Audit Report

OFFICE OF THE INSPECTOR GENERAL

MAINTENANCE SUPPORT EQUIPMENT FOR NAVAL AND MARINE CORPS AIR RESERVES' F/A-18 AIRCRAFT

Report No. 95-171 April 12, 1995

Department of Defense

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Acronyms

NAS	Naval Air Station
SECA	Support Equipment Controlling Authority

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

April 12, 1995

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT)

SUBJECT: Audit Report on Maintenance Support Equipment for Naval and Marine Corps Air Reserves' F/A-18 Aircraft (Report No. 95-171)

This final report is provided for your review and comments. This report is the first of a series of reports that addresses planning for Reserve Components aircraft. Management comments on the draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, we request that the Navy reconsider its position on the recommendations and provide comments and completion dates for planned actions by June 12, 1995.

If you have questions on this audit, please contact Mr. James Koloshey, Program Director, at (703) 604-8961 (DSN 664-8961) or Mr. Charles Sanders, Project Manager, at (703) 604-8978 (DSN 664-8978). The distribution of this report is in Appendix D. The audit team members are listed inside the back cover.

David K. Steensma

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 95-171 **April 12, 1995**
(Project No. 4AG-0014)

MAINTENANCE SUPPORT EQUIPMENT FOR NAVAL AND MARINE CORPS AIR RESERVES' F/A-18 AIRCRAFT

EXECUTIVE SUMMARY

Introduction. This report is the first of a series of reports that addresses planning for Reserve Components aircraft. Maintenance facilities perform intermediate-level maintenance in direct support of units such as aircraft squadrons. Maintenance facilities use support equipment to maintain aircraft systems and subsystems. DoD policy requires that regular and reserve units be equipped on a first-to-fight, first-to-be-equipped basis.

Objective. Our objective was to determine whether adequate aviation maintenance support equipment was planned for establishing F/A-18 intermediate-level maintenance capabilities for the Naval and Marine Corps Air Reserves.

Audit Results. Naval Air Systems Command had not adequately planned to equip Naval Air Stations, New Orleans and Dallas, with maintenance support equipment for intermediate-level maintenance of Air Reserves' F/A-18 aircraft. Consequently, the Naval and Marine Corps Air Reserves' maintenance technicians were not effectively used and the readiness of the F/A-18 squadrons was impaired.

Management Control Program. Internal controls were not established to ensure that appropriate priority was assigned to Air Reserve requirements in redistribution of maintenance support equipment that was excess to Regular Navy and Marine Corps units' requirements. Part I discusses this material internal control weakness.

Potential Benefits of Audit. Monetary benefits cannot be quantified until the Reserve facilities are properly equipped. However, implementation of recommendations should ensure that Air Reserve units are provided required aviation maintenance support equipment. The potential benefits are summarized in Appendix B.

Summary of Recommendations. We recommend that the Chief of Naval Operations make excess maintenance support equipment available to the Naval and Marine Corps Air Reserves' F/A-18 intermediate-level maintenance facilities to facilitate the equipping of the facilities and modify Navy policy for distribution of support equipment.

Management Comments. The Assistant Secretary of Defense (Reserve Affairs) concurred with the need for the recommendations to the Navy. The Navy agreed with the findings and recommendations. The Navy stated it had taken or was planning actions to ensure adequate maintenance support equipment was available for Regular and Reserve units. Further, the Navy did not believe the policy for distribution of support equipment needed to be revised. Details on managements' comments and audit response are in Part II of the report, and the full text of managements' comments are in Part IV.

Audit Response. The proposed actions of the Navy were not responsive to the problems identified. We ask the Navy to reconsider its position on the recommendations and provide additional comments by June 12, 1995.

