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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

LOGISTICS AND COMMUNICATIONS  
DIVISION

B-174211

The Honorable  
The Secretary of Defense

Attention: Assistant Secretary of Defense  
(Comptroller)

Dear Mr. Secretary:

We made a survey of the management of natural resources programs in effect at the following military locations.

- Camp Pendleton, California
- Eglin Air Force Base, Florida
- Fort Stewart, Georgia
- Naval Oil Shale Reserves Number 1 and Number 3, Colorado
- Naval Oil Shale Reserve Number 2, Utah
- Naval Petroleum Reserve Number 1, California
- Naval Petroleum Reserve Number 3, Wyoming

These natural resources programs included forestry, fish and wildlife, and soil and water conservation management. Our assignment code number was 86209.

We are presenting the following observations for your consideration.

INCONSISTENCIES IN FUNDING OF  
FOREST FIRE PROTECTION COSTS

Department of Defense (DOD) Instruction 7310.1, dated April 15, 1968 (revised July 10, 1970), provides that operation and maintenance (O&M) funds which are spent for forest management within DOD may be reimbursed from timber sale proceeds if the expenditures are related directly to the production and sale of lumber or timber products. The instruction specifically excludes from reimbursement the cost of fire protection that normally would be incurred if there were no lumber or timber operations being conducted.

In fiscal year 1970 Fort Stewart spent about \$277,400 for forest fire protection. These costs were reimbursed completely by receipts from timber sales, even though none of the costs appeared to be related directly to the production and sale of

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lumber or timber products. Conversely, during the same period, Eglin Air Force Base spent about \$211,000 for forest fire protection, of which only about \$15,000 was reimbursed. The \$15,000 was spent for a truck and for forestry supplies and appeared to be related directly to the production and sale of timber. It thus appears that Eglin was following the DOD instruction but that Fort Stewart was not.

Officials at Fort Stewart and 3d Army Headquarters justified the use of timber receipts to defray the cost of forest fire protection on grounds that the amount of appropriated funds available was insufficient to provide adequate forest fire protection and that diminishing the present level of protection would endanger the Army's forest assets.

We noted in this connection, also, that the language in the DOD instruction may not be fully consistent with the intent of a similar provision in the annual Department of Defense Appropriations Acts. Section 511 of these Acts states that O&M funds may be reimbursed for expenses of production of lumber and timber products from amounts received as proceeds from the sale of such property. According to the Senate Report on the 1961 Department of Defense Appropriation Bill, the intent of this language was to provide that only the costs for timber harvesting operations may be deducted from sale proceeds. The DOD instruction appears to be less restrictive.

INCONSISTENCIES IN FUNDING OF  
FISH AND WILDLIFE PROGRAMS

Funding of fish and wildlife programs is provided for in 16 U.S.C. 670, which authorizes military installations to issue special State hunting and fishing permits to persons for the payment of nominal fees. DOD Instruction 4170.6, dated June 21, 1965, requires that the hunting and fishing fees be used to finance fish and wildlife projects at the installation where collected.

In fiscal year 1969 the Office of Management and Budget (OMB) directed that, as part of a general effort to reduce Government expenditures, the services control the use of wildlife fees at the departmental level by apportioning the funds through quarterly allotments to the installations. We noted at Fort Stewart that, in line with this direction, the Army had apportioned the funds and also had imposed limits upon expenditures from Fort Stewart's Wildlife Fund of \$25,240 and \$30,000 for fiscal years 1969 and 1970, respectively. After

the OMB action the balance in the Fort Stewart Wildlife Fund grew from \$60,549 to over \$113,700 by the end of fiscal year 1970. During the same 2-year period, expenditures of over \$55,600 for fish and wildlife projects were made from O&M funds, in addition to the above expenditures from the Wildlife Fund.

Responsible officials at Fort Stewart and 3d Army Headquarters were aware of the accumulation of fish and wildlife fees but stated that they could use the fees only to the extent of the OMB-directed restrictions. Officials of the 3d Army showed us a letter from the United States Continental Army Command indicating that the Command had requested, but had been unable to obtain, approval of the Department of the Army Headquarters to release the accumulated fees.

The Air Force has advised us that it also apportions wildlife funds in accordance with the OMB directive. At Eglin Air Force Base, we noted that the amount of fees collected in any one fiscal year at the base determined the amount of funds that the base would request for the next fiscal year. Receipts and disbursements of fish and wildlife fees are processed through a central Air Force account which is used as a common pool for Air Force installations to finance fish and wildlife programs. Any balances in this account are carried over from year to year.

As shown above there are differences between the Army and Air Force in the ways they manage fish and wildlife funds. The practice, as noted at Fort Stewart, of placing limitations on the use of these funds to reduce expenditures and of letting them accumulate while, at the same time, allowing expenditures from O&M funds seems questionable. Further it appears that the Air Force is not adhering to the DOD instruction requiring the use of fees at the installation where collected. The reasonableness of the requirement in the instruction, however, appears to warrant consideration.

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We believe that the matters discussed in this report warrant your consideration and further review to see whether any corrective actions are necessary. We shall appreciate any comments you may have and advice of any actions you may take.

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Copies of this report are being sent to the Secretaries  
of the Army, Navy, and Air Force.

Sincerely yours,

*J. K. Fasick*

Director