

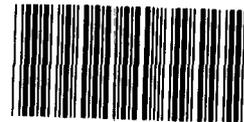
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Briefing Report to the Chairman,  
Subcommittee on Investigations,  
Committee on Armed Services, House of  
Representatives

October 1990

# DEFENSE REORGANIZATION

## DOD's Efforts to Streamline the Transportation Command



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National Security and  
International Affairs Division

B-240714

October 26, 1990

The Honorable Nicholas Mavroules  
Chairman, Subcommittee on Investigations  
Committee on Armed Services  
House of Representatives

Dear Mr. Chairman:

As you requested, we reviewed the implementation of recommendations concerning the U.S. Transportation Command contained in a February 1988 Department of Defense (DOD) task force report. The report was entitled Review of Unified and Specified Command Headquarters (commonly referred to as the Vander Schaaf Report) and recommended, among other things, the elimination of the separate component command headquarters. You wanted to know what progress had been made in eliminating the separate Army, Navy, and Air Force component command headquarters and thereby creating a single integrated headquarters for the U.S. Transportation Command. In particular, you requested information on command staff reductions, and any other actions taken by the commands that would affect the organizational relationships between headquarters and components.

We briefed members of your staff on the preliminary results of our efforts. This letter provides additional details on the matters discussed. It must be recognized that the information for this letter was developed prior to the initiation of Operation Desert Shield. Thus, it does not address the activities of the Transportation Command in moving large payloads of equipment and personnel to Saudi Arabia.

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## Results in Brief

Our review showed the following:

- The Secretary of Defense did not accept the February 1988 report's recommendation to eliminate the separate service component command headquarters. He directed that 204 positions be eliminated from Command and component headquarters instead of the 1,015 positions recommended in the report. However, due to budget reductions since the Secretary's decision, over 250 additional positions have been eliminated.
- The Transportation Command was established as a command oriented toward wartime and national emergencies. In peacetime the component commands operate within their respective services, and the Transportation Command does not function as a fully operating unified command.

The Commander of the Transportation Command stated the Command should be given comparable responsibility for peacetime operations as it has for wartime.

- The Transportation Command's Reorganization Task Force, which included representatives from Command headquarters, the service component commands, and the Joint Staff, reviewed the command's operations and recommended a number of changes. The Task Force's recommendations, designed to improve operations and submitted to the Joint Chiefs of Staff in July 1990, are currently under review.

## Background

The Transportation Command, headquartered at Scott Air Force Base, Illinois, was established in April 1987. It was established as a unified<sup>1</sup> command to provide global air, land, and sea transportation to meet national security needs. The Command has three service component commands: the Military Traffic Management Command (MTMC), the Military Sealift Command (MSC), and the Military Airlift Command (MAC).

MTMC, the Army's component command, is headquartered in Falls Church, Virginia. It serves as the single manager for land transportation and controls procurement of commercial transportation for movement of cargo. MTMC has three major subordinate field commands with field offices.

MSC, the Navy's component, is headquartered in Washington, D.C. Its primary mission is to provide strategic sealift in support of U.S. military forces worldwide. MSC has four subordinate commands with field offices overseas. Most MSC field offices are located with, or very near, MTMC field offices.

MAC, the Air Force's component, is headquartered at Scott Air Force Base, Illinois. Its mission is to provide global military airlift during both peace and war. The major MAC components are the 21st and 22nd Air Forces, which operate the airlift system. Because of its proximity to the Transportation Command headquarters, personnel in 94 MAC positions also perform functions for the Transportation Command. Currently, the same person serves as the commander of both the Transportation Command and MAC.

In a memorandum dated December 14, 1987, the Secretary of Defense directed that the DOD Deputy Inspector General conduct a review of the

<sup>1</sup>Unified commands are composed of forces from two or more services.

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unified and specified command headquarters. The primary objective of the review was to reduce staff levels and overhead costs, giving particular attention to overlapping responsibilities, duplication of functions, and excessive organizational layering. The task force issued its report in February 1988.

