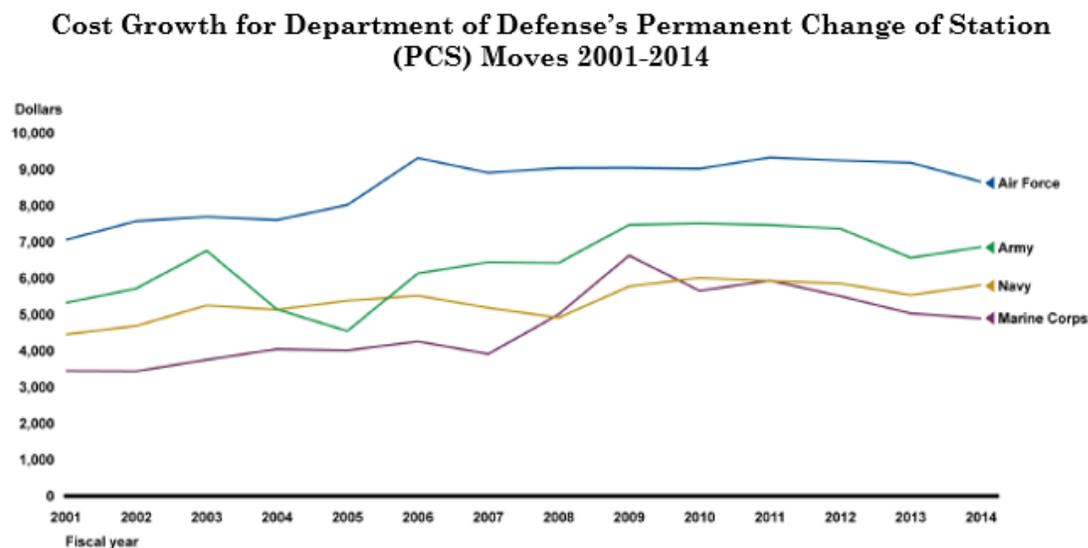


MILLIONS WASTED TO MOVE MILITARY PERSONNEL

The Department of Defense (DOD) spends more than \$4 billion a year to relocate active duty military personnel, a practice known in the armed forces as Permanent Change of Station (PCS) moves. That's nearly 4 percent of the annual military personnel budget, which is already under intense pressure from skyrocketing costs associated with military pay and benefits.

And yet, despite years of assurances that the Pentagon would better manage its financial resources, DOD has failed to properly keep track of the cost data that it needs to adequately evaluate and manage the PCS program.¹ According to a report recently issued by the Governmental Accountability Office (GAO), although the average per-move cost increased by 28 percent between 2001 and 2014, DOD still does not have “complete, consistent data on the program and has not evaluated the specific factors contributing to per-move cost growth.”² The GAO report also noted that PCS costs increased even as the total number of relocations declined by 12 percent over the same period.³ If DOD can't track basic cost data and reliably compare it across the services, it has no hope of finding ways to increase efficiencies and cut costs.



The Air Force had the highest per-move PCS cost of all the military services, though Air Force officials couldn't tell GAO why

In addition to inconsistent data reporting by the military services, the GAO report found that the per-move cost differed widely from service to service, suggesting that DOD should do more to share best practices and standardize costs for specific PCS

¹ GAO, *Military Compensation: DOD Needs More Complete and Consistent Data to Assess the Costs and Policies of Relocating Personnel*, GAO-15-713 (Washington, D.C.: September 9, 2015).

² GAO-15-713.

³ GAO-15-713.

cost categories across the services. The average per-move cost for the Air Force was \$8,548, more than 45 percent higher than the Marine Corps' \$4,679 per-move cost.⁴ DOD officials told GAO they had not even done an analysis on the cost variances to determine the reasons for these differences.

One area that would be easy to standardize would be weight allowances. Currently, each service has the ability to authorize higher weight allowances than the official "Not to Exceed" (NTE) weight allowance, which functions more like a guideline than an actual NTE number.⁵ The result of the current policy is that some services routinely authorize higher weight allowances, even though there is no compelling reason for service members of the same rank to be allotted different weight allowances simply because they serve in different service branches. Since the weight of the household goods shipped is what drives per-move costs, standardizing weight allowances across the services should drive down costs.

And there are more savings to be found. Operational PCS moves, which accounted for over \$1 billion of the total PCS costs between 2001 and 2014, are wholly discretionary. The services could decrease the frequency of these moves or eliminate them entirely.⁶ The Marine Corps reduced its operational moves by 40 percent since 2013, opting to use low cost or no cost reassignments within 50 miles of a Marine's last duty station in lieu of traditional PCS moves where practical.⁷ Using the Marine Corps' average per-move cost of \$10,049, the resulting savings would be well over \$100 million in just two years.

Another way DOD could save on PCS costs is by extending required time-on-station tour lengths, which is typically two to four years, depending on the branch of service, or a service member's rank or career field. The GAO report found that across the board, the services are only meeting the time-on-station requirement about half of the time, but DOD does not have data to indicate why that is the case. In 2009, the Air Force increased its minimum time-on-station length from 36 to 48 months for duty stations in the continental U.S., yet since that time, the average time-on-station for officers actually *decreased* from 43 to 37 months.⁸

Every year, DOD fails to adequately budget for hundreds of millions of dollars of PCS costs. In just the last few months, the Air Force and the Marine Corps requested an additional \$69 million for unanticipated costs. If DOD had a robust evaluation process for the PCS program in place, instead of having to come hat in hand to Congress every couple of months, it would be able to better budget for its

⁴ GAO-15-713.

⁵ Department of Defense Defense Transportation Regulation – Part IV, Personal Property, Attachment K1, "It's Your Move" Armed Forces Members (October 2014).

⁶ Operational PCS moves are defined as moves between duty stations within the continental U.S. or between overseas duty stations without transoceanic travel.

⁷ GAO-15-713.

⁸ GAO-15-713.

actual PCS expenses in the first place, and then find savings within the program when it needed to make up for shortfalls. Unfortunately, DOD officials told GAO they did not know when the PCS program was last evaluated to determine if it was efficiently serving the needs of the services.⁹ As GAO notes, “without periodic evaluations of the efficiency of the PCS program, DOD will not have an analytical basis for identifying changes in per-move costs over time...” and it will “be difficult for DOD to identify opportunities” for realizing cost efficiencies.¹⁰

In recent years, Congress has directed DOD to find efficiencies in the program, but the Department has been slow to implement meaningful change. That means it’s probably time for Congress to take a much closer look at the PCS program.

⁹ GAO-15-713.

¹⁰ GAO-15-713.