

GAO

Report to the Chairman and Ranking  
Minority Member, Subcommittee on  
National Security, Committee on  
Appropriations, House of  
Representatives

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July 1996

# DEFENSE MANAGEMENT

## Information on Selected Aspects of DOD's Jet Fuel Programs





**National Security and  
International Affairs Division**

B-272293

July 31, 1996

The Honorable C.W. Bill Young  
Chairman  
The Honorable John P. Murtha  
Ranking Minority Member  
Subcommittee on National Security  
Committee on Appropriations  
House of Representatives

In response to House Report 104-208, we reviewed the Department of Defense's (DOD) reimbursement pricing policies for the Defense Logistics Agency's bulk and into-plane jet fuel programs. The bulk fuel program refers to jet fuel that the agency's Defense Fuel Supply Center (DFSC) purchases from major commercial suppliers and transports directly (via trucks, pipelines, barges, and railroads) to military installations for use by military and other authorized aircraft. The into-plane program consists of individual contracts between DFSC and fixed-base operators<sup>1</sup> who provide jet fuel to authorized aircraft at contractually established prices. These prices are generally less than commercial prices charged at civilian airports. The policies and procedures of the Defense Business Operations Fund (DBOF)<sup>2</sup> govern the setting of standard prices for jet fuel.

Specifically, this report discusses

- pricing policies, rules, and regulations used to establish standard prices for both fuel programs and whether the cost factors used for each are consistent with applicable policies;
- whether bulk fuel usage and into-plane sales have changed in recent years and our assessment of the reasons for any changes; and
- the significance and validity of questions and complaints raised by into-plane contractors and the National Air Transportation Association about the effect on their businesses of DOD changes in the pricing of into-plane jet fuel.

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**Background**

In fiscal year 1995, bulk jet fuel usage by all military services totaled about \$2.7 billion and into-plane contract sales to authorized aircraft (including the military services and other U.S. government agencies) totaled about

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<sup>1</sup>Organizations at civilian airports that provide fueling and other support functions for private, corporate, and commercial aircraft.

<sup>2</sup>These policies and procedures are established by the DOD Comptroller.

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\$152 million.<sup>3</sup> According to DFSC, as of May 1996, there were 305 into-plane contractors covering about 500 airports or locations worldwide; 288 of them provided service at 340 locations in the United States. DOD officials told us that, among the military services, the Air Force was the major consumer of jet fuel, accounting for about 70 percent of the total.

DOD policy stipulates that the first choice to refuel military aircraft is bulk fuel at a military facility. When a bulk fuel source is not available or feasible, the next preference is an into-plane contractor. Purchasing fuel commercially without an into-plane contract is the source of last resort. This policy dates from the mid-1980s and was in effect prior to the establishment of separate bulk and into-plane standard prices.

When a military aircraft refuels at a location other than its home base, the pilot or aircrew presents a card identifying the aircraft by tail number and home unit to the fuel supplier. When military aircraft refuel at a military facility, the officer in charge of bulk fuel at that facility is responsible for billing the aircraft's home unit using the bulk fuel standard price in effect at the time. When an aircraft uses an into-plane source to refuel, the contractor bills and is paid by the Defense Finance and Accounting Service<sup>4</sup> (DFAS) based on the per gallon price contained in his contract in effect at the time of purchase. DFAS, in turn, bills the aircraft's home unit for the fuel purchase using the current standard price for into-plane fuel.

DFSC, using DBOF policies and procedures, establishes standard prices for both the bulk and into-plane contract jet fuel programs based primarily on costs that include purchases of product from contractors and program administration. Standard prices represent a uniform selling price for all services that facilitates budgeting for jet fuel requirements and simplifies the process for billing units. There are two commonly used military jet fuels—JP-8 and JP-5. The Air Force and the Army primarily use JP-8 while the Navy primarily uses JP-5 because its higher flash point is considered safer for use aboard Navy ships. Unlike commercial jet fuels, both JP-8 and JP-5 include additives to satisfy certain military requirements.

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<sup>3</sup>Authorized users include all DOD components, including Reserve Components; non-DOD departments and agencies of the U.S. government; and agencies of the governments of Canada and Germany—at U.S. locations. These contracts do not obligate the government to purchase any fuel from the contractor.

<sup>4</sup>DFAS, established in January 1991, is responsible for identifying and implementing finance and accounting requirements, systems, and functions for appropriated and non-appropriated funds, as well as working capital, revolving funds and trust fund activities.

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Before DBOF was established in 1991, DFSC used one standard price to charge the military services for jet fuel obtained from either bulk or into-plane sources. In fiscal year 1993, however, DFSC established separate standard prices for both fuel programs to comply with directions from the DOD Comptroller to establish prices that more accurately assign to DBOF customers DOD's costs of acquiring goods and services. In addition, this action responded to recommendations in a DOD Inspector General report<sup>5</sup> that all costs incurred to obtain fuel at commercial airports be billed to customers.

Separate standard prices, established and implemented in fiscal year 1993, resulted in a comparatively higher price for into-plane fuel. The higher standard price for into-plane fuel generated complaints from individual contractors as well as the National Air Transportation Association (NATA), which represents many into-plane contractors. The complaints were based on beliefs that (1) many into-plane contractors were experiencing reduced sales after separate standard prices were established and (2) many military aircraft were landing at their airfields without buying fuel (or buying very little) while expecting services, such as use of the facilities and transportation support, without paying for them.

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## Results in Brief

DBOF policies governed standard pricing for both the bulk and into-plane jet fuel programs. The standard prices used in each program were based on appropriate cost factors and complied with current DBOF policies. However, while the current policies as applied to the into-plane program meet DBOF's original objective that standard prices recover the total costs of goods and services provided to customers, they do not in the bulk fuel program. In that program, the current standard price is based only on the direct costs incurred by DFSC to supply jet fuel and, therefore, excludes the cost of fuel operations at military installations. By statute, DBOF excludes such costs for installations that perform mission critical functions, such as bases with combat-related missions. Although most installations with training missions do not qualify for the exclusion, their number is small and inclusion of all their operations costs in the bulk fuel standard price would not materially affect the difference between bulk and into-plane fuel standard prices. Inclusion of these costs would only have a substantial impact on the price difference between bulk and into-plane fuel at specific locations if the installations were not part of a standard pricing system.

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<sup>5</sup>Into-Plane Refueling, Office of the Inspector General, DOD, Report Number 93-029, December 9, 1992.

In recent years, DOD's consumption of jet fuel has declined significantly. The reduction is consistent with force downsizing and related reductions in the number of military flying hours. Between fiscal years 1991 and 1995, worldwide bulk jet fuel usage decreased by 33 percent and the total DOD flying hour program decreased by 30 percent. Domestic into-plane fuel usage, however, declined only 7 percent. Furthermore, the proportional consumption of bulk and into-plane jet fuel during this period remained relatively stable at approximately 96 percent to 4 percent, respectively.

