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RELEASED

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



120803

Dear Mr. Chairman:

Subject: The Coast Guard Headquarter's Aircraft Operations:  
A Costly Way of Providing Transportation  
(GAO/PLRD-83-45)

On April 9, 1981, 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. The results of that review will be provided in an overall report discussing Government-wide aircraft management problems. This report is being sent to you as a result of September 23, 1982, hearings on these matters before your Subcommittee on Legislation and National Security.

As part of our overall assessment, we reviewed the use of the U.S. Coast Guard's two administrative aircraft located at National Airport, Washington, D.C. During fiscal year 1981, it cost almost \$2.6 million, including 458,000 gallons of fuel to operate and maintain these aircraft. We noted that:

- The aircraft were used primarily to transport high-ranking Department of Transportation (DOT) and Coast Guard officials, as well as their spouses and guests to United States and overseas locations generally served more economically by commercial airlines.
- The majority of flights on these aircraft were for routine travel which did not appear justified based on either time critical mission requirements or the nonavailability of commercial air transportation.
- A number of flights were made with only a few passengers on board and with no justifications, which conflict with Coast Guard Headquarter's aircraft instructions.

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We realize that high-ranking DOT and Coast Guard officials have demanding positions that often require priority air transportation, and it is important that they receive it when needed. However, in view of the high cost of providing such transportation on Coast Guard aircraft dedicated solely for this purpose, we believe other more cost effective alternatives should be considered.

We believe the Coast Guard can achieve significant savings and reduce fuel consumption by eliminating its administrative air transportation operations at National Airport. We believe DOT and Coast Guard officials should place increased emphasis on using more economical commercial service where practical and consistent with mission accomplishment. In those instances where commercial airlines cannot provide the needed transportation, arrangements could be made for these agency officials to be transported by other more economical means, such as the Federal Aviation Administration (FAA) aircraft presently at National Airport or the air transportation services of the 89th Military Airlift Wing at Andrews Air Force Base in Maryland. In a separate study, we found that FAA aircraft at National were not being used extensively. The 89th Wing is now used to provide special air transportation for civilian and Department of Defense officials, including high ranking military officers equivalent in rank to the commandant.

In our opinion, the use of either FAA's or the 89th Wing's aircraft to provide such transportation would be mission effective and much more cost effective than having two expensive aircraft dedicated solely for this purpose, as is now the case. In the event that either of these alternatives cannot completely satisfy the need for priority air transportation, we believe the use of commercial rental aircraft would be a less costly way to satisfy the Coast Guard's requirements.

Further details on the results of our review are contained in the enclosure.

We recommend that the Secretary of Transportation:

- Direct the Coast Guard to dispose of the two aircraft at National Airport through normal disposal practices. Coast Guard personnel assigned to support these aircraft should be reassigned where needed.
- Require DOT and Coast Guard officials to use more economical commercial airline service to the maximum extent possible consistent with important

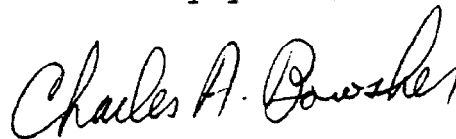
mission accomplishment. For those instances where commercial airlines cannot be used, arrangements should be made for the officials to use FAA, the 89th Airlift Wing, other Federal Government, or private commercial aircraft.

--Issue a written policy generally prohibiting the transporting of spouses, dependents, and other nonofficial travelers on the DOT aircraft.

On December 20, 1982, we provided the Secretary of Transportation and the Commandant, U.S. Coast Guard, with draft copies of this report for review. We requested that they provide comments within 30 days. Comments were not provided in this time frame; hence, the report is being issued without their official position on these matters. However, the Assistant Secretary for Administration has stated that DOT is conducting a study of all its aircraft, as directed by the Congress through House Conference Report No. 97-960. The study is scheduled to be completed and provided to the Congress by April 1, 1983. It will also include an analysis of this report to assure that DOT is responsive.

As arranged with your office, unless you publicly announce the report's 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

Enclosure

THE COAST GUARD HEADQUARTER'S AIRCRAFT OPERATIONS:A COSTLY WAY OF PROVIDING TRANSPORTATIONBACKGROUND

The Coast Guard has two administrative aircraft at National Airport in Washington, D.C. These aircraft are used primarily to provide transportation for high-ranking DOT and Coast Guard officials, their spouses and guests. During fiscal year 1981 it cost almost \$2.6 million to provide this transportation, as shown below.

