (The GAO noted that, to assist the DoD personnel in making travel arrangements, the DoD establishes lists of high

Now on p 55

Now on pp. 59-61.

threat countries and that MAC airport surveys include questions on security issues.) The GAO concluded that, to enhance air transportation security and safety, the FAA should provide the DoD with the results of the FAA foreign airport security evaluations and classifications. To provide a uniform approach to airport security, the GAO also concluded the FAA should change its regulations to require that military charter operators have an approved security operations plan. Further, the GAO concluded that FAA should change its regulations to require the DoD and the DoD charter operators be provided with the classifications of foreign airports and the security measures these operators must follow. (pp. 74-78/GAO Draft Report)

DoD Response. Concur. The Department agrees that airport security is an important element in transportation safety. The Department monitors security considerations in foreign nations to include airport security issues. Given the importance of this issue, the Department, through enhanced liaison with the FAA, will ask to be informed of airport security evaluations and classifications applicable to DoD passengers and charter operations.

FINDING R: Contract Security Provisions Should Be Strengthened. The GAO found that MAC contracts include a clause that the contractor shall establish a program to apprise its aircrews of safeguards against, and guidance to cope with, acts of unlawful seizure of aircraft; however, MTMC transportation agreements contain no airline security clauses. The GAO also found that even though MAC contracts include airline passenger security clauses, the airlift capability survey does not include an evaluation of airline passenger security programs. The GAO concluded that, to improve military charter passenger security, the MTMC should include passenger security clauses in its transportation agreements. The GAO further concluded that the MAC should include evaluations of potential airlift contractors' passenger security programs in its airlift capability program. (pp. 78-81/GAO Draft Report)

Now on pp. 61-62

DoD Response. Concur. The MTMC has reviewed the security clauses found in MAC contracts and will use these as a guide when revising the MATAs. The Department agrees that an adequate security program contributes to passenger safety and should be evaluated during the capability survey process.

FINDING S: Information On Crash Of Arrow Air DC-8. The GAO reported that, on December 12, 1985, an Arrow Air McDonnell Douglas DC-8-63 crashed and burned shortly after takeoff from Gander, Newfoundland, Canada. The GAO found that the aircraft was on charter flight MF128R for the MFO from Cairo, Egypt, to Fort Campbell, Kentucky, via Cologne, West Germany, and Gander. The GAO noted that the Canadian Aviation Safety Board (CASB) is directing the ongoing investigation to determine the possible causes of the crash and also that the U.S. National Transportation Safety Board (NTSB) is participating in the investigation.

The GAO found that, according to NTSB 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. The GAO also found that the aircraft was not deiced, nor was deicing requested by the crew. The GAO reported that CASB investigators have estimated that the actual takeoff weight of the aircraft was about 12,000 pounds in excess of the crew calculated weight. The GAO noted that the NTSB stated the adjusted weight loading system used by the aircraft's flight crew represented a standard average weight of 170 pounds including carry-on baggage and the investigation had revealed this was considerably lower than the actual weight of the passengers and carry-on baggage. The GAO also noted that, according to CASB investigators, there seem to have been some problems with the aircraft's hydraulic system, as the Arrow Air maintenance log showed that the hydraulic system was serviced five times or more during 1985. The GAO noted, however, that Arrow Air had been surveyed by the MAC, the MTMC and the FAA. The GAO observed that the Arrow Air crash at Gander is still being investigated by the CASB, CASB officials are continuing to review several issues associated with the crash and a final report could still be some months away. (pp. 83-96/GAO Draft Report)

DoD Response. Concur. To date the CASB has not announced its findings or conclusions associated with the Arrow Air accident.

RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense direct the Commander of the MAC to improve the airlift capability survey process to include (1) discussions with pilots and other aircrew personnel and maintenance personnel, (2) increased emphasis on evaluation of contract maintenance facilities and quality control over this maintenance, (3) reviews of the operational histories of offered aircraft, (4) followup with the FAA on noted deficiencies, and (5) specifically recording the resolution of these deficiencies in contract files. (p. 41/GAO Draft Report)

DoD Response. Partially concur. The Department is already in compliance with the major part of this recommendation. Specifically, the survey process does include discussions with pilots and maintenance personnel. Both provide excellent sources of information. The views and comments of these employees must, however, be placed in context of the total company. In general, the survey reports express broad conclusions regarding the fitness of an airline to meet DoD requirements. While not a formal part of the survey program, the recently inaugurated

