Audit Report

DOD EXECUTION OF THE ROLE SPECIALIST NATION MISSION IN BOSNIA

Report No. 99-047 December 7, 1998

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Acronyms

ACSA	Acquisition and Cross-Servicing Agreement
DESC	Defense Energy Support Center
FMS	Foreign Military Sales
NATO	North Atlantic Treaty Organization
RSN	Role Specialist Nation
UN	United Nations
USEUCOM	U.S. European Command

INSPECTOR GENERAL
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December 7, 1998

MEMORANDUM FOR COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND
ASSISTANT DEPUTY UNDER SECRETARY OF DEFENSE
(MATERIEL AND DISTRIBUTION MANAGEMENT)
DIRECTOR, JOINT STAFF

SUBJECT: Audit Report on DoD Execution of the Role Specialist Nation Mission in Bosnia (Report No. 99-047)

We are providing this report for review and comment. We considered management comments on a draft of this report when preparing the final report. This is the third in a series of reports on DoD management of fuels. This audit was requested by the Assistant Deputy Under Secretary of Defense (Materiel and Distribution Management).

DoD Directive 7650.3 requires that all unresolved issues be resolved promptly. Comments from the U.S. European Command were responsive and no additional comments are required Comments from the Joint Staff were partially responsive Therefore, we request that the Joint Staff provide additional comments on Recommendation 1. by February 8, 1999.

We appreciate the courtesies extended to the audit staff Questions on the audit should be directed to Ms. Evelyn R Klemstine at (703) 604-9172 (DSN 664-9172) (eklemstine@dodig.osd.mil) or Mr. Kenneth Feldman at (703) 604-9613 (DSN 664-9613) (kfeldman@dodig.osd.mil). See Appendix B for the report distribution. The audit team members are listed inside the back cover.

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Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 99-047 **December 7, 1998**
(Project No. 7LG-5030.02)

DoD Execution of the Role Specialist Nation Mission in Bosnia

Executive Summary

Introduction. This audit was requested by the Assistant Deputy Under Secretary of Defense (Materiel and Distribution Management). This report is the third and final in a series of reports on DoD management of fuels. Inspector General, DoD, Report No. 98-114, "Fuel War Reserves for the European Theater," April 16, 1998, discusses the requirements determination process for fuel war reserves Inspector General, DoD, Report No. 98-189, "Procuring Fuel and Ground Handling Services at Commercial Airports," August 18, 1998, discusses the most cost-effective acquisition strategy for procuring aviation fuel and whether prices for ground handling services were reasonable at commercial airports.

In October 1995, the Supreme Headquarters Allied Powers Europe requested that the United States serve as the role specialist nation for bulk Class III (fuel) supply for the Bosnia operation. The United States accepted the mission in December 1995. The role specialist nation mission is a new concept, which the North Atlantic Treaty Organization developed to limit competition between deployed national forces for scarce resources. The mission requires that one nation assume responsibility for procuring a particular class of supply or service for all or part of the multinational force in support of the operation. The Defense Energy Support Center was designated as the executive agent for the role specialist nation mission in Bosnia. The Defense Energy Region-Europe was responsible for awarding the contracts and administering the delivery of fuel

Objectives. The overall audit objective was to evaluate the management of fuels and the processes used to procure, store, and account for fuels. The specific objective for this segment of the audit was to evaluate the United States' execution of the role specialist nation mission for Operation Joint Endeavor in Bosnia We also reviewed the management control program as it related to the audit objective

Results. The U S forces responsible for executing the role specialist nation mission supplied fuel in a cost-effective and efficient manner to many of the participating nations. U.S. forces established a process for executing the mission; nations procuring fuel expressed satisfaction with that process; and, after resolving initial difficulties, U.S. forces were successfully performing the overall mission Those initial difficulties, however, resulted in delays in delivering fuel to the participating nations. Without established doctrine, policies, and procedures, the United States will potentially experience delays in the delivery of commodities to participating nations in future role specialist nation missions. For details of the audit results, see the Finding section

Management controls were effective as they applied to the audit objectives in that no material management control weakness was identified See Appendix A for details on the management control program.

Summary of Recommendations. We recommend that the Director, Joint Staff, provide doctrine and guidance recognizing the role specialist nation mission for multinational operations and the need for DoD Components to prepare in advance and develop policies and procedures for executing the mission in future operations. We recommend that the U.S. European Command revise logistics directives to include information from the Bosnia mission and guidance for planning and executing the mission for any commodity in future operations.