The overall decline in jet fuel usage appears to account for much of the into-plane contractors' concerns about the effect of DOD fuel pricing policies on their businesses. The implementation of separate standard prices for jet fuel in 1993 produced an into-plane price that was higher than the bulk price. A number of into-plane contractors expressed concerns about the effect of the higher jet fuel prices on their businesses. However, although some military commands and units increased efforts to use bulk fuel, domestic into-plane jet fuel sales remained constant in fiscal years 1994 and 1995 following a drop from 1993. In addition, information developed by the NATA and selected into-plane contractors suggested that concerns expressed about military aircraft stopping at their facilities and not buying fuel or paying for services provided were neither widespread nor systemic.

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## Standard Jet Fuel Prices Are Consistent With Current DBOF Policies and Procedures

Standard prices for bulk and into-plane jet fuel were set in compliance with current DBOF policies and procedures. DOD 7000.14-R, Volume 11B, Reimbursable Operations, Policy and Procedures—Defense Business Operations Fund, dated December 1994, requires components to establish product prices at the lowest practical level in order to promote cost visibility/management and to motivate cost-effective customer/supplier behavior. Further, the regulation states that an activity or function (such as DFSC) must recover all of the direct costs it incurs to break even. However, the 1994 regulation does not fully meet the original intent for DBOF because it does not require the identification of other costs of operations that are incurred by operational components such as Air Force fighter squadrons. Accordingly, those fuel operations costs at military bases that are funded through the military service budgets are not included in the bulk fuel standard price. These costs, which are incurred directly by the individual military services—not DFSC, include contract labor, the salaries of military personnel, and military construction.

DOD officials cited several reasons for excluding these costs. First, in accordance with the regulation governing DBOF reimbursement policies, DFSC computes the bulk standard price using only those direct costs—fuel product, transportation, services, and operations—incurred by DFSC in supplying the jet fuel. Second, statutory provisions require the exclusion of mission critical functions from DBOF charges. At installations with combat-related missions, functions that are performed to maintain readiness, support military mobilization requirements, and, in the case of the Navy, allow for rotation of essential personnel between sea and shore duty are considered mission critical. Third, at installations with training-related missions, DOD also excludes fuel service costs because they are not direct DFSC costs and because they are associated with base fuel facilities and operations considered integral to the functioning of the installations. Further, DOD officials believe it would not be cost-effective to capture these costs because the financial systems are not set up to identify and report such costs and their inclusion would not materially affect the standard bulk price of jet fuel. While we agree with this view, we believe that, ideally, all costs should be captured under the DBOF concept to help develop a standard price that could be compared to prices offered by alternate jet fuel providers such as into-plane contractors. However, we recognize that this may not be possible in the near-term, given the state of existing defense accounting and financial reporting systems that are not currently set up to capture installation-level support costs with any precision. This problem is not new. We recently reported that, since DBOF was established in 1991, DOD has not achieved DBOF's objectives because of serious weaknesses in the accounting and financial reporting systems and other difficulties in implementation.<sup>6</sup>

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### Cost Factors Included and Excluded From Bulk Jet Fuel Standard Price

The initial standard price for into-plane fuel was established in fiscal year 1993 and for JP-8 was about \$0.19 per gallon higher than the bulk price. In 1994, the difference for JP-8 was \$0.41 per gallon. However, the difference is now less. For example, in fiscal year 1996, the standard price for JP-8 bulk fuel was \$0.76 per gallon compared to \$0.98 per gallon for into-plane contract fuel—a difference of \$0.22 per gallon.

The standard price for bulk jet fuel is intended to recover the costs that are directly incurred by DFSC in supplying jet fuel. The total of these costs are divided by the quantity of fuel estimated to be sold in that year to calculate an average cost per barrel, or standard price. Jet fuel standard

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<sup>6</sup>See Defense Business Operations Fund: Management Issues Challenge Fund Implementation (GAO/AIMD-95-79, Mar. 1, 1995).

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price computations start 18 months and are finalized 9 months in advance of the fiscal year affected. The standard price is not changed during the year without the approval of the DOD Comptroller. According to DFSC data, the fiscal year 1996 standard price of \$0.76 per gallon for JP-8 jet fuel was based on:

- The cost of product (\$0.60) makes up 79 percent of the standard price.
- The cost of transportation (\$0.07) represents 9 percent of the standard price.
- The cost of services (\$0.07) makes up 9 percent of the standard price. Services include costs of minor construction, maintenance, repairs, environmental compliance, and leasing of commercial storage.
- The cost of operations (\$0.02) is 3 percent of the standard price. The operations category covers DFSC staff (including the salaries of military personnel assigned to DFSC) and overhead costs.

The costs for on-base jet fuel distribution and refueling operations are funded directly from the military services' budgets, not by DFSC and, therefore, are not included in the standard price of jet fuel. DOD officials stated that it is appropriate to exclude these costs because most are mission related and essential to maintaining military training and readiness. In this regard, 10 U.S.C. 2216 (d)(2)(C) provides that DBOF charges for goods and services may not include amounts necessary to recover the costs of functions designated as mission critical. This would include contract and labor costs for fueler personnel, fueling equipment, and construction of storage tanks. Funds for these items are largely provided in the service appropriations for operations and maintenance, military personnel, and military construction. According to DOD officials, the largest excluded costs at combat or training facilities were personnel-related—the salaries of military personnel or contract/civilian labor costs.

The installations we visited that had combat-related missions used military personnel to perform most of the fueling operations. Most of the personnel had mobility ratings that required them to deploy during contingencies or mobilization. For example,

- Cannon Air Force Base (AFB), Clovis, New Mexico, which is under the Air Force's Air Combat Command, used military personnel for its fuel functions. About 76 percent of the 86 authorized aircraft fuelers were assigned to the fighter wing stationed at Cannon and were earmarked for mobilization.



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- Oceana Naval Air Station, Virginia Beach, Virginia, used about 50 military personnel assigned to the base to refuel aircraft stationed there. The shore duty at Oceana enables the Navy to provide personnel a shore rotational billet for about 24 to 36 months. These military personnel refuel aircraft aboard deployed aircraft carriers when assigned to sea duty.

Three installations we visited had training related missions. One of them, Luke AFB, used military personnel for base fueling operations because its command, the Air Education and Training Command, intends to maintain a capability to provide military fuel personnel for deployment and mobilization missions. The other two installations, Randolph AFB in San Antonio, Texas, and the Army's Fort Rucker, Alabama, used civilian contractors to perform fueling functions. Although cost information on these contracts was available at these bases—about \$5 million—it was not captured in the standard bulk fuel price.

DOD officials cited different reasons for not including contractor costs in its bulk fuel prices. Installation officials stated that mission-criticality was not a factor for the contractors providing fuel services because they had no deployment or mobilization missions. Nevertheless, they believed these costs should be considered “sunk” because the government’s investments in its facilities associated with aircraft fueling such as fuel equipment, fuel storage tanks, runways, and hangars were integral to the functioning of the base.

DOD officials also stated it would not be cost-effective to capture these costs considering the effort that would be required to collect accurate data or to establish a new standard pricing system for just training bases. This is especially true given the relatively small amount of fuel pumped at training bases when compared to combat bases. To illustrate, a DFSC official stated that even if most training base contract costs (mostly at facilities in the Navy and the Air Force) were added to the bulk fuel standard price, the impact would be approximately \$0.01 per gallon. While the different reasons for not including installation-level fueling costs in the bulk fuel standard price appear reasonable, inclusion of these costs only would have a substantial impact on the price difference between bulk and into-plane fuel at specific locations if the installations were not part of a standard pricing system.

