THESIS

DEVELOPMENT OF A COMPREHENSIVE PROCESS FOR THE DEPARTMENT OF THE NAVY TO CAPTURE REIMBURSEABLE COSTS AS IT RELATED TO THE USE OF AIRCRAFT PLATFORMS IN SUPPORT OF GLOBAL CONTINGENCIES FROM THE OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

by

Orie D. Frazer

December 2001

Thesis Advisor: John E. Mutty
Co-Advisor: Jerry L. McCaffery

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**Title and Subtitle**
Development of a Comprehensive Process for the Department of the Navy to Capture Reimbursable Costs as it Related to the Use of Aircraft Platforms in Support of Global Contingencies from the Overseas Contingency Operations Transfer

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This thesis examines the processes used by the Navy and the Air Force for identifying incremental costs associated with the aircraft platforms used in support of the Noble Anvil campaign, which highlighted the bombing of Kosovo. Examination of these methods was done to determine if the Navy was able to properly and completely capture incremental costs to receive full reimbursement from the Overseas Contingency Operations Transfer Fund (OCOTF). The thesis begins with an overview of the OCOTF and its intended purpose, and continues with an in-depth analysis of the processes implemented by both services to identify and report incremental costs for aircraft platforms to OSD. It further compares the methodologies, highlighting the advantages and pitfalls of each, and assesses the possibility of lost funding to the Navy based on the processes employed.

This research concludes that the Navy did not suffer any loss of funds based on inequity in disbursements from the OCOTF based on the methodologies it exercised. However, key factors which potentially prevented greater reimbursement were identified to be: 1) The interpretation of vague guidance for determining incremental costs, 2) Poor record-keeping and accountability of operational missions flown, 3) The use of different methodologies for capturing incremental costs by both services and within the Navy, and 4) The impact of the Navy’s forward deployed status on incremental costs.

Recommendations are made for improvements which the Navy may adopt to maximize reimbursement from the OCOTF.
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B.S., Wilmington College, 1992

Submitted in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL

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I. INTRODUCTION

A. PURPOSE

This thesis analyzes the documented incremental costs for the Departments of the Navy and Air Force for Operation Allied Force/Noble Anvil, which highlighted the Kosovo bombing campaign during the period March through June 1999.

Analysis of these costs show that despite an apparent imbalance of reimbursements from the Overseas Contingency Operations Transfer Fund (to be referred to as OCOTF or the Fund), the Navy did receive its fair share from the Fund based on the cost data it submitted. OCOTF reimbursements showed the Air Force as receiving 84% of the disbursements, with the remainder being distributed to the Navy. The key factor in this disparity was the difference in methodologies used within the Navy and by the Air Force. The two services applied different cost per flying hour estimates in their billing processes. The method used by the Air Force, combined with the number of missions flown generated higher incremental costs, and therefore greater reimbursement from the Fund. Other factors contributing to the difference in disbursement include the forward deployed status of the Navy which limited its entitlement to additional costs; and infrastructure claims made by the Air Force which were not applicable to the Navy.

B. ORGANIZATION OF STUDY

An in-depth review of documented reports and current regulations provided the backdrop which illustrates why problems with identifying incremental costs for
contingencies is difficult, not only for the Navy, but for all services. While the 2001 version of the Department of Defense Financial Management Regulation (DoDFMR) now provides a comprehensive outline of what is required of the services, research into the evolution of the chapter addressing contingency operations shows that such clarity was not prevalent in the preceding 1995 version. The DoDFMR is the primary document relied upon by the services to outline key parameters sought by the Office of the Secretary of Defense and Congress for verification of claimed reimburseable costs. It was found that critical information was not available in the initial 1995 version, and military leaders responsible for ensuring the correctness of the claims, were left to their own interpretation of what should be considered reimburseable until clarification was provided in the updated 2001 chapter.

Comparative reviews of the procedures employed by the services, prior to receipt of the new guidance, revealed that there was clearly no uniformity or clarity of what methodology would be most beneficial. The lack of guidance and the responsibility being placed on the services to implement their own systems of identifying costs resulted in each service utilizing starkly different systems. Research shows that during this period, the Air Force’s approach to identifying incremental costs was the most successful for gaining increased reimbursements from the OCOTF, while the Navy remained more conservative, and received less. Contrasting the former systems used to the ones currently mandated reflect the impact of the changes that have taken place over the past decade.
A wealth of studies conducted by the General Accounting Office (GAO) provided the most comprehensive information available on DOD contingency operations, and the incremental costs incurred as a result of supporting them. Key information was drawn from GAO Report NSIAD-00-168, "Fiscal Year 2000 Contingency Operations Costs and Funding; and GAO Report NSAID-00-100R, "Fiscal Years 1999 and 2000 Contingency Operations Cost and Funding [Refs 5 and 7]. The concerns of Congress regarding the variations in claims for reimburseable costs from the OCOTF resulted in numerous requests for definitive data on why such a problem existed throughout the Department of Defense; which resulted in GAO expending many hours in the investigation and collection of this information.

Direct contact with persons possessing corporate knowledge on incremental costing determination systems, both current and pre-OCOTF days, was invaluable. While it was not possible to interact with military members who were instrumental in compiling cost data during the period in question, contact with civilian employees (specifically at the NAVCOMPT and SAF/FMB (Air Force) levels) provided great overviews of the bigger picture. While the quest to find persons associated with the detailed methodology of capturing costs at the unit level during FY99 was not achieved, conversations with individuals at higher levels within the chain assisted the researcher in understanding the numerous variables which contribute to the problems associated with accurately capturing incremental costs. Interviews with the analysts who compile and cost incremental data for the Navy and the Air Force, under the current system, provided insight to the methodologies that
may have been applied in past practices. Also, access to the historical files, yielded data which had been submitted for past campaigns. Even though the records did not expressly identify what factors were used in the compilation process, it was possible to compare the various types and numbers of aircraft assets which contributed to each. This aided in assessing what type of costs were considered to be valid incremental costs.

Finally, reviews of budgetary data revealed the differences in how contingencies were funded before and after the implementation of the OCOTF. The past ten years of historical data demonstrate the evolution of the process from each service, in effect, being penalized with reduced training dollars if cost overruns were not reimbursed by supplemental funding or reprogrammings, to the establishment of the OCOTF which was designed to regulate the steady stream of alternative funding actions.

