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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D C. 20548

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April 2, 1984

The Honorable Jack Brooks  
Chairman, Committee on Government  
Operations  
House of Representatives



Dear Mr. Chairman:

Subject: Actions Taken To Improve Management and Reduce  
Costs of Interior's Aircraft Operations and  
Further Improvements Needed (GAO/NSIAD-84-45)

The Chairman of your Subcommittee on Government Activities and Transportation asked us to review the operations of federal civilian agencies' aircraft to see if they were being managed efficiently and economically. Our preliminary findings were discussed at the September 23, 1982, hearings on federal civilian agencies' aircraft management before your Subcommittee on Legislation and National Security. In addition, the overall results of that review were provided on June 24, 1983, in a report entitled Federal Civilian Agencies Can Better Manage Their Aircraft and Related Services (GAO/PLRD-83-64). In that report, we showed that Interior was achieving certain benefits from its Office of Aircraft Services' (OAS') centralized aircraft management in the areas of management information, contracting effectiveness, flight coordination, safety, and cost savings. We also concluded that the OAS aircraft management program could be a model for other agencies' programs and for a government-wide system.

OAS was established to manage all Interior aviation resources. While OAS is doing so in Alaska, the Department has not given it these management responsibilities in the contiguous 48 states. We believe that OAS should own and manage all Interior aircraft, aircraft facilities and equipment, and aviation-related personnel presently managed by other bureaus and offices. This would, at a minimum, make OAS responsible for

--determining whether Interior's aircraft should be government owned, leased, contracted, or chartered;

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- acquiring the needed equipment and services;
- assigning aircraft to bureaus and offices; and
- coordinating aircraft use to obtain the best utilization of existing equipment, consistent with various mission requirements.

Thus, OAS would have these responsibilities in the contiguous 48 states just like it does in Alaska.

This report provides some additional information, including agency views, on the results of our review of the Department of the Interior's program for aircraft management. It also updates information on the management role of OAS and on the aircraft operations of the Bureau of Land Management's (BLM's) Boise Interagency Fire Center (BIFC).

In fiscal years 1981 and 1982, Interior's aviation costs were about \$54 million and \$46 million, respectively; these included use of contract commercial aircraft services. Fiscal year 1982 aviation costs, which were the latest readily available costs, were lower, due to budget constraints and fewer major forest fires. As of March 1984, Interior had 81 owned and 8 leased aircraft.

#### OBJECTIVES, SCOPE, AND METHODOLOGY

We made this review to determine and evaluate OAS' role in managing Interior's aircraft and related service. While we included six Interior bureaus in our review, we focused on OAS and BLM. We selected BLM for more detailed analysis because of its involvement in interagency aviation programs, its extensive efforts in aviation program development, the history of aircraft management problems at BIFC, and its high dollar volume of aircraft use. We made our review primarily at OAS and at BLM in Boise, Idaho. We also performed work at field locations of the Bureau of Reclamation, the Fish and Wildlife Service, the National Park Service, the U.S. Geological Survey, and the Forest Service National Aviation Operations Office in Boise because of its heavy involvement in BLM's aviation programs. We completed most of our fieldwork in 1982 but periodically updated our data in order to recognize Interior's actions to improve its aircraft operations.

We tested the reliability of computer-generated data; in some instances, we relied upon independent agency verifications of cost data. We did not make a complete evaluation of the controls and procedures in effect for some functions, such as timekeeping, because the focus of our review was on aviation management and because such functions were the subject of other reviews in progress at the time of our examination.

We questioned BIFC's year-round need for aircraft, government pilots, and support personnel because they were used only to a limited extent for the Fire Center's firefighting mission and because the services they provided could have been obtained from the private sector at a much lower cost. Therefore, we analyzed the cost of full-service leasing of aircraft for the 7-month primary fire season--April through October 1981--and for fiscal year 1981. The analyses were based on private sector aircraft that were under contract to OAS or, in one case, the Forest Service. The aircraft were either the same model or aircraft comparable to BIFC's. Moreover, the aircraft were available at the cost we used to estimate savings, during both the 7-month and fiscal year periods examined.