Table of Contents

Executive Summary i

Part I - Introduction

Background 2
Objective 2
Scope and Methodology 2
Management Control Program 3
Prior Audit 3

Part II - Finding and Recommendations

Intermediate-Level Maintenance Equipment 6

Part III - Additional Information

Appendix A. Excess Support Equipment Available to the Air Reserves 14
Appendix B. Summary of Potential Benefits Resulting From Audit 16
Appendix C. Organizations Visited or Contacted 17
Appendix D. Report Distribution 18

Part IV - Management Comments

Assistant Secretary of Defense (Reserve Affairs) Comments 22
Department of the Navy Comments 23

This report was prepared by the Acquisition Management Directorate, Office of the Assistant Inspector General for Auditing, Department of Defense.

Part I - Introduction

Background

Maintenance that is beyond operating unit capabilities, such as aircraft squadrons, and usually not performed at depots is referred to as intermediate-level maintenance. Types of maintenance include calibration, repair, or replacement of damaged or unserviceable parts, components, or assemblies; the emergency manufacture of non-available parts; and technical support to units.

Support equipment includes all equipment maintenance facilities required to make an aircraft system, support system, subsystem, or end item of equipment operational in its intended environment. This equipment is used to test, troubleshoot, align, or calibrate aircraft systems and components. Examples of support equipment are electrical, pneumatic, and hydraulic power units; towing, hoisting, and fueling devices; voltage, amperage, and measuring devices; electronic and automated test equipment; mobile power plants; aircraft and tractor tow bars; and maintenance work stands.

Objective

The objective was to determine whether the Navy and Marine Corps effectively equipped Naval and Marine Corps Air Reserves with the necessary support equipment for intermediate-level maintenance of F/A-18 aircraft.

Scope and Methodology

This economy and efficiency audit was made from November 1993 through September 1994 in accordance with the auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD, and included necessary tests of internal controls. We reviewed documentation dated from October 1992 through September 1994 on shortages of support equipment for intermediate-level maintenance of Naval and Marine Corps Air Reserve F/A-18 aircraft. We verified efforts by the Program Manager, Aviation 260, and the F/A-18 Program Manager to resolve the support problems. In addition, we analyzed policies and procedures related to distribution and redistribution of support equipment from the Regular Naval and Marine Corps air squadrons and support units to the Naval and Marine Corps Air Reserves. Computer-processed data reviewed were not verified for

accuracy because most of the data was not made available to us until after the on-site visit. Revisiting the audit site to verify the data was deemed not cost-effective since there was no substantial reliance on the data in developing this report. Organizations visited or contacted during the audit are listed in Appendix C.

Management Control Program

We reviewed internal controls applicable to the redistribution of aviation maintenance support equipment. Our review found a material internal control weakness in that Navy policy did not provide for assigning appropriate priority to Naval and Marine Corps Air Reserve requirements in redistribution of aviation maintenance support equipment that was excess to requirements of the Regular Navy and Marine Corps air squadrons and support units. Recommendations in this report, if implemented, will assist in correcting this weakness. Monetary savings realized from implementing the recommendations cannot be quantified until Reserve maintenance facilities are properly equipped. We did not review implementation of the management control program due to the limited scope of this audit. The management control program will be reviewed in a later audit evaluating overall Naval and Marine Corps Air Reserves' conversions and acquisitions of aircraft. Copies of the final report will be provided to the senior level officials responsible for internal controls within the Office of the Chief of Naval Operations.

Prior Audit

Navy Inspector General letter 5040 Serial 31/0602, "Report of Command Inspection NAVINSGEN (Navy Inspector General) Area Visit to New Orleans, Louisiana, 4 December - 11 December 1992," February 25, 1993, disclosed that F/A-18 intermediate-level maintenance personnel stationed at the Naval Air Station (NAS), New Orleans, were unable to perform F/A-18 intermediate-level aviation maintenance due to lack of support equipment. The Navy did not plan to acquire the maintenance support equipment at the time of the inspection. The report recommended that the Commander, Naval Air Systems Command, provide a plan of action and milestones for the expeditious establishment of an F/A-18 aircraft intermediate-level maintenance facility at the air station. Equipping NAS, New Orleans, began in FY 1994 and should be completed in the third quarter of FY 1997.