The continuing sections in this chapter will provide an overview of the contingency and the support requirements of both services.

C. NOBLE ANVIL

In the early 1990’s Kosovo became the new world hotspot, with ethnic Albanians and Serbian refugees feuding over which group deserved to inhabit the area. Several years of what came to be known as “ethnic cleansing” captured the attention of the world stage. There ensued international demands for peace in the area. Refusal by Yugoslav leaders to meet peace initiatives, as dictated by NATO, led to an allied bombing campaign over the area. The
NATO response to the Kosovo conflict was entitled Operation Allied Force, with the U. S. Naval force component referred to by mission title Noble Anvil.

D. NAVAL SUPPORT REQUIREMENTS

Naval forces tasked to participate in the campaign included the USS Theodore Roosevelt carrier battle group which was comprised of the aircraft carrier, USS Theodore Roosevelt; cruisers USS Vella Gulf and USS Leyte Gulf; destroyers USS Gonzales, USS Ross and USS Peterson; submarines USS Albuquerque and USS Boise; and the Kearsarge Amphibious Ready Group which consisted of the USS Kearsarge, USS Ponce and the USS Gunston Hall [Ref 15].

Upon commencement of the bombing campaign, the USS Theodore Roosevelt (CVN 71) and its attached air wing (CVW-8) were pre-positioned in the Mediterranean theater for regularly scheduled deployment and operations. The USS Enterprise (CVN 65) did not participate in the campaign, but contributed aircraft support from its air wing (CVW-3). Additionally, specialized support aircraft were contributed by Commander, Naval Air Forces, Pacific (CNAP), in the form of EA6Bs and P3Cs. Shown below are the aircraft contributed by CNAP (Table 1), and CNAL (Table 2), delineated by type-model-series (TMS). The hours flown in support of the contingency are also noted:
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| VFA-37   | FA-18C  | 228.4| 115.3| 0.0  |
| VFA-105  | FA-18C  | 210.8| 93.2 | 0.0  |
| VAW-126  | E-2C    | 96.5 | 23.2 | 0.0  |
| VS-22    | S-3B    | 174.8| 76.9 | 0.0  |
| HS-7     | SH-60F  | 98.6 | 39.2 | 0.0  |
| HS-7     | HH-60H  | 73.9 | 36.9 | 0.0  |
| VQ-6     | ES-3A   | 96.5 | 47.9 | 0.0  |

| CVW-8    |         |      |      |      |      |
| CVN-71   |         |      |      |      |      |
| VF-14    | F-14A   | 329.4| 593.3| 263.9|
| VF-41    | F-14A   | 329.4| 634.5| 305.1|
| VFA-15   | FA-18C  | 421.7| 684.9| 263.2|
| VFA-87   | FA-18C  | 421.7| 742.3| 320.6|
| VAW-124  | E-2C    | 193.1| 309.3| 116.2|
| VS-24    | S-3B    | 349.7| 728.1| 378.4|
| HS-3     | SH-60F  | 197.2| 282.6| 85.4 |
| HS-3     | HH-60H  | 147.9| 159.6| 11.7 |

Table 1. Hours Flown in Support of Noble Anvil by Naval Air Forces, Pacific
### Table 2. Hours Flown in Support of Noble Anvil by Naval Air Force, Atlantic

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### E. AIR FORCE SUPPORT REQUIREMENTS

In contrast to the Navy’s forward deployed assets, the Air Force provided aircraft from various bases stateside and overseas. Table 3 shows that aircraft were sent to the European theater from the Air Combat Command, Langley AFB, VA; Air Mobility Command, Scott AFB, IL; Air Education and Training Command, Randolph AFB, TX; as well U.S. Air Forces Europe (USAFE), Ramstein AB, Germany. The use of each
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Table 3. Hours Flown in Support of Noble Anvil by the Air Force

The following chapters will address the reason for the implementation of the OCOTF, and its purpose. It will be shown how incremental costs were identified and computed by the Commander in Chief, Atlantic Fleet (CINCLANTFLT), and Commander in Chief, Pacific Fleet (CINCPACFLT), as well as the Air Force. Comparative analysis of these systems will reveal the causes of the disparities in incremental costing by the services, which would later claim the attention of Congress. Conclusions discuss why the Navy’s portion of the reimbursement from the OCOTF is considered to be fair. Finally, recommendations for improving this position are offered. Specific areas of improvement include the need...
for the Navy to establish a viable system for identifying and capturing incremental costs, which can aid senior leaders in justifying claims of increased costs for contingencies to OSD.
II. OVERVIEW OF THE OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

A. ESTABLISHMENT AND PURPOSE

The Overseas Contingency Operations Transfer Fund was established in FY 1997 by DOD Appropriations Act, PL104-208, to meet operational requirements in support of contingency operations without disrupting approved program execution or force readiness [Ref 1, p73].

The OCOTF for payment of military pay, allowances and support; operations and maintenance of forces; procurement and equipment and RDT&E associated with contingency operations. The implementation of such a fund was necessary due to the increasing number of contingencies worldwide supported by U. S. military forces. In the past, each service generated their annual budget based on projected mission and training requirements to attain a level of combat preparedness, however contingencies were not considered in the budget estimate. Known training requirements were, and still are, generally funded at a rate less than one hundred percent. Before establishment of the Fund, additional costs for supporting unforeseen contingencies were initially funded through funds budgeted for training, and the services later recouped monies through reprogrammings, and/or supplemental appropriations which funneled funds back to their respective Operations and Maintenance and Military Personnel accounts. Any shortfalls in the reimbursements were absorbed within the service’s current budget appropriations.
For years, Congress wrestled with the problem of paying for unforeseen conflicts from existing military budgets, realizing the impact suffered through decreased training and mission readiness. Although supplemental legislation could relieve the situation, it was subject to discretionary spending limits imposed by the Budget Enforcement Act. The only way to circumvent the spending limit under this Act was to designate funding as “emergency”, which was done frequently.

Congressional concerns over the best way to resolve this on-going dilemma led to numerous investigations by the General Accounting Office (GAO), yielding recommendations to either amend the existing mechanisms for funding contingency operations, or create new ones [Ref 3, Summary]. Thus, the Fund was born.

It would soon be realized that in spite of the newly installed funding mechanism, continuing contingencies were being budgeted for within the Fund at a rate much less than what was necessary to carry out mission objectives, as outlined in the following section on funding. Also, a lack of reserve funding for unforeseen conflicts further complicated the issue.