We performed our review in accordance with generally accepted government auditing standards.

OAS' LIMITED ROLE IN MANAGING INTERIOR'S  
AIRCRAFT IN THE CONTIGUOUS 48 STATES

In June 1973, Interior officials testified at Senate hearings on the need for centralized aircraft services. An Interior task force had found major problems in departmental aircraft operations, including (1) numerous accidents, deaths, and resultant high costs paid by Interior for property damage and compensatory claims and (2) poor use of aircraft because responsibility and control were fragmented among various bureaus with no overall direction being provided by Interior.

To rectify this situation, in July 1973 Interior created OAS as a unit of the Office of the Secretary of the Interior. Its responsibilities included (1) coordinating and directing all departmental aircraft by assignment or direct control, (2) establishing and maintaining departmental air operations standards involving safety, procurement, and use, (3) budgeting for and financially controlling all aircraft owned by Interior, and (4) providing technical services to bureaus for aircraft-related problems.

In July 1973, OAS established a headquarters office in Boise, Idaho; a regional office in Anchorage, Alaska in January 1974; and later small offices in Denver, Colorado, and Atlanta, Georgia. The Alaska regional office manages nearly all aircraft services in Alaska. It has ownership and, therefore, management control, of all Interior aircraft in that state, but has assigned all mission aircraft to the bureaus for day-to-day control. Bureaus in Alaska determine the aircraft required to support their missions, and OAS tries to satisfy their needs in the most cost effective and safest way.

In spite of OAS proposals in 1978 and 1980 for implementing similar controls in the contiguous 48 states, progress has been slow. Interior's Deputy Assistant for Policy, Budget and Administration stated that such a consolidation of management control could save over \$1 million annually and would help achieve a consistent Department-wide approach to the cost effective management of aviation resources. However, in March 1981, Interior ordered OAS abolished as of September 30, 1981, on the basis that consolidation was no longer cost effective. The abolishment order was later rescinded after the June 1981 hearings before the Subcommittee on Oversight and Special Investigations, House Committee on Interior and Insular Affairs, in which we testified that OAS was cost effective and should not be abolished. On October 7, 1981, we issued a report<sup>1</sup> confirming the conclusions given in our testimony. In its November 1981 Conference Report<sup>2</sup>, the House Appropriations Committee said that the conferees ". . . expect the Office of Aircraft Services to develop and maintain a program in the contiguous 48 states similar to that now conducted in the State of Alaska."

After the order was rescinded, the House Appropriations Committee expected to see an immediate resumption of the efforts to have OAS manage all Interior aircraft and related services. However, Interior did not immediately direct OAS to assume these responsibilities in the contiguous 48 states.

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<sup>1</sup>The Department of the Interior's Office of Aircraft Services Should Not Be Abolished (PLRD-82-5).

<sup>2</sup>Committee on Appropriations Report No. 97-315, Making Appropriations for the Department of the Interior and Related Agencies for the Fiscal Year Ending September 30, 1982, House of Representatives, Nov. 5, 1981.

Instead, we found that:

- Interior continued to reduce OAS' aviation management role in the contiguous 48 states and the Bureau of Land Management was developing an aviation management program and systems which duplicated those of OAS.
- In September 1981, Interior ordered OAS to discontinue providing aviation support services to non-Interior agencies because of budget constraints; even though it was profitable for OAS to continue doing so. Later, several agencies were granted exceptions apparently due to hardships or their inability to secure alternative sources of support. Therefore, OAS had to discontinue providing its services to some agencies, which reduced its revenues. In February 1982, Interior advised OAS that services to non-Interior agencies may be provided if their programs complement or parallel programs of the department. This partial reversal, coupled with all the intervening exceptions, resulted in uncertainty about OAS' responsibilities. On April 19, 1983, Interior informed us that the Department Manual now clearly authorizes "OAS to provide assistance to. . . bureaus and other agencies upon request."
- Interior delayed issuing new regulations to clarify OAS' future role for about a year, thereby creating uncertainty about its aviation management responsibility.

