

GAO

Briefing Report to Congressional Requesters

June 1987

MILITARY PERSONNEL

Proposed Increases in Household Goods Weight Allowances



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The Honorable Les Aspin
Chairman, Committee on Armed Services
House of Representatives

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate

In its report on the fiscal year 1986 Defense Authorization Act, the House Committee on Armed Services asked us to review the Department of Defense (DOD) weight allowances provided to uniformed service members moving household goods under permanent change of station orders. DOD, in its fiscal year 1986 budget request, had asked that its household goods weight allowances be increased. The Committee asked us to review

- the services' methodologies for determining weight allowances,
- how much the system encourages shipment of unnecessary items, and
- the cost effectiveness of alternative systems.

This report contains information previously provided to the Committee and additional data we developed concerning DOD's fiscal year 1986 request.

We found that the increases proposed by DOD in its fiscal year 1986 budget request were not based on DOD-wide statistical data showing how much use its members were already making of the existing allowances or any other statistics that justified the increases. Its revised plan of March 1986, providing for separate with and without dependents allowances, had similar deficiencies.

To respond to the Committee's concern that the allowance system encourages members to ship unnecessary goods, we evaluated the amount of goods shipped by members with and

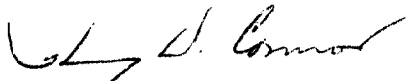
without dependents--assuming that members without dependents should ship less than those with dependents. We found that members without dependents shipped slightly more than half of what their counterparts with dependents shipped.

Concerning alternative systems, we could not measure the cost effectiveness of various moving alternatives because of the different data gathering methods used by the services, the lack of available data, and the uncertainty of how much the alternatives would be used.

These issues are discussed more fully in appendixes I through IV. Our objectives, scope, and methodology are discussed in appendix V.

We discussed this briefing report with DOD officials and have incorporated their comments, where appropriate. As requested, we did not obtain official comments.

We are sending copies of this report to the Secretaries of Defense, the Air Force, Army, and Navy; the Director, Office of Management and Budget; and other interested parties. Should you need additional information or have questions, please contact me on (202) 275-4141.



Henry W. Connor
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ABBREVIATIONS

DOD Department of Defense

PCS permanent change of station

INTRODUCTION

Over the years, the Congress has heard many complaints from DOD and its uniformed service members about insufficient reimbursements and allowances for transfers or permanent changes of station (PCS). In hearings before the House Committee on Appropriations in April 1985, DOD reported that when making a PCS move, the average member is reimbursed for only about one-fourth of the out-of-pocket expenses incurred. It said that over half of its members had to borrow money to cover their PCS expenses.

As part of its fiscal year 1986 budget proposal, DOD proposed changing various PCS allowances to more fully reimburse its members. The added cost for these changes was estimated at \$700 million; the largest single amount--\$242 million--was to increase the weight of household goods and personal effects that DOD would pay to ship or store for its members.

The fiscal year 1986 proposal, intended to change the weight that could be shipped at each pay grade, continued the longstanding DOD practice of allowing all members in a given pay grade to ship the same weight. In March 1986, however, DOD offered an alternative to this proposal by asking consideration for allowances based on whether the member had dependents. Members with no dependents would be allowed to ship at the pre-1986 levels, but members with dependents would be allowed to ship at the generally higher, fiscal year 1986-proposed levels.

WEIGHT ALLOWANCES AND PROGRAM OBJECTIVES

Section 406 of title 37, U.S.C., provides for the transportation of household goods of members of the uniformed services under orders for a PCS and within such weight allowances as may be prescribed by the service secretaries concerned. Implementing regulations are contained in Volume 1 of the DOD Joint Travel Regulations. DOD-wide weight allowances have been in effect since 1949. Each pay grade has a specific weight allowance ceiling.

The government's transportation cost obligation is limited to the charge for shipping the member's household goods from one duty station to another in one lot, at the maximum-prescribed weight ceiling. Additional charges, such as those for shipping weight in excess of the prescribed ceiling, must be borne by the member. Each service is responsible for seeing that the member is appropriately billed for the additional charges.

Historically, the weight allowance ceilings have been set on an ascending scale--the higher the pay grade, the higher the ceiling. However, there is no record to show why the ceilings were first

established at these levels. Responding to a question about this matter at the fiscal year 1986 military manpower and compensation appropriations hearings, the Assistant Secretary of Defense (Manpower, Installations and Logistics) said that weight allowances are based on grade to recognize each member's relative position and responsibility within the organization. He said that the system recognizes that with the increased rank and income, the member's personal property increases. The Assistant Secretary explained that each weight ceiling serves as an "umbrella" to cover both the members with dependents and those without dependents in any given pay grade.

DOD does not justify its weight ceilings on the basis that the average member possesses or ships a certain amount of goods, or that by establishing a ceiling at some level, all or some percentage of its members will receive fully covered, government-paid, household goods transportation. In fact, we could not find a basis for the current allowance levels. This makes it difficult for DOD to assess whether the allowances, at any point, are sufficient.

The weight allowances are subject to oversight and approval by the DOD authorization and appropriations committees. For many years, at least as far back as 1953, the appropriations committees have capped the allowances at something less than the ceilings authorized by the authorization committees. For example, in fiscal year 1985 the authorization committees authorized the top pay grade allowance at 24,000 pounds. The appropriations committees limited the funding for that and all other grades to 13,500 pounds. The service secretaries can also impose weight limitations on a particular type of PCS or to a particular location.

Most pay grade weight allowance ceilings have increased since 1949. Some senior officer grades have had no increases. Most mid-level and junior-level officers have had two increases, although the O-4s have had four increases. Senior-level and mid-level enlisted members have had basically three increases, the most recent in 1966. Junior-level enlisted members had their first and last increase in 1979.

Table I.1 shows the weight allowances for 1949 and the changes since then. Table I.2 shows DOD's current (fiscal year 1985) authorized allowances and its proposed changes for fiscal year 1986.

Table I.1: Weight Allowances For 1949 by Pay Grade and Changes Since Then

Pay grade	Allowance	Revised weight allowance							
	for 1949	1951	1954	1959	1963	1965	1966	1967	1979
----- (pounds) -----									
<u>Officers</u>									
O-10	24,000								
O-9	18,000								
O-8	14,500								
O-7	12,000					13,500			
O-6	11,000					12,000			13,500
O-5	10,000				11,000			13,000	
O-4	9,000	9,500			10,000		11,000	12,000	
O-3	8,500				9,000		11,000		
O-2	7,500				8,000		10,000		
O-1	6,000	7,000			7,500		9,500		
<u>Enlisted</u>									
E-9				7,000	7,500		9,500		
E-8				6,500	7,000		9,000		
E-7	4,500		6,000		6,500		8,500		
E-6	4,500		5,500		6,000		8,000		
E-5	4,500		5,000		5,500		7,000		
E-4 ^a	4,500				5,000		7,000		
E-4 ^b	3,000			200					c
E-3	200								c
E-2	200								c
E-1	200								c

^aSenior E-4s.

^bJunior E-4s.

^c1,500 pounds for overseas moves; 225 pounds for moves within the continental United States.

Note: Appropriation acts have prescribed a maximum ceiling for purposes of funding--

9,000 pounds from January 1, 1953, through August 30, 1954;
 11,000 pounds from September 1, 1954, through December 30, 1966; and
 13,500 pounds from January 1, 1967, to present.