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## Cost Factors Included in the Standard Price for Into-Plane Contract Jet Fuel

The standard price for into-plane contract jet fuel is based on two factors: the cost of product and DFSC operations costs. DOD officials told us in fiscal year 1996, this amounted to 98 percent and 2 percent of the standard price, respectively.

Into-plane contractors bid on DFSC contracts based on their cost of the jet fuel product, per-gallon fees, and their into-plane fee, which includes the contractors' pumping costs and profit. Cost of product is normally based on the invoices or certifications made by the contractor's jet fuel supplier or established by the weekly posted price in the Oil Price Information Service, a private weekly publication that shows commercial jet fuel market prices for specific geographic areas throughout the United States. Per-gallon fees are those imposed by governmental or airport authorities on a per-gallon basis, such as environmental and airport assessments, that must be paid by the contractor. Into-plane fees are negotiated by the contractors with DFSC and include the contractors' costs for items such as storage, record keeping, and fuel testing. It also includes the contractors' profit. The into-plane fees for all into-plane contracts ranged from \$0.03 to \$0.57 per gallon; the fees at the eight contractors we visited were between \$0.04 to \$0.49.<sup>7</sup>

Contractors can, and some do, charge military aircraft various handling fees such as landing and overnight parking fees when they do not buy fuel. For example, two of the nine into-plane locations we visited charged handling fees if the pilot did not buy fuel. Handling fees could be charged for needed items such as landing fees, parking fees, oxygen, or oil. We were told by base officials and pilots at bases that they do not permit into-plane contractors to work on their aircraft other than for minor maintenance.

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## Status of DOD's Financial and Accounting Systems

DBOF consolidated numerous industrial and stock funds<sup>8</sup> operated by the military services and DOD in 1991. Its overriding goal is to focus the attention of all levels of management on the total cost of carrying out and managing a number of critical DOD business operations, including the acquisition and distribution of jet fuel to the military services. A basic DBOF principle is to establish prices that recover the total costs of providing

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<sup>7</sup>The into-plane fee range is dictated by competitive market forces, other economic conditions, negotiations, and geographic location. For example, if the amount of fuel pumped at a location is expected to be great and several companies bid for the DFSC contract, the into-plane fee would likely be lower than if the projected volume were small and there was no competition.

<sup>8</sup>These are types of revolving funds that are modeled after business-like operations except they operate on a break-even basis by recovering the costs incurred in providing goods and services to customers.

goods and services to its customers. DBOF policies and procedures, which are established by the DOD Comptroller, govern the pricing for jet fuel provided to government aircraft.

We have reported serious weaknesses in the accounting and financial reporting systems and other difficulties in DBOF's implementation and previously concluded that additional functions and activities should not be added to DBOF until these problems are resolved. For example, under current systems, there is no way to (1) segregate the amount of work military personnel do for DFSC versus the amount of work they perform for the military service they are assigned to with any degree of precision or (2) accurately extract fuel related costs from large multifunction base level operations contracts. Such capabilities are essential to establishing standard prices consistent with the intent of DBOF. DBOF's problems are symptomatic of the weaknesses in DOD's overall financial management environment. We, congressional committees, and the DOD Inspector General have continually highlighted pervasive problems in DOD's financial operations, which we have designated as a high-risk area.<sup>9</sup>

## Force Downsizing Actions Reduced DOD's Jet Fuel Usage

Both bulk and into-plane fuel sales have declined in recent years due to the downsizing and realignment actions that have been occurring in the wake of the end of the Cold War. However, the proportion between worldwide bulk and into-plane fuel sales remained relatively stable at approximately 96 percent to 4 percent, respectively.

Between fiscal years 1991 and 1995, according to service data, total DOD flying hours dropped from about 7.2 million to just over 5 million—a decrease of 30 percent. For the same period, bulk fuel sales reported by DFSC to the military services declined 33 percent worldwide. Worldwide sales of into-plane fuel for the same period dropped 48 percent. However, according to DOD officials, the size of this drop was exaggerated by the unusually high sales in 1991 resulting from Operations Desert Shield and Desert Storm. Reported into-plane sales—domestic and foreign—for 1991 totaled 7.5 million barrels<sup>10</sup> compared to an average of about 4 million for the 4 following years. Reported domestic into-plane jet fuel sales decreased just 7 percent over this period, however, and remained steady in the last 2 fiscal years—1994 and 1995.

<sup>9</sup>High Risk Series: An Overview (GAO/HR-95-1, Feb. 1995).

<sup>10</sup>One barrel equals 42 gallons.

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Appendixes II and III provide details and summarize trends on the indicators previously discussed as well as others related to DOD fuel usage and force downsizing during fiscal years 1991-95.

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## Contractor Concerns Do Not Appear to Be Widespread Problems

NATA officials and some of its into-plane contractor members believed that many contractors were experiencing significant drops in their jet fuel sales following the establishment of separate standard prices for bulk and into-plane fuel. They also believed that many aircraft were landing at their airfields and not buying any or buying very little fuel while expecting the same level of service provided by the into-plane contractor to aircraft that bought fuel. They believed the above conditions to be widespread and systemic.

Information provided to us by NATA and individual into-plane contractors we visited did not substantiate these concerns as being either widespread or systemic. NATA volunteered to survey its 800 members who sell fuel (including about 250 into-plane contractors) to document the nature and extent of their concerns. Only 53 of the 800 members responded and 21 responses were illegible or unresponsive. Of the 32 usable responses,

- 12 (37 percent) showed a pattern of declining sales over 2 or more years,
- 7 (22 percent) reported an increase in sales for at least 2 years, and
- 13 (41 percent) indicated no clear pattern of increase or decrease.

Further, in a follow-up survey, only 4 of the 53 who responded to the first survey expressed any concern about government aircraft stopping and using their facilities without buying fuel.

We found similar results at the eight into-plane contractors (at nine sites) we visited—six of which were NATA members. DFSC domestic jet fuel sales data for 1991 to 1995 showed six contractors experienced stable—less than 1 percent change—or increased government sales; three experienced sales declines in excess of 10 percent. Three expressed concerns about military aircraft using their facilities without purchasing fuel. Two of the three contractors charged fees for such services.

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## Agency Comments

DOD generally agreed with the information contained in this report. Where appropriate, we have incorporated DOD's comments and other points of clarification throughout the report.

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Appendix I explains the scope of our work and the methodology used in conducting the study. Appendix II is a summary of indicators reflecting trends in jet fuel usage and aircraft inventory for fiscal years 1991 through 1995. The aircraft inventory charts in appendix II display totals for attack/fighter aircraft and bombers used by active and reserve forces. Appendix III shows the percentage of yearly changes in DOD indicators. Appendix IV contains a reproduction of DOD's comments.

We are sending copies of this report to interested congressional committees and Members of Congress; the Secretary of Defense; the Director, Defense Logistics Agency; the Commander, Defense Fuel Supply Center; and the Director, Office of Management and Budget. We will also make copies available to others on request.