B. OPERATION OF THE FUND

The OCOTF is funded by annual Congressional appropriation, which is based on contingency estimates presented by the Secretary of Defense (SECDEF), and incorporated in the President’s budget. The responsibility for managing the Fund, screening reimbursement requests and authorizing disbursements from it, rests with SECDEF.
The estimates used to keep the Fund operating are generated by the military services and defense agencies which attempt to predict how much on-going and projected conflicts will cost by considering factors such as required operations, expected duration, logistical support, environmental factors, force size, and special pay of participating troops.

Despite the Fund receiving budgeted dollars by Congressional appropriation, it has invariably been replenished throughout the year by a continuous stream of reprogramming actions and emergency supplementals as operations increase, and claims begin to exceed the earmarked minimums. For the Noble Anvil bombing campaign alone, the Fund received an injection of an additional $5.78 billion through these channels [Ref 6, p27]. This process has been consistent for all campaigns since its inception. While our military leaders are adept at assessing the probable impact of the noted factors on the budget, they cannot foresee the future. This is the primary reason for the continuous fluctuations in the balance of the Fund. Over the past five years, it has been severely underfunded in great part due to the inability to forecast the future cost of large scale operations. Past cost data and inflation estimates have proven to be ineffective when it comes to closing in on targeted contingency costs. One example is the $462 million estimate for Vigilant Warrior, which funded activities in Southwest Asia, but only realized actual costs of $258 million. Unexpended funds from operations such as this were reprogrammed to support other contingencies that were underfunded. A historical roller coaster of actual costs
for past contingencies has set the precedent of appropriating less rather than more. This change is evidenced by the Army’s Logistics Civil Augmentation Program which supported Bosnia. It was initially given a cap of $192 million, but only five months into the program costs had reached $247 million and were expected to skyrocket to $500 million before the end of the contingency [Ref 6, p27]. More recently, this was evidenced by the original estimate to fund Kosovo operations at $5.46 billion, which was later adjusted up to $11.24 billion [Ref 2, p1]. It is suspected that the “low-balling” of estimates for global conflicts lies in the political ramifications of revealing the true costs of sustaining contingencies. Displeasing Congress with the prospect of long-term and costly conflicts could easily result in areas of interest not being funded for military support.

This problem is further exacerbated by the decision to commence or participate in additional conflicts which are not included in the original estimates. As reports of actual costs are revealed, monies are funneled into the Fund via supplemental appropriations for costs incurred to date. It is evident that bills will continue to mount as long as operations persist. Costs billed, but not recouped within the same fiscal year or refunded too late in the fiscal year to reprogram, are lost to the service. The unfortunate result here is that the services will generally fund some part of the contingency out-of-pocket due to the lag time of reimbursements from the Fund.
C. INCREMENTAL COST IDENTIFICATION AND REIMBURSEMENT

As with all new systems, there were some inefficiencies at first with the OCOTF. Although the services had reported incremental costs for contingencies as required by the Omnibus Budget Reconciliation Act of 1990 and the February 1995 version of the DOD Financial Management Regulation (DoDFMR), until recently, there existed no standardized methodology of compiling and documenting these data; or guidance on what costs should be considered as incremental. The lack of a uniform method of capturing contingency costs was noted even before the inception of the OCOTF. A 1995 GAO report described DOD financial systems as being:

unreliable, high risk, not integrated; and the services being ill-equipped to reliably capture actual incremental costs [Ref 8, p14-15].

The revised version of the “Contingency Operations” was published as part of the DoDFMR in February 2001, and is outlined in Volume 12, Chapter 23. This guidance clarifies incremental costs to be limited to those

above and beyond baseline training operations, and personnel costs [Ref 4, p23-6].

Therefore, only those costs that would not have been incurred during the normal course of completing scheduled mission requirements can be assessed as incremental to new operations.

The categories for which services can now base incremental costing include personnel, personnel support, operating support and transportation. Within these
categories, the services may identify related costs in any of the following major subsets:

1. military and civilian pay, clothing and equipment
2. reserve activation and deactivation
3. operational training, supplies and equipment
4. facilities/base support
5. reconstitution
6. airlift, sealift and inland transportation

Before this more clearly delineated guidance was imparted to the services, each was left to its own judgement in identifying and reporting costs considered to be above and beyond budget. This lack of a benchmark by which to measure the methods used, resulted in a variety of systems being implemented across the Department of Defense. Differences were even found to exist within a service. As will be highlighted later in the thesis, both the Commanders in Chief of the Atlantic (CINCLANTFLT) and Pacific Fleets (CINCPACFLT) employed starkly different techniques in order to determine incremental costs for the Noble Anvil campaign. Both these methods also varied from the one used by the Air Force.

All methodologies have been assessed in the past on their own merit and reimbursement from the Fund has been made regardless of the approach used by the service. However, it has become apparent that one standardized system is needed to provide the appropriate guidance, and ensure claims for reimbursement are based on the same basic
parameters across all services. For the purposes of this research, only operational costs were investigated as they represented 66.4% of the costs incurred for contingencies in FY99; with 91% of all contingency costs for the period being borne by the Operations and Maintenance (O&M) appropriation [Ref 5, p9-10]. Operating support includes the costs to fly aircraft, steam ships, and operate ground vehicles and facilities for deployed forces. Personnel costs which (represented 19.3% of all costs) are paid at a pre-determined rate based on troop strength, which is tracked by the United Nations. In this case, no supporting documentation is required. Verifying data must, however, be submitted for operational cost increases. The remaining 14.3% of costs billed were for transportation, which will not be specifically addressed herein although they are also part of the O&M appropriation.

The responsibility for compiling and presenting incremental cost estimates rests with the Service Secretaries and Heads of Defense Agencies, who are expected to report costs monthly to the Defense Finance and Accounting Service (DFAS). Current and past policy dictate that cost collection requirements will be disseminated to the unit level, where all necessary information is to be gathered and documented. Instead of leaving agencies to their own devices, the newly implemented standard requires compilation of data by service-specific codes which will assist in linking costs that are captured to the service which incurred them. A formalized accounting system will also aid in tracking contingency-related obligations and disbursements. Finally, consolidated service and agency reports are submitted monthly by DFAS to the Under
Secretary of Defense (Comptroller), (USD(C)) [Ref 4, p23-3].