Part II - Finding and Recommendations

Intermediate-Level Maintenance Equipment

Intermediate-level maintenance facilities at New Orleans and Dallas did not have required support equipment to maintain F/A-18 aircraft for Naval and Marine Corps Air Reserve squadrons. The Navy had not adequately planned and programmed the acquisition of the support equipment for the Naval and Marine Corps Air Reserves; moreover, Navy policy did not provide appropriate priorities for redistribution of support equipment that was excess to the Regular Navy and Marine Corps units' requirements. Consequently, maintenance technicians who were trained for the planned F/A-18 intermediate-level maintenance were not effectively used and readiness of the Air Reserve F/A-18 squadrons was impaired.

Background

DoD Policy. DoD Directive 1225.6, "Equipping the Reserve Forces," November 2, 1992, states that new and combat-serviceable equipment, with associated support equipment, should be distributed to units scheduled to be deployed or employed first, irrespective of Component. Equipment priorities should be the same for Ready Reserve units and Regular units having the same mobilization mission or deployment requirements.

Navy Policy. Office of the Chief of Naval Operations Instruction 4423.3C, "Equipping Reserve Forces," June 25, 1993, endorses the DoD Directive. Naval Air Systems Command Instruction 13650.1C, "Naval Air Systems Command Aircraft Maintenance Materiel Readiness List Program," January 16, 1992, provides policy for redistribution of excess maintenance support equipment.

Conversion. F/A-18 Hornet aircraft have replaced Naval Air Reserve F-4 Phantom and A-7 Corsair aircraft and Marine Corps Air Reserve F-4 Phantom and A-4 Skyhawk aircraft as part of the Navy and Marine Corps' overall conversion effort supporting four Navy and four Marine Corps squadrons. The four Naval Air Reserve squadrons, supported by NAS, New Orleans, were activated by the end of FY 1994. One Marine Corps Air Reserve squadron, located at NAS, Dallas, Texas, was activated in FY 1991. Activation dates for the other three Marine Corp squadrons have not been determined.

Intermediate-Level Maintenance Facilities. The Navy planned to establish a shore-based facility at NAS, New Orleans, and a mobile facility at NAS, Dallas, for support of Reserve F/A-18 squadrons. The Dallas facility was not fully operational by the first quarter of FY 1994 as planned. Establishment of the New Orleans facility was approved in July 1992, and plans to equip

the facility were not developed until January 1993. Equipping the New Orleans facility began in FY 1994 and should be completed in the third quarter of FY 1997.

The F/A-18 Program Manager, Naval Air Systems Command, has oversight responsibility for establishing the New Orleans and Dallas facilities. The Program Manager, Aviation 260, Naval Air Systems Command, is responsible for helping to solve problems involving the non-availability of excess support equipment and condition of support equipment transferred from the Regular Navy and Marine Corps air squadrons and support units to the Reserve maintenance facilities.

Support Equipment Controlling Authority. The Support Equipment Controlling Authority (SECA) is a representative of a major aviation command that exercises administrative control over maintenance support equipment. The major aviation commands are Naval Air Force, U.S. Pacific Fleet; Naval Air Force, U.S. Atlantic Fleet; Naval Air Reserve Force; Naval Air Training; Naval Air Systems Command; and Naval Air Maintenance Training Group. These commands are subordinate to the Chief of Naval Operations.

Shortages of Support Equipment

As of September 22, 1994, Naval Air Reserve Force Command had shortages for 402 (15 percent) of the 2,580 authorized line items of support equipment for intermediate-level maintenance of F/A-18 airframe avionics and engines at NAS, New Orleans, and NAS, Dallas.

Avionics. Shortages totalled 256 avionic line items worth $14.3 million. Avionics includes electronic, electrical instrument, flight control, fire control, and bombing equipment and subsystems used to accomplish assigned missions. This amount included 2 of the 16 required automated test benches that are used to determine scope of repairs; moreover, 6 of the 12 test benches received from Regular Navy units were unusable, requiring extensive repair. Additionally, 7 of the 12 test benches were delivered without test program sets that are required to operate the benches. Delivery dates for the remaining two test benches are undetermined as of September 30, 1994.