Please contact me at (202) 512-8412 if you or your staff have any questions concerning this report. Major contributors to this report are listed in appendix V.

A handwritten signature in black ink that reads "David R. Warren". The signature is written in a cursive style with a long, sweeping underline.

David R. Warren, Director  
Defense Management Issues

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**Contents**

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**Abbreviations**

AFB	Air Force Base
DBOF	Defense Business Operations Fund
DFAS	Defense Finance and Accounting Service
DFSC	Defense Fuel Supply Center
DOD	Department of Defense
NATA	National Air Transportation Association

# Scope and Methodology

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Our study of the Department of Defense's (DOD) jet fuel reimbursement pricing policies was performed DOD-wide and included briefings and discussions with Office of the Under Secretary of Defense (Comptroller) and (Logistics) officials and with jet fuel managers at the Defense Logistics Agency, the Air Force, the Army, and the Navy headquarters.

At DOD, the military services, and the Defense Fuel Supply Center (a component of the Defense Logistics Agency), we identified and obtained overall information on the policies and procedures for buying and pricing bulk and into-plane contract fuel. We also obtained overall data on the quantities and value of jet fuel purchased by the military services for fiscal years 1991 through 1995 to determine recent trends in sales from the Defense Fuel Supply Center. Information provided by the Defense Fuel Supply Center is the best available government data. We did not validate the accuracy of the databases from which this information was obtained.

We visited seven military bases to observe the aircraft refueling process; identify the costs associated with receipt, storage, and distribution of jet fuel; and determine general mobilization or contingency missions. The military installations were Andrews Air Force Base (AFB), Maryland; Cannon AFB, Clovis, New Mexico; Randolph AFB, San Antonio, Texas; Luke AFB, Glendale, Arizona; Fort Rucker, Enterprise, Alabama; Fort Bliss, El Paso, Texas; and Oceana Naval Air Station, Virginia Beach, Virginia.

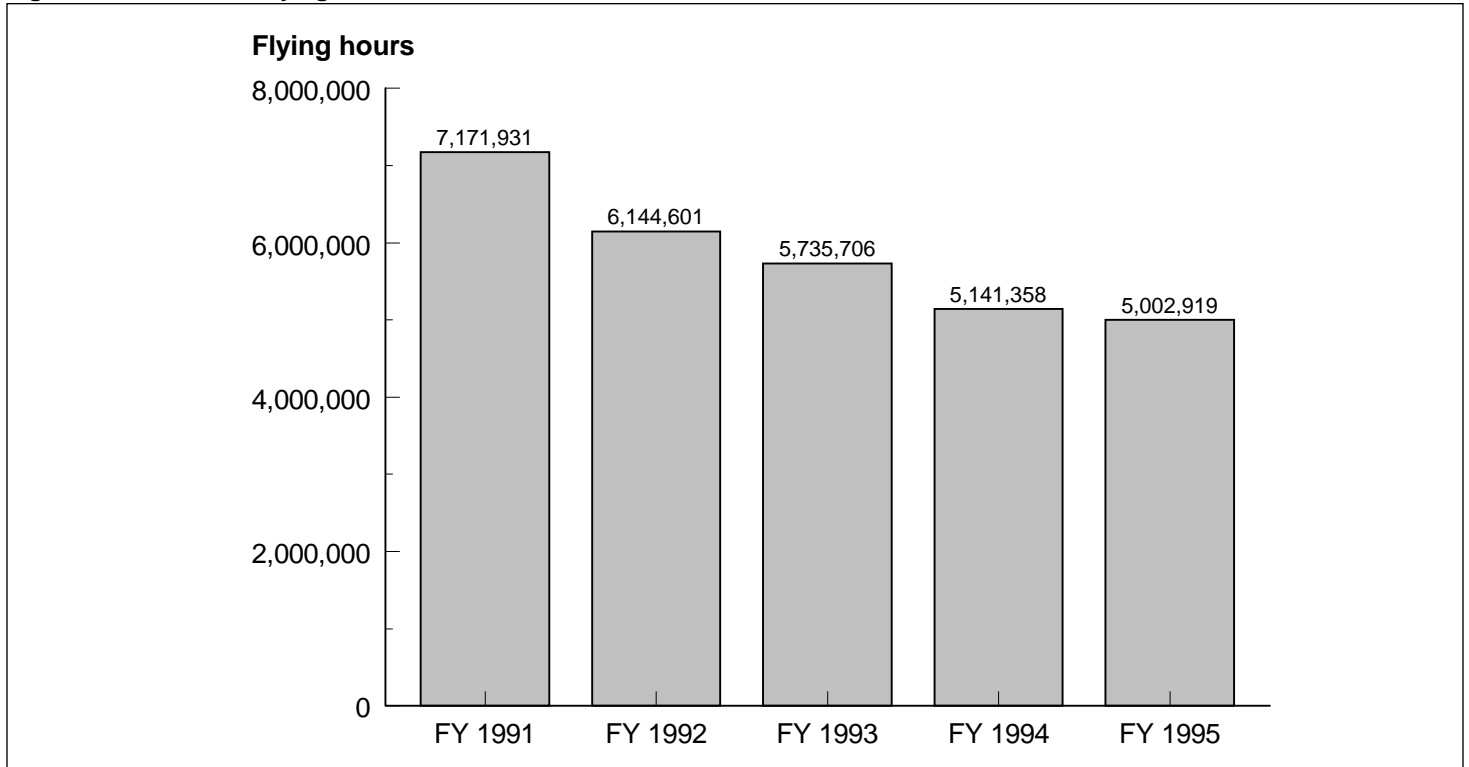
We also met with representatives of the National Air Transportation Association to discuss their concerns and review results of a survey (volunteered by the organization) of their into-plane contractors to identify and document the nature and extent of member concerns. We also visited eight into-plane contractors (at nine geographic locations) to discuss their contracts with the Defense Fuel Supply Center and concerns about sales of jet fuel to military and other authorized aircraft. The into-plane contractors visited were Andalusia-Opp Airport Authority, Andalusia, Alabama; Pensacola Aviation Center, Inc., Pensacola, Florida; Flight International Aviation, Inc., Newport News, Virginia; Great Southwest Aviation, Inc., Roswell, New Mexico; Oasis Aviation, El Paso, Texas—two locations; GTA Aviation Services, Inc., Phoenix, Arizona; Hawthorne Aviation, Chantilly, Virginia; and Raytheon Aircraft Services, Inc., San Antonio, Texas.

We conducted our review from October 1995 through July 1996 in accordance with generally accepted government auditing standards.