The task force recommended eliminating 1,015 of the 7,317 positions it identified as associated with headquarters functions of the Transportation Command, its component commands, and field offices of the components. A major part of the proposed personnel reductions would have resulted from eliminating service component command headquarters, which are subordinate to the Transportation Command.

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## **Component Command Headquarters Have Not Been Eliminated, but Staffs Have Been Reduced**

The Secretary of Defense did not agree to eliminate the 1,015 positions that the task force recommended. Instead, the Secretary directed, in September 1988, that Command headquarters and component staffs be reduced by 204 positions. The Secretary indicated he was persuaded by a compelling case made by senior military leadership that the service components of the unified commands needed to be retained. Therefore, he rejected most of the proposed reductions associated with that recommendation.

According to Transportation Command officials, their headquarters received only minor cuts because it was a new command that was not fully operational at the time of the task force report. DOD recognized that headquarters staffing had not yet reached planned levels and based its cuts accordingly. Table 1 shows the Command's authorized staff baseline used by the task force, the changes recommended by the task force, and the changes that were directed by the Secretary of Defense.

**Table 1: Command Baseline Staff Levels, Proposed Task Force Changes, and DOD Directed Changes**

	Baseline staff levels	Proposed task force changes	DOD directed staff changes
Transportation Command	388	+2,468	-4
Major component headquarters			
MTMC	604	-604	-50
MSC	508	-354	-45
MAC	2,512	-2,345	-105
Subtotal	4,012	-835	-204
Subordinate offices			
MTMC	1,271	0	0
MSC	1,125	-180	0
MAC	909	0	0
Subtotal	3,305	-180	0
<b>Total</b>	<b>7,317</b>	<b>-1,015</b>	<b>-204</b>
Transfer MSC headquarters to Navy activities	(a)	154	0
Transfer MAC headquarters to Special Operations Command	(a)	167	0

<sup>a</sup>Not applicable.

The task force recommended eliminating 1,015 positions by transferring positions from the service component headquarters to the Transportation Command and eliminating positions from MSC subordinate activities. The task force recommended transferring 154 positions representing service unique functions from MSC headquarters to other Navy activities. In addition, the task force recommended transferring 167 positions representing the special operations portions of the 23rd Air Force from MAC headquarters to the Special Operations Command.

Effective May 22, 1990, the Air Force established the Air Force Special Operations Command as a major command and component of the U.S. Special Operations Command, absorbing all MAC special operations functions. This action, in effect, implemented the task force recommendation to transfer MAC special operations functions to the Special Operations Command.

Since the implementation of the staff reductions directed by the Secretary of Defense, additional reductions have been made. As shown in table 2, staff authorizations have generally decreased from fiscal years 1988 through 1991. These decreases reflect both the 204 positions cut as a result of the task force's recommendations and general budget cuts imposed by the services on the component commands.

**Table 2: Transportation Command Staff Authorizations—Fiscal Years 1988 Through 1991**

	Fiscal year				Change 1988-91
	1988	1989	1990	1991	
Transportation Command	302	371	411	390	+88
Service component headquarters					
MTMC	628	593	596	575	-53
MSC	501	502	428	416	-85
MAC	2,538	2,495	2,396	2,247	-291
Subtotal	3,969	3,961	3,831	3,628	-341
Subordinate offices					
MTMC	1,328	1,354	1,230	1,278	-50
MSC	1,117	1,117	1,115	1,115	-2
MAC	906	1,126	896	799	-107
Subtotal	3,351	3,597	3,241	3,192	-159
<b>Total</b>	<b>7,320</b>	<b>7,558</b>	<b>7,072</b>	<b>6,820</b>	<b>-500</b>

Transportation Command officials said they expect substantial staffing changes in future years. The services are currently planning major cuts in component headquarters and subordinate staff manning levels for fiscal year 1992 and succeeding years. These cuts will reflect the component's proportionate share of the overall staff reductions required by its respective service. Transportation Command officials expect that, by the end of fiscal year 1993, the total cuts will exceed those recommended in the task force report.