Table I.2: Current and Proposed Weight Allowances

<u>Pay grade</u>	<u>Rank</u>	<u>Proposed for</u>		<u>Increase/ decrease(-)</u>
		<u>fiscal years</u> <u>1985</u>	<u>1986</u>	
----- (pounds) -----				
<u>Officers</u>				
O-10	General/Admiral	24,000	18,000	-6,000
O-9	Lieutenant General/ Vice Admiral	18,000	18,000	-
O-8	Major General/Rear Admiral (upper half)	14,500	16,000	1,500
O-7	Brigadier General/Rear Admiral (lower half)	13,500	15,000	1,500
O-6	Colonel/Captain (Navy)	13,500	14,500	1,000
O-5	Lieutenant Colonel/Commander	13,000	14,000	1,000
O-4	Major/Lieutenant Commander	12,000	13,000	1,000
O-3	Captain (Army/Air Force)/ Lieutenant	11,000	12,000	1,000
O-2	First Lieutenant/ Lieutenant (Junior Grade)	10,000	11,000	1,000
O-1	Second Lieutenant/Ensign	9,500	10,000	500
<u>Enlisted</u>				
E-9		9,500	13,000	3,500
E-8		9,000	12,000	3,000
E-7		8,500	11,000	2,500
E-6		8,000	9,000	1,000
E-5		7,000	8,000	1,000
E-4 ^a		7,000	7,000	-
E-4 ^b		c	5,000	d
E-3		c	5,000	d
E-2		c	5,000	d
E-1		c	5,000	d

Appropriations act ceiling: 13,500

^aE-4s with over 2 years of service.

^bE-4s with 2 years of service or less.

^c1,500 pounds for overseas moves; 225 pounds for moves within the continental United States.

^dIncrease varies by duty location of new PCS.

WEIGHT ALLOWANCE CHANGES PROPOSED
IN DOD'S FISCAL YEAR 1986 BUDGET

DOD's proposed changes for fiscal year 1986 would have increased 17 of the 20 pay grade allowances. Most of the allowances would increase by at least 1,000 pounds.

In 1966, when the last major increases were approved, DOD pointed out the large number of members who exceeded the shipping allowances and who were forced to pay the excess from personal funds. It said that members had received higher pay, which led to the purchase of more household items, especially heavy appliances such as refrigerators, washers, dryers, and dishwashers, as well as television sets and lawnmowers.

In fiscal year 1986 DOD and service officials again voiced their concern over the inadequate allowances and the need for members to pay a large part of their moving expenses. They stated that since 1966, pay had increased and lifestyles had changed, resulting in the accumulation of more personal possessions. Again, statistics were not presented to support these statements.

DOD cited complaints made by members and the results of service opinion surveys, which showed that members felt the approved allowances were inadequate. Many members argued that they were treated unfairly compared to federal civilian employees who can ship up to 18,000 pounds of goods, regardless of their pay grade.

Over the years, the Air Force has conducted opinion surveys which indicated PCS allowances, including those for household goods, were inadequate. For example, its fiscal year 1982 survey showed that exclusive of nonreimbursed home ownership costs, members estimated that for every \$3 spent on a PCS move, only \$1 was reimbursed by the government. The median, nonreimbursed costs were \$1,550 for junior officers, \$2,230 for senior officers, \$1,120 for mid-grade enlistees, and \$2,070 for senior enlistees. The survey showed that married members reported the greatest loss and that over half of the members stated they had to borrow money or withdraw funds from their savings to meet PCS costs. Many members cited inadequate PCS allowances as the most irritating aspect of PCS moves. Fiscal year 1984 surveys showed similar results.

DOD's decision to make the changes it proposed in its fiscal year 1986 budget was the result of a compromise of nearly a dozen options. The individual services had presented their views on the changes to DOD. DOD officials looked at each option, including the option of no change, and selected the one they believed would benefit those needing the greater increases. The cost was greater

than if no change had been made, but less than that for the more liberal plans.

DOD's estimates of the comparative costs of the major options are shown in table I.3.

Table I.3: Cost of Various Options

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>	<u>Option 6</u>
	------(millions)-----					
Army	\$ 482.2	\$ 510.9	\$ 577.3	\$ 743.5	\$ 772.9	\$ 803.8
Navy	326.0	338.3	369.2	354.2	358.7	365.0
Air Force	459.5	484.2	548.0	620.3	620.7	683.8
Marine Corps	<u>81.3</u>	<u>87.5</u>	<u>96.9</u>	<u>144.8</u>	<u>173.3</u>	<u>239.9</u>
Total	<u>\$1,349.0</u>	<u>\$1,420.9</u>	<u>\$1,591.4</u>	<u>\$1,862.8</u>	<u>\$1,925.6</u>	<u>\$2,092.5</u>
Increase		\$ 71.9	\$ 242.4	\$ 513.8	\$ 576.6	\$ 743.5

Option 1: Make no change.

Option 2: Graduated increases in weight allowances for E-7s and above with no change for the other grades.

Option 3: Graduated increases for all pay grades (18,000 maximum/5,000 pounds minimum).

Option 4: Graduated increases for all pay grades (18,000 maximum/10,000 pounds minimum).

Option 5: 13,500 pounds for all pay grades.

Option 6: 18,000 pounds for all pay grades.

WEIGHT ALLOWANCE CHANGES
PROPOSED IN MARCH 1986

In March 1986 DOD proposed a new set of household goods weight allowances, one set for members without dependents and another set for members with dependents. DOD said such a system would properly recognize the government's obligation to move service members' household goods under limits which they felt are fair and equitable from both the government's and service members' standpoint, and

would allow members the opportunity to continue their lifestyles at any location assigned.

Accordingly, for fiscal year 1987 DOD asked the Congress for authority to establish allowances by pay grade for members with and without dependents, but with the stipulation that the with dependents allowances be set at the increased levels requested in fiscal year 1986. The House Committee on Armed Services said that although it supported the establishment of allowances for members with and without dependents, it could not support the specific allowances proposed because of the lack of data and analysis supporting the proposal. It recommended denying the increases. The Senate Committee on Appropriations said it believed adequate documentation did not exist to justify the weight allowances proposed by DOD and reduced the PCS request by \$97 million, the amount requested for the increased household goods weight allowances in the fiscal year 1987 budget. The Senate Committee on Appropriations directed that the proposed new weight allowances not be implemented. The Congress adopted this position.

PROPOSED INCREASES IN WEIGHT ALLOWANCES
NOT ADEQUATELY SUPPORTED

In response to complaints from its members and members of Congress, DOD reviewed the history of the household allowances and asked the services for proposals to remedy the reported problems. DOD analyzed the costs of the various proposals and decided on a compromise that generally raised the pay grade weight ceilings by about 1,000 pounds. DOD believed that the compromise, costing about \$242 million more than the existing system, would provide particular relief for the more seriously deficient pay grades.

We found that the increases proposed by DOD in its fiscal year 1986 budget request were not based on DOD-wide statistical data showing how much use its members were already making of the existing allowances or on any other statistics that justified the increases. Moreover, DOD had no specific PCS program goal to ensure that the new weight allowances covered all or any particular percentage of PCS' of any particular pay grade. Its revised plan of March 1986, providing for separate with and without dependents allowances, had the same deficiencies.

PER DIEM COMMITTEE HOUSEHOLD GOODS
WEIGHT ALLOWANCE STUDY

One of the earliest studies, initiated in 1970, was done by DOD's Per Diem, Travel and Transportation Allowance Committee and was used by DOD to establish the proposed increases in weight allowances. The study recommended the elimination of the pay grade differences in PCS weight allowances. It recommended an increase in the weight allowances to the statutory maximum of 13,500 pounds for all members in pay grades O-5 and below and enlisted members. A key argument in favor of that recommendation was that all civilian employees, regardless of their pay grades, could ship up to a maximum of 11,000 pounds.

