



July 10, 2014

The Honorable Charles T. Hagel  
Secretary of Defense

General Lloyd J. Austin III  
Commander, U.S. Central Command

General Joseph F. Dunford, Jr.  
Commander, U.S. Forces-Afghanistan, and  
Commander, International Security Assistance Forces

Lieutenant General Joseph Anderson  
Deputy Commanding General, U.S. Forces-Afghanistan and  
Commander, International Security Assistance Force Joint Command

Brigadier General John E. Michel  
Commanding General, North Atlantic Treaty Organization Air Training Command-Afghanistan

I am writing to inform you of concerns regarding the Department of Defense's (DOD) plan to provide C-130 cargo planes to the Afghan Air Force (AAF). Our preliminary review of this plan indicates that not all of these aircraft may be needed. Action taken now could save substantial expenditures.

Providing the AAF airlift capabilities is a key component for the Afghan government to execute critical missions, including cargo transport, passenger transport, and casualty evacuation. As of June 2014, the United States had already delivered two C-130s to the AAF in Afghanistan with plans to deliver a third in August 2014, and a fourth by the end of 2014.

During our audit of U.S. support for the AAF to determine its capability to absorb additional equipment, we became aware of concerns regarding the C-130 program. First, we could not determine why DOD, in order to provide airlift of medium weight loads to the AAF, decided to provide four C-130s rather than different quantities or types of aircraft. Although the decision was made in January 2013 to purchase four C-130s, the AAF's requirement for those aircraft had not been updated since March 2010. Second, we analyzed flight data for the two AAF C-130s currently in Afghanistan and found that they are being underutilized, which raises questions about whether additional aircraft are truly needed. Lastly, during my visit last month, I was informed about support problems associated with training, spare parts, and maintenance for the two C-130s currently in the inventory.

Issues with sustaining U.S.-funded infrastructure and equipment in Afghanistan are not new. However, the opportunity exists with the C-130s to ensure that the Afghans are capable of supporting what we have already given them *before* providing additional aircraft. Accordingly, I suggest that, pending a review of the AAF's medium airlift requirements and its ability to fully utilize the C-130s currently in the inventory, DOD delay delivery of additional C-130s. If DOD's review indicates additional C-130s are unnecessary, DOD should not provide them. Even the elimination of one C-130 could save up to \$40.5 million through 2017. The enclosure to this letter provides more detailed information supporting my suggestion.

Should you have any questions or need additional information, please contact Ryan T. Coles, Assistant Inspector General for Audits & Inspections, at [REDACTED] or [REDACTED], or Tinh T. Nguyen, Principal Deputy Assistant Inspector General for Audits & Inspections, at [REDACTED] or [REDACTED]. Thank you in advance for your attention to this matter.



John F. Sopko  
Special Inspector General  
for Afghanistan Reconstruction

Enclosure

# CONCERNS REGARDING THE REQUIREMENT FOR AND UTILIZATION OF C-130 AIRCRAFT FOR THE AFGHAN AIR FORCE

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In January 2013, following concerns with the G222 medium airlift program,<sup>1</sup> the Deputy Secretary of Defense directed the Secretary of the Air Force to provide four C-130s<sup>2</sup> to the Afghan Air Force (AAF) by the end of 2014. The North Atlantic Treaty Organization Air Training Command-Afghanistan (NATC-A), which is a subordinate command of the International Security Assistance Force (ISAF) Joint Command, trains the AAF on the operation of the C-130s. As of June 2014, the United States had delivered the first two C-130s to the AAF with plans to deliver a third C-130 in August and the fourth by the end of 2014. Figure 1 shows the timeline of the C-130 program.

**Figure 1 - Timeline of Significant Events in the Selection and Delivery of C-130s for the AAF**



Source: SIGAR analysis of NATC-A, C-130 program office, and Combined Security Transition Command-Afghanistan (CSTC-A) information.

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The first two C-130s were provided to the AAF from existing U.S. Air Force stock at a combined cost of \$77.1 million—\$39.6 million for the two C-130s, and an additional \$37.5 million for spare parts, equipment, and other charges. Likewise, the United States will provide the final two C-130s through existing U.S. Air Force stock at a cost of \$39.6 million for two C-130s plus additional charges that were not yet finalized as of June 2014. Photo 1 shows one of the two AAF C-130s in Kabul.

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<sup>1</sup> In 2008 the United States contracted to provide 20 G222 medium lift aircraft to the Afghan Air Force. The U.S. Air Force flies the C-27A aircraft which is a modified version of the G222. According to a U.S. Department of Defense Office of Inspector General report, the G222 program was unsustainable because the aircraft were often unavailable to fly due to problems with maintenance and spare parts (DODIG-2013-040, *Critical Information Needed to Determine the Cost and Availability of G222 Spare Parts*, January 31, 2013). Also, in a December 2013 letter, SIGAR raised concerns regarding the decision to purchase the G222 and their disposal

<sup>2</sup> The two aircraft provided to the AAF are C-130 Hercules (C-130H), which is one type of C-130. This letter will refer to the C-130Hs as C-130s.