<u>Aircraft type</u>	<u>Passenger capacity</u>	<u>Hours flown</u>	<u>Total aircraft cost</u>	<u>Hourly cost</u>
Gulfstream I	15	453	\$ 797,221	\$1,760
Gulfstream II	12	<u>539</u>	<u>1,758,786</u>	3,263
		<u>992</u>	<u>\$2,556,007</u>	\$2,578 (average)

These costs are composed of various elements as shown below.

<u>Cost element</u>	<u>Gulfstream I</u>	<u>Gulfstream II</u>	<u>Total cost</u>
Station costs	\$384,069	\$576,104	\$960,173
Fuel-458,000 gallons	186,244	395,741	581,985
Aircraft maintenance and electronics	167,190	645,032	812,222
Other support	518	1,909	2,427
Depreciation	<u>59,200</u>	<u>140,000</u>	<u>199,200</u>
Total	<u>\$797,221</u>	<u>\$1,758,786</u>	<u>\$2,556,007</u>

In January 1982, the Coast Guard had 28 personnel assigned to the Washington Air Station at Hangar 12 at National Airport. The Air Station's mission is to provide transportation for the

Secretary of Transportation and certain staff members, the commandant and members of his staff, and other personnel as may be authorized by the commandant.

According to Coast Guard officials, over 25,000 square feet of property is subleased at the airport for offices and hangar space for its two administrative aircraft. The Coast Guard spent about \$76,200 for rental of this property during fiscal year 1981.

#### OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to evaluate the cost effectiveness of the Coast Guard's use and management of their two administrative aircraft at National Airport. We interviewed Coast Guard officials to discuss passenger transportation policies and procedures. We reviewed aircraft guidelines and policies and the cost effectiveness of these aircraft operations.

We also analyzed data from the Coast Guard's aircraft use records for each flight made during the 15 months ended December 31, 1981. In evaluating the effectiveness of agency aircraft operations, we compared the cost of transportation flights on Government aircraft with the most reasonable alternative, which in most instances was commercial service. We used commercial jet coach/standard class fares in effect at November 11, 1981, for flights within the continental United States. For European trips, we used business class fares as of May 1982. In addition, we determined whether a commercial flight could have been used within the time frames of travel.

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

#### AIRCRAFT UTILIZATION

The aircraft were used routinely to transport passengers to United States and overseas locations serviced more economically by commercial airlines. Many of the flights were made with few passengers and were not adequately justified. During the 15 months ended December 31, 1981, the aircraft made 650 flights, of which 423 were for transportation and 227 were for test, ferry, training, and proficiency in support of the transportation mission. Of the 423 transportation flights 351 were made in the United States and 72 were made to overseas locations.

Many passengers could have been transported at less cost on commercial airlines

Of the 351 transportation flights made in the continental United States, 236, or 67 percent, went to locations readily served by commercial airlines. Only three of the flights were less costly by using the Coast Guard aircraft. For the remaining flights, we estimated the cost to the Coast Guard was \$818,000 more than the cost on commercial airlines. Other undetermined administrative costs, such as aircrew per diem and related travel costs, also would have been eliminated.

The other 115 United States transportation flights were made to destinations not serviced directly by commercial airlines. However, 57 of these flights were to locations within a 25 to 50 mile radius of major commercial airports.

Coast Guard instructions for the use of the administrative aircraft state that:

"Flights shall not be scheduled between points which are served by convenient commercial air service unless there is a definitive conflict of timing which would materially affect the accomplishment of the senior passenger's official duties."

We did not find any evidence to show that these instructions were being followed. On the contrary, the aircraft use records and other supporting documentation show that the aircraft were used routinely to transport passengers between points served by convenient and more economical commercial air service, as shown in the following examples:

--On December 1, 1980, the Gulfstream II flew the Secretary of Transportation and six other passengers from Washington, D.C., to San Francisco, California. On December 3, 1980, the aircraft transported the seven passengers from San Francisco to Portland, Oregon, and on December 5, 1980, the aircraft returned from Portland to Washington, D. C., with eight passengers. Flight records did not contain either justification or why commercial airlines could not have been used. The total cost of operating the aircraft on the above flights was over \$40,000. Commercial airline service was readily available to all of the locations. The total cost

of the passengers going commercial would have been about \$8,400, a difference of \$31,600.

--On May 14, 1981, the Gulfstream I flew the Coast Guard's vice admiral and two other passengers from Washington, D.C., to Chattanooga, Tennessee. The purpose of the trip was to attend the Armed Forces Day activities. The aircraft returned to Washington, D. C., the next day with the three passengers. The cost of operating the aircraft was about \$5,500 as compared to commercial airfare of about \$880, a difference of \$4,620.