On November 9, 1982, we briefed a representative of the Subcommittee on Interior, House Appropriations Committee, on these conditions. The Committee later expressed its concern that the guidance in its November 1981 conference report was not being followed by Interior in regard to the consolidation of aircraft services in the contiguous 48 states. Accordingly, the Committee's report on Interior's fiscal year 1983 appropriations bill restated the Committee's position that:

". . . The Department is expected to move forward in this area by transferring all Interior owned and leased aircraft to the Office of Aircraft Services and by expanding the OAS rental/charter into geographic areas not now covered. Action should be taken to make certain that other units do not duplicate activities that are now assigned to the OAS. The Congress rejected the proposal of the Department to disband the OAS. The Department should stop trying to terminate administratively an activity the Congress has directed them to continue."

On November 17, 1982, Interior issued regulations realigning OAS' supervisory and management responsibilities. The regulations direct OAS to continue to manage and supervise all departmental in-house aircraft, aircraft facilities, and aviation-related personnel throughout Alaska. The regulations also state that OAS, at the direction of the Secretary, is to assume ownership and management of aircraft, aircraft facilities and equipment, and aviation-related personnel presently managed by other bureaus and offices when required for reasons of safety and/or economy. However, as of March 1984, the Secretary had not yet directed OAS to assume these responsibilities in the contiguous 48 states.

In our opinion, OAS' management has worked well in Alaska largely because it has established good relationships with the various bureaus. However, in the contiguous 48 states, bureau parochial interests, coupled with the lack of departmental support, have made it difficult to expand OAS' management role. Nevertheless, we believe that Interior's aircraft operations in these states would be more efficient, effective, and economical if OAS played a greater role in managing all the department's aircraft and related resources. Our main concern is that without OAS management there is little if any departmental oversight of bureaus' aircraft management, use and cost. Moreover, our June 1983 report contained numerous examples of the kinds of benefits that could be derived from stronger departmental oversight of aircraft operations. (See p. 1.)

The main difference between OAS management of Interior aircraft operations in Alaska versus that in the contiguous 48 states is that in Alaska OAS has complete oversight of the cost and use of aircraft and related services. In Alaska, OAS owns the aircraft and facilities. Therefore, it pays all the related bills for the using bureaus and offices on a reimbursable basis and requires them to report the hours and purposes for which each aircraft is flown. This allows OAS to determine the cost effectiveness of these aircraft operations and to comply with OMB Circular A-76 by determining if the private sector can provide aircraft services at less cost. In the contiguous 48 states, the bureaus and offices own the aircraft, pay the bills, and use the aircraft generally independently of OAS and departmental oversight. These differences are detailed in enclosure I.

While OAS has not been given the management responsibilities we believe it should have, the bureaus voluntarily have been increasing their use of OAS services. For example, between August 1982 and October 1983, BLM, including BIFC; the National Park Service; the Bureau of Reclamation; and the Fish and Wildlife Service's Southeast Region have been using OAS and its Charter and Rental System to acquire their aircraft and pilots as needed. Moreover, in November 1983, Interior's Assistant Secretary for Policy, Budget, and Administration approved a Memorandum of Understanding between OAS and BLM setting forth their respective responsibilities in a cooperative manner. The memorandum, if properly implemented, will prevent duplication of their respective responsibilities.

Interior also now allows OAS to provide its services to non-Interior agencies upon request. Notwithstanding these improvements, we believe better management could be brought to bear in the contiguous 48 states if OAS managed Interior's aircraft there, as expected by the House Appropriations Committee.

#### Agency comments and our evaluation

In a more detailed draft of this report we suggested that the Secretary

- direct OAS to manage all of Interior's aircraft and related services in the contiguous 48 states to the same extent as in Alaska;
- stop the Bureau of Land Management's efforts to develop its own aviation management division and systems, unless it can be clearly shown that OAS systems cannot provide the needed services at lower cost; and
- allow OAS to provide its services to non-Interior agencies where it is in the government's best interest and where the costs of such services are recovered through OAS surcharges.