Engines. Shortages totalled 146 line items, totalling $254,000, of support equipment necessary for first and second degree engine repair. The F404 General Electric - 400 Engine consists of six modules: fan, high-pressure compressor, combustion module, high-pressure turbine, low-pressure turbine, and afterburner. First degree repair involves replacement and disassembly of engine compressor rotors. Second degree repair involves repair or replacement of engine rotor and combustion sections.

Available Support Equipment

Equipment excess to Regular Navy and Marine Corps air squadrons and support units was available to partially fill critical shortages for 52 of the 256 line items needed for avionics repair at the New Orleans and Dallas facilities. Appendix A lists the 52 line items. We also identified excess engine support equipment at the Marine Corps Air Station, Cherry Point, North Carolina, to fill critical shortages for an additional 13 line items. This support equipment became excess in April 1993 when F/A-18 aircraft scheduled to be transferred to Cherry Point were sent to the Marine Corps Air Station, Beaufort, South Carolina, that already had a full complement of F/A-18 intermediate-level maintenance support equipment. Naval Air Systems Command planned to redistribute two additional automated maintenance test benches from the Regular Navy to NAS, New Orleans, and NAS, Dallas. Additional support equipment from base realignments and closures and decommissioning of aircraft carriers may be redistributed to Dallas and New Orleans. Dates on the above redistributions have not been established.

Planning for Support Equipment

No funds were programmed for procurement of support equipment for NAS, Dallas. For NAS, New Orleans, Naval Air Systems Command originally programmed FY 1992 Navy Aircraft Procurement funds of $41 million for procurement of support equipment to establish a Naval Air Reserve F/A-18 intermediate-level maintenance facility and training equipment for a new Air Reserve F/A-18 squadron at NAS, New Orleans. These funds were used for the procurement of $11 million of maintenance trainers for the Air Reserve F/A-18 squadron at NAS, New Orleans. The remaining $30 million was reprogrammed for Regular Navy F/A-18 program requirements. As of September 30, 1994, only one of the four maintenance trainers had been delivered to NAS, New Orleans, but it was not fully operational. Also, delivery for the other three maintenance trainers has not been scheduled.

Navy Policy for Equipping the Reserves

Neither Office of the Chief of Naval Operations Instruction 4423.3C nor Naval Air Systems Command Instruction 13650.1C establishes priorities for the distribution and redistribution of support equipment. Unofficially, Naval Air Systems Command distributes newly procured common support equipment and redistributes excess support equipment to proportionately reduced SECA support equipment shortages. SECAs then redistribute within their command

accordingly to reduce unit equipment shortages. Also, items of support equipment excess to SECAs are usually redistributed in the following order on a first-come, first-served basis.

- o Regular Navy and Marine Corps Air Squadrons and Support Units

  Forward-deployed
  Mobilized for deployment
  Shore-based

- o Naval and Marine Corps Air Reserve Squadrons and Support Units

- o Training Commands

Thus, all Regular Navy and Marine Corps air squadrons and support units not scheduled to deploy first, except for training commands, have priority for redistribution of excess support equipment before the Air Reserve F/A-18 squadrons. This practice provides that SECAs be uniformly equipped regardless of the number of first-to-fight units and is contrary to DoD Directive 1225.6.

Finally, the SECAs were reluctant to transfer excess support equipment. For example, Naval Air Reserve Force Command forwarded a message in June 1993 requesting excess support equipment from the six SECAs. No responses were received. In March 1994, Naval Air Reserve Force Command forwarded another message requesting specific excess support equipment. Although excess equipment existed at all six SECAs, only Naval Air Systems Command replied and made available F/A-18 excess support equipment for NAS, New Orleans, and NAS, Dallas.

The transfer of six unusable test benches discussed earlier was contrary to the intent of Naval Air Systems Command Instruction 13650.1C. All aviation maintenance support equipment transferred, permanently or temporarily, should be ready for issue or ready for use unless otherwise stipulated by the transferring and receiving organizations. NAS, New Orleans, and NAS, Dallas, were not advised about the condition of those maintenance test benches before receipt of the benches.