As part of its study, the Committee directed the services to distribute a questionnaire to individuals who were about to make a PCS move. The survey covered approximately 70,000 members shipping household goods incident to PCS during November and December 1971. The survey asked members to respond to questions such as whether they disposed of some possessions to avoid overweight costs, the estimated amount of weight disposed of, other actions taken to avoid overweight, and their opinions about the adequacy of the weight allowances and whether they would ship more goods if there were no limits.

The results showed that many members took some action to avoid exceeding their weight allowances. For example, about 16 percent

of the officers and 21 percent of the enlisted members said they disposed of some possessions to stay within the allowances. About 3.5 percent of all members said they disposed of at least 500 pounds and half of those said they disposed of at least 1,000 pounds. Also, more than one-third of the respondents said they made a decision to purchase certain types of furniture or changed their buying habits to avoid excess weight.

Over 20 percent of those members responding in the 0-5 and 0-6 pay grades believed they needed higher allowance on their last PCS move. Over 50 percent of the members in the 0-4, E-5, E-6, and E-9 pay grades said they would ship more goods if there had been no ceiling. See tables II.1 and II.2 for a summary of survey results.

Table II.1: Results of Member Survey Based on 1971-1972 PCS Moves

<u>Action Reported</u>	<u>Officers Enlisted</u>	
	--(percent)---	
Disposed of some household goods	16.2	21.3
Stored some goods at own expense	3.2	5.8
Stored some goods at no expense	5.9	9.9
Personally moved some household goods	5.0	9.3
Purchased lighter weight furniture	18.8	23.3
Purchased portable equipment	22.6	28.0
Rented rather than bought furniture	12.8	15.7
Resisted buying newer furniture	32.2	40.4

Table II.2: Summary of Responses to Question of Need and Making Use of Higher Allowances

<u>Pay grade</u>	<u>Need higher allowance</u>	<u>Would ship more if allowed</u>
--(percent saying yes)--		
<u>Officers</u>		
O-6	29.3	39.0
O-5	21.9	26.8
O-4	2.8	51.2
O-3	9.6	22.8
O-2	9.1	20.1
O-1	3.1	12.2
<u>Enlisted</u>		
E-9	17.9	73.8
E-8	17.3	52.9
E-7	19.2	35.7
E-6	16.6	56.0
E-5	9.7	34.5
E-4	16.0	19.9

STUDIES ON NUMBERS OF EXCESS WEIGHT CASES

Other data which DOD relied on to support its increases in weight allowances related to the number of excess weight cases some of the military services and commands have reported in the past. The Army, Navy, Marine Corps, and Military Traffic Management Command, for example, conducted studies or developed statistics in the late 1970s and early 1980s to show the number of shipments or PCS moves involving excess weight. The results showed that at some pay grades more than a quarter of the members shipped in excess of their allowances, indicating the possibility that the weight allowances may have been too low.

We found little in the results of these studies, however, to indicate a DOD-wide problem. The studies were often based on different universes of data. For example, some studies were based on transportation data that only coincidentally related to individual PCS moves. Few of the studies indicated whether the excess weights were measured against the DOD-wide weight ceilings or the generally lower, individual service's weight allowances.

DEVELOPMENT OF ACTUAL PCS WEIGHT DATA

Since DOD had not developed historical PCS weight data in support of its proposed weight allowance increases, the Chairman of the House Committee on Armed Services asked DOD to research its records to determine average weights per PCS for each pay grade. DOD provided its preliminary data in February 1986 and its final data in March.

The February 1986 data was intended to show, for a fixed period of time, the average weight shipped or stored for PCS moves in each pay grade. DOD chose the time frame of July 1984 through June 1985 and provided statistics for over 500,000 PCS moves. The Army, Air Force, and Marine Corps data were developed from paid transportation documents and other documentation that was used to ensure that members paid for excess weight.

The Navy data, on the other hand, was based on preliminary funding data that showed what the Navy used to establish PCS shipment obligations. This data did not necessarily correspond with what was actually shipped; therefore, we have not used the Navy data in our analysis of how the average household goods shipment compared to the weight allowance.

A summary of the data is shown in tables II.3 through II.5. Table II.3 shows that, on the average, individual pay grades were using from 26 to 90 percent of their existing allowances. Most were in the 50 to 80 percent range. Generally, the higher the pay grade, the greater the percentage of the allowance used. Tables II.4 and II.5 show the average weights, by pay grade, for members with and without dependents. At one pay grade, the O-8 level, PCS moves of members with dependents averaged 98 percent of the allowance authorized. Others ranged from 39 to 80 percent. The average PCS moves for members without dependents was less than 50 percent of the allowance, with the exception of the O-6 level, which was at 52 percent. The O-1 through O-4 Army data includes warrant officers.

Table II.3: Average Weight Shipped or Stored Per PCS

<u>Pay grade</u>	<u>Weight allowance</u>	<u>Army</u>	<u>Air Force</u>	<u>Marine Corps</u>	<u>Average for all PCS moves</u>	<u>Use made of maximum allowance</u>
		----- (pounds) -----				(percent)
<u>Officers</u>						
O-10	13,500	5,276	-	2,015	3,645	27
O-9	13,500	9,433	11,543	4,681	9,339	69
O-8	13,500	11,283	14,805	9,256	12,100	90
O-7	13,500	8,409	12,683	10,558	10,549	78
O-6	13,500	8,569	11,911	9,429	10,508	78
O-5	13,000	8,159	10,802	9,158	9,569	74
O-4	12,000	6,747	9,702	8,266	8,188	68
O-3	11,000	4,548	6,766	6,369	5,626	51
O-2	10,000	3,123	4,552	4,548	3,979	40
O-1	9,500	2,209	2,656	2,531	2,436	26
<u>Enlisted</u>						
E-9	9,500	4,712	7,475	6,779	6,202	65
E-8	9,000	4,268	6,709	6,503	5,300	59
E-7	8,500	3,870	5,823	5,748	4,654	55
E-6	8,000	3,085	4,827	4,570	3,760	47
E-5	7,000	2,066	3,500	3,120	2,705	39
E-4 ^a	7,000	1,166	2,198	1,839	1,578	
E-4 ^b	1,500					
E-4 ^c	225					
E-3 ^b	1,500	541	621	808	623	
E-3 ^c	225					
E-2 ^b	1,500	522	326	693	486	
E-2 ^c	225					
E-1 ^b	1,500	541	281	715	365	
E-1 ^c	225					

^a7,000 pounds authorized for senior E-4s on all moves.

^b1,500 pounds authorized for junior E-4s and below on overseas moves.

^c225 pounds authorized for junior E-4s and below on moves within the continental United States.

Table II.4: Average Weight Shipped or Stored Per PCS For Members With Dependents

<u>Pay grade</u>	<u>Weight allowance</u>	<u>Army</u>	<u>Air Force</u>	<u>Marine Corps</u>	<u>Average for PCS moves shown</u>	<u>Use made of maximum allowance</u>
----- (pounds) -----						(percent)
<u>Officers</u>						
O-10	13,500	9,195	-	a	9,195	68
O-9	13,500	9,433	11,543	a	10,337	77
O-8	13,500	11,283	14,805	a	13,198	98
O-7	13,500	8,514	12,782	a	10,648	79
O-6	13,500	8,757	12,047	a	10,795	80
O-5	13,000	8,393	11,017	a	9,862	76
O-4	12,000	7,087	10,059	a	8,578	71
O-3	11,000	5,255	7,555	a	6,384	58
O-2	10,000	4,124	5,743	a	4,976	50
O-1	9,500	3,311	4,103	a	3,685	39
<u>Enlisted</u>						
E-9	9,500	4,818	7,584	a	6,226	66
E-8	9,000	4,414	6,791	a	5,312	59
E-7	8,500	4,110	5,968	a	4,837	57
E-6	8,000	3,448	5,068	a	4,139	52
E-5	7,000	2,567	3,969	a	3,357	48
E-4 ^b	7,000	1,896	2,860	a	2,418	
E-4 ^c	1,500					
E-4 ^d	225					
E-3 ^c	1,500	1,050	1,085	a	1,074	
E-3 ^d	225					
E-2 ^c	1,500	934	681	a	838	
E-2 ^d	225					
E-1 ^c	1,500	897	625	a	704	
E-1 ^d	225					

^aThe Marine Corps was unable to differentiate between members with and without dependents.