# Selected DOD Indicators, Fiscal Years 1991-1995

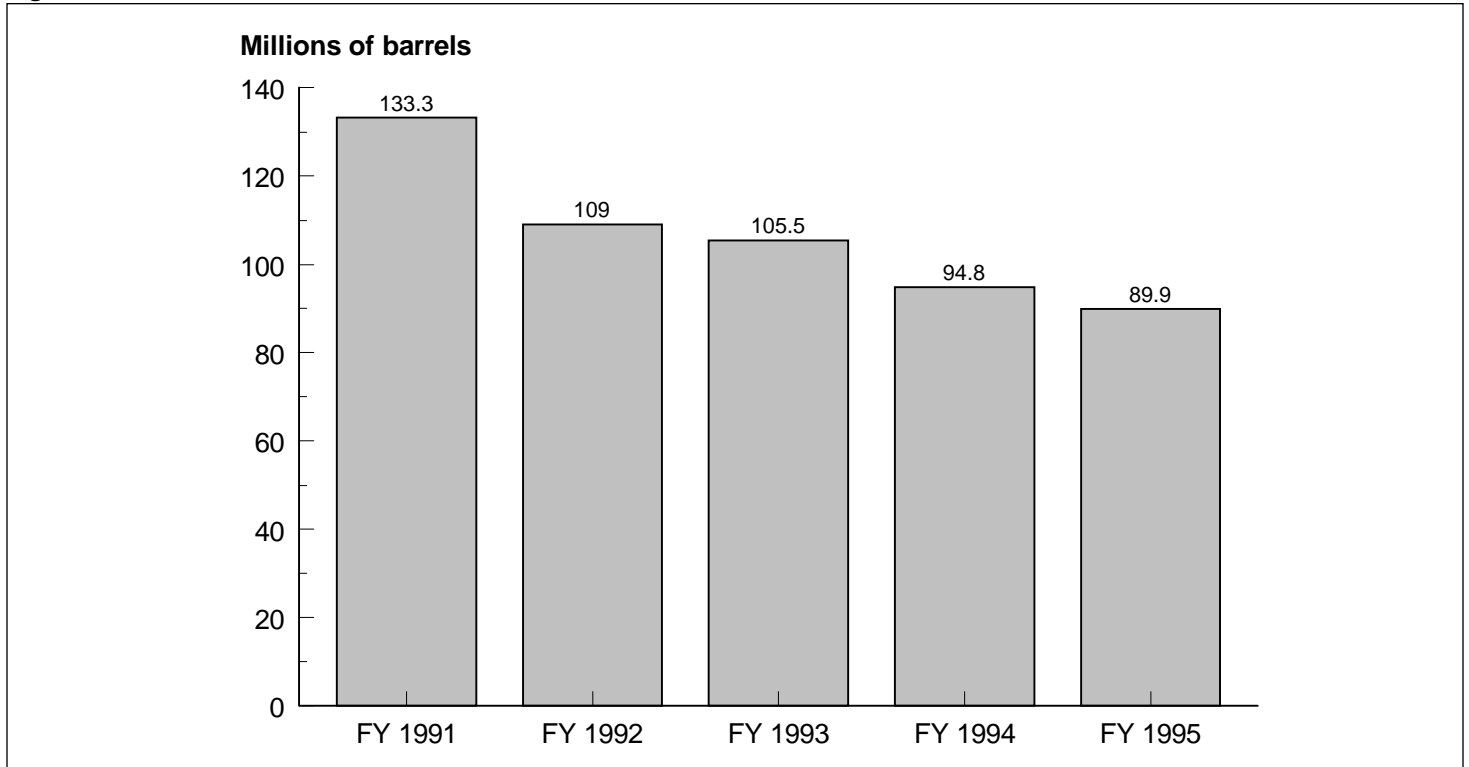
Figure II.1: Total DOD Flying Hours



Source: DOD.

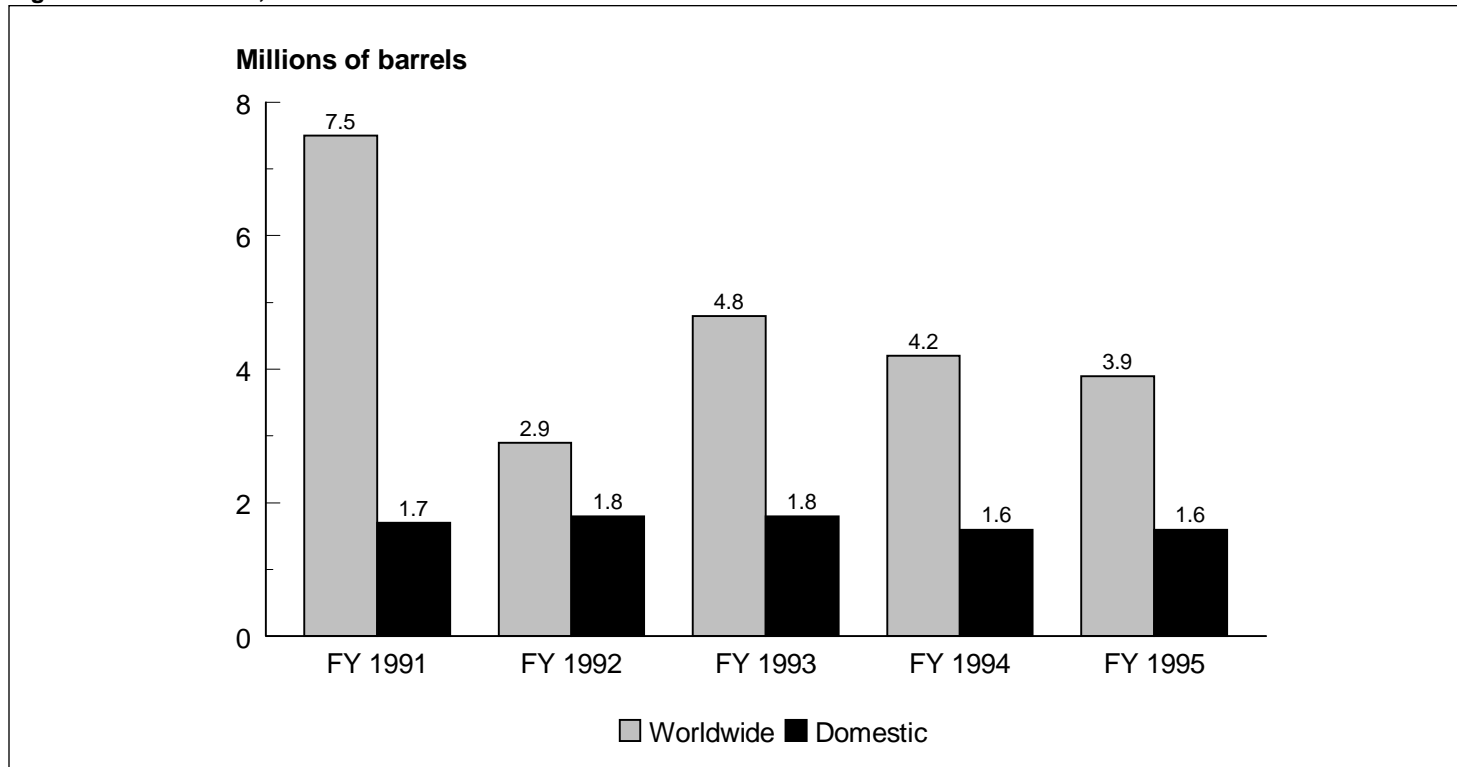
**Appendix II**  
**Selected DOD Indicators, Fiscal Years**  
**1991-1995**

**Figure II.2: Bulk Jet Fuel Sales**



Source: DOD.