Now on pp 66-74

Now on p 31

cockpit observation program provides a useful avenue for direct contact with carrier personnel. Air carrier surveys do include an examination of a carrier's maintenance capability, both "in-house" and contract. In those instances where major portions of the carrier's maintenance efforts are subcontracted, the MAC surveys the applicable vendors. Given the multi-tiered and extensive network of subcontractors used by even a small carrier, it is impractical to survey each maintenance or supply element. Rather, the survey focuses on the carrier's aircraft, maintenance programs, and information provided by the cognizant FAA district office. The survey process begins with meetings of the MAC team and the FAA's primary operations and maintenance inspectors. Upon completion of the survey, noted discrepancies are reported to the local FAA officials and formalized in followup correspondence. A carrier is not approved for service until discrepancies are resolved to the satisfaction of the MAC and the FAA. Discrepancies which occur during the contractor's period of performance are acted on immediately. The MAC also maintains a file of deficiencies and corrective action associated with ramp inspections and in-flight cabin evaluations. The Department does not believe it is necessary to review the operational history of all aircraft offered for contract. Rather, the Department's oversight programs, which include the capability survey process and the Air Carrier Analysis Office, are designed to measure corporate effectiveness and responsibility. The Department relies on the FAA which is responsible for maintaining a complete aircraft history by tail number.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense direct the Commander of the MAC to work with the Defense Contract Administrative Service (DCAS) to develop uniform evaluation criteria for potential airlift contractors.
(p. 41/GAO Draft Report)

DoD Response. Partially concur. The DCAS financial evaluations of potential air carriers provide valuable information to assess the qualifications of these airlines to meet the Department's requirements. To augment these evaluations, the Department is establishing an Air Carrier Analysis Office which is charged with responsibility for monitoring, among other things, the financial condition of airlines serving the Department. The Department considers the information currently provided by DCAS area offices to be adequate. While MAC staff may have had some problems with DCAS area offices reporting in different formats, the establishment of the Carrier Analysis Office and consequent upgrading of MAC review capabilities offers a better solution than imposing a burdensome checklist for financial reviews on the DCAS area offices. Accordingly, the Department does not believe it is necessary to standardize the DCAS evaluation criteria. (DCAS evaluations form only a part, and not the whole, of an ongoing analytical review.)

See p 33

Now on p 31

RECOMMENDATION 3: The GAO recommended that the Secretary of Defense direct the Commander of the MAC to include appropriate safety clauses in contracts with foreign airlift contractors. (p. 41/GAO Draft Report)

DoD Response. Concur. The MAC has established a procedure to include appropriate safety related language in contracts with foreign carriers. New contracts with foreign carriers and renewals of current contracts will contain applicable safety clauses.

Now on p 31

RECOMMENDATION 4: The GAO recommended that the Secretary of Defense direct the Commander of the MAC to develop ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contracts. (p. 42/GAO Draft Report)

DoD Response. Concur. The Air Carrier Analysis Office at Scott AFB will act as the focus for collecting and evaluating pertinent information on foreign air carriers serving the transportation needs of the Department. These procedures parallel the analytical effort for U.S. air carriers.

Now on p 31

RECOMMENDATION 5: The GAO recommended that the Secretary of Defense direct the Commander of the MAC not to allow waivers of the MAC seat row spacing rule. (p. 42/GAO Draft Report)

DoD Response. Partially concur. The Department agrees with the GAO that MAC seat spacing standards should apply to the maximum practical extent. It is the Department's position, however, that some latitude must exist to allow competent officials of the MAC to waive the seat spacing requirements in extraordinary circumstances. Such circumstances would normally be associated only where substitute aircraft, conforming to the MAC's seat spacing requirements were not readily available, and extreme delay and passenger discomfort would result. Carriers who repeatedly fail to provide aircraft conforming to the MAC's specification are subject to remedial action within the terms of the contract by the MAC contracting office.

Now on p. 32.