^b7,000 pounds authorized for senior E-4s on all moves.

^c1,500 pounds authorized for junior E-4s and below on overseas moves.

^d225 pounds authorized for junior E-4s and below on moves within the continental United States.

Table II.5: Average Weight Shipped or Stored Per PCS For Members Without Dependents

<u>Pay grade</u>	<u>Weight allowance</u>	<u>Army</u>	<u>Air Force</u>	<u>Marine Corps</u>	<u>Average for PCS moves shown</u>	<u>Use made of maximum allowance</u>
		----- (pounds) -----				(percent)
<u>Officers</u>						
O-10	13,500	1,358	-	a	1,358	10
O-9	13,500	-	-	a	-	-
O-8	13,500	-	-	a	-	-
O-7	13,500	2,770	7,290	a	5,030	37
O-6	13,500	6,021	8,271	a	7,034	52
O-5	13,000	5,830	6,718	a	6,185	48
O-4	12,000	4,903	6,394	a	5,456	46
O-3	11,000	3,103	4,009	a	3,430	31
O-2	10,000	1,998	2,520	a	2,219	22
O-1	9,500	1,143	1,361	a	1,250	13
<u>Enlisted</u>						
E-9	9,500	3,754	4,204	a	3,860	41
E-8	9,000	3,538	3,813	a	3,560	40
E-7	8,500	3,148	3,030	a	3,137	37
E-6	8,000	2,539	2,414	a	2,526	32
E-5	7,000	1,701	1,655	a	1,692	24
E-4 ^b	7,000	827	940	a	853	
E-4 ^c	1,500					
E-4 ^d	225					
E-3 ^c	1,500	405	384	a	394	
E-3 ^d	225					
E-2 ^c	1,500	343	149	a	275	
E-2 ^d	225					
E-1 ^c	1,500	337	125	a	177	
E-1 ^d	225					

^aThe Marine Corps was unable to differentiate between members with and without dependents.

^b7,000 pounds authorized for senior E-4s on all moves.

^c1,500 pounds authorized for junior E-4s and below on overseas moves.

^d225 pounds authorized for junior E-4s and below on moves within the continental United States.

DOD and service officials cautioned that the statistical averages shown in the previous tables "smooth over" the extremes at either end of the scale, thereby masking the fact that many PCS moves in the data sample involved the shipment of only small amounts of household goods, which lowered the averages for each pay grade. The officials believed that the data could have been incomplete or not truly representative of the PCS moves involving the shipment of household goods. Neither DOD nor the services, however, could say with certainty how incomplete the data was, why so many PCS moves with minimal household goods showed up in the statistics, or how the averages may have been changed had the data been more complete or had it not included what they believe to be nonrepresentative PCS moves.

The Army and Air Force statistics showed, in part, the number of PCS moves fell into individual weight brackets. These statistics showed a high incidence of cases in the 1,000 pounds or less bracket. For example, at the Army E-5 through E-9 level, about one-quarter of all PCS moves involved shipment of 1,000 pounds or less, only a fraction of the members' allowance. The data for Army and Air Force PCS moves are shown in table II.6.

Table II.6: Percentage of PCS Moves in Which Members Shipped or Stored 1,000 Pounds or Less

Pay grade	Members with dependents		Members without dependents	
	Army	Air Force	Army	Air Force
----- (percent) -----				
<u>Officers</u>				
O-10	-	-	50.0	-
O-9	37.5	-	-	-
O-8	11.5	3.2	-	-
O-7	22.2	7.4	-	-
O-6	16.4	6.9	16.7	5.1
O-5	14.8	8.4	13.3	9.4
O-4	14.9	8.4	15.0	8.6
O-3	13.4	6.2	18.2	14.0
O-2	13.8	7.6	33.8	21.6
O-1	29.8	10.2	73.7	48.0
<u>Enlisted</u>				
E-9	28.7	13.5	23.0	14.8
E-8	28.3	15.9	27.6	27.0
E-7	25.1	16.2	29.6	29.3
E-6	22.7	16.6	32.3	38.6
E-5	25.8	17.3	45.0	48.3

Service officials believe an explanation for the high incidence of PCS moves in the 1,000 pounds or less category could be that the PCS data base included many PCS moves that historically involved small shipments for accession and separation moves. Statistics show that accession and separation PCS moves make up over half of all PCS moves but little more than 15 percent of the total cost of shipping household goods. Other types of PCS moves--rotation, operational, training, and unit moves--make up a smaller number of moves but constitute the bulk of the household goods shipping costs. The service officials, however, could not provide any data to show what percentage of PCS moves were accession or separation. Table II.7 provides details on the number of PCS moves by type and the costs for shipping household goods during fiscal year 1985.

Table II.7: Numbers and Costs for Different Types of PCS Moves
(Fiscal Year 1985 Actual Budget Data)

<u>Type PCS</u>	<u>Number of PCS moves</u>	<u>Household goods shipping costs</u>	<u>Average cost per PCS</u>
		(thousands)	
Accession	361,319	\$ 63,519	\$ 175.80
Rotational	346,850	692,901	1,997.70
Separation	329,020	163,920	498.21
Operational	135,193	240,999	1,782.63
Training	71,605	98,048	1,369.29
Unit	<u>10,260</u>	<u>20,443</u>	<u>1,992.50</u>
Total	<u>1,254,247</u>	<u>\$1,279,830</u>	

DOD also pointed out that some PCS moves are unaccompanied tours (the member leaves the dependents behind) where the amount of goods authorized for shipment is less than 1,000 pounds. Members must either store the rest of their goods or leave them in place. In many cases, according to DOD, the goods are left in place. Consequently, the allowance is not used in its entirety. Such PCS moves, nevertheless, are included in the data base for the averages shown in tables II.3 through II.5 and in the percentages shown in table II.6.

On the opposite end of the spectrum, some members shipped excess weight which tended to inflate the average weight figures. The Army and the Air Force data show a high incidence of PCS moves exceeding the approved allowances. In some pay grades, one-third or more of the cases involved excess weight. Table II.8 shows the percentages of PCS moves, based on the data provided us in February 1986 that exceeded the authorized weight allowance for each pay grade.

Table II.8: Percentage of PCS Moves Where Members Shipped or Stored in Excess of the Allowances

Pay grade	Members with dependents		Members without dependents	
	Army	Air Force	Army	Air Force
----- (percent) -----				
<u>Officers</u>				
O-10	50.0	-	-	-
O-9	62.5	50.0	-	-
O-8	38.5	71.0	-	-
O-7	20.4	61.1	-	-
O-6	17.0	44.7	4.2	17.0
O-5	12.1	37.0	5.1	7.1
O-4	8.4	34.0	2.2	8.5
O-3	2.9	14.4	0.7	2.5
O-2	1.5	7.5	0.2	0.8
O-1	0.4	3.2	0.1	0.1
<u>Enlisted</u>				
E-9	8.7	32.3	3.4	11.1
E-8	6.8	30.4	4.2	7.9
E-7	4.9	25.0	2.3	4.3
E-6	3.4	17.2	1.3	3.3
E-5	2.3	11.2	0.7	1.6

DOD'S PROPOSED WEIGHT ALLOWANCES WOULD
REDUCE THE NUMBER OF EXCESS WEIGHT CASES

The revised weight allowances for fiscal year 1986 and those DOD offered in March 1986 would have generally decreased the number of excess weight cases that occurred in the sample 1984 and 1985 PCS moves.