Impact of Equipment Shortages

The Dallas F/A-18 intermediate-level maintenance facility did not meet its initial operational capability date of December 1993 and the New Orleans facility is not scheduled to be operational until the third quarter of FY 1997 due to shortages of maintenance support equipment. Consequently, the Naval and Marine Corps Air Reserves are dependent on NAS, Cecil Field, Florida, for F/A-18 intermediate-level maintenance in peace and wartime. To fund support at NAS, Cecil Field, the Air Reserves have reprogrammed funds intended for other Air Reserve requirements. This reprogramming has caused degraded readiness of other Air Reserve aircraft squadrons.

Dependence on NAS, Cecil Field, is more expensive for the Naval and Marine Corp Air Reserves and results in inefficient use of the New Orleans and Dallas facilities. Intermediate-level maintenance is more expensive because the Air Reserves, by not performing their own maintenance functions, incur transportation and other repair costs at NAS, Cecil Field. Also, 19 personnel assigned to NAS, New Orleans, and NAS, Dallas, were not employed as trained in F/A-18 intermediate-level maintenance due to equipment shortages. These personnel performed general avionics and airframe maintenance on other aircraft; therefore, they may lose their proficiency in intermediate-level repair of F/A-18 engines and avionics equipment.

Recommendations, Management Comments, and Audit Responses

We recommend that the Chief of Naval Operations:

1. Direct major aviation commands to make available to Naval Air Reserve Force Command support equipment that is excess to Regular Navy and Marine Corps air squadrons and support units and excess from future decommissioning of ships and base realignment and closures.

2. Outline specific procedures in Office of Chief of Naval Operations Instruction 4423.3C to distribute new equipment and redistribute combat-serviceable equipment so that Regular and Reserve units having the same priority for mobilization and deployment are equipped equally.

Assistant Secretary of Defense (Reserve Affairs) Comments. The Office of the Assistant Secretary of Defense endorsed the recommendations to the Navy and stated that revising Chief of Naval Operations Instruction 44.233C to provide for fair share distribution of support equipment complies with intent of DoD Directive 1225.6. The complete text of the comments is in Part IV.

Department of the Navy Comments. The Navy concurred in principle with the recommendations stating that the Navy has taken or is planning to take specific actions to ensure adequate management controls of maintenance support equipment for Regular and Reserve Naval and Marine Corps units. Specifically, the Navy Air Reserve should continue to request support equipment according to Naval Air Systems Command Instruction 13650.1C. Changes to Chief of Naval Operations Instruction 4423.3C and Naval Air Systems Command Instruction 13650.1C were not necessary to ensure that the Naval and Marine Corps Reserve units receive their fair share of support equipment. Also, the Navy directed that representatives of Naval Air Force, U.S. Atlantic Fleet; Naval Air Force, U.S. Pacific Fleet; and Naval Air Reserve Force will meet biannually at the Aircraft Support Equipment Management Board to discuss equipment priorities and availability. The complete text of Navy comments is in Part IV.

Audit Response. The Navy comments are not responsive to the recommendations. We disagree that establishing a board to discuss equipment priorities and availability will resolve the Naval and Marine Corps Reserve units' shortages of maintenance support equipment. This issue is already discussed quarterly at Type Commander meetings and has not been resolved. Also, we disagree that Chief of Naval Operations Instruction 4423.3C and Naval Air Systems Command Instruction 136501.C do not need revision to ensure that the Reserve units receive their fair share of new and excess support equipment. We agreed with Navy representatives on December 6, 1994, that these procedures did not need to be changed if procedures for fair share distribution were otherwise defined. We request that the Navy reconsider its position on the recommendations.