## Transportation Command Given Limited Peacetime Authority

Under its charter, the Transportation Command has, during wartime and national emergencies, authority over airlift, sealift, and land transportation required for strategic mobility. The services—through MTMC, MSC, and MAC—retain peacetime operational authority. The service components have operational control of forces assigned to the Transportation Command and responsibility for service-unique missions, as well as control of industrial funds.<sup>2</sup> Each component is a major command of its parent service, which organizes, trains, and equips its forces.

To perform as a fully operating unified command, Transportation Command officials believe that the command should be responsible for operation of strategic lift during peace, war, and national emergencies. This change, which command officials believe would insure a smooth transition to war and a more efficient peacetime operation, would require the Secretary of Defense's approval to amend its charter.

<sup>2</sup>An industrial fund provides working capital for industrial and commercial activities that provide common services within DOD.

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As evidence of the need to change its charter, command officials cited the results of an exercise conducted in October 1989. At that time, the Transportation Command participated in its first major joint exercise since the command's formation. In its December 20, 1989, report, a senior evaluation team suggested that the command consolidate some peacetime tasks at the command's headquarters. The team suggested that the consolidation begin with traffic management and contracting functions to improve the coordination between transportation modes. Such changes, the team believed, would help facilitate the transition from peacetime to wartime operations.

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## Transportation Command Task Force Has Recommended Changes

The Transportation Command's Reorganization Task Force has proposed major changes designed to improve transportation operations, reduce staff requirements, and increase management efficiency. These proposals are under consideration by the Joint Chiefs of Staff and the Office of the Secretary of Defense.

The Commander of the Transportation Command directed that a Reorganization Task Force conduct a functional review of the Command structure, including the service component commands. The objectives were to strengthen capabilities, improve operating efficiencies, and better utilize resources. The Reorganization Task Force included representatives from Command headquarters, the service component commands, the services, and the Joint Staff. The Task Force began work in March 1990 and submitted its recommendations to the Joint Staff in July 1990. The recommendations are currently under review.

The Task Force proposed amending the Transportation Command's charter to include responsibility for strategic lift during peacetime, as well as during war and national emergencies. The Commander of the Transportation Command envisions a fully operating unified Command that functions as the single DOD manager for transportation in both peace and war. The service component commands would be retained, and the services would retain control over service unique functions performed by the components.

Another proposed change would involve centralizing peacetime traffic management functions at Transportation Command headquarters. In addition, there has been a proposal to consolidate the three individual service industrial funds managed by MTMC, MSC, and MAC into one combined fund at Transportation Command headquarters. However, because of stiff opposition from the services to losing their industrial

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funds, the Task Force recommended a 3-phased gradual transition. The Command expects to achieve many of the same staff savings and operating efficiencies through its Reorganization Task Force that were originally recommended by the DOD Inspector General's task force. However, the extent of such savings has not yet been identified.

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## Scope and Methodology

We conducted our review primarily at the Transportation Command headquarters, Scott Air Force Base, Illinois. We discussed the command's implementation of the task force report with command officials and obtained documents related to changes in authorized staff levels and other aspects of the task force recommendations. We conducted our review from April through August 1990 in accordance with generally accepted government auditing standards.

We did not obtain written agency comments, but we discussed the information contained in this letter with Transportation Command officials and included their comments where appropriate.

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Unless you announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Chairmen, House Committees on Armed Services, Appropriations, and Government Operations, and the Chairmen, Senate Committees on Armed Services, Appropriations, and Governmental Affairs; the Director, Office of Management and Budget; and other interested parties. We will make copies available to others upon request.

Please contact me at (202) 275-3990 if you or your staff have any questions concerning this briefing report. Other major contributors to this briefing report are listed in appendix I.

Sincerely yours,



Paul L. Jones  
Director,  
Defense Force Management Issues

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# Major Contributors to This Report

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