RECOMMENDATION 6: The GAO recommended that the Secretary of Defense direct the Secretary of the Air Force to establish a permanent policy on the MAC interim passenger and baggage weight criteria, and direct the Commander of the MAC to inform existing contractors about the interim passenger and baggage weight criteria, and include it in new airlift contracts. (P. 42/GAO Draft Report)

DoD Response. Concur. The Department promulgated interim passenger and baggage weight criteria in February 1986. The Department's applicable regulations are being revised to incorporate these criteria. In the interim, the MAC FY 1987 contracts include the revised criteria and future contracts will

be so structured. Further, the FAA has notified all U.S. carriers to use actual weights, or adjusted average weights, in weight and balance calculations associated with unusual passenger loads, such as combat forces. The MTMC's MATAs are being revised to incorporate the Department's standards for passenger and baggage weights.

RECOMMENDATION 7: The GAO recommended that the Secretary of Defense direct the Commander of the MAC to review contractor application of the interim passenger and baggage weight criteria during airlift capability resurveys. (p. 42/GAO Draft Report)

DoD Response. Concur. Unique military requirements are a required item of interest for capability surveys. In addition, air carriers are encouraged to include a separate military operations section in appropriate operations manuals. Whether specifically defined in such publications, or provided in other communications, the MAC survey process will review passenger and baggage weight criteria.

RECOMMENDATION 8: The GAO recommended that the Secretary of Defense direct the Commander of the MTMC to insure that airlift capability surveys are performed on MTMC airlift contractors. (p. 42/GAO Draft Report)

DoD Response. Concur. The MTMC has revised its Regulation 15-5 to require all carriers seeking to do business with the Department to have a favorable capability survey report. Further, the MTMC has identified to the MAC those carriers which have not been surveyed and are used by the MTMC for passenger charter operations. The MAC will survey each carrier identified by the MTMC.

RECOMMENDATION 9: The GAO recommended that the Secretary of Defense direct the Commander of the MTMC to revise the MATAs to include more specific safety clauses. (p. 42/GAO Draft Report)

DoD Response. Concur. The MTMC has examined the applicable safety clauses contained in the MAC contracts and agrees that more specific safety language is needed in the MATAs. Accordingly, the MATAs will be revised to incorporate similar safety clauses. Revised MATAs are expected to be completed by January 31, 1987.

RECOMMENDATION 10: The GAO recommended that the Secretary of Defense direct the Commander of the MTMC to inform MTMC airlift contractors of the interim criteria on passenger and baggage weights and include this criteria in revised MATAs. (p. 42/GAO Draft Report)

DoD Response. Concur. As indicated in the response to Recommendation 6, MATAs are being reformatted to include the passenger and baggage criteria developed by the Department. In

Now on p 32

Now on p 32

Now on p 32

Now on p 32

the interim, the MTMC has issued a memorandum of instruction to the air carriers it uses of the standard weights to be used for weight and balance calculations.

RECOMMENDATION 11: The GAO recommended that the Secretary of Defense direct the Commander of the MTMC to remind customers that hazardous materials are not allowed on passenger aircraft and develop instructions covering this. (p. 42/GAO Draft Report)

DoD Response. Concur. The Defense Traffic Management Regulation addresses the prohibition of hazardous cargo on passenger airlift. The MTMC has reemphasized this policy in written directives to field activities dated March 10 and July 10, 1986. In addition, this important issue received special emphasis during the MTMC Passenger and Personal Property Workshop on November 17-20, 1986.

RECOMMENDATION 12: The GAO recommended that the Secretary of Defense direct the Commander of the MAC to improve the management of its ramp inspection program to include (1) centrally selecting the flights and aircraft to be inspected and centrally evaluating the results by contractor, (2) expanding the ramp inspection program to commercial airport locations (commercial gateways), (3) targeting all aircraft not included in the airlift capability surveys for a ramp inspection, and (4) expanding the program to include MTMC charter airline flights as well as MTMC and MAC air taxi flights. (p. 59/GAO Draft Report)

DoD Response. Partially Concur. The Department agrees that ramp inspections form an integral part of oversight and surveillance of air carriers serving passenger airlift needs. Since the publication of the DoD Passenger Airlift Policies and Procedures Review, the MAC ramp inspection program has been restructured to include operations at selected civil airports and inspections of MTMC as well as MAC charter flights. The FY 1987 DoD National Defense Authorization Act includes language calling for frequent aircraft inspections and the Department intends to comply with this legislative initiative. As the Air Carrier Analysis Office becomes fully operational, it will have the capability to centrally manage and schedule ramp inspections. Where practical, aircraft not examined during capability surveys will be inspected. Short notice movement requirements, changes in aircraft equipment, and remote geographic locations will, however, inhibit the inspection of all aircraft operating under charter to the Department.