The following three tables show the percentages of PCS moves, by officers and enlisted members, with and without dependents, where the weight shipped and/or stored exceeded the existing and the proposed allowances. For example, table II.9 shows that under the existing allowance, 12 percent of the Army O-5s with dependents and 5 percent of those without dependents exceeded the allowances. Under the proposed revisions shown in the fiscal year 1986 budget, the percentages exceeding the allowance would have been 6 percent and 2 percent, respectively. Under the March 1986 proposed revision, the percentages would have been 6 percent and 5 percent, respectively. For other pay grades, the percentages exceeding their allowances are higher for some cases and lower for others.

The percentages for Air Force PCS moves are shown in table II.10. The percentages for combined Army and Air Force PCS moves are shown in table II.11.

Table II.9: Comparison of Army PCS Moves in the Excess Weight Category Under Existing and Proposed Allowance Levels

<u>Pay grade</u>	<u>Dependents</u>	<u>Allowance</u>		
		<u>Current</u>	<u>Proposed</u>	<u>Revised proposed</u>
----- (percent) -----				
<u>Officers</u>				
O-7	with	20	9	b
	without	-	-	-
O-6	with	17	10	10
	without	4	4	4
O-5	with	12	6	6
	without	5	2	5
O-4	with	8	4	4
	without	2	1	2
O-3	with	3	1	1
	without	a	a	a
O-2	with	1	1	1
	without	a	a	a
O-1	with	a	a	a
	without	a	a	a
<u>Enlisted</u>				
E-9	with	9	b	b
	without	3	-	3
E-8	with	7	b	b
	without	4	b	4
E-7	with	5	b	b
	without	2	b	2
E-6	with	3	2	2
	without	1	1	1
E-5	with	2	1	1
	without	a	a	a

^aLess than 1/2 percent.

^bBecause of incomplete data, we were unable to calculate the change.

Table II.10: Comparison of Air Force PCS Moves in the Excess Weight Category Under Existing and Proposed Allowance Levels

Pay grade	<u>Dependents</u>	<u>Allowance</u>		
		<u>Current</u>	<u>Proposed</u>	<u>Revised proposed</u>
----- (percent) -----				
<u>Officers</u>				
O-7	with	61	39	39
	without	-	-	-
O-6	with	45	34	34
	without	17	14	17
O-5	with	37	26	26
	without	7	7	7
O-4	with	34	24	24
	without	8	6	8
O-3	with	14	8	8
	without	2	2	2
O-2	with	8	5	5
	without	1	a	1
O-1	with	3	2	2
	without	a	a	a
<u>Enlisted</u>				
E-9	with	32	5	5
	without	11	4	11
E-8	with	30	5	5
	without	8	3	8
E-7	with	25	5	5
	without	4	1	4
E-6	with	17	9	9
	without	3	1	3
E-5	with	11	5	5
	without	2	1	2

^aLess than 1/2 percent.

Table II.11: Comparison of Army and Air Force PCS Moves in the Excess Weight Category Under Existing and Proposed Allowance Levels

Pay grade	<u>Dependents</u>	<u>Allowance</u>		
		<u>Current</u>	<u>Proposed</u>	<u>Revised proposed</u>
----- (percent) -----				
<u>Officers</u>				
O-7	with	41	25	b
	without	-	-	-
O-6	with	34	25	25
	without	10	8	10
O-5	with	26	17	17
	without	6	4	6
O-4	with	22	15	15
	without	5	3	5
O-3	with	9	5	5
	without	1	1	1
O-2	with	5	3	3
	without	a	a	a
O-1	with	2	2	2
	without	a	a	a
<u>Enlisted</u>				
E-9	with	21	b	b
	without	5	b	5
E-8	with	16	b	b
	without	4	b	4
E-7	with	13	b	b
	without	3	b	3
E-6	with	9	5	5
	without	1	1	1
E-5	with	7	3	3
	without	1	a	1

^aLess than 1/2 percent.

^bBecause of incomplete data, we were unable to calculate the change.

Under the current allowance of 13,000 pounds for O-5 pay grade Air Force personnel with dependents, 37 percent of the PCS moves involved excess weight. At the fiscal year 1986 budget-proposed level of 14,000 pounds, 26 percent still would have been excess. DOD would have had to set the weight allowance at 18,000 pounds to cover 95 percent of the PCS moves, and at 25,000 pounds if it had wanted to cover all the cases.

Table II.12 shows the percentage of July 1984 through June 1985 PCS moves that would have been within the weight allowances proposed in March 1986.

Table II.12: PCS Moves Which Would Be Within Allowances Under the Revised Proposal of March 1986

Pay grade	Members with dependents			Members without dependents		
	Army	Air Force	Combined	Army	Air Force	Combined
------(percent)-----						
<u>Officers</u>						
O-7	a	61	a	100	100	100
O-6	90	66	75	96	83	90
O-5	94	74	83	95	93	94
O-4	96	76	85	98	92	95
O-3	99	92	95	99	98	99
O-2	99	95	97	100	99	100
O-1	100	98	98	100	100	100
<u>Enlisted</u>						
E-9	a	95	a	97	89	95
E-8	a	95	a	96	92	96
E-7	a	95	a	98	96	97
E-6	98	91	95	99	97	99
E-5	99	95	97	99	99	99

^aData incomplete.

Tables II.13 and II.14 show where, based on our analysis, the allowances would have to be set to ensure that a given percentage of PCS moves would be covered.

Table II.13: Where Army Weight Allowance Levels Would Have to be Set to Cover Specific Percentages of PCS Moves

Pay grade	Dependents	Revised proposed allowance	Where allowance would have to be set to cover a selected percent of PCS Moves				
			80%	85%	90%	95%	100%
------(pounds in thousands)-----							
<u>Officers</u>							
O-7	with	15.0	14.0	14.5	15.5	a	a
	without	13.5	11.5	11.5	11.5	11.5	11.5
O-6	with	14.5	13.5	14.0	14.5	a	a
	without	13.5	11.5	11.5	12.5	13.5	a
O-5	with	14.0	12.5	13.0	13.5	15.5	a
	without	13.0	11.0	11.0	12.0	13.5	a
O-4	with	13.0	11.0	11.5	12.0	13.0	a
	without	12.0	10.0	10.0	10.0	11.0	a
O-3	with	12.0	9.0	9.0	10.0	10.5	a
	without	11.0	9.0	9.0	9.0	9.0	a
O-2	with	11.0	8.0	8.0	8.0	9.0	a
	without	10.0	8.0	8.0	8.0	8.0	a
O-1	with	10.0	7.5	7.5	7.5	7.5	a
	without	9.5	1.5	2.0	7.5	7.5	a
<u>Enlisted</u>							
E-9	with	13.0	8.5	9.0	9.5	10.5	a
	without	9.5	7.5	7.5	8.5	9.0	11.5
E-8	with	12.0	8.0	8.0	8.5	10.0	a
	without	9.0	7.0	7.0	8.0	9.0	a
E-7	with	11.0	7.5	7.5	8.0	8.5	a
	without	8.5	6.5	6.5	7.5	8.0	a
E-6	with	9.0	6.0	6.0	7.0	7.5	a
	without	8.0	6.0	6.0	6.0	7.0	a
E-5	with	8.0	5.0	5.0	6.0	6.5	a
	without	7.0	5.0	5.0	5.0	5.0	a

^aData lacks sufficient detail for necessary computation.