Reimbursement for U.S. forces contributed to support global contingencies is “automatic”, and is not the focus of this thesis. The United Nations (UN) tracks troop strength, and computes applicable costs associated with personnel pay, clothing, equipment and weaponry based on an established rate. Payments are forwarded to DFAS, which disseminates the appropriate amounts back to the services [Ref 4, p23-24].

Billing is required for all other costs however, and must be accompanied by supporting documentation, as delineated by OSD.

The following chapter will outline the different methodologies used by the services to identify and capture incremental costs under the guidance which existed during the period of the Kosovo campaign.
III. IDENTIFICATION OF INCREMENTAL COSTS

A. DOD GUIDELINES

The Secretary of Defense’s definition of contingency operations as reported to the President and Congress in his 1995 annual report identifies contingency operations as military operations that go beyond the routine deployment or stationing of U.S. forces abroad but fall short of large-scale theater warfare [Ref 9, p2].

This definition is the extent to which the 1995 version of DoDFMR described contingency operations and incremental costs. It is vague at best. The 2001 update seeks to clarify and standardize areas on what is reimburseable, and establishes a process for capturing data, as delineated in Chapter II.

B. NAVY METHOD

As stated in Chapter 1, Section C, CINCLANTFLT and CINCPACFLT employed very different techniques in order to identify incremental costs during the period of the Noble Anvil campaign. The key to understanding the varied methods used lies in their interpretation of “routine operations”.

The Atlantic Fleet instituted a process which calculated the average hours flown for training for each month the squadron was deployed and where no contingency operations were required. This average established a baseline and any hours exceeding it were considered to be incremental. Once the number of incremental hours was
determined, it was multiplied by a cost per hour figure based on type-model-series to ascertain the amount to be reimbursed for that particular type of plane. The cost per hour was a factor based on historical cost data which are adjusted to current year costs by using an inflator or deflator rate generated by the Navy Comptroller’s Office [Ref 17]. The final cost per hour figure considers all factors relating to the use of the aircraft, including the cost of fuel, consumables and aviation depot level repairables (AVDLRs). Positioning of the Naval assets prior to an engagement plays an important part in whether certain costs can be identified as incremental.

In March 1999, the Roosevelt carrier battle group was in the Mediterranean theater on regularly scheduled deployment upon commencement of the Noble Anvil campaign. This deployment had been budgeted as a part of normal operations, because the battle group did not have to be directed into the conflict area for the specific purpose of supporting the contingency. Based on the definition of valid incremental costs, CINCLANTFLT could not claim costs for steaming to the Mediterranean Sea because the trip was pre-planned, and budgeted. Likewise, Airlant could not receive additional benefit for its attached air wing which flew the sorties, due to the scheduled deployment of the aircraft. Additionally, the aircraft carrier USS Theodore Roosevelt is nuclear powered, therefore no “steaming hours” are associated with it. While some costs are associated with reactor core life of a nuclear ship, the vast majority of costs are associated with the additional fuel consumed by the accompanying support ships in the battle group. This billing was automatically accomplished.
Based on the methodology used, we can see how the incremental costs were captured by CINCLANTFLT during Noble Anvil. Note Tables 1-3 on pages 6-7, which reflect budgeted versus actual hours flown by type-model-series, for PACFLT and LANTFLT. The Navy reported flying 11 different types of aircraft for a total of 10,337 incremental flying hours. A different cost per hour for each aircraft was used in computing the incremental cost of each type-model-series, with the summation equaling the total incremental cost of $151.2M for active duty operational support costs, and an additional $4.77M for Naval Reserve assets [Ref 10]. In 1995, the CINCLANTFLT used budgeted rates which reflected average historical cost as the basis for computing incremental flying hours [Ref 9, p20]. In 1999, these rates were based on primary mission readiness (PMR), which considered flying hours per airframe used, per month. Once the annual rate was computed, the budgeted OPTEMPO of 81% was considered as the baseline. All hours flown above the baseline were deemed incremental. Underexecution of the baseline resulted in a decrease to the number of hours claimed as incremental [Ref 18].

CINCPACFLT’s approach (per the 1995 GAO report), was based on an actual cost method for computing incremental flying hours. Decision makers felt the difference between actual and budgeted costs could provide the funding needed to offset unforeseen maintenance costs resulting from increased flight activity during contingencies [Ref 9, p29]. Based on this methodology, budgeted dollars would once again be applied toward costs resulting from contingency operations which fell under the baseline.
In FY99, PACFLT used an incremental cost basis equal to 60% of the total hours flown in the contingency AOR. The rationale behind this determination was that all the hours flown in support of the contingency were not quality training hours [Ref 18].

This approach in effect was utilized to funnel additional monies from contingency reimbursements into the fleet’s flying hour program, which had been historically underfunded [Ref interview with Randall Scott].

It had been speculated that the Navy flew approximately one third of the missions in the Noble Anvil campaign, but billed and received far less than that proportion in reimbursements from the OCOTF. One of the factors that attributed to this imbalance is that costs are captured by the fleet, leaving pilots to account for contingency and training hours flown. Squadrons routinely code and report contingency-related flying hours as training hours. This is a significant concern with regard to the accurate identification of hours flown in support of contingency operations.

The forward deployed carrier and supporting air wing status diminished the Navy’s ability to claim as much for incremental costs as would have been allowable had the assets been recalled specifically to engage the rebels in Kosovo. Due to the prepositioning of the vessels, based on a scheduled and budgeted deployment, the Navy was not considered to have sustained a measurable increase in costs [Ref 7, p10].

While the Navy’s basic incremental costs were minimized, there were also no bills submitted for increased
costs in the areas of base facilities or reconstitution. Several reasons were identified supporting the Navy’s position not to claim these costs. First, the Navy EA6B Prowler squadrons were hosted by the Air Force, increasing Air Force costs. Also, the Navy did not utilize any bases. Therefore, it did not suffer degradation of any facilities or infrastructure through its contingency support operations. It also did not have the responsibility for establishing logistical and support channels for incoming troops and equipment, as did the Air Force. Any costs incurred as a result of increased wear and tear to the carrier flight deck are considered to be part of shipboard reconstitution costs and could not be claimed under the guise of aircraft reimbursement. Equipment and communications costs, if incurred, also would not be considered part of aircraft costs. It should be noted, however, that reconstitution costs were claimed as appropriate for the use of Naval Reserve equipment.