In commenting on our draft report, Interior disagreed with many of the facts, conclusions, and recommendations. Since then, however, Interior has implemented all except one of our recommendations--OAS still is not fully managing the Department's aviation resources in the contiguous 48 states. The full text of its comments is found in enclosure II.

Interior said that its aircraft and related services in the contiguous 48 states cannot be managed by OAS in the same way it manages the department's aircraft in Alaska because the underlying programs are different. Interior also said that it believes that it is operating OAS in a similar manner in both Alaska and the contiguous 48 states and thereby complying with Congressional expectations.

We recognized that OAS cannot manage Interior's aviation resources in the contiguous 48 states in exactly the same way it manages them in Alaska, because the resources and some programs they support are different. However, the differences do not account for the lack of OAS management responsibility in the contiguous 48 states, where the resources and programs are similar to those in Alaska. Interior aviation resources are being managed differently because Interior chooses to do so, not because of any inherent program requirements that prevent OAS management. Therefore, OAS is not being operated in a similar manner as expected by the House Appropriations Committee.

Bureaus in the contiguous 48 states own, manage, and sometimes procure their aircraft and related services--at least \$18 and \$12 million dollars worth during fiscal years 1981 and 1982, respectively--independently without OAS oversight as to whether such actions are efficient and cost effective and conform to departmental policies. Conversely, in Alaska OAS has oversight and can insure that Interior's aviation resources are properly managed because it owns, procures, maintains, and pays the bills for them for the bureaus.

The Alaska bureaus have day-to-day management responsibility and operational control over all their mission aircraft and the resources needed to operate them. But they must be managed in accordance with OAS aviation policies and the bureaus must provide OAS aircraft flight information and usage data. We believe that OAS should have the same basic aviation management responsibilities in the contiguous 48 states as it does in Alaska.

In setting forth such responsibilities Interior can make provisions to accommodate differences in the underlying programs. For example, OAS would not be responsible for owning and operating a maintenance facility in the contiguous 48 states, since none exists. By doing these things, we also believe that Interior will be able to make better management decisions regarding its aviation resources.

Interior said that it strongly opposed any efforts to stop BLM from developing its in-house aircraft management expertise. We realize that BLM needs in-house aviation expertise because of its mission requirements, over and above that provided by OAS,



and we encourage its development. As noted above, we proposed that the Secretary stop BLM's efforts to develop its own aviation management program and systems unless it can be clearly shown that OAS systems cannot provide the needed services at lower cost. Since Interior also commented that "BLM fully intends to utilize OAS to the extent that no duplication of efforts occurs," and due to BLM's use of OAS and its Charter and Rental System, and their Memorandum of Understanding, we are not recommending this in our final report.

Concerning our proposal, to provide services to non-Interior agencies, Interior informed us that the Departmental Manual now clearly authorizes "OAS to provide assistance to . . . bureaus and other agencies upon request."

### Conclusions and recommendations

OAS was established in 1973 to manage all of Interior's aviation resources. Since that time, the department's support for OAS' management has fluctuated widely, especially in the contiguous 48 states. Interior's recent support of OAS and bureaus' increasing voluntary use of certain OAS' services are encouraging. However, further actions are needed to provide departmental oversight and to insure continued improvement in the management of Interior's aviation resources outside Alaska as contemplated by the Committee. Therefore, we recommend that the Secretary of the Interior direct OAS to assume ownership and management of all departmental aircraft, aircraft facilities and equipment, and aviation-related personnel presently managed by other bureaus and offices. This would, at a minimum, make OAS responsible for those functions discussed on page 1. Thus, OAS would have these responsibilities in the contiguous 48 states just like it does in Alaska.