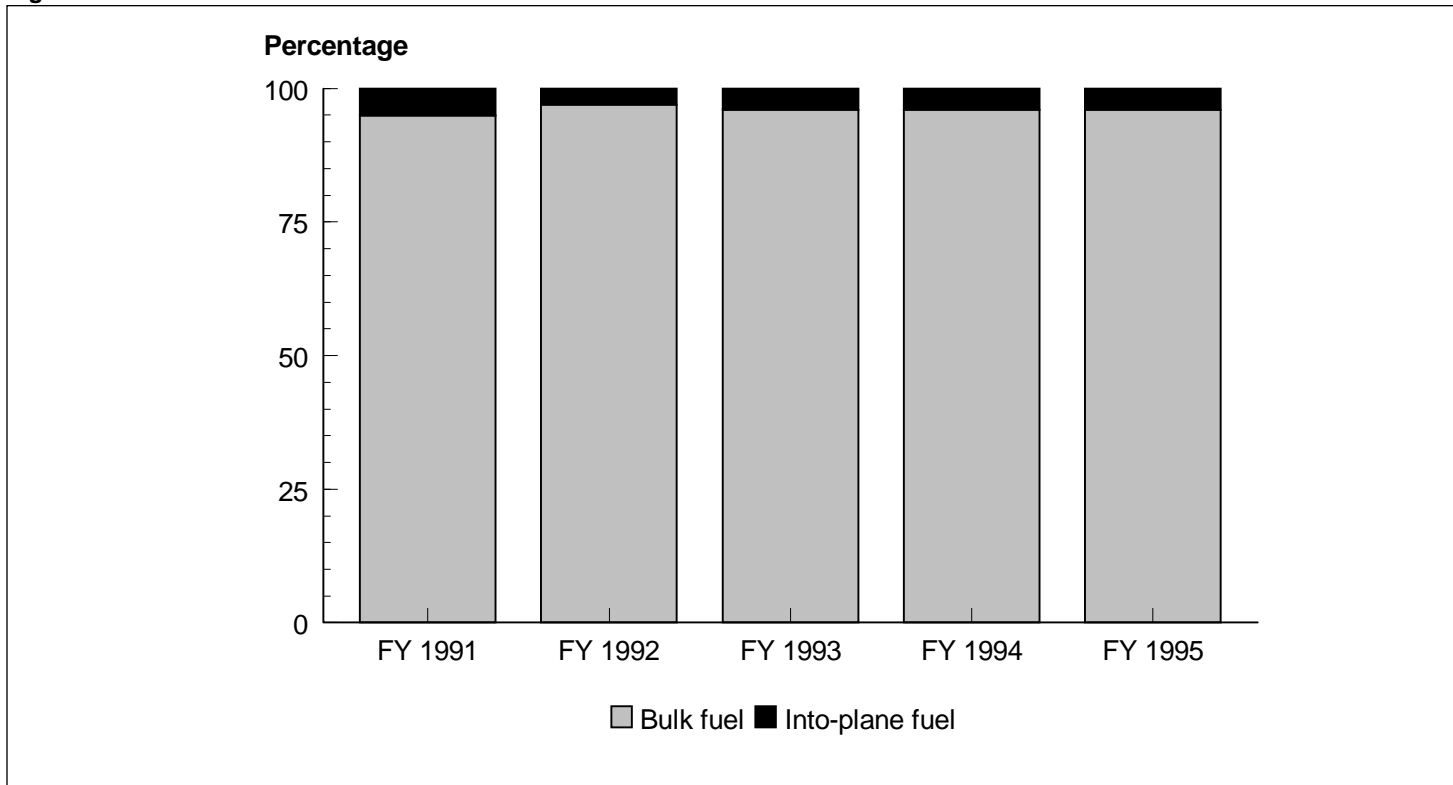
Figure II.3: Worldwide, Domestic Into-Plane Sales



Source: DOD.

Appendix II  
Selected DOD Indicators, Fiscal Years  
1991-1995

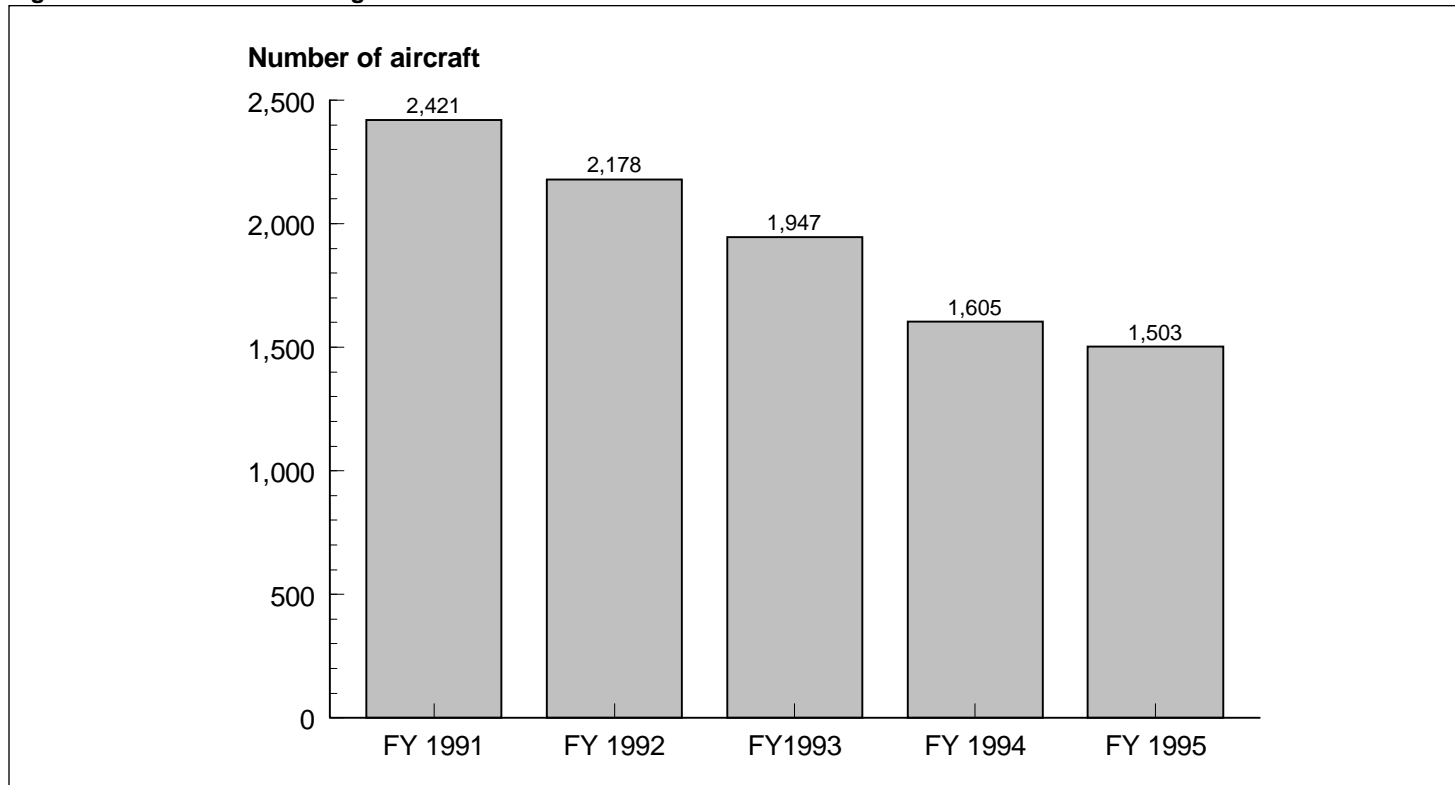
Figure II.4: Percent of Bulk and Into-Plane Sales



Source: DOD.