RECOMMENDATION 13: The GAO recommended that the Secretary of Defense direct the Commander of the MAC to improve the customer comments process by (1) developing and using a two copy form with one copy always sent to the MAC, (2) centrally evaluating the comments categorized by contractor, and (3) redesigning the form to focus customer reporting on safety and quality problems they may have noticed. (p. 59/GAO Draft Report)

Now on p 32

Now on p 45

Now on p 46

Appendix II
Comments From the Deputy Assistant
Secretary of Defense (Logistics)

DoD Response. Concur. The MAC and the MTMC have agreed on the design of a revised standard customer evaluation form, which will be available later in FY 1987. The revised form focuses customer attention on safety and service quality. Completed forms will be forwarded to the Air Carrier Analysis Office being established at Scott AFB, Illinois. These forms, along with other indicators, will be used to identify and analyze carrier performance.

RECOMMENDATION 14: The GAO recommended that the Secretary of Defense direct the Commander of the MTMC to evaluate the benefits of expanding MTMC efforts to monitor in-flight performance. (p. 59/GAO Draft Report)

Now on p 46

DoD Response. Concur. The MTMC Quality Assurance Inspectors are now required to conduct in-flight surveillance checks on five percent of MTMC full plane charter airlift flights annually. In addition, these checks will be conducted to perform at least one in-flight check on each carrier providing full plane charter passenger airlift services. This surveillance program will be periodically evaluated by both MTMC and MAC to adjust its frequency and scope, if warranted, to ensure safe and high quality service for DoD passengers.

RECOMMENDATION 15: The GAO recommended that the Secretary of Defense direct the Commander of the MTMC to consider alternative approaches to making MTMC customer comments process more timely and redesign the customer comments form to add specific space for customers to comment on flight safety issues when necessary. (p. 59/GAO Draft Report)

Now on p 46

DoD Response. Concur. As indicated in the response to Recommendation 13, standardized customer evaluation data elements have been developed for use by both MAC and MTMC. The evaluation form will focus customer attention on safety and quality related issues. The revised forms clearly indicate points of contact and telephone numbers to immediately report safety deficiencies. The feasibility of automating the evaluation form is being reviewed by the MTMC. It is too early, however, to make any assessment of whether, or when, this may be accomplished. Such a step would ease the administrative burden and delay associated with the current manual mode of review and analysis, and therefore assist the analytic effort of the Air Carrier Analysis Office.

RECOMMENDATION 16: The GAO recommended that the Secretary of Defense and the Secretary of Transportation, through the Administrator of the FAA, work together to develop policies and procedures to improve communication, so each has access to the information it needs to adequately discharge its responsibilities. (p. 60/GAO Draft Report)

Now on p 46

DoD Response. Concur. Timely and effective exchange of safety related information between the DoD and the FAA is a cornerstone

of a sound airlift oversight program. The Department has placed a fully qualified liaison officer with the FAA to aid that process. At the same time, the Department has asked the FAA to assign a FAA advisor to the senior staff of the MAC. DoD Directive 5030.19 will be revised by the end of the fiscal year, to emphasize the importance of this interdepartmental relationship. The Air Carrier Analysis Office is being designed to have direct interface with the FAA, as well as with other non-Departmental sources, to facilitate the rapid exchange of pertinent data.

RECOMMENDATION 17: The GAO recommended that the Secretary of Defense establish specific implementation plans and milestones for the recommendations in the DoD Report. (p. 73/GAO Draft Report)

Now on p. 57

DoD Response. Concur. The Assistant Secretary of Defense (Acquisition and Logistics) in memoranda dated June 9, 1986 and July 29, 1986, provided milestones to be achieved toward implementing the recommendations in the DoD report. Further, the FY 1987 National Defense Authorization Act contains a deadline for publication of Departmental guidance on several of the recommendations contained in the DoD study.

RECOMMENDATION 18: The GAO recommended that the Secretary of Defense commit the personnel and other resources required to implement the recommendations in the DoD report. (p. 73/GAO Draft Report)

Now on p. 57

DoD Response. Concur. The Department has doubled the size of the MAC capability survey staff and is taking other action to structure the Air Carrier Analysis Office, respond to the requirement for more frequent aircraft inspections, and other programmatic actions consistent with the recommendations in the Passenger Airlift Review.