Part III - Additional Information

Appendix A. Excess Support Equipment Available to the Air Reserves

Nomenclature	National Stock Number	Location
1. MAINTENANCE FIXTURE	1005-01-216-0096	COMNAVAIRLANT[1]
2. TOOL, RING SEATING	1450-01-091-7684	NAMTRAGRU[2]
3. CYLINDER, AIR PORTABLE	1730-00-625-6872	COMNAVAIRPAC[3]
4. SLING, AIRCRAFT MAINTENANCE	1730-01-360-3842	COMNAVAIRPAC
5. CUTOFF MACHINE, ABRASIVE DISK	3405-01-104-6238	COMNAVAIRLANT
6. GRINDER, SURFACE	3415-00-894-1768	COMNAVAIRLANT
7. PACKAGING UNIT, CADMIUM	3426-00-272-0352	COMNAVAIRPAC
8. MONITOR, OXYGEN	3655-01-075-5170	NAMTRAGRU
9. AIR CONDITIONER	4120-01-208-8705	COMNAVAIRPAC
10. OVEN, THERMAL DRYING, ELECTRIC	4430-00-831-4172	CNATRA[4]
11. BEAD BREAKER, PNEUMATIC TIRE	4910-00-267-9126	COMNAVAIRLANT
12. JACK, HYDRAULIC DOLLY TYPE	4910-00-289-7233	COMNAVAIRSYSCOM[5]
13. LIGHT, IGNITION TIMING	4910-00-937-5724	NAMTRAGRU
14. PURGING DEVICE KIT	4920-00-963-7118	COMNAVAIRPAC
15. TESTER, CABIN PRESSURE	4920-01-005-9947	COMNAVAIRLANT
16. TUNER, TRIBLE STUB	4920-01-073-7623	NAMTRAGRU
17. FIXTURE, GEAR TIMING	4920-01-116-8595	COMNAVAIRPAC
18. HOLDER AND DRIVER	4920-01-119-0670	COMNAVAIRLANT
19. DRIVER SET, REMOVER	4920-01-119-0671	NAMTRAGRU
20. FIXTURE, HOLDING	4920-01-166-4603	COMNAVAIRLANT
21. TEST SET, OPTICS	4920-01-234-3353	NAMTRAGRU
22. KIT, COMPOSITE REPAIR	4920-01-304-2119	COMNAVAIRLANT
23. HEATER, AIRCRAFT ENGINE MAINTENANCE	4920-01-343-1682	COMNAVAIRLANT
24. ADAPTER KIT, TEST	4920-01-360-7208	COMNAVAIRSYSCOM
25. FIXTURE, CHECKING GUIDE	4933-00-144-1857	COMNAVAIRLANT
26. TEST SET, ELECTRICAL CIRCUIT, GUIDE	4935-01-023-6151	COMNAVAIRLANT
27. FIXTURE, TORQUE TEST	4940-00-077-1260	COMNAVAIRPAC
28. TEST SET IGNITION	4940-00-077-1268	COMNAVAIRPAC
29. SOCKET, WRENCH, FACE SPANNER	5120-01-098-5232	COMNAVAIRPAC
30. ADAPTER TORQUE LOCK	5120-01-202-9207	COMNAVAIRLANT
31. TOOL KIT, NAVIGATION	5180-01-060-4956	COMNAVAIRPAC
32. TOOL SET, BEARING CU	5180-01-085-2686	COMNAVAIRLANT
33. TOOL KIT, ROCKET MECHANICS	5180-01-332-3965	COMNAVAIRPAC
34. GAGE, FIRINGPIN	5210-01-027-8445	COMNAVAIRLANT

[1] Commander, Naval Air Force, U.S. Atlantic Fleet
[2] Naval Air Maintenance Training Group
[3] Commander, Naval Air Force, U.S. Pacific Fleet
[4] Chief of Naval Air Training
[5] Commander, Naval Air Systems Command