**Appendix II  
Selected DOD Indicators, Fiscal Years  
1991-1995**

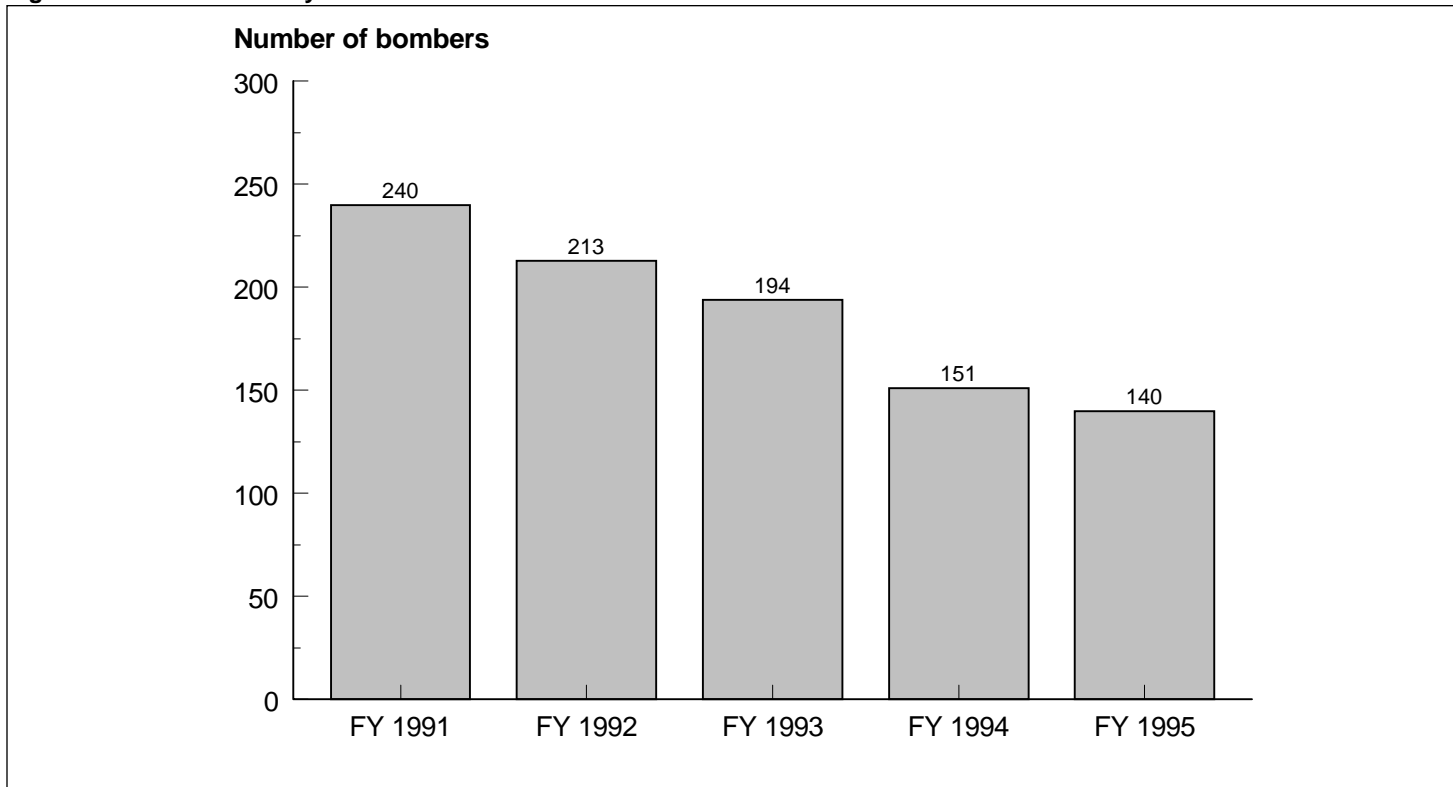
**Figure II.5: Air Force Attack/Fighter Aircraft**



Source: DOD.

**Appendix II**  
**Selected DOD Indicators, Fiscal Years**  
**1991-1995**

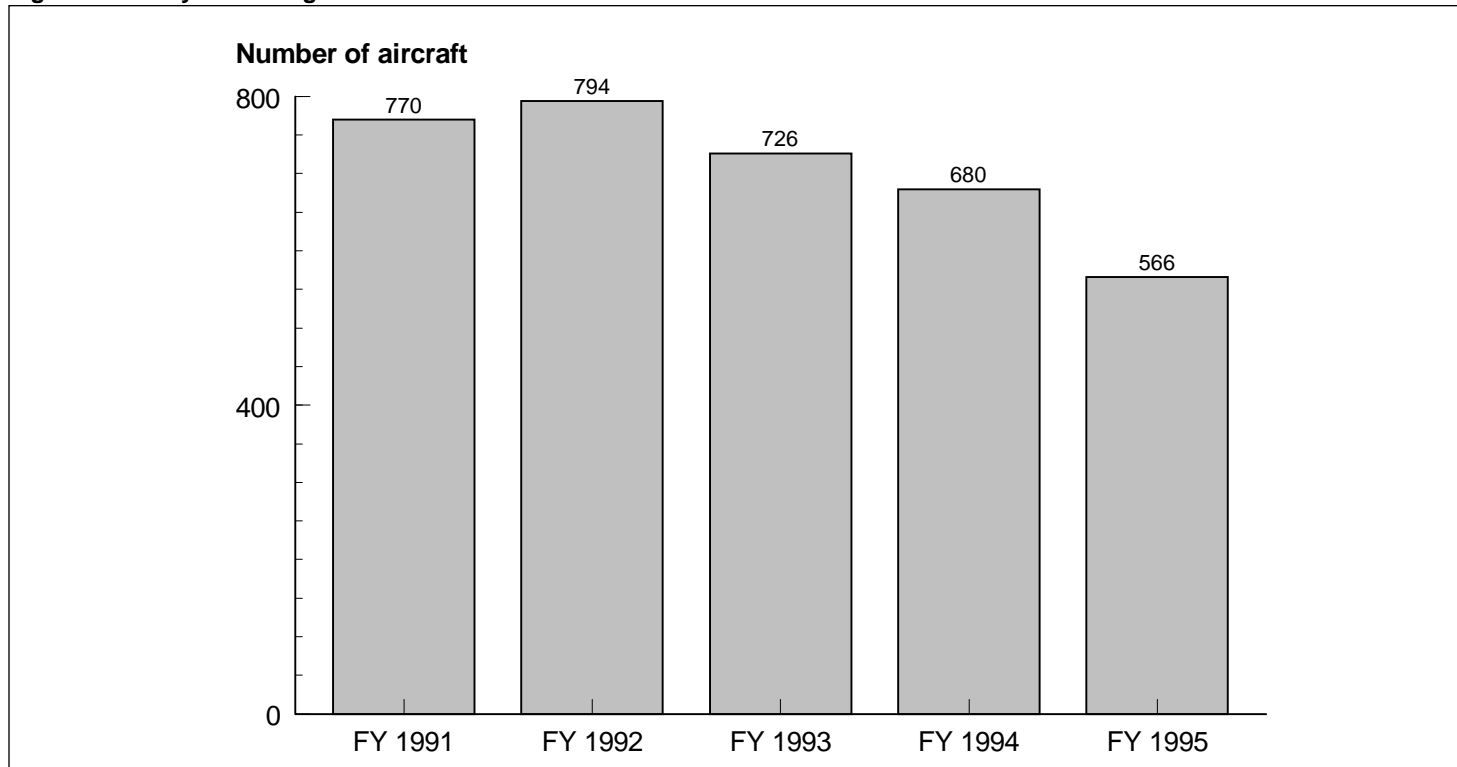
**Figure II.6: Air Force Heavy Bombers**