RECOMMENDATION 19: The GAO recommended that the Secretary of Defense direct the DoD Inspector General to provide an independent assessment of the recommendations in the DoD report. (p. 73/GAO Draft Report)

Now on p. 57

DoD Response. Concur. The Department agrees with this important recommendation. The attention focused on the DoD's airlift policies and procedures by the Congress, the media, and the public at large argue for periodic review of this issue. Accordingly, following publication of the DoD Directive which will institutionalize the Passenger Airlift Review implementing actions, the Department of Defense Inspector General will be requested to conduct such an assessment. At this time, the Air Force Inspector General is reviewing actions by that Department regarding passenger airlift and changes made to oversight programs since the Gander accident.

Now on p 57

RECOMMENDATION 20: The GAO recommended that the Secretary of Defense evaluate, over time, whether 12 months of prior commercial service provides sufficient data for effective evaluation of potential airlift contractors' performance. (p. 73/GAO Draft Report)

DoD Response. Concur. The Department recognizes that prior experience is an important factor in carrier selection. The Passenger Airlift Review noted the dichotomy between the MAC and the MTMC practices on prior successful commercial service and recommended an arbitrary one year experience factor. The Department will continue to weigh the efficacy of this factor and make changes as necessary to assure the safest possible transportation for DoD personnel.

Comments From the Assistant Secretary for Administration, U.S. Department of Transportation



U.S. Department of
Transportation

Assistant Secretary
for Administration

400 Seventh St. S.W.
Washington, D.C. 20590

NOV 13 1986

Mr. J. Dexter Peach
Assistant Comptroller General
Resources, Community, and Economic
Development Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Peach:

Enclosed are two copies of the Department of Transportation's comments concerning the U.S. General Accounting Office draft report entitled, "Military Airlift: Management Controls Over Charter Airlift Need To Be Strengthened."

Thank you for the opportunity to review this report. If you have any questions concerning our reply, please call Bill Wood on 366-5145.

Sincerely,

A handwritten signature in cursive script that reads "Melissa J. Allen".

Jon H. Seymour

Enclosures

Appendix III
Comments From the Assistant Secretary for
Administration, U.S. Department
of Transportation

DEPARTMENT OF TRANSPORTATION REPLY
TO
GAO DRAFT REPORT OF SEPTEMBER 29, 1986
ON
MILITARY AIRLIFT: MANAGEMENT CONTROLS OVER
CHARTER AIRLIFT NEED TO BE STRENGTHENED

SUMMARY OF GAO FINDINGS AND RECOMMENDATIONS

The General Accounting Office (GAO) report is primarily directed to the Department of Defense (DOD). The report was prompted by the crash on December 12, 1985, of an Arrow Air DC-8 aircraft at Gander, Newfoundland, Canada. The crash and fire took the lives of 248 military personnel and 8 crew members. GAO was asked by Members of Congress to: (1) evaluate DOD's policies and procedures to charter commercial aircraft; (2) evaluate oversight procedures to monitor air carrier performance, including compliance with Federal Aviation Administration (FAA) safety regulations; (3) evaluate DOD's study of passenger airlift policies and procedures; (4) obtain data on DOD's and FAA's airport security evaluations; and (5) monitor and report on the investigation of the crash.

GAO states that with respect to the Department of Transportation, FAA is responsible for regulating air commerce in ways that best promote its development and safety. The FAA issues and enforces rules, regulations, and minimum standards relating to the manufacture, operation, and maintenance of aircraft. To carry out its responsibilities, FAA has established an oversight program that includes a variety of inspections of airlines' and air taxi operators' personnel, aircraft, maintenance activities, and other operations.

GAO further states that DOD relies on FAA's effort to monitor the air transportation industry. However, due to a shortage of inspectors and other related problems, FAA has experienced some difficulty in fully implementing its oversight role. GAO does not believe that DOD should assume or duplicate portions of FAA's oversight role because of some problems FAA is encountering in implementing its oversight role. GAO notes that FAA has a number of initiatives underway to resolve the problems, but it could take some time to fully implement them.

Within DOD, the Military Airlift Command (MAC) and the Military Traffic Management Command (MTMC) are responsible for selecting FAA certified airlines and air taxi operators and for monitoring contract performance. GAO concludes that there are a number of improvements MAC and MTMC could make in controls over charter airlift operations which would help to assure flight safety and enhance flight quality. According to GAO, improvements in MAC and MTMC procurement procedures could help assure that charter airlines and air taxi operators would follow necessary flight safety and quality requirements. Also, improvements in MAC and MTMC monitoring of charter airlines' and air taxi operators' contract performance could help assure that they are following FAA safety regulations and meeting flight quality requirements.