Management Comments. The Joint Staff concurred with the draft audit report. The Joint Staff recognizes the need for role specialist nation mission doctrine, policies, and procedures and stated that it will include recommended policies and procedures in Joint Publication 4-03, "Joint Bulk Petroleum Doctrine," and staff the revision during FY 1999. The U.S. European Command concurred with the recommendation. The Director, Logistics and Security Assistance, U.S. European Command, will review and update relevant U.S. European Command logistics directives to describe the concept and procedures for the execution of role specialist nation missions. Expected completion date is December 1999. See the Finding section for the complete discussion of management comments and the Management Comments section for the complete text of management comments.

Audit Response. Management actions by the U.S. European Command are responsive and no further comments are required. The Joint Staff comments are partially responsive. The Joint Staff did not specifically address action for role specialist nation mission inclusion in draft Joint Publication 3-16, "Joint Doctrine for Multinational Operations." We agree that the inclusion of policies and procedures in Joint Publication 4-03 will improve role specialist nation mission execution for fuel support in the future. However, the Joint Staff did not address the recommendation to also include policies and procedures in draft Joint Publication 4-08, "Doctrine for Logistic Support of Multinational Operations," which relates to all joint logistics support. Therefore, we request that the Joint Staff provide additional comments in response to the final report by February 8, 1999.

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Background

We conducted this audit at the request of the Assistant Deputy Under Secretary of Defense (Materiel and Distribution Management) This report is the third in a series of reports on DoD management of fuels. The first report, Inspector General, DoD, Report No. 98-114, "Fuel War Reserves for the European Theater," April 16, 1998, discusses the requirements determination process for fuel war reserves. The second report, Inspector General, DoD, Report No. 98-189, "Procuring Fuel and Ground Handling Services at Commercial Airports," August 18, 1998, discusses the most cost-effective acquisition strategy for procuring aviation fuel and whether prices for ground handling services were reasonable at commercial airports. This report, the last in the series, focuses on the U.S. role specialist nation (RSN) mission in Bosnia.

North Atlantic Treaty Organization. The North Atlantic Treaty Organization (NATO) is designed to bring about peace and stability throughout Europe. As of August 1998, NATO had 16 member nations, including the United States. Since 1989, the end of the Cold War, key changes have been made in the NATO Strategic Concept, including making NATO assets and experience available to support international peacekeeping operations. The Supreme Allied Commander Europe is the NATO senior military commander in Europe His headquarters is called the Supreme Headquarters Allied Powers Europe. The Supreme Allied Commander Europe is primarily responsible for coordinating the defense of the NATO area of responsibility, which stretches from Norway in the north to the Mediterranean in the south, and from the Atlantic Ocean in the west to the Caucasus Mountains in Turkey in the east

U.S. European Command and NATO. The U S. European Command (USEUCOM) is one of the unified commands of DoD On October 1, 1998, the USEUCOM area of responsibility expanded from 83 to 89 countries with the addition of 6 former states of the Soviet Union. A primary mission of USEUCOM is to provide combat-ready forces to support U.S commitments to the NATO alliance.

Conflict in Bosnia and United Nations Involvement. In 1991, when Croatia declared its independence from the former Yugoslavia, fighting broke out between Croats and Serbs. The United Nations (UN) Security Council established and deployed the UN Protection Force to stop the fighting The region of Bosnia-Herzegovina (Bosnia) declared its independence shortly afterward. Serbian and Bosnian Serbs resisted that declaration and attacked Bosnian Croats and Muslims. The mandate of the UN Protection Force was expanded to include Bosnia. Despite the presence of UN forces, which included NATO forces, fighting continued into 1995.

Operation Joint Endeavor. On October 5, 1995, a cease-fire stopped the fighting and the Dayton Proximity Talks began on November 1, 1995. On December 14, 1995, representatives of Bosnia, Croatia, Serbia, and the United States signed the Dayton Peace Agreement. The agreement included the establishment of a multinational military force under NATO to implement the

terms of the agreement. The multinational force began deploying into Bosnia on December 14, 1995. U.S. forces began deploying into Bosnia on December 16, 1995. With the transfer of authority over forces in Bosnia from UN to NATO command on December 20, 1995, Operation Joint Endeavor began.