#### Costly international flights

The Gulfstream II made seven international trips including 72 flights between various locations costing about \$650,000 during the 15-month period. These trips could have been made more economically on commercial aircraft or on a combination of commercial and military aircraft. For example, three of the European trips could have been made for about \$136,000 less by using commercial airlines, as shown on the next page.

1981 Date	No. of passengers	Trips		Coast Guard cost
		From	To	
May 1	7	Washington, D.C.	London, England	\$26,920
May 4	7	London, England	Brussels, Belgium	2,176
May 7	8	Brussels, Belgium	Shannon, Ireland	5,004
May 7	8	Shannon, Ireland	Washington, D.C.	<u>25,398</u>
Round trip total cost				<u>59,498</u>
June 10	7	Washington, D.C.	Paris, France	24,582
June 15	8	Paris, France	Marseilles, France	3,753
	9	Marseilles, France	Bordeaux, France	2,720
June 16	7	Bordeaux, France	Shannon, Ireland	5,548
	7	Shannon, Ireland	Washington, D.C.	<u>24,473</u>
Round trip total cost				<u>61,076</u>
Dec. 14	6	Washington, D.C.	Paris, France	28,062
Dec. 19	6	Paris, France	Shannon, Ireland	2,013
	6	Shannon, Ireland	Washington, D.C.	<u>28,334</u>
Round trip total cost				<u>58,409</u>
Total Coast Guard costs				178,983
Commercial airline costs (note a)				<u>43,000</u>
Difference				<u><u>\$135,983</u></u>

a/ Business class fares were not readily available for the above trips for 1981; therefore, we used fares as of May 1982.



Moreover, on another European trip, which cost \$123,000, the Gulfstream II had mechanical trouble in Italy and later returned to Washington, D. C., without any passengers. As a result, the Coast Guard incurred additional costs because the passengers returned from Europe on commercial aircraft.

Flying aircraft with  
few passengers

Coast Guard instructions state that in the interest of economy, flights on the two Gulfstream aircraft will not be scheduled for less than six passengers, except in unusual circumstances. We found that both aircraft made a number of flights with less than six passengers on board, with no justifications to show that unusual circumstances existed.

Flying either Gulfstream with only a few passengers on board is uneconomical. For example, during the 15-month period studied, the Gulfstream I flew 49 of its 139 flights with less than six passengers at a cost of about \$110,800. If commercial transportation had been used, the cost to the Government would have been about \$13,070, a difference of \$97,730.

The same is true for the Gulfstream II. It flew 30 of its 94 flights made in the continental United States with less than six passengers, at a total cost of about \$184,660. If commercial air had been used, the total cost would have been about \$16,910, a difference of \$167,750.

The following are some examples of trips made with less than six passengers.

--On November 12, 1980, the Gulfstream I flew the commandant from Washington, D. C., to New York, and back. Flight records did not show the trip's justification. The total cost was \$3,285, whereas the cost of a commercial flight would have been about \$200, a difference of \$3,085.

--On April 24, 1981, the Gulfstream I departed New York City bound for Washington, D. C. On board were two passengers, the commandant's wife and a lt. commander. Flight records did not show the trip's justification, nor the justification for the commandant's wife. The total cost was \$1,700, whereas the cost for a commercial flight would have been about \$200, a difference of \$1,500.

--On June 19, 1981, the Gulfstream II flew the commandant and one other passenger from Washington, D. C., to Wilmington, Delaware, and back. The purpose of the trip was to attend a safety meeting on offshore drilling in Wilmington. The total cost was over \$3,800, whereas the cost of a commercial flight would have been \$330 for the two passengers, a difference of \$3,470.

--On October 14, 1981, the Gulfstream II flew the Deputy Secretary of Transportation and three other passengers from Washington, D. C., to Dallas, Texas. The following day the aircraft returned to Washington, D. C., with five passengers. Flight records did not show the trip's justification. The cost of transporting the passengers was about \$17,950, whereas the cost of a commercial flight would have been about \$2,330, a difference of \$15,620.

Flight justifications  
were inadequate

Our review of Coast Guard aircraft request forms disclosed that justifications for many of the trips were either not provided, incomplete, or vague. Some justifications were too general, such as transporting officials, attending ceremonies, or visiting a Coast Guard ship.

The following are examples of trips taken with questionable or inadequate justifications and the aircraft costs incurred:

--On March 10, 1981, the Gulfstream I flew a rear admiral and 10 other passengers from Washington, D. C., to Tampa, Florida. The purpose of the trip was to attend the sixth annual boating education seminar. On March 12 the aircraft returned to Washington with 10 passengers. Transporting the passengers on the Coast Guard aircraft cost over \$10,000, whereas the cost of a commercial flight would have been about \$4,400, a difference of \$5,600.