C. AIR FORCE METHOD

A review of Air Force contingency data, outlined on pages 8-9, reflects the mission design series (MDS) of 21 aircraft, flying 86,097 incremental hours during the Kosovo campaign. Hours identified as incremental were used in a matrix where cost per hour by type of aircraft (mission design series), within a program element code (PEC) was used to determine the dollar amount to be claimed as reimbursable. Identifying hours by PEC meant that each Air Force base received a different cost measurement. These costs differed from those used by the Navy for
similar aircraft, and combined with the substantial number of sorties flown, enabled the service to claim greater costs. The Air Force submitted a bill for $727.79M for active duty assets alone, used in support of Noble Anvil under the category of operating support [Ref 10].

An interview with Ms Debbie O’Neil, AF/XOOT, revealed that the Air Force calculated its incremental flying hours during this time by using a budgeted flying hour cost which reflected historical costs. This is a process similar to that used by CINCLANTFLT. Preceding the adoption of the OCOTF, the Air Force routinely applied the minimum amount of budgeted home station training flight hours toward contingency support. Any hours flown in excess of this minimum, in support of contingencies were considered to be incremental. Budgeted hours were held close to breast in the event they were needed at the home station. However, contingency requirements repeatedly called for the use of all aircraft in good repair, and qualified pilots to contribute to the campaign, which left no aircraft or pilots to complete home station missions during these times. The result was a year-to-year underexecution of the budgeted Air Force flying hour program. In spite of this continual inability to fulfill budgeted requirements and expend the associated funds, the service continued to bill and receive reimbursement for contingency hours flown, with the excess being applied to other O&M projects.

These continual reimbursements provided the service with annual windfalls in their Operations and Maintenance accounts, which were used to pay for unfunded projects, such as runway and roof repairs; depot maintenance
requirements; communications systems; heating and air conditioning ventilation projects; and quality-of-life projects, such as child development centers and barracks repairs [Ref 11, p15]. Despite widespread knowledge of the service regularly underexecuting budgeted dollars while requesting additional funding, then re-routing monies for purposes unintended, this process continued for years. The Air Force continued this process of over-estimating until challenged in FY96. The first of a series of General Accounting Office (GAO) reports cast a light on the Air Force system of identifying, documenting, and expending funds designated for contingency-related operations. At this point inaccuracies were identified, and the Air Force was challenged on the aforementioned accounting methods.

The 1996 GAO report indicated that reported incremental costs did not properly reflect offsets for funds which were appropriated, but not spent because of participation in the contingency operation [Ref 9, p17];

nor were costs offset by scheduled training not completed due to participation in contingencies. In this initial report, the Air Force was cited as not off-setting $1M budgeted for flight training exercises which were cancelled because of contingencies, and another $67M for free fuel received from foreign nations during the course of the conflict. This caused estimates of actual incremental costs to be significantly overstated. Not offsetting costs for free fuel was a lesser problem for the Navy which overstated its costs by $3M during the same timeframe. The Air Force also submitted as part of its claim, costs for
reconstitution of equipment and infrastructure, and received $47.2 million. An additional $126.7 million reimbursement at the discretion of SECDEF was seen as an inequity by the Navy [Ref 5, p16].

Forty-six million dollars was also requested and received for redeployment costs. This amount covered the cost of temporary duty pay, spare parts and flying hours for the redeployment of aircraft recalled from locations outside the theater of operations to support the campaign. The Navy submitted a bill for $15M which accounted for the redeployment of the EA6B, F/A-18 and P3 aircraft contributed from CINCPACFLT [Ref 13, p33].

This thesis attempted to make a comparison amongst like type-model-series aircraft platforms to determine what a comparable cost per flying hour should be for both the Navy and the Air Force. However, it was determined that such a comparison would not be effective in ascertaining the disparities between the service costs. This conclusion was supported by Naval FMB budget analyst, Ms. Karla Horn, who stated that although similar aircraft were used by both services, there are too many other dissimilar factors skewing the outcome. These factors included such things as the number of aircraft flown within TMS by each service; the continual use of the same planes by the Air Force (which escalated maintenance and reconstitution costs) versus the changing out of planes by tasking several Navy squadrons (which kept Navy costs to a minimum) and capacity. The resultant difference in flying costs would liken such a comparison to that of apples versus oranges. The system is too complex to make such a simple analysis.
This perspective is critical to understanding the fact that although variables may appear to be similar, there are notable differences between the two services which prevent an equitable comparison.

D. IMPACT OF REVIEW AND VALIDATION CHANNELS

The tracking of incremental costs begins at the squadron level. Unit commanders are responsible for ensuring that flying hours are properly coded as training or contingency operations. These data are forwarded to AIRPAC or Airlant via the respective air wings. At this level, the Type Commanders screen the information to determine its accuracy based on the missions which were assigned to the squadrons. The Type Commanders have the most influence on the costs billed because they are responsible for distributing flying hours to the units basis on their deployed or non-deployed status. Therefore, they are the most significant validators of which costs will be considered incremental. The other stops in the review chain include CINCLANTFLT or CINCPACFLT, FMB and finally OSD. Changes at any of these other offices tend to be minimal and only occur if there are glaring inconsistencies. The final stop before submission of reimbursement is at DFAS. DFAS acts as a consolidation center for all the service submissions, and has no input on the information which is finally submitted as a claim for reimbursement.

The following chapter compares the methodologies used by CINCLANTFLT, CINCPACFLT and the Air Force to determine if the Navy employed a system which was conducive to
accurately identifying and reporting all incremental costs for the contingency.
IV. COMPARATIVE ANALYSES

A. PAST NAVY AND AIR FORCE METHODS

The absence of a requirement for a uniform system of identifying incremental costs gave the Navy and Air Force the freedom to adjust their systems to their unique needs and challenges. The primary goal behind the methodologies devised by each entity was to maintain pilot training. Table 4 [Ref 17] highlights the percentage of hours dedicated to training, operational flying and overhead for typical Navy squadrons. VFA squadrons comprise fighter aircraft while VS units consist of S3B aircraft which provide the Navy’s visual sign capability. VAW units include the E2C aircraft which is part of the carrier early
warning system. Finally, the HSL units comprise the Navy’s helicopters. Budgets for flying hour programs are based on training hours needed by type of aircraft within a squadron, using the primary mission readiness formula.

Although a matrix approach for determining flying hours was used by all the services, the internally designed methods of identifying incremental costs were applied in such a way that the benefit to individual flying programs would be maximized.