Appendix III
Comments From the Assistant Secretary for
Administration, U.S. Department
of Transportation

GAO believes that one way to provide better oversight and monitoring of airlift contractors is to have effective communication between FAA and DOD. While FAA and DOD have regulations that provide for communication between the agencies, GAO believes they are not being effectively followed. This has resulted in DOD not being informed of a number of actions FAA has taken against DOD's airlift contractors. GAO believes that ways to improve communication exist and that FAA and DOD need to improve their communication so that each has access to the information it needs to adequately discharge its responsibilities.

In the area of airport security, GAO found that FAA does not effectively coordinate the results of its airport security evaluations with DOD. They also found that MAC does not include an evaluation of airline security programs in its airlift capability surveys.

With respect to the Arrow Air charter crash, GAO notes that the crash is still under investigation by the Canadian Aviation Safety Board.

In an effort to help assure passenger charter flight safety and enhance flight quality, GAO believes that actions are needed by DOD and FAA to improve procurement, oversight, communication, and coordination. With respect to FAA, GAO recommends that DOD and FAA work together to develop policies and procedures to improve communication so that each has access to the information it needs to adequately discharge its responsibilities.

GAO further recommends that, to help assure air transportation security over military charters, FAA provide its foreign airport security assessments and resulting airport classifications to DOD. Also, GAO recommends FAA to change its security regulations to: (1) require DOD charter contractors to follow FAA security procedures tailored to military requirements where necessary; (2) require that FAA provide DOD charter operators information on the classifications of foreign airports and the security measures required; and (3) ensure that DOD charter operators use the required security measures when they use those airports.

SUMMARY OF DEPARTMENT OF TRANSPORTATION POSITION

The Department agrees with the GAO on the need for more effective communication between FAA and DOD. As the report notes, FAA and DOD regulations provide for communication between the two agencies. These regulations have not always been effectively followed and, as a result, DOD has not always been informed of actions taken against DOD airlift contractors. We believe this problem has now been corrected.

In September, DOD assigned one of its MAC officers to FAA's headquarters Flight Standards staff. This officer is the focal point for communications between DOD and FAA. The MAC liaison officer now has access to all FAA inspection data on military airlift contractors and, in turn, is in a position to provide FAA with safety data obtained by DOD on its air carriers. These procedures will be further refined and strengthened as experience is gained.

See pp. 42, 47

Appendix III
Comments From the Assistant Secretary for
Administration, U.S. Department
of Transportation

See pp 63-64

With respect to GAO's recommendations on foreign airport security, the FAA agrees in part with those recommendations; namely, that the FAA share with DOD the results of foreign airport assessments and airport classifications. Some clarification is necessary, however, to determine the scope and potential value of this effort. First, FAA foreign airport assessments are conducted in accordance with International Civil Aviation Organization (ICAO) standards and recommended practices. The FAA has accumulated a great deal of experience in international aviation security standards and ICAO policy, which is utilized to conduct these assessments. The results of these assessments are recorded, mostly in narrative form, on a 28-page form specifically designed for this purpose. To review these assessments properly and make operational judgments based upon them, a cadre of similarly qualified DOD personnel would be necessary. At the current level of several hundred reports per year, it is expected that the DOD would require substantial additional professional resources to undertake the information transfer and conduct the operational interpretation envisioned by the GAO.

See pp 59-60

Notwithstanding, the FAA, through its DOD liaison officer, will discuss the public security benefits which may be realized by the sharing of pertinent information with DOD. Since this information is obtained with the cooperation of the host country and would be of immeasurable value to terrorist and other criminal groups, we would envision this information being provided on a selective basis and the contents safeguarded against improper disclosure.

Second, the FAA wishes to clarify a possible misconception by GAO. Airport classifications do not result from FAA airport assessments as GAO apparently believes. Rather, threat classifications are ascribed by FAA to foreign airports using information gathered by a variety of U.S. intelligence sources, including the DOD. This information then determines the frequency of FAA assessments at individual airports. Therefore, DOD is in a position similar to the FAA—arguably better—to assess the terrorist threat at foreign airports used for DOD operations. Accordingly, providing DOD with FAA airport classifications would, in effect, be redundant and contribute little to public civil aviation security.