--On May 2, 1981, the Gulfstream I flew the commandant, his wife, and four other passengers from Washington, D. C., to Boston, Massachusetts, to attend the Constitution Ball. On May 3 the aircraft returned to Washington with the six passengers. The cost of operating the aircraft was about \$5,300, whereas the

cost of a commercial flight would have been about \$1,400, a difference of \$3,900.

--On May 28, 1981, the Gulfstream II transported 11 passengers from Washington, D. C., to Groton, Connecticut, to attend a memorial service for a deceased retired commander. Cost of the round trip was \$7,016. Comptroller General decision B-129612, dated July 1, 1957, prohibits Federal agencies from reimbursing employees for travel expenses to attend funerals. Therefore, in our opinion, the Government should not have provided this transportation.

--On February 20, 1982, the commandant, his wife, and four other passengers used the Gulfstream I to visit Coast Guard district units and attend the Mardi Gras in New Orleans, Louisiana. The aircraft left Washington, D. C., on Saturday, February 20, 1982, and returned to Washington with the commandant, his wife, and six passengers on February 22, 1982. The cost of the flight was over \$13,000, whereas the cost of a commercial flight would have been about \$3,300, a difference of \$9,700.

In addition to inadequate justifications, passengers on some of the flights were not identified. Moreover, the aircraft office at Hangar 12 did not maintain records of all of the passengers who were transported.

#### Transporting spouses

Coast Guard policy allows dependent spouses to fly on its aircraft without charge provided prior authorization has been granted. The Coast Guard travel regulations state that travel may be authorized for a

"dependent wife accompanying a person on an administrative flight in an aircraft assigned for the use of a senior officer. The circumstances must be limited to those in which the travel of the wife is in the national interest, essential to mission accomplishment, or desirable for diplomatic or public relations reasons."

This policy is so general that it allows transporting of not only the spouses of Coast Guard officials, but spouses of

other Government officials as well. We could find no authority in either DOT's or the Coast Guard's authorizing legislation to allow such a travel policy for spouses who are not Government employees. Therefore, neither DOT nor its agencies can assume they have this authority. The following are examples of such trips:

--On December 29, 1980, the Gulfstream I flew the commandant and his wife from Washington, D. C., to Fort Lauderdale, Florida. The aircraft then flew back to Washington with no passengers. The total cost of the trip was over \$11,200. On Friday, January 9, 1981, the Gulfstream II left Washington, D. C., with nine passengers, including the wives of three non-Coast Guard Government officials, and flew them to Fort Lauderdale, Florida. In Fort Lauderdale the commandant and his wife boarded the aircraft. The aircraft then flew the 11 passengers to St. Thomas, Virgin Islands. Two days later, the 11 passengers and an unidentified passenger boarded the aircraft in St. Thomas and were transported to St. Croix, Virgin Islands. The stated justification for this trip was to tour National Oceanic and Atmospheric Administration facilities on St. Croix and attend a seminar on the future of the U.S. Merchant Marine. No justifications were provided for the wives' transportation. The passengers flew back to St. Thomas that same day. The next day they returned to Washington, D. C., after a brief stop at Roosevelt Roads, Puerto Rico. The cost of the flights from January 9 to 12, 1981, was about \$32,750.

--On June 1, 1981, the Gulfstream I flew six passengers from Washington, D. C., to attend a changing of command ceremony at the Coast Guard unit in Cleveland, Ohio. The passengers included Coast Guard officials and their wives. In stating the justification for the wives, the senior official wrote "I feel their presence is in the best interest of the Service." The aircraft flew back to Washington the same day with eight passengers. The aircraft cost for the round trip was about \$4,700.

In a November 1978 report, we addressed the issue of Government aircraft flights that carry high-ranking Coast Guard officials and their wives:

"In the case of Government aircraft it may be claimed that if the plane is going anyway, there is no extra cost in having extra travelers aboard. Nevertheless, regardless of the traveler's intent, these practices have been susceptible to criticism that such trips are for the benefit of the travelers rather than the Government--especially when the principal traveler is the one who authorizes the trip and decides who will be aboard." 1/

We also wrote in this report that no significant additional cost is incurred by having guests and spouses accompanying the principal travelers. Nevertheless, we concluded that the possibility of having spouses accompany a trip at little or no extra cost could influence, or at least give the appearance of influencing the decision as to whether the trip should be made.

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1/Letter report (B-192053) FPCD-79-5 dated November 6, 1978, to the Director, Office of Management and Budget.