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**Photo 1 - AAF C-130 on the Flightline at the Kabul Air Wing—Kabul International Airport**



Source: NATC-A April 20, 2014

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## **DOD Unable to Provide Documentation to Support Its Decision to Provide Four C-130s to the AAF**

Our discussions with Department of Defense (DOD) officials and review of available documents shows DOD initially consulted experts and performed analyses to identify the best platform to support medium airlift for the AAF. However, DOD could not provide us with documentation to support the final decision to select four C-130s. Specifically, as the result of problems with the G222 program, the U.S. Air Force Central Command assembled a three-person “tiger team” that deployed to Afghanistan in August 2012 to assist ISAF in analyzing different options regarding the future of AAF medium airlift. Using some general requirements including cargo weight, passenger numbers, ability to operate in Afghanistan, and cost and schedule, the team considered 18 different aircraft. Ultimately, the team identified 5 aircraft—C-130E/H, CASA-235, CASA-295, C-27J, and C-130J—as being able to meet the AAF’s medium airlift requirements. In addition, the team proposed acquisition approaches including open competition, sole source contracting, and purchasing U.S. stock. At the conclusion of deployment to Afghanistan, the tiger team did not provide a formal recommendation about which aircraft to select to meet the medium airlift requirement. In the tiger team’s August 22, 2012 presentation to ISAF, the team proposed an open competition to identify the best aircraft at the best price. According to October 2012 talking points for the Deputy Secretary of Defense, the Commander ISAF directed NATC-A to develop a requirements document for the follow-on to the G222 program. According to the talking points, the tiger team raised concerns that the C-130 would be too complex and costly for the Afghans. In addition, the Air Force noted concerns that due to the necessary lead time for contractor support and training, the C-130 would be an “empty” asset for the Afghans, as they would not yet be fully trained to use the aircraft.

In November 2012, NATC-A and the tiger team, anticipating a possible open competition, created an initial capabilities document that outlined the AAF’s requirements for a new aircraft, including key performance parameters. The Commanding General, CSTC-A, and the AAF Commander coordinated and signed the document. However, the initial capabilities document was never used. Notwithstanding the concerns raised by the tiger team and others, on January 4, 2013 the Deputy Secretary of Defense directed the Secretary of the Air Force to provide four C-130s to the AAF—two in 2013 and two by the end of 2014.

We were unable to determine DOD's reason for selecting the C-130s over other aircraft. We requested information on the decision for the C-130 and its quantity from NATC-A, the Air Force's C-130 Program Office, U.S. Central Command, U.S. Forces-Afghanistan, 9<sup>th</sup> Air & Space Expeditionary Task Force under the ISAF Joint Command, and CSTC-A. These officials told us that they had no information on the decision. The tiger team leader told us that the C-130 represented the fastest solution, but that DOD may have considered other factors.

When we requested the most recent U.S. government review of AAF requirements, NATC-A provided the March 2010 *Afghanistan National Security Forces Airpower Requirements Review*, conducted by U.S. Air Force Central Command. According to NATC-A, the review was used as a guiding document for aircraft purchases and defined the capabilities necessary for the AAF, but NATC-A noted a new review is needed to account for changes in budget, level of coalition support, and ability of the AAF to be self sustaining. Most important, the planned AAF fleet was different in March 2010 than the current planned fleet, so requirements determined at that time may no longer apply. For example, in March 2010, the AAF had a planned fleet of 53 Mi-17s and 20 G222s to provide airlift.<sup>3</sup> The review recommended purchasing C-208 aircraft to provide additional capacity and a cheaper alternative to the Mi-17 and G222s planned at the time.<sup>4</sup> The United States ultimately purchased 26 C-208s for the AAF. Currently, the AAF fleet plan consists of 58 Mi-17s, 26 C-208s, and 4 C-130s. This likely constitutes a different airlift capacity than the previous fleet, as the addition of the C-208s and the elimination of the G222s had not been taken into account when originally considering the requirements for the purchase of the C-130s. Furthermore, these original requirements called for medium airlift aircraft capable of transporting a High Mobility Multipurpose Wheeled Vehicle (HMMWV). Later documents, however, including the unused Initial Capabilities Document, removed this HMMWV transportation requirement, raising questions as to whether the requirements developed in the March 2010 review were still valid. Furthermore, according to NATC-A, since receiving the C-130s, the AAF has not used the aircraft to move any vehicles such as a HMMWV and has no current requirement to be able to do so. Given so many changes in planned airlift capacity and requirements, the March 2010 review may no longer be valid.

## AAF Is Not Fully Utilizing Its Existing C-130s

The AAF is not currently using the two C-130 aircraft to their full capacity. We analyzed AAF flight data from October 2013 through May 2014 to determine current C-130 utilization rates and compared these rates against maximum C-130 capacity for flight hours and weight. According to NATC-A, when taking into account certain factors within the Afghan operating environment, the maximum operating flight hour capacity of a C-130 is 36 hours per month, for a total of 72 total flight hours per month.<sup>5</sup> We found that from October 2013 through May 2014, the C-130s flew 261 hours out of a possible 555 hours, or about 48 percent of full capacity.<sup>6</sup> Figure 2 shows the number of flight hours logged by the two C-130s each month versus maximum capacity.