Table II.14: Where Air Force Weight Allowance Levels Would Have to be Set to Cover Specific Percentages of PCS Moves

Pay grade	Dependents	Revised proposed allowance	Where allowance would have to be set to cover a selected percent of PCS moves				
			80%	85%	90%	95%	100%
----- (pounds in thousands) -----							
<u>Officers</u>							
O-7	with	15.0	16.5	17.0	18.0	18.5	19.0
	without	13.5	7.5	7.5	7.5	7.5	7.5
O-6	with	14.5	16.0	16.5	17.5	19.5	a
	without	13.5	11.0	14.0	15.5	16.0	20.0
O-5	with	14.0	15.0	15.5	16.5	18.5	a
	without	13.0	10.5	11.5	12.5	15.0	25.0
O-4	with	13.0	13.5	14.5	15.5	18.0	a
	without	12.0	9.5	10.5	11.5	14.0	25.0
O-3	with	12.0	10.5	11.0	12.0	13.0	a
	without	11.0	6.5	7.0	8.0	9.5	a
O-2	with	11.0	8.5	9.0	9.5	11.0	a
	without	10.0	4.0	4.5	5.0	6.0	13.0
O-1	with	10.0	6.5	7.0	7.5	9.0	19.5
	without	9.5	2.5	2.5	3.0	4.0	11.5
<u>Enlisted</u>							
E-9	with	13.0	10.5	11.0	12.0	13.0	a
	without	9.5	7.0	7.0	11.0	12.0	16.0
E-8	with	12.0	10.0	10.5	11.0	12.0	a
	without	9.0	6.0	7.5	9.0	11.0	13.5
E-7	with	11.0	9.0	9.5	10.0	11.5	25.0
	without	8.5	5.5	6.0	7.5	8.5	16.0
E-6	with	9.0	8.0	8.5	9.0	10.0	25.0
	without	8.0	4.5	5.5	6.5	7.5	17.5
E-5	with	8.0	6.5	7.0	7.5	8.5	a
	without	7.0	3.0	3.5	4.0	5.5	19.0

^aData lacks sufficient detail for necessary computation.

AVAILABLE DEMOGRAPHIC DATA DOES NOT
CLEARLY SUPPORT DOD'S PROPOSED CHANGES

DOD suggested that the uniformed members' demographics (e.g., member age, marital status, and family size) and lifestyles have changed over the years, particularly since the last major revision to the allowances was made in 1966. It expressed the view that its members have more personal possessions than ever before and consequently, an adjustment to the allowances is justified. DOD did not provide the House Committee on Armed Services with specifics about how much the demographics have changed.

DOD did not have demographic data for 1966. We were, however, able to obtain certain data from the Defense Manpower Data Center which showed some changes have occurred since 1972, the date of the earliest available data. What could be a key factor to increased shipment weight and overweight--average family size--has decreased demographics in nearly all grade levels. Available data show that generally, the changes in uniformed members' demographics have not been substantial over the years.

Table II.15 shows the changes in the members' average age by pay grade and branch of service, between 1972 and 1985. The average age of most pay grades has increased. DOD-wide, the average age of officers has increased 1 year, and enlisted members, 4.3 years.

Table II.15: Changes in Average Age of Members Between 1972 and 1985

<u>Pay grade</u>	<u>Army</u>	<u>Air Force</u>	<u>Navy</u>	<u>Marine Corps</u>	<u>DOD-wide</u>
<u>Officers</u>					
O-10	-0.4	0.6	0.8	2.0	
O-9	-1.0	-0.7	-	1.0	
O-8	-0.4	-0.5	-2.2	0.3	
O-7	0.6	-0.3	0.6	0.5	
O-6	-0.5	-1.5	-0.1	-0.8	
O-5	1.4	-0.7	0.5	-0.3	
O-4	2.5	1.0	0.3	0.8	
O-3	2.3	2.5	1.4	0.3	
O-2	1.6	1.9	2.4	1.4	
O-1	1.0	1.1	1.5	0.1	
All Officers					1.0
<u>Enlisted</u>					
E-9	16.0	14.9	17.9	16.5	
E-8	14.8	14.6	17.3	15.9	
E-7	13.5	15.0	15.3	14.2	
E-6	10.2	13.1	11.8	10.6	
E-5	6.3	8.6	6.5	7.0	
E-4	3.2	4.2	4.1	3.5	
E-3	1.7	-1.7	3.2	2.0	
E-2	1.0	-6.1	-1.5	2.4	
E-1	0.1	-0.8	-0.8	-0.4	
All Enlisted					4.3

Summary of Changes from 1972 to 1985:

<u>Service</u>	<u>Number of Pay Grades Where Average Age</u>		
	<u>Increased</u>	<u>Decreased</u>	<u>Stayed the same</u>
Army	15	4	-
Air Force	11	8	-
Navy	14	4	1
Marine Corps	16	3	-
Total	<u>56</u>	<u>19</u>	<u>1</u>

Table II.16 shows the percentage of members with dependents in 1972 and 1985 by service and pay grade. In the Army and the Marine

Corps, more pay grades show an increase in the percentage of members with dependents; the reverse is true in the Air Force and the Navy. Overall, more pay grades show a decrease in the percentage of members with dependents.

Table II.16: Members With Dependents in 1972 and 1985

Pay grade	Army		Air Force		Navy		Marine Corps	
	1972	1985	1972	1985	1972	1985	1972	1985
------(percent)-----								
<u>Officers</u>								
O-10	92.9	92.3	100.0	100.0	88.9	100.0	50.0	100.0
O-9	98.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
O-8	94.0	98.6	99.4	99.2	100.0	96.8	96.2	100.0
O-7	91.2	98.0	98.1	98.8	98.9	96.5	92.1	94.1
O-6	96.0	96.4	98.1	96.6	97.0	94.3	95.8	97.1
O-5	93.8	94.6	97.0	94.8	94.3	91.8	95.1	96.7
O-4	91.0	89.9	94.1	89.8	90.6	84.1	94.0	93.9
O-3	76.6	73.4	81.5	73.6	79.3	65.7	81.6	81.2
O-2	55.8	50.3	64.5	54.3	59.9	48.7	55.6	57.2
O-1	33.7	32.2	51.1	39.8	34.7	25.7	28.2	31.9
<u>Enlisted</u>								
E-9	95.6	96.6	98.3	97.6	96.5	96.9	90.7	96.9
E-8	94.2	95.4	98.2	96.9	96.5	95.6	90.6	97.1
E-7	92.5	93.4	97.7	94.7	94.7	92.9	90.7	95.1
E-6	86.7	87.7	96.0	89.8	90.0	83.6	86.8	88.8
E-5	59.9	70.7	85.3	76.8	68.3	59.6	59.6	72.5
E-4	28.0	42.0	48.9	55.1	46.3	37.6	28.9	46.0
E-3	18.6	20.9	28.6	33.3	34.2	22.0	19.8	25.1
E-2	15.7	18.1	21.6	18.6	25.5	12.8	14.1	11.6
E-1	14.1	10.8	16.6	9.4	22.4	6.0	10.6	4.3

Summary of Changes from 1972 to 1985:

Service	Number of Pay Grades Where Percentage		
	Increased	Decreased	Stayed the same
Army	13	6	-
Air Force	3	14	2
Navy	2	16	1
Marine Corps	<u>14</u>	<u>4</u>	<u>1</u>
Total	<u>32</u>	<u>40</u>	<u>4</u>

Table II.17 shows the average number of members per household in 1972 and 1985 by service and pay grade. In most cases, the household size has decreased.