Although it was later determined to be too difficult to ascertain actual costs due to the many methods of accountability in use, no fault could be found with CINCLANTFLT, CINCPACFLT or the Air Force’s decision to employ the methods which they used. However, assessments of these methods did reveal some deficiencies, beginning with the varied measures implemented by each service for determining incremental flying hours. The Air Force method resulted in different (greater) billings and reimbursements for similar activities [Ref 7, p10].

Another deficiency lay in the Navy’s record-keeping system, which was severely flawed. Contingency hours were not properly documented at the unit level, which meant that contingency support could not be verified. Lack of verification resulted in disapproval for reimbursement because the service could not document the validity of its request [Ref 17]. Poor records of accountability stifled the Navy’s ability to defend its position as accurate, when challenged by GAO on its method of data collection. This highlighted the need for a sound system of capturing, and maintaining support documentation for incurred costs.
Having a viable system in place would have enabled the fleets to establish a baseline for normal costs incurred during regular deployments and therefore, easily identify costs above the baseline as incremental.

Another problem arising from the marginal record keeping system was reflected in the flight data collected. Reported flight hour records revealed that the Navy flew approximately 14% of the Kosovo missions. Based on the percentage of funds reimbursed to the Air Force as compared to that of the Navy for missions flown in Kosovo, it appeared to some that the Navy was not receiving equitable reimbursement. Although verifiable data disproved this premise, poor accountability for contingency hours could provide the reason for the Navy receiving less money than expected. Therefore, if the Navy did in fact contribute greater resources, and improperly coded those hours, the most significant percentage of allowable costs were lost at this point. No checks and balances of the mission codings could be identified as being in place to ensure the correctness of the documentation. This clearly suggests that the flight data should be verified upon submission within squadron channels so it can be verified as correct. Contingency codes are outlined in the OPNAVINST 3710.7P, NATOPS General Flight and Operating Instruction, which pilots are trained to use. Operational hours should be identified by Total Mission Requirements (TMR) Code 5O2 (Contingency Operations – Higher Authority), whereas training hours are shown as Code 1A1. Enforcement of the use of the instruction is critical to correcting the problem contributing to the most significant loss of funds for the Navy as it relates to contingency reimbursement.
Squadrons are funded based primarily on training needs. Normally, they receive their respective portion of the budget regardless of how missions flown are recorded. The problem that this situation poses however, is that the Navy will continue to lose out on cost reimbursement for hours flown in support of contingencies if the hours are not properly coded and reported. Therefore, a direct correlation between the coding of flying hours and the gain or loss of funding should be made known to pilots, squadron commanders and fleet commanders in an effort to address the greater need of the Navy.

The final issue affecting the Navy’s ability to clearly identify incremental costs is its forward deployed status, because the costs of routine deployments are budgeted. The Air Force, by contrast, must ramp up before responding to a contingency, thereby incurring significant unforeseen costs.

GAO found the largest overstatement of costs for contingency flying hours in the years 1994-95, with an overage of $67M being claimed by the Air Force [Ref 9, p4]. The Air Force’s method of calculating incremental flying hours, combined with the number of missions flown resulted in a higher cost assessment. Costs were not offset by normal operation and training costs that would have been incurred under normal conditions.

The Air Force’s reimbursement request for Noble Anvil included a claim for reconstitution for repairs to runways and degradation of equipment due to contingency participation. Additionally, reimbursement included an additional $126.7 million into the O&M fund, approved by
SECDEF, which the service attributed to a favorable response to a surge in the depots. Despite the noted justification for additional funding, the Air Force spent the excess monies on other O&M related repairs [Ref 5, p16]. Funding was further boosted by the receipt of $47.2 million for reconstitution of infrastructure used in support of the Kosovo operations [Ref 7, p2].

While existing guidance did not expressly allow for the rejuvenation of home station infrastructure as an incremental cost; and despite the fact no other service claimed repair costs for bases or other support structures degraded by these operations, the Air Force was given favorable consideration. DOD officials identified regulations only as “guides”, which were not to be considered all inclusive [Ref 7, p11]. During this time, it is unclear whether the Navy simply did not believe it was entitled to reconstitution reimbursement or could not provide supporting evidence of such claims. However, no claim was made for this period. A submission for $4M was submitted in this area for the year 2000 [Ref 13, p34], which by Air Force standards still appears very small.

B. CURRENT METHODS USED

In accordance with the revisions to the contingency operations chapter of the DoDFMR, the Assistant Secretary of the Navy (Financial Management and Comptroller) disseminated a memo, in September 2000, clarifying guidance to the fleet on the approach to be implemented to have all units determine incremental costs in the same manner [Ref 12]. As a result, both the Atlantic and Pacific Fleet now
employ a method of capturing incremental costs which consists of only those hours flown above what is budgeted, minus any offsets such as the receipt of free fuel.

Costs for increased training needed to respond effectively to wartime situations will also be captured. Under this new system, once budgeted training requirements are offset by actual flights conducted, the service will most likely realize an amount for which it is due reimbursement. Despite newly implemented efforts within the Navy to improve its process, it is unclear just how proficient the fleet has become at accurately determining incremental costs to date. The fleet noted increased costs per flying hour by TMS for FY2001 operations, but a GAO investigation revealed that the Navy’s claim for $121M reimbursement was reduced to $63M because it alleged the Navy was once again using contingency funding to offset its primary flying program [Ref 14, p6]. It was stated that the request included hours which would normally be used under regular training operations. After being challenged, Navy leadership decided to increase its regular program through a supplemental funds request [Ref 14, p7].

While GAO investigations have shown the Navy program to be flawed, the ramifications of these investigations for the Air Force were more severe. Continual pressure and calls to validate their accountability processes reached the highest levels of the service, forcing it to adjust past practices. Intense scrutiny caused the Secretary of the Air Force (SECAF) in FY2000 to issue instructions for a standardized process for determining budgeted flying hours for training Air Force-wide. Once this was done, the
benchmark could measure any hours that were above and beyond budget. The Air Force Audit Agency was instrumental in developing the matrix now used to determine training flight hours. Requirements are based on the mission of the aircraft. Flying hours are based on the number of pilots required per plane and the hours needed to become qualified in that model. The result equals the number of budgeted training hours which will be submitted for funding. The matrix provides a universal application which standardizes the flying hour program Air Force-wide.