### BOISE INTERAGENCY FIRE CENTER WAS NOT PROVIDING NEEDED SERVICES AT LOWEST COST

The Bureau of Land Management's Boise Interagency Fire Center was established in 1965 to provide emergency fire service in four western states. Since then, it had evolved into a year-round national interagency emergency support center. During fiscal year 1981, it operated a fleet of 10 aircraft--1 owned and 9 leased--at a cost of about \$5.5 million.

We questioned BIFC's year-round need for aircraft, government pilots, and support personnel because they were used only to a limited extent for the Fire Center's firefighting mission

and because the services they provided could have been obtained from the private sector at a much lower cost. We estimated that during fiscal year 1981, \$1.1 million to \$2.1 million could have been saved if the Fire Center's aviation needs had been met through full-service leasing of aircraft (includes pilots, maintenance, fuel, etc.), rather than year-round aircraft operations with government pilots and support personnel.

The amount of savings would have depended on the length of time the aircraft were leased. For example, we estimated that about \$2.1 million could have been saved annually if the aircraft had been full-service leased for only the primary fire season--generally a 7-month period. If the aircraft were needed for a longer period, the savings would have dropped proportionately to about \$1.1 million if the aircraft were full-service leased for the entire year.

In November 1982, we provided this information to the Subcommittee on Interior, House Appropriations Committee. The Committee directed BLM to change to full-service 7-month leasing of aircraft for the Fire Center. Interior has, in effect, complied with this directive through the following actions.

On April 19, 1983, in commenting on our draft report, Interior informed us that it disagreed that its aircraft operations were as poorly managed as indicated in our draft report. Interior added, however, that BLM had drastically realigned aircraft operations at BIFC. Accordingly, BLM has terminated BIFC's aircraft operations and abolished its Aviation Management Division. Thus, all the leased aircraft are gone, the owned aircraft has been declared excess and mothballed, and pilots and support personnel have been either released or reassigned. Thus, Interior considered the management issues raised in our draft report to be moot.

On May 6, 1983, OAS awarded a contract for two full-service transport aircraft to support the Bureau's fire and resource management and emergency activities. The contract contained an estimate that the aircraft would be flown a total of 600 hours during the 4-1/2- and 6-month periods required during 1983 at a cost of about \$1.5 million. As of September 30, 1983, costs were only \$941,000 due to the light fire season. No problems were encountered in using these aircraft.

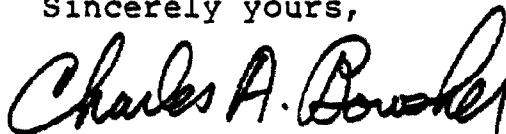
We believe that the continued use of full-service contract or lease aircraft will save millions of dollars in the Fire Center's aviation costs, without affecting its mission.

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This is our final report in a series of reports to you on federal civilian agencies' aircraft management. In addition to the June 24, 1983, report discussed earlier, we have issued two other reports to you on the subject of aircraft. The first report was issued on March 3, 1983 (GAO/PLRD-83-45). It discusses the U.S. Coast Guard's two administrative aircraft located at National Airport, Washington, D.C. The second report was issued on April 1, 1983 (GAO/PLRD-83-52). It discusses the Federal Aviation Administration's aircraft that are used to keep pilots current and provide transportation.

As arranged with your Office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,