Source: DOD.

**Appendix II**  
**Selected DOD Indicators, Fiscal Years**  
**1991-1995**

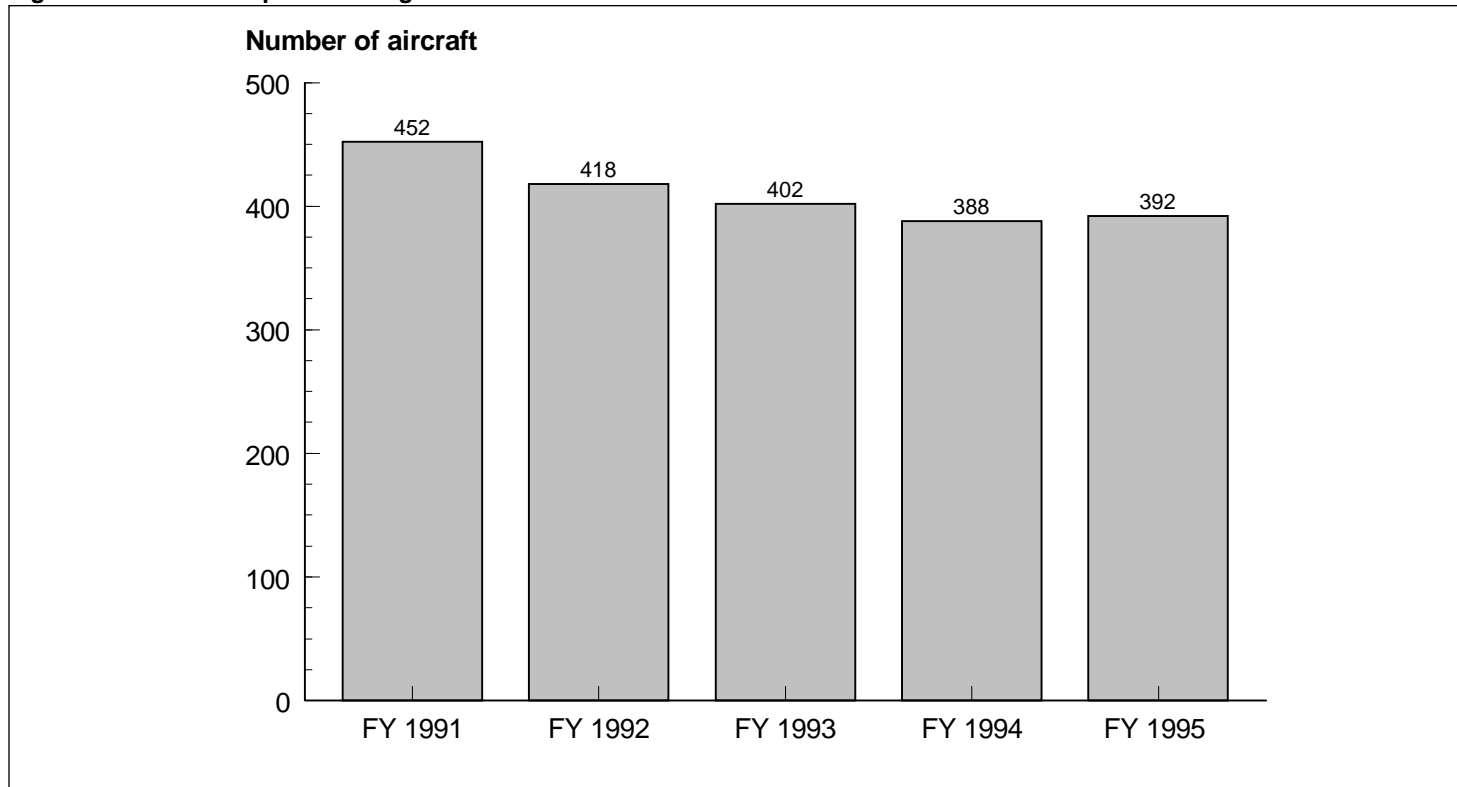
**Figure II.7: Navy Attack/Fighter Aircraft**



Source: DOD.

**Appendix II**  
**Selected DOD Indicators, Fiscal Years**  
**1991-1995**

**Figure II.8: Marine Corps Attack/Fighter Aircraft**



Source: DOD.



# Percentage Change From Prior Fiscal Year for Selected DOD Indicators

<b>Item</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>Total percent decline since 1991</b>
Air Force attack/fighter aircraft	-10	-11	-18	-6	-38
Air Force heavy bombers	-11	-9	-22	-7	-42
Navy attack/fighter aircraft	+3	-9	-6	-17	-26
Marine Corps attack/fighter aircraft	-8	-4	-3	+1	-13
Total DOD flying hours	-14	-7	-10	-3	-30
Bulk jet fuel	-18	-3	-10	-5	-33
Worldwide into-plane jet fuel	-61	+66	-13	-7	-48
Domestic into-plane jet fuel	+6	0	-11	0	-7

Source: GAO calculations based on DOD data.

# Comments From the Department of Defense



ACQUISITION AND  
TECHNOLOGY  
(L/MDM)

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON DC 20301-3000



24 JUL 1996

Mr. David Warren  
Director  
Defense Management Issues  
National Security and International  
Affairs Division  
U.S. General Accounting Office  
Washington, DC 20548

Dear Mr. Warren:

This is the Department of Defense (DoD) response to your General Accounting Office (GAO) draft report, "Information on Selected Aspects of DoD's Jet Fuel Programs," dated July 11, 1996 (GAO Code 709169/OSD Case 1189). The DoD generally agrees with the report as presented. The Department provided separate technical comments to your staff for consideration.

The Department appreciates the opportunity to comment on the draft report.

Sincerely,

James B. Emahiser  
Assistant Deputy Under Secretary  
(Material and Distribution Management)



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