The second order issued by SECAF addressed accountability, and consisted of a two-part restriction:

a. No additional monies can be requested for contingency support unless all funding from the President’s Budget has been utilized and it can be shown at the time of request where the money is to be used; and

b. Flying hour funding will only be spent on flying missions or will be re-distributed to other major commands (MAJCOMS) which need additional hours.

This order is still in effect, with the intent to induce major commands to work together to resolve the problem of some units underexecuting their flying hours while others overexecute. It will also prevent the diversion of funds to other O&M projects for which flying hour funds were not specifically budgeted. The only exception to this new set of rules is reimbursement for hours flown in support of contingencies by the Air National Guard and Reserve. By law, all funding for these two appropriations is to be spent on scheduled training. All other costs are considered reimburseable [Ref 19].
It should be noted that the budgeting practice now instituted, which calls for the inclusion of estimated costs for on-going contingencies, lessens the amount of funding which needs to be tracked as incremental by the services. However, the impact of unforeseen contingencies, such as our current operations in Afghanistan will continue to present challenges for our senior military leaders with regard to accurate cost estimation.

C. ASSESSMENT OF LOST FUNDING

The overall assessment of this thesis, and the data compiled from individuals closely tied to contingency operations conclude that the Navy is generally operating from a regularly scheduled series of deployments. The Navy is continually fulfilling contingency operation requirements in conjunction with regular missions, which are considered at the time of initial budget submission. Therefore, the majority of the costs sustained while in a forward deployed status are addressed at this time. The only areas expected to increase substantially during contingencies are flying OPTEMPO and the use of fuel. However, the past years of underexecuting budgeted flying hour programs has resulted in a change for all services which requires the absorption of contingency costs to the point that budgeted costs are expended. Only then can reimbursement for hours flown in excess of that amount be claimed for the contingency. Therefore, no loss of funding to the Navy could be confirmed because OCOTF reimbursements were disbursed to the Navy despite the continuous underexecution of its budgeted program. Based on the data
available, it was shown the Navy flew a documented 14% of the missions in support of the campaign and received 16.6% of the OCOTF reimbursements.

Due to the segregation of costs by aircraft and ship, degradation of carrier flight decks due to increased flight OPTEMPO and other related shipboard maintenance issues are captured under shipboard reconstitution costs, not aircraft costs. Also, aviation depot level repairables (AVDLRs), although variables included in the flying hour computation, are tracked and accounted for separately. Therefore, they are also not considered to be part of the grouping of costs specifically based on aircraft platforms.

Although the Navy would not incur many additional costs due to its response to conflicts in the theater of deployment, it does sustain wear and tear to the flight decks of carriers as a result of heightened flight OPTEMPO. Specific maintenance and repair costs incurred for aircraft launch and recovery equipment (ALRE) have been outlined in detail in previous thesis research [Ref 16, p19]. It is critical to understand that even though these costs are considered to be part of shipboard repair, both aircraft and shipboard costs must be accurately identified and reported in order to capture the total amount of costs absorbed by the Navy for contingencies. Looking at the incremental costs incurred strictly from an aircraft perspective understates the true costs being incurred.

Lastly, the additional reimbursements from the OCOTF to the Air Force cannot be considered lost funding to the Navy, as the reasons for this favorable consideration were based on issues specific to the Air Force’s request for
reconstitution cost reimbursement. The Navy submitted no claims for reconstitution costs, and therefore, were not included in this final determination for additional funding by OSD.

One additional area of consideration which could be regarded for potential reimbursement for contingency operations is the reduced life of the aircraft brought on by the expenditure of expected life hours due to the increase in conflicts and heightened OPTEMPO. This is an area recommended for future research, along with the associated increase in operating costs later in the aircraft’s life cycle. Research may prove that significant costs sustained for major repairs due to increased wear and tear can be directly tied to contingency operations [Ref 17].

Comparative analysis shows that the Navy requested reimbursement and received payment for the areas to which it was entitled, based on the data which could be independently verified.

The final chapter will outline the conclusions drawn as a result of this research, and identify areas which may be considered for further research.
V. CONCLUSIONS

A. VIABILITY OF PAST PROCESSES USED

With the lack of universal standards for identifying and capturing incremental costs, and the rulings on behalf of Air Force excesses, it is not appropriate to say that the Navy’s method of capturing costs was inaccurate, although it was obviously not as liberal as other methodologies used. What is notable is how the systems that were implemented affected the financial position of the services through cost reimbursement from the OCOTF. The liberal interpretation by the Air Force of the vague guidance in place at the time of the 1999 Noble Anvil campaign, obviously benefitted the service. The Navy’s stricter adherence to guidelines resulted in a smaller portion of the refunds distributed from the Fund based on its lower billings.

The barrage of GAO investigations into contingency costing from 1996-1999 not only identified the many deficiencies in the services’ ability to properly calculate incremental costs, but they also highlighted the lack of internal controls needed to verify the validity of costs being reported for reimbursement. In view of this, it is difficult to determine the accuracy of the costs billed beyond what has been outlined in this narrative. Therefore, there is no reason to believe that the Navy grossly understated costs although it has been shown through numerous audits that the Air Force consistently overstated their costs in the area of flying hours as well as others.
B. VIABILITY OF CURRENT PROCESSES

Lessons learned and an expanded definition of costs that are now considered to be incremental, have no doubt prompted the Navy to begin including these costs in its billings to the OCOTF. Effective FY2001, the Navy began requesting reconstitution cost reimbursement for the first time, however, all the areas which contribute to the total cost structure have not been fully investigated, if at all. Also, new systems for capturing costs are being instituted which must be given time to develop before being assessed for full integration and compliance.

Although the Air Force was the major benefactor of OCOTF reimbursements in the past, it has suffered tremendous scrutiny for its past practices. Since FY2000, the service has focused on implementing significant changes, with the Secretary of the Air Force overseeing progress, and ensuring improvement. Major Command CINCs, budget analysts, and unit commanders are all being held accountable for the full and proper execution of the budgeted flying hour program before addressing the possibility of billing for incremental flying hours. Standing orders from the Secretary of the Air Force are that there will be no requests for incremental funding unless the requesting command can fully validate how the money will be expended. The service has also requested the assistance of their audit agency to aid in constructing a universal model to be used by all Air Force commands in the capturing and reporting of future incremental data [Refs 19 and 20].
In an effort to comply with Congressional and SECDEF requirements, and survive scrutiny, the decision to utilize one program for all flying operations is now the one of choice for both services. Likewise, the offsetting of incremental flying hours by the absorption of contingency costs within the budget first is also the procedure adopted by both.