Comptroller General  
of the United States

Enclosures - 2

COMPARISON OF OAS FUNCTIONS AND RESPONSIBILITIESIN ALASKA AND IN CONTIGUOUS 48 STATESAS OF OCTOBER 1983

<u>OAS functions and responsibilities mandated by Interior regulations</u>	<u>In contiguous 48 states</u>	<u>In Alaska</u>
1. Directly managing and supervising all departmental in-house aircraft, aircraft facilities, and aviation-related personnel.	No <sup>a</sup>	Yes
2. Assuming ownership and management of aircraft, aircraft facilities and equipment, and aviation-related personnel presently managed by other bureaus and offices when required.	No <sup>a</sup>	Yes
3. Assigning aircraft to bureaus and offices <u>as required</u> .	Yes <sup>b</sup>	Yes
4. Procuring charter and rental aircraft services in support of bureaus and offices <u>upon request</u> .	Yes <sup>b</sup>	Yes
5. Contracting for all bureau aircraft procurements, aircraft services, and aviation maintenance (in excess of \$10,000).	Yes	Yes
6. <u>Assisting bureaus</u> in determining whether aircraft should be Government owned, leased, contracted, or chartered.	Yes <sup>b</sup>	Yes
7. Coordinating aircraft use in such a manner as to obtain the best utilization of existing equipment, consistent with various mission requirements.		
a. Interior-owned aircraft	No <sup>a</sup>	Yes
b. Contracted aircraft	Yes <sup>b</sup>	Yes
c. Rental/chartered aircraft	Yes <sup>b</sup>	Yes

<sup>a</sup>These are OAS responsibilities when directed by the Secretary, who has not as yet directed OAS to assume them in the contiguous 48 states.

<sup>b</sup>OAS provides these services to bureaus at their request. In our opinion, these should be OAS responsibilities and bureau use should be mandatory.

COMPARISON OF OAS FUNCTIONS AND RESPONSIBILITIESIN ALASKA AND IN CONTIGUOUS 48 STATESAS OF OCTOBER 1983

	<u>In contiguous 48 states</u>	<u>In Alaska</u>
8. Establishing and maintaining standards governing operational procedures, aircraft maintenance, aircrew qualifications and proficiency, and qualifications for maintenance personnel.	Yes	Yes
9. Inspecting and monitoring aircraft operations to insure that standards are being met.	Yes	Yes
10. Prescribing the procedures for justifying, budgeting, and managing the financial aspects of aircraft owned and/or operated by the Department.		
a. Budgeting/justification	No	Yes
b. Billings and payments	No	Yes
c. Aircraft cost accounting	No	Yes
d. Management information system (aircraft usage, etc.)	No	Yes
11. Developing, implementing, and directing a Department-wide aviation accident prevention program to include advising and monitoring bureau-level aviation safety personnel.	Yes	Yes
12. Investigating all aircraft mishaps occurring in Department aviation operations.	Yes	Yes
13. Furnishing technical assistance for specialized aircraft problems to bureaus and other users <u>upon request</u> .	Yes	Yes



## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

APR 19 1983

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

Dear Mr. Peach:

This correspondence is in response to your letter dated March 8, 1983, which transmitted for review the GAO Draft Report entitled "Interior Has Improved the Management of Its Aircraft in The Contiguous 48 States - But More Can Be Done." (March 1983)

The appropriate agencies within the Department have examined your draft and have made comments. These comments are summarized because several of them referred to the same determinations in a similar manner.

We trust that you will seriously consider these comments since they will contribute to the accuracy of the Report.

Sincerely yours,

Richard R. Hite  
Principal Deputy Assistant Secretary -  
Policy, Budget and Administration

DOI COMMENT ON GAO DRAFT REPORT "Interior Has Improved the Management of Its Aircraft in The Contiguous 48 States - But More Can Be Done."

Since the report concentrated most of its efforts on only two small pieces of the USDI organization - The Office of Aircraft Services, and the Boise Inter-agency Fire Center (BLM's portion) our comments are confined to the two situations. The Department's view is best summed up in BLM's statement "These issues were discussed with the GAO Auditors on several occasions, and GAO chose not to reflect our concerns in the report. The report does not recognize the need for cooperative use of fire related aircraft nor the cost accounting procedures necessary to assure aircraft availability."

I. OAS - The parts of the report that pertain to the OAS are generally complimentary and reflect the perception of the OAS as viewed 98 percent from the Boise OAS Headquarters. There are two recommendations, however, that do not reflect with accuracy the true situation, or are not up to date with actions.