Nomenclature	National Stock Number	Location
35. GUIDE FORKS OUTER SCREW	5305-01-202-4290	COMNAVAIRPAC
36. PLUG, EXPANSION	5340-01-334-3423	COMNAVAIRLANT
37. DIAL, CONTROL	5355-00-989-5792	COMNAVAIRPAC
38. ATTENUATOR, FIXED	5985-00-841-5008	NAMTRAGRU
39. ATTENUATOR, FIXED	5985-01-064-9380	CNATRA
40. POWER PLANT, ELECTRIC TRAILER, MOUNTED	6115-01-135-2725	COMNAVAIRSYSCOM
41. POWER SUPPLY	6130-00-249-2748	COMNAVAIRLANT
42. POWER SUPPLY, DC	6130-01-040-9808	CNATRA
43. POWER SUPPLY	6130-01-063-4933	CNATRA
44. TEST SET, PULSED POWER	6625-00-009-0846	NAMTRAGRU
45. DRIER, X-RAY FILM	6625-00-664-0858	COMNAVAIRLANT
46. GENERATOR, SIGNAL	6625-01-042-0926	NAMTRAGRU
47. MONITOR, ISOTROPIC	6665-01-105-3604	COMNAVAIRLANT
48. POWER METER	6625-01-132-7800	COMNAVAIRPAC
49. ANALYZER, SIGNATURE	6625-01-235-0392	COMNAVAIRLANT
50. TEST BLOCK SET, ULTRASONIC	6635-00-966-5245	NAMTRAGUR
51. ILLUMINATOR, X-RAY FILM	6635-01-220-7411	COMNAVAIRPAC
52. TEST SET, ELECTRONIC SYSTEMS	6625-01-342-8448	NAMTRAGRU

Appendix B. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount and/or Type of Benefit
1.	Economy and Efficiency. Would improve Naval and Marine Corps Air Reserve F/A-18 maintenance capability.	Undeterminable because monetary benefits cannot be quantified until Air Reserve maintenance facilities are properly equipped.
2.	Internal Control. Would ensure that support equipment was distributed on a priority basis.	Nonmonetary.

Appendix C. Organizations Visited or Contacted

Office of the Secretary of Defense

Assistant Secretary of Defense (Reserve Affairs), Washington, DC

Department of the Navy

Office of the Chief of Naval Operations, Arlington, VA
Naval Air Systems Command, Arlington, VA
Commander, Naval Reserve Force, New Orleans, LA
Commander, Naval Air Reserve Force, New Orleans, LA

Marine Corps

Deputy Chief of Staff for Manpower and Reserve Affairs (Marine Corps), Washington, DC
Deputy Chief of Staff for Installation and Logistics (Marine Corps), Washington, DC
Marine Corps Combat Development Command, Quantico, VA
Marine Reserve Force, New Orleans, LA
Headquarters, 4th Marine Air Wing, New Orleans, LA

Appendix D. Report Distribution

Office of the Secretary of Defense

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Under Secretary of Defense (Comptroller)
Assistant Secretary of Defense (Economic Security)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)
Auditor General, Department of the Navy

Department of the Air Force

Auditor General, Department of the Air Force

Marine Corps

Commandant of the Marine Corps
Commanding General of 4th Marine Air Wing

Defense Agencies

Director, Defense Contract Audit Agency
Director, Defense Logistic Agency
Director, National Security Agency
Inspector General, Central Imagery Office
Inspector General, National Security Agency
Director, Defense Logisitic Studies Information Exchange

Non-Defense Federal Organizations

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division, General Accounting Office

Chairman and Ranking Minority Member of Each of the Following Congressional Committees and Subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
House Committee on National Security

Part IV - Management Comments

Assistant Secretary of Defense (Reserve Affairs) Comments

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1500

RESERVE AFFAIRS

March 1, 1995

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE
ATTENTION: DIRECTOR, ACQUISITION MANAGEMENT DIRECTORATE

SUBJECT: Draft Audit Report on Maintenance Support Equipment for Naval and Marine Corps Air Reserves' F/A-18 Aircraft (Project No. 4AG-0014.00)

I wish to thank you for the opportunity to comment on the draft audit report "Maintenance Support Equipment for Naval and Marine Corps Air Reserves' F/A-18 Aircraft", dated December 30, 1994.

I concur with both recommendations found in the audit report. The Total Force policy "first to fight, first to equip" (DoD Directive 1225.6) must be incorporated in all appropriate Service directives. This provides for assigning appropriate priority to Naval and Marine Corps Air Reserve requirements in redistribution of excess aviation maintenance support equipment.