See pp 63-64

Regarding the GAO recommendations on FAA changing its security regulations, we believe it would be better for MAC and MIMC to require charter contractors to follow DOD-tailored military security requirements rather than have FAA change its security regulations involving military charters. Having security clauses in DOD transportation agreements would correct any current weaknesses. If notified by DOD, FAA would discuss security measures required for certain foreign airports with DOD charter operators. Monitoring implementation of any security measures would be better controlled by DOD, not FAA.

Comments From the Comptroller, United States Department of State



United States Department of State

Comptroller

Washington, D.C. 20520

October 28, 1986

Dear Mr. Conahan:

I am replying to your letter of September 29, 1986 to the Secretary which forwarded copies of the draft report entitled "Military Airlift - Management Controls Over Charter Airlift Need to be Strengthened" under GAO assignment code 392197.

The enclosed comments on this report were prepared in the Bureau of Near Eastern and South Asian Affairs.

We appreciate having had the opportunity to review and comment on the draft report.

Sincerely,

A handwritten signature in cursive script that reads "Roger B. Feldman".

Roger B. Feldman

Enclosure:
As stated.

Mr. Frank C. Conahan,
Assistant Comptroller General,
National Security and
International Affairs Division,
U.S. General Accounting Office,
Washington, D.C. 20548

ATTACHMENT

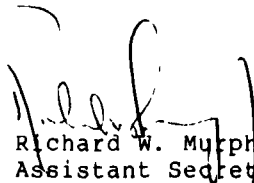
GAO DRAFT REPORT: Military Airlift - Management Controls over
Charter Airlift Need to Be Strengthened

The following corrections should be made to the draft of the
proposed report of the General Accounting Office:

Page 83, para 1, line 4: MF128R should read MFO-1285R.

Page 88, line 1: MF128R should read MFO-1285R.

See pp 66, 69



Richard W. Murphy
Assistant Secretary
Bureau of Near Eastern and South
Asian Affairs

Glossary

Air Taxi Operator	Air taxi operators provide the movement of a small number of DOD passengers on smaller aircraft. DOD's requirements are that the aircraft have at least two engines and be operated by both a pilot and copilot.
Channel Missions	These missions are MAC's routine or scheduled mission flights from one Air Force station to another.
Civil Reserve Air Fleet	The Civil Reserve Air Fleet consists of commercial aircraft committed to support the Department of Defense during emergency conditions.
Cockpit Voice Recorder	A cockpit voice recorder stores all speech on flight deck or cockpit, including intercom and radio.
Control Column	A control column is a mechanical apparatus located in the cockpit and used by the pilot to control the aircraft.
Drag	Drag is a retarding force reacting opposite and parallel to the direction of motion of the aircraft.
Flight Recorder	This is a device for automatically recording information on aircraft operation. Such recorders are designed to survive crash accelerations, impacts, crushing and fire, and often carry underwater transponders or beacons.
MAC Airlift Capability Survey	These are MAC's pre-award surveys to determine if potential airlift contractors are capable of safely meeting specific and unique military air transportation requirements.
MAC Ramp Inspection	These inspections are part of MAC's contract performance evaluation procedures. The ramp inspection is a visual check of the contractor's aircraft performed by an experienced Air Force representative accompanied by a representative of the airline. The aircraft's log book is also reviewed. Federal Acquisition Regulations require contracting activities to develop and maintain contract performance evaluation methods.

Stall	A stall is a condition occurring when an aircraft exceeds its critical angle of flight. Stall may occur when the airflow separates from the airfoil surface or when the airflow around the airfoil becomes turbulent and loses its lift effect.
Thrust	This is the force produced by a jet exhaust.
Thrust Reverser	A thrust reverser is a controllable device mounted at the jet exhaust to reduce or to reverse the jet thrust.
War Air Service Program	The War Air Service Program is a program that provides for the distribution of air carrier aircraft to maintain essential civil routes after CRAF aircraft have been withdrawn from commercial service and placed under the control of MAC.

Requests for copies of GAO reports should be sent to:

U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are \$2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents

United States
General Accounting Office
Washington, D C. 20548

Official Business
Penalty for Private Use \$300

Address Correction Requested

First-Class Mail Postage & Fees Paid GAO Permit No. G100