(1) The statement "direct OAS to manage all of Interior's aircraft and related services in the 48 contiguous states to the same extent as in Alaska," (PP 6 assumes that the underlying programs are the same. This is not true. An OAS owned and operated maintenance facility exists in Alaska. There are no such structures in the lower 48. Two operational systems exist in Alaska. In one case aircraft are carried on OAS records, but in fact are turned over to the agencies to operate and manage. The pilots are agency people (not OAS). In the second case a small fleet of highly specialized aircraft are operated for the agencies at agency request (fleet operation). These pilots are OAS people. In the lower 48 OAS does not operate aircraft for the Interior agencies. The aircraft and pilots are agency owned and operated. OAS maintains a small lease/charter and flight following capability. The lower 48 program is one of a large lease/charter system, but no flight following. There are many other reasons why they cannot be managed "the same." The House language says "similar" to, and we believe we are operating the whole office in a "similar to" manner under 110 DM 19 (Nov. 1982).

See GAO  
note 1,  
p 18.

(2) BLM Management Program - Long before OAS existed BLM had an aviation management program that involved training, rental, inspecting, safety and data management as well as operational activities. Many of OAS practices came from BLM past efforts. Until the Andrus Order of September 1980 BLM was still actively managing its aircraft operations. To several elements in BLM, OAS was the duplicating service. The first statement on PP 15 is an indication of the GAO's desire not to be burdened with the facts. Irrespective of whether OAS existed or not, BLM would have need for policy development for the use of aircraft in Bureau programs; developing requirements and specifications pertaining to technical application of aircraft; training, monitoring, inspecting, evaluating, programming, reporting, justification, management and oversight. GAO failed to recognize that OAS provides broad departmental policies, standards, specifications, guidance, procedures, and expertise. These broad guiding principles need to be amplified, adjusted to agency programs, and managed in the field. OAS for example has limited expertise in the use of aircraft in fire suppression or cadastral surveying - two of BLM's major programs. The expertise in paracargo operations is in BLM. OAS does not develop or execute land treatment programs (aerial spraying). BLM does.

See GAO  
note 2,  
p 18.

The tragic accident that occurred near Ely, Nevada in 1980 which killed four BLM employees brings into focus the problem the auditors failed to comprehend. In this case all of the aviation requirements set forth by OAS were in place. The pilot and aircraft were carded for general aviation use. OAS policies regarding non official passengers were not violated, and OAS aviation management training had been given. OAS did not address paracargo operations (that expertise lies with BLM), manifest approval, tactical use of aircraft on fire, death notification procedures, nor did they compile the information that are the subject of tort claims. These all are agency responsibility (See 3.50 DM).

Every agency or office that operates aircraft in their program needs in-house expertise. U.S. Department of the Interior Manual 350.15c and its Appendix I spells out in detail 71 roles and functions in aircraft management. Bureaus and Offices have 23 primary and 22 secondary roles to perform of the 71. All are non-duplicative. For the GAO to recommend to Congress - as GAO has done on PP 27 to stop BLM (the largest user of aircraft services in Interior) from developing its in-house expertise is irresponsible and based on inadequate factual analysis. BLM fully intends to utilize OAS to the extent that no duplication of efforts occurs.

(3) The situation as depicted in USDI Policy with regard to non-Interior agencies use of OAS services, while an accurate depiction of the history does not recognize the causes and actions that are involved. In any event 110 DM 19.2K clearly authorizes "OAS to provide assistance to...bureaus and other agencies upon request." We can and have served most of the agencies that we did before the abolition order except for the US Navy contract which is being serviced by a group of former OAS employees.

II. BIFC - In order that the limited value of the report not be compromised because of unsound and inaccurate assumptions we point out the assumptions we believe are pertinent. We have not addressed issues on numbers, costs or use of aircraft at BIFC because the GAO assumptions precluded any rational discussions. Further the issues of alleged poor management are moot because BLM actions have drastically realigned aircraft operations at BIFC.