Table II.17: Number of People Per Household in 1972 and 1985

Pay grade	Army		Air Force		Navy		Marine Corps	
	1972	1985	1972	1985	1972	1985	1972	1985
<u>Officers</u>								
O-10	3.43	2.62	2.93	2.85	3.11	3.13	2.50	2.00
O-9	4.00	3.12	3.47	3.06	3.75	3.39	3.00	2.63
O-8	2.37	3.43	3.59	3.13	3.52	3.47	3.62	2.73
O-7	2.47	3.82	3.92	3.35	4.11	3.63	3.79	2.97
O-6	3.58	4.05	4.16	3.82	4.42	3.94	4.62	3.77
O-5	3.80	3.94	4.62	3.88	4.61	3.67	5.05	3.96
O-4	3.35	3.60	4.36	3.62	3.99	3.22	4.49	3.79
O-3	2.53	2.68	2.89	2.79	2.86	2.40	3.22	2.95
O-2	1.85	1.87	2.01	2.05	2.02	1.93	1.94	2.06
O-1	1.46	1.50	1.75	1.73	1.49	1.45	1.40	1.44
<u>Enlisted</u>								
E-9	4.32	3.95	4.25	3.74	4.49	3.82	4.28	3.90
E-8	4.41	4.00	4.55	3.90	4.57	3.88	4.53	4.16
E-7	4.22	3.84	4.61	3.88	4.42	3.71	4.32	3.98
E-6	3.56	3.37	4.39	3.58	3.87	3.14	3.59	3.43
E-5	2.20	2.54	3.35	2.85	2.53	2.18	2.12	2.55
E-4	1.43	1.75	1.77	1.99	1.78	1.62	1.44	1.77
E-3	1.29	1.34	1.40	1.48	1.52	1.32	1.29	1.35
E-2	1.25	1.29	1.32	1.25	1.37	1.18	1.21	1.15
E-1	1.21	1.17	1.24	1.13	1.33	1.09	1.16	1.06

Summary of Changes from 1972 to 1985:

Service	Number of Pay Grades Where Household Size		
	Increased	Decreased	Stayed the same
Army	12	7	-
Air Force	3	16	-
Navy	1	18	-
Marine Corps	5	14	-
Total	<u>21</u>	<u>55</u>	-

SHIPMENT OF NONESSENTIAL ITEMS

The House Committee on Armed Services, in its report on the fiscal year 1986 DOD Authorization Act, expressed concern that the current household goods weight allowance system provides an incentive to ship unnecessary items as long as the member does not exceed the weight ceiling. The House Committee on Appropriations, in hearings on the fiscal year 1986 DOD Appropriations Act, asked DOD why the taxpayers should have to pay for a bachelor service member to ship the same amount of household goods as a member with four dependents.

ESSENTIALITY OF MEMBER'S HOUSEHOLD GOODS
NOT PART OF THE WEIGHT ALLOWANCE SYSTEM

The authorizing statute for shipment of household goods (37 U.S.C. 406(b)) provides that in connection with a PCS, a member is entitled to transportation of baggage and household effects. In various legal opinions, we have said that baggage and household effects are general terms, not lending themselves to precise definition. The terms vary in scope depending upon how they are used. In the ordinary usage, the term refers to particular kinds of personal property associated with the home and person. We have issued decisions that items such as boats, airplanes, and house trailers do not come within the scope of the definition of household goods.

DOD's implementing regulations define household goods as:

"All personal property associated with the home and all personal effects belonging to the member and the members' dependents on the effective date of the member's permanent or temporary change-of-station orders which can be legally accepted and transported as household goods by an authorized commercial carrier in accordance with the rules and regulations established or approved by an appropriate Federal or State regulatory authority, except the items listed"

Items not included in the definition of household goods are such things as boats, farming vehicles, cordwood, and building materials. Whether an item is or is not essential to the member at the next duty station is not material within the definition of household goods.

MEMBERS WITHOUT DEPENDENTS SHIP ABOUT
HALF AS MUCH AS MEMBERS WITH DEPENDENTS

The concern that DOD's weight allowance system encourages the shipment of nonessential goods is based, in part, on the fact that members without dependents can ship the same weight as those with dependents. While members without dependents are authorized the same allowance as members with dependents, it is likely that members without dependents usually own fewer personal effects and therefore, are not likely to discard items to stay within their allowances.

The House Committee on Appropriations, in its fiscal year 1986 hearings on the DOD Appropriations Act, said that, although it understood that the allowable weights should be determined by grade, with the higher grade members being able to ship more household goods, the size of a member's family is equally important and should also be considered in determining the allowable weights. It said military personnel with no dependents or only a spouse do not have the shipping requirements of a family of four.

DOD officials responded that they felt bachelor service members should be authorized to ship furnishings commensurate with their ranks and income levels. They said that under the current system each individual grade level ceiling serves as an "umbrella" to cover both single members and those with dependents. The officials disputed the idea that the system subsidizes members who do not have families.

After these hearings, the Army and Air Force provided some actual average weight data from which some comparisons can be made. The comparison, covering officers, is shown in table III.1 and, for enlisted members, in table III.2. The data shows that, on the average, members without dependents shipped only slightly more than half as much as those with dependents.

Table III.1: Summary of Officers' PCS Weights

Officers by pay grade	Dependents	Average weight shipped and/or stored per PCS		Comparative percentage	
		Army	Air Force	Army	Air Force
----- (pounds) -----					
O-10	without	1,358	-	14.8	-
	with	9,195	-		
O-9	without	-	-	-	-
	with	9,433	11,543		
O-8	without	-	-	-	-
	with	11,283	14,805		
O-7	without	2,770	7,290	32.5	57.0
	with	8,514	12,782		
O-6	without	6,021	8,271	68.8	68.7
	with	8,757	12,047		
O-5	without	5,830	6,718	69.5	61.0
	with	8,393	11,017		
O-4	without	4,903	6,394	69.2	63.6
	with	7,087	10,059		
O-3	without	3,103	4,009	59.1	53.1
	with	5,255	7,555		
O-2	without	1,998	2,520	48.5	43.9
	with	4,124	5,743		
O-1	without	1,143	1,361	34.5	33.2
	with	3,311	4,103		

Table III.2: Summary of Enlisted Members' PCS Weights

Enlisted by pay grade	<u>Dependents</u>	Average weight Average weight shipped and/or stored per PCS		Comparative percentage	
		<u>Army</u>	<u>Air Force</u>	<u>Army</u>	<u>Air Force</u>
----- (pounds) -----					
E-9	without	3,754	4,204	77.9	55.4
	with	4,818	7,584		
E-8	without	3,538	3,813	80.2	56.2
	with	4,414	6,791		
E-7	without	3,148	3,030	76.6	50.8
	with	4,110	5,968		
E-6	without	2,539	2,414	73.6	47.6
	with	3,448	5,068		
E-5	without	1,701	1,655	66.3	41.7
	with	2,567	3,969		
E-4	without	827	940	43.6	32.9
	with	1,896	2,860		
E-3	without	405	384	38.6	35.4
	with	1,050	1,085		
E-2	without	343	149	36.7	21.9
	with	934	681		
E-1	without	337	125	37.6	20.0
	with	897	625		

COST AND BENEFITS OF ALTERNATE SYSTEMS

DOD has considered several alternative household goods systems to replace the present system, including (1) a single allowance for all pay grades, as currently available for civilian federal employees, (2) a set of allowances based on members' family size, and (3) various systems that provide members the incentive to ship goods at a lesser expense to the government or to store goods at a lesser cost than would otherwise be incurred for shipping.