C. DETERMINATION OF ACCURACY OF COST SUBMISSIONS FOR NOBLE ANVIL

The capturing and validation of incremental costs rests with the respective fleet. Due to the re-assignment and loss of civilian and military personnel who possessed first-hand knowledge of these activities, combined with the cited poor record-keeping practices of the Navy during this time, it is difficult to ascertain if the reported incremental costs for Noble Anvil were full and complete. Furthermore, the inability of service accounting systems to properly track and capture incremental costs cancels out an alternative method for the possibility of reviewing past data. However, as compared to the areas considered for reimbursement by the Air Force, it is clear that reconstitution costs could have also been claimed as valid costs by the Navy. Beyond this, there is no way to determine what other areas, if any, may have been overlooked.

D. RECOMMENDATIONS

The Navy Flying Hour Program is a complex and diverse system, which incorporates a number of major factors to compute the cost of a single hour. The focus of this
thesis was to develop a process which would enable the Navy to enhance its ability to identify incremental costs that are reimbursable from the OCOTF in the area of aircraft platforms. In order for this process to be complete, all factors relating to incremental costs must be considered, and these additional areas are recommended for research at the end of the thesis.

Specifically assessing areas which can be improved for aircraft platforms costs, we should begin with dialogue with fleet CINCs, wing commanders and pilots. All entities impacting the process need to understand that before any major turnaround can be affected, contingency hours must be properly identified. As the narrative indicates, it is suspected that the Navy may be losing contingency dollars but it is not clear how many hours are flown in support of conflicts.

This research has shown that the Navy’s most significant problem is proper documentation. Second, the documentation which is available, is scant. Support for this thesis came primarily in the form of investigative documents compiled by outside agencies, which gave broad overviews of problem areas, and interviews with individuals who have corporate knowledge of various aspects of the flying hour programs of both services. Detailed information was almost impossible to gather, confirming GAO’s assertion that the Navy did not have a viable system of documenting costs in place. A complete and proper system of identifying and accounting for costs provides a historical trail when analysts and commanding officers turn over. Such a system is integral to senior leaders being
able to clearly delineate what are valid costs. Once costs can be identified as accurate, the Navy will be equipped to argue its case for reimbursement. Without this information however, we will continue to lose this battle at the budget table.

Realizing that funding estimates are based on historical costs and must be presented approximately two years prior to the fiscal year in which they will be applied, the estimates given should be considered as a base, with any cost overruns being identified as incremental. Variations from the base need to be tracked in order to justify changes to the base during the execution phase, and validate the need for incremental reimbursement [Ref 21]. While both services have underexecuted their flying hour programs in the past, a sound system will be our best defense if we experience changes in the future.

Another critical factor directly related to the proper identification of contingency hours is giving the fleet a reason to adjust their mindset. As noted in Table 4, the flying hour program is funded based on training hours. Units receive funding regardless of how the missions are coded, therefore, no real incentive exists for commanders to focus on separating operational from training hours. Additionally, the Status of Resources and Training System (SORTS) requires that monthly reports must still be submitted once a unit has deployed. The basis of the report is to reflect training accomplished, which forces units to code a greater number of hours flown as training in order to keep percentages high. This is
counterproductive. If there is an increase in the overall flying hours of our units in future years, we must have a system for capturing incremental versus training costs. There are a number of ways this system could be corrected. Recommendations include:

1. Educating squadron personnel to properly document contingency hours. Proper documentation would make the tracking of the type of hours flown manageable. Dated flight hour submissions could easily be cross-checked to the designated dates of the conflict showing that a squadron did in fact participate in the contingency and for what period of time [Ref 17].

2. Considering that most hours flown while in a deployed status are operational, each theater could assess the average number of hours generally flown while deployed in a non-combat zone. This would establish a baseline, with hours flown above it being recognized as incremental [Ref 17].

E. POTENTIAL AREAS FOR FURTHER RESEARCH

Like the Air Force, the Navy could request the assistance of its own audit agency to ensure it is on track with recent changes to the Contingency Operations instruction. A more in-depth look by the agency could reveal areas of significance not yet identified. The agency could also be called on to verify the cost per hour by TMS approach currently in use, to determine its accuracy.

Additionally, a process for determining the increased wear on, and maintenance of, carrier flight decks and other
areas of reconstitution should be investigated. These areas correlate to Air Force facilities and infrastructure, such as runways and communications systems, which have been claimed for repair.

Specific analysis needs to be performed in order to assess what comprises additional wear and tear to aircraft flown more frequently during contingencies and how these costs can be recouped, similar to the Air Force’s method for determining incremental degradation of facilities and infrastructure during peak periods of conflict. These reimbursements could offset the Navy’s expense for maintenance and repair.
LIST OF REFERENCES


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This thesis examines the processes used by the Navy and the Air Force for identifying incremental costs associated with the aircraft platforms used in support of the Noble Anvil campaign, which highlighted the bombing of Kosovo. Examination of these methods was necessary to determine if the Navy was able to properly and completely capture incremental costs in order to receive full reimbursement from the Overseas Contingency Operations Transfer Fund (OCOTF). The thesis begins with an overview of the OCOTF and its intended purpose, and continues with an in-depth analysis of the processes implemented by both services to identify and report incremental costs for aircraft platforms to OSD. It further compares the methodologies, highlighting the advantages and pitfalls of each, and assesses the possibility of lost funding to the Navy based on the processes employed.

This research concludes that the Navy did not suffer any loss of funds based on inequity in disbursements from the OCOTF, or based on the methodologies it exercised. However, key factors which potentially prevented greater reimbursement were identified to be: 1) The interpretation of vague guidance for determining incremental costs, 2) Poor record-keeping and accountability of operational missions flown, 3) The use of different methodologies for capturing incremental costs by both services and within the Navy, and 4) The impact of the Navy’s forward deployed status on incremental costs.

Chapters IV and V detail the impact of each of the above areas, and delineates areas of improvement which the Navy may adopt to maximize reimbursement from the OCOTF, as well as recommendations for further research.

KEYWORDS: Contingency Operations Reimbursement, Kosovo Aircraft Operations, Noble Anvil