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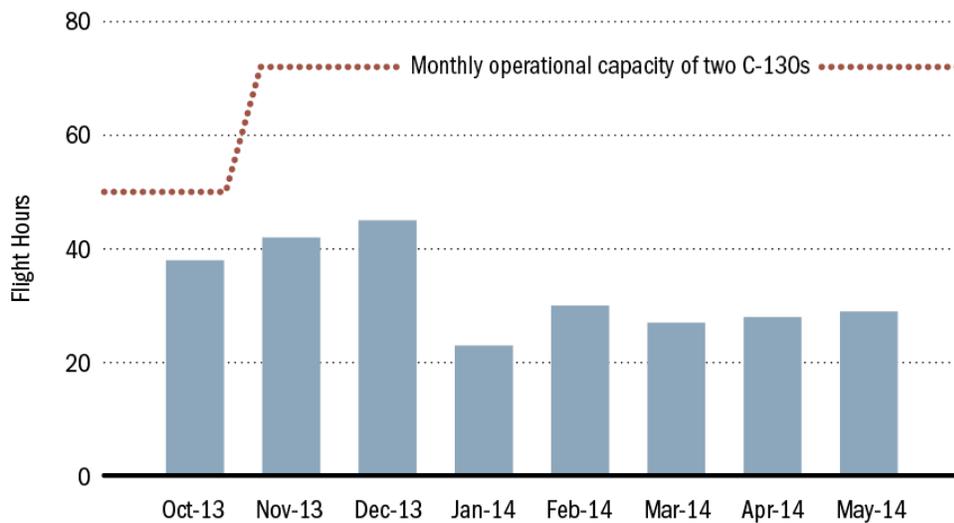
<sup>3</sup> The Mi-17 is a Russian-built transport helicopter.

<sup>4</sup> The C-208 is a light airlift transport plane made by Cessna.

<sup>5</sup> Our analysis used the NATC-A-determined maximum operational capacity for the two C-130s of 72 flight hours per month. NATC-A's 72 flight hour capacity comes close to the estimated 73 flight hours per month based on the aircraft's average mission capable rate in Afghanistan.

<sup>6</sup> Because the C-130s arrived in Afghanistan on October 9, 2013, we pro-rated maximum flight hours for October 2013 to reflect 22 possible service days and approximately 51 potential flight hours.

Figure 2 - Two AAF C-130 Flight Hours per Month



Source: SIGAR analysis of AAF mission data

Note:

<sup>a</sup>The C-130s for the AAF arrived on October 9, 2013. Therefore, we prorated the possible flight hours for that month accordingly to 51.

In addition, we reviewed the weight utilization for passengers and cargo of the C-130 on a monthly basis. We found that the C-130s, on average, were less than half full in terms of passengers and cargo, only carrying 41 percent of their maximum capacity. Furthermore, we found that the AAF is primarily using the aircraft to transport passengers and light cargo, both of which could be transported by other types of aircraft or ground vehicles. Of the 87 C-130 missions flown between October 2013 and May 2014, 44 missions (51 percent) carried only passengers without cargo.<sup>7</sup>

According to NATC-A, the C-208 is also currently underutilized, and, therefore, available to conduct additional missions possibly in lieu of providing additional C-130s. Using multiple C-208s is also more cost effective: a C-130's full cost per flight hour is approximately \$41,000, which is more than three times the \$12,240 cost per flight hour of using nine C-208s to transport the same cargo.<sup>8</sup> In addition, the mission flying the greatest tonnage of cargo during the 7-month period was still only carrying 38 percent of the C-130's capacity, or 6,000 kilograms of the potential 16,000 kilogram cargo capacity.

NATC-A officials stated that they expect the need to transport passengers and cargo to increase as the AAF increases their capabilities. However, no official assessment has been conducted to estimate future requirements or utilization rates. Given the systematic underutilization of the current C-130s since the introduction of the aircraft in October 2013, we question the need for additional aircraft. According to the Air Force's C-130 program office estimates, eliminating delivery of one C-130 could save up to \$40.5 million—\$19.81 million for the C-130 itself and \$20.7 million in maintenance, parts, training, and aircraft modifications through fiscal year 2017.<sup>9</sup>

<sup>7</sup> We did not include in our analysis any missions identified as carrying more than the NATC-A stated maximum capacity per flight and outside a margin of error.

<sup>8</sup> NATC-A's C-130 estimated cost per flight is based on four C-130s and may change if the total number of aircraft decreases.

<sup>9</sup> According to the C-130 program office the costs are estimates since the contract has not yet been awarded. In addition, these estimates did not consider the costs of military base operations and logistics support such as aircraft fuels, flight line facilities, base lodging, and dining facilities.