Lieutenant Colonel Les Pagano is my point of contact for this audit and can be reached at 703-695-1677.

John B. Rosamond
Deputy Assistant Secretary of Defense
for Reserve Affairs (Materiel and Facilities)

Department of the Navy Comments

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(MANPOWER AND RESERVE AFFAIRS)
WASHINGTON, D.C. 20350-1000

FEB 24 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DEPARTMENT OF DEFENSE

Subj: DRAFT AUDIT REPORT ON MAINTENANCE SUPPORT EQUIPMENT FOR NAVAL AND MARINE CORPS AIR RESERVES' F/A-18 AIRCRAFT (PROJECT NO. 4AG-0014.00) - ACTION MEMORANDUM

I am responding to the draft audit report forwarded at Tab A concerning maintenance support equipment for Naval and Marine Corps Air Reserves' F/A-18 aircraft.

The Department of the Navy (DON) response is provided at Tab B. We agree with the draft report findings and recommendations. On 6 December 1994, representatives from DoD IG, OPNAV, HQMC, COMNAVAIRSYSCOM, and COMNAVAIRES met to discuss the findings and recommendations of this report. As outlined in the enclosed comments, the Department of the Navy has taken, or is planning to take specific actions to ensure adequate management controls of maintenance support equipment for Regular and Reserve Naval and Marine Corps air squadrons and suppor' units.

My POC is Lieutenant Colonel M. K. Robbs, who can be reached at (703) 697-9326.

WADE R. SANDERS
Deputy Assistant Secretary of the Navy
(Reserve Affairs)

TAB A - DoD IG memo of 30 Dec 94
TAB B - DON Response to Draft Audit Report

DON COMMENTS ON DODIG DRAFT AUDIT REPORT NO.4AG-0014.00
"MAINTENANCE SUPPORT EQUIPMENT FOR NAVAL AND MARINE CORPS AIR RESERVES' F/A-18 AIRCRAFT," DECEMBER 30, 1994

Recommendation 1:

We recommend the Chief of Naval Operations direct major aviation commands to make available support equipment that is excess to Regular Navy and Marine Corps air squadrons and support units and excess from future decommissioning of ships and Base Realignment and Closures to Naval Air Reserve Force Command.

DON Position: Concur. To ensure support equipment that is excess to Regular Navy and Marine Corp air squadrons and support units and excess equipment from future decommissioning of ships and Base Realignment and Closures is made available to Naval Air and Marine Corps Reserve Force Command, several procedures have been established.

a. NAVAIRRES will continue to request support equipment in accordance with COMNAVAIRSYSCOMINST 13650.1C, the Aircraft Maintenance Material Readiness List Program.

b. The Type Commander Maintenance Officers from AIRLANT, AIRPAC, and NAVAIRRES and their Support Equipment representatives, in accordance with OPNAV direction, will meet bi-annually at the Aircraft Support Equipment Management Board to discuss equipment priorities and availability.

c. The NAVAIRRES Support Equipment manager can contact the Type Commander Support Equipment Representatives or the NAVAIR AMMRL manager at any time to discuss requirements and priorities.

Recommendation 2:

We recommend the Chief of Naval Operations outline specific procedures in Office of Chief of Naval Operations Instruction (OPNAVINST) 4423.3C to distribute new equipment and redistribute combat-serviceable equipment so that regular and reserve units having the same priority for mobilization and deployment are equipped equally.

DON Position: Partially concur. During a meeting held 6 December 1994, representatives from DoD IG, OPNAV, COMNAVAIRSYSCOM, and COMNAVAIRRES agreed that the recommendation to rewrite the procedures in OPNAVINST 4423.3C was not required. Procedures to distribute new equipment and redistribute combat serviceable equipment as outlined in NAVAIRINST 13650.1C, Aircraft Maintenance Material Readiness List (AMMRL) Program are considered satisfactory. The Type Commander Primary Support Equipment Controlling Authorities (PSECA) have, as a primary responsibility, the requirement to distribute new equipment and identify excess equipment for redistribution.

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