SINGLE WEIGHT ALLOWANCE
SYSTEM FOR ALL MEMBERS

DOD's present household goods weight allowance system is based on pay grades; generally, the higher the pay grade, the greater the allowance. The civilian federal employee allowance system makes no such distinction--all employees, regardless of pay, receive the same 18,000 pounds allowance.

DOD has strongly opposed a single allowance for all uniformed members. In hearings before congressional committees, DOD has stated that its allowances are based on grade to recognize each member's relative position and responsibility within the organization and to recognize that with increased rank and income, there is a corresponding increase in the amount of personal property owned by the member.

In deciding on proposed changes for fiscal year 1986, DOD asked the services to estimate the costs of two single weight allowance systems: one using the civilian federal allowance of 18,000 pounds and the other using the fiscal year 1985 DOD Appropriations Act limitation of 13,500 pounds. Both showed costs greater than that for the system of allowances eventually proposed. Table IV.1 shows DOD's estimate of the comparative costs of single weight allowance alternatives.

Table IV.1: Comparative Costs of Single Weight Allowance Alternatives

<u>Service</u>	<u>Existing system</u>	<u>All pay grades</u>		<u>DOD's proposed graduated scale</u>
		<u>13,500 pounds</u>	<u>18,000 pounds</u>	
----- (millions) -----				
Army	\$ 482.2	\$ 772.9	\$ 803.8	\$ 577.3
Air Force	459.5	620.7	683.8	548.0
Navy	326.0	358.7	365.0	369.2
Marine Corps	<u>81.3</u>	<u>173.3</u>	<u>239.9</u>	<u>96.9</u>
Total	<u>\$1,349.0</u>	<u>\$1,925.6</u>	<u>\$2,092.5</u>	<u>\$1,591.4</u>
Amount of increase over existing system		\$ <u>576.6</u>	\$ <u>743.5</u>	\$ <u>242.4</u>

In submitting the fiscal year 1986 PCS budget, the Army, Air Force, and Marine Corps used their fiscal year 1984 actual shipping costs for the entire PCS program as a starting point. These costs were adjusted according to DOD's prescribed inflation guidelines to project the cost for 1986 at the existing weight allowance levels. The resulting cost figure was then divided by pay grade, based on the weighted average of the maximum weight that the particular pay grade could ship at the existing allowance level. The costs at each pay grade level were increased to reflect any changes in the number of members that would be at that grade in 1986 and any significant changes in the number of PCS moves planned for that pay grade. The costs at each pay grade level were then adjusted to how much the new weight allowance system provided for a change in the amount of weight that could be shipped by that pay grade.

Each of these services' budgets reflected an assumption that members, given an increase in weight allowance, would take advantage of it in direct proportion to the increase. For example, the O-2 allowance under the new proposal was projected to increase from 10,000 pounds to 11,000 pounds, an increase of 10 percent. The Army budgeted for a 10-percent increase on all planned O-2 moves in 1986 and assumed that all members would use it.

The Navy, on the other hand, used a combination of actual and obligation data to construct its budget. Adjustments were made using various percentage increases/decreases reflecting changes in land, ocean, and air transportation and port handling costs. When it compared the various alternative weight allowance systems, it

projected cost increases only to how any weight allowance increase would require the Navy to pay for the excess weight cases already paid by the member. It did not assume or budget for the fact that members who were within the old allowances might ship more under an increased allowance but still stay under the limits imposed by the increased allowance. The Navy figures shown in table IV.1 reflect only the added costs of funding old excess weight cases and not the costs of other members simply shipping more weight under the newly increased limits.

A SYSTEM WITH DEPENDENTS
OR WITHOUT DEPENDENTS

A potential alternative would involve allowances based on pay grade and dependents. The present system provides the same allowance for members with dependents as for those without dependents. However, in March 1986 DOD said a separate system for members with dependents and those without dependents has merit. It said that the system would recognize the differences in household goods weight requirements. Furthermore, DOD said the that system would be fair and equitable from both the government and the service member's view, and would afford the members the opportunity to continue their lifestyles at any location assigned.

Until October 1, 1982, the allowance system for civilian federal employees--including DOD civilian employees--provided one weight allowance for employees with dependents and another allowance for those employees without dependents. Employees with dependents could ship or store up to 11,000 pounds per PCS move. Employees without dependents could ship or store up to 7,500 pounds. Members who had lost dependents because of divorce or legal separation could get the allowance raised to 11,000 pounds if they could show that the lower limit caused undue hardship, as defined by the General Services Administration guidelines.

In 1982 the difference in civilian allowances of members with dependents and those without dependents was eliminated, and all members were given an 11,000-pound allowance. In 1983 the allowance was raised to 18,000 pounds. The history of these changes provides no explanation of why the weight limitations were set at the levels established, or why the separate allowances for employees with dependents and without dependents were abolished.

DOD's average weight data shows that members without dependents shipped or stored only about half of what their counterparts with dependents shipped. A service-by-service, pay grade-by-pay grade summary of the data is shown in tables III.1 and III.2.

Again, we cannot determine the costs of such a system. First, the Marine Corps was unable to separate its PCS moves by members with dependents and members without dependents. Second, the differences in costing methodology among the services apply equally here in attempting to determine DOD-wide costs.

COST INCENTIVE OR COST MINIMIZATION OPTIONS

Other options are available that would minimize DOD's costs for individual moves, although they would not change the allowances. One option is to expand DOD's "do-it-yourself" program, which would allow the members to transport their household goods within the United States. With this, the member would be entitled to a percentage of the savings achieved by the government, such as 80 percent. Another option is to adopt a plan that would encourage storage instead of shipment of goods to the new duty station. Generally, the cost of storing goods over an 18- to 36-month tour of duty is less than the cost of shipping the goods to the new station. However, as the length of the tour increases, the difference between storage costs and shipping costs decreases and eventually disappears. Thus, any estimate of savings is theoretical until after the next PCS begins and is wholly dependent on the number of members who would take advantage of such an alternative.

OBJECTIVES, SCOPE, AND METHODOLOGY

The House Committee on Armed Services asked us to

- review the services' methodology for determining weight allowances and costs;
- investigate how much the system encourages the shipment of goods the service members otherwise would leave behind; and
- determine the cost effectiveness of alternative household goods weight allowance systems, including establishing a with and without dependents allowance and providing incentives to ship less than the maximum weights allowed.

We reviewed the allowances submitted as part of DOD's fiscal year 1986 request. We also reviewed the allowances presented to the Committee in March 1986 in response to the report on the fiscal year 1986 authorization bill.

To review the history of PCS weight allowances, we met with officials of DOD's Per Diem, Travel, and Transportation Allowance Committee. We also reviewed pertinent DOD and service reports and surveys on the PCS program.

During our review, we met with staff of the Office of the Assistant Secretary of Defense (Force Management and Personnel), the Army Deputy Chief of Staff for Personnel, the Navy Deputy Chief of Naval Operations (Manpower, Personnel & Training), the Air Force Deputy Chief of Staff (Manpower and Personnel), and the Marine Corps Deputy Chief of Staff for Manpower.

Statistical data on average shipment weights were provided to us by the Office of Assistant Secretary of Defense (Force Management and Personnel). The same data were also provided to the House and Senate Committees on Armed Services. Other shipment data were developed by the Military Traffic Management Command. The base data for military member demographics were obtained from the Defense Manpower Data Center.

To obtain data and information on non-DOD moves, we met with the General Services Administration and private groups, such as Atlas Van Lines, the American Movers Conference, the Employee Relocation Council, Merrill Lynch Relocation Management, Inc., and Runzheimer International.

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

(393126)



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