The GAO concept of the BIFC is erroneous and falsely colors many of their conclusions (#2, PP 29). /See GAO note 2, p. 18/

- ° 1967 House Hearings at PP 723 and 735 both refer to the geographic areas of responsibility as Western States (except Alaska) (735) and all states (PP 723). The interagency aspects of BIFC are clearly set forth in testimony each year of 1967, 68, 69, and 70.
- ° An Interagency Agreement was entered into in 1972 that defined the roles.
- ° An Interagency Task Force compiled an extensive review of the mission and roles of BIFC in 1974. This report was accepted by most Interior Agency Heads and the USFS and confirmed in letters of May 6, June 15, and July 13, 1975. The primary mission was to maintain a National Interagency Response Capability. This role was further affirmed by the National Wildfire Coordinating Group in July 1976, and in subsequent Congressional Hearing (Seney Wildlife Refuge 1976), and Merritt Island - FWS Hearing before Congressman Yates on June 24, 1982. Congress and all agencies



have been aware of and comfortable with BIFC roles and the National, Interagency aspects of its mission. The references to "aircraft were used primarily by other agencies - mostly the Forest Service" (PP 31) becomes meaningless, because that is precisely what BIFC was established to accomplish (Interagency use of existing resources and prevention of duplication of effort). During the same period GAO criticizes BLM because Forest Service uses BLM contract aircraft, the substantial use by BLM of Forest Service aircraft is ignored even though it was pointed out to the auditors.

The GAO assumption is that BIFC is only responsible to cover a seven month fire season. Since BIFC is responsible in a National-Interagency (even International with the U.S./Canada Agreement of 1982) for emergency support (not just fire) this is an inaccurate assumption. Perhaps in any given year (GAO used a low fire incidence year 1981) most of the fires would occur in the April-November period. A cursory look at fire history would show that major fires have occurred in November and December in 1978, 1979, 1980 and 1981 in California. The Pungo, Okeneferokee and Dismal Swamp Fires, and the large NPS fire in Big Cypress in Florida occurred prior to April 19 in 1980 and 1981. The devastating fire in Main in 1901 and Mack Lake in Michigan (1980) were early season fires.

GAO applied the most limiting fire season of one of the agencies at BIFC to determine their costs. This is an unsound assumption since USFS, BIA, NPS, and FWS all have seasons extending the fire season to 11 or more months, and the aircraft at BIFC served all of these (Large Transport Study 1980).

GAO did not make recommendations relative to the BIFC Aircraft Operation because subsequent BLM actions inspired by the GAO preliminary reports caused BLM to abandon aircraft operations at BIFC. None the less GAO was unwilling to listen to or understand the financial aspects of aircraft operations at BIFC.

Based on an entirely erroneous decision relative to the mission i.e., jamming an organization with a yearlong interagency mission into a seven month single agency environment badly distorted the figures and created a false outcome.

First, the program at BIFC is emergency support - it is not aviation management per se. All costs of aircraft use are accounted for in the fire program. Not necessarily in the aviation program. To do so is analogous to adding the cost of the freeways to the price of an automobile. The availability costs of an aircraft, and the added costs of crewing an aircraft because of fire requirements, are legitimate fire program costs. These are not normal operating costs of an aircraft. The full cost was known to the agencies and was readily accounted for to GAO. Where do you think GAO got their figures? Since by agreement in 1977 reimbursements for firefighting funds are not exchanged among the wildland fire agencies, and we already accurately track firefighting costs we see no valid reason to increase fire flight costs by adding in availability and extra crew costs.

Second, there is a great deal of difference in projecting the costs of aircraft in a fire season, and adding up the figures that have been incurred at the end. The BIFC had a historical basis for operational aircraft costs that were tested by an A-76 done in 1980. They also had availability costs. These formed the basis for flight hour costs. No one - not even GAO - can predict months in

advance how many hours will be flown, unscheduled maintenance or operational activities. They cannot predict fuel costs or overtime. To then determine on the basis of a low fire season that savings of 1.1 to 2.1 million dollars could occur is pure conjecture. It is equally logical to predict cost increases in double the range. The dollar cost per aircraft/hour is not the important criteria. The success of the mission is what counts. GAO has ignored this aspect.

- GAO notes:
1. This page reference has been changed to correspond to the final report.
  2. This material has been omitted from the final report.