NATO Mission. Since the end of the Cold War, the NATO mission spectrum has changed significantly. Operations using NATO assets could be conducted outside of the NATO area of responsibility. In addition, non-NATO countries could participate in NATO operations with greater emphasis put on peace-support operations. Operation Joint Endeavor was the first out-of-area deployment of NATO forces in its history. It was also the first time that NATO and non-NATO forces were deployed together.

NATO developed the RSN mission to limit competition between deployed national forces for scarce resources. The RSN mission requires that one nation assume responsibility for procuring a particular class of supply or service for all or part of the multinational force in support of the operation. For Operation Joint Endeavor, the RSN mission was defined as providing bulk Class III (fuel) supply to the area of operations as far forward as contract support allowed. Operation Joint Endeavor was the first time the RSN mission was executed.

RSN Supporting Commands. In addition to the support provided by USEUCOM to the RSN mission, the Defense Energy Support Center (DESC) (previously the Defense Fuel Supply Center) was designated as the executive agent for the RSN mission. The Defense Energy Region-Europe (previously the Defense Fuel Region-Europe), the DESC subordinate command in the USEUCOM area of responsibility, was responsible for awarding the contracts and administering the delivery of fuel. The U.S. Army Security Assistance Command was tasked to manage and oversee the foreign military sales (FMS) cases used to execute this operation.

Objectives

The overall audit objective was to evaluate the management of fuels and the processes used to procure, store, and account for fuels. The specific objective for this segment of the audit was to evaluate the United States' execution of the RSN mission for Operation Joint Endeavor in Bosnia. We also reviewed the management control program as it related to the audit objective. See Appendix A for a discussion of the audit scope and methodology, our review of the management control program, and a summary of prior coverage.

Funding Mechanisms and Guidance for the Role Specialist Nation Mission

U.S. forces responsible for executing the RSN mission in Bosnia for multinational fuel distribution experienced initial difficulties in performing their mission. Execution was hampered by delays in identifying the appropriate funding mechanism for the mission and by limited guidance on the new RSN concept. As a result, there were initial delays in delivering fuel to the participating nations. Without established doctrine, policies, and procedures, the United States will potentially experience delays in the delivery of commodities to participating nations in future RSN missions.

Legal and Regulatory Requirements

The Foreign Assistance Act. Public Law 87-195, "The Foreign Assistance Act of 1961," is the authorizing legislation for managing overseas security assistance programs and a wide variety of other foreign assistance programs. Section 505, "Conditions of Eligibility," provides the eligibility criteria for nations to be furnished Defense articles, services, or training. Section 607, "Furnishing of Services and Commodities," provides for the support of nations not specifically eligible to be furnished Defense articles, services, or training under Section 505, when the President determines it is necessary.

The Arms Export Control Act. Public Law 90-629, "The Arms Export Control Act," as amended, is the primary law under which the FMS Program is governed. The FMS Program includes government-to-government sales of Defense articles and services from DoD inventories or through new procurements under DoD-managed contracts. The Defense Security Assistance Agency (currently the Defense Security Cooperation Agency) is responsible for administering and managing the FMS Program within DoD. Primarily, the Military Departments execute the FMS Program.

DoD Mutual Logistics Support Agreements Policy. Title 10, United States Code, Chapter 138, "Cooperative Agreements with NATO Allies and Other Countries," provides authority to negotiate and conclude cross-servicing agreements and implementing arrangements. Under this authority, DoD Directive 2010 9, "Mutual Logistic Support Between the United States and Governments of Eligible Countries and NATO Subsidiary Bodies," September 30, 1988, provides policy for the acquisition and transfer of logistics support, supplies, and services.

RSN Mission Decision and Execution

U.S. forces responsible for executing the RSN mission experienced initial difficulties in performing their mission. Specifically, execution of the mission was hampered by delays in identifying the appropriate funding mechanism to satisfy the concerns of Congress and other policy and legal considerations. The execution of the mission was also hampered by the limited guidance on the RSN concept and planning for such contingencies.

Mission Acceptance Delay

An initial delay of 60 days in the acceptance of the mission affected the ultimate execution of the RSN mission. In October 1995, the Supreme Headquarters Allied Powers Europe requested the Joint Staff serve in the RSN role. The Joint Staff accepted the mission in December 1995. Before the Joint Staff could execute the mission, an appropriate funding mechanism that satisfied congressional concerns and other policy and legal considerations had to be identified.

Congressional Concern. Congress was concerned about the use of U.S. funds for fuel support and the timely payment for that support. Section 8117 of the FY 1996 Defense Appropriations Act (Public Law 104-61) required that funds available to DoD for that fiscal year could not be obligated, or expended, to transfer Defense articles or services to another nation or international organization without notification to Congress 15 days in advance of the transfer. The operation in Bosnia was covered by Section 8117. DoD needed to determine from the funding mechanisms available which mechanism was the most viable to execute the RSN mission.

Appropriate Funding Mechanisms. Mission planning and execution were delayed while the appropriate funding mechanism for the RSN mission was determined. The available funding mechanisms included acquisition and cross-servicing agreements (ACSAs), FMS cases, NATO Standardization Agreements, and contingency contracts.

ACSAs. ACSAs are negotiated agreements used for the quick acquisition of goods and services for NATO and non-NATO nations. The agreements are either acquisition only or cross-servicing agreements between the United States and other nations. DoD Directive 2010.9 allows DoD Components to enter into ACSAs on a reimbursable, replacement in kind, or exchange for equal value basis. However, ACSAs have funding limits and inventory restrictions attached. ACSAs are best used for small operations, such as short-term contingencies, emergency situations, exercises, and training where U.S. and foreign forces are working together.

FMS Cases. FMS cases are used by eligible foreign governments to purchase Defense articles, services, and training from the United States. The Arms Export Control Act requires letters of offer and acceptance for such sales. Section 21 of the Arms Export Control Act allows for sales from U.S. inventories. Section 22 gives legal authority to transfer procured products to other countries using FMS cases.

NATO Standardization Agreements. NATO Standardization Agreements are used to provide logistics support among the United States, NATO countries, and NATO subsidiary bodies. DoD Directive 2010.9 encourages and supports DoD involvement in the development of NATO Standardization Agreements that provide standard procedures for use by NATO countries in furnishing and receiving logistics support. However, NATO Standardization Agreements do not include provisions for non-NATO nations.

Contingency Contracts. The NATO Maintenance and Supply Agency, Luxembourg, awards contingency contracts for logistics services for NATO in peace and war. However, the NATO Maintenance and Supply Agency must establish contracts with NATO funds, and the NATO Maintenance and Supply Agency has no provisions in place to contract for non-NATO nations.

DoD Decision. Upon consideration of policy and legal issues of each available funding mechanism, FMS was chosen as the most viable alternative.

Making a Decision. The use of NATO Standardization Agreements and contingency contracts for the RSN mission were eliminated as funding mechanisms early during the decision process because non-NATO nations were involved in Operation Joint Endeavor. ACSAs can be used for certain non-NATO nations; however, ACSAs are best suited for emergency or short-term contingencies. In addition, DoD Directive 2010.9 precludes DoD inventories from being increased for the purpose of selling them to another country and stipulates that ACSAs should not be used in place of FMS, but rather when FMS could not be used. FMS, however, does allow the United States to buy and sell Defense articles and services to other nations. Based on those factors, the only option as a funding mechanism for the mission appeared to be FMS. However, Pakistan, Russia, and Ukraine were not eligible to participate in the FMS Program under Section 505 of the Foreign Assistance Act. Those nations, however, could be supported under Section 607 of the Foreign Assistance Act of 1961. Section 607 allows any agency of the U.S. Government to furnish services and commodities on a prepayment or reimbursement basis to friendly countries during peacekeeping missions.

Decision to Use FMS Cases for the RSN Mission. For the Bosnia RSN mission, FMS cases were chosen as the funding mechanism because they would allow all countries to be supplied fuel in a like manner. From a financial perspective, DoD was in a better position using FMS cases than using other available funding mechanisms. The FMS Program covered every eligible country worldwide as well as those countries covered by Section 607 of the Foreign Assistance Act. The FMS Program also provided a management and accounting system that was already in place, which provided safeguards against the loss of

U.S. funds. Having satisfied congressional concerns with the DoD decision to use FMS cases, the Joint Staff tasked supporting commands to execute the RSN mission on December 8, 1995.

Execution Delay

The execution of the RSN mission was further delayed while the necessary FMS cases, contracts, and operating procedures were established to implement the mission.

Establishment of FMS Cases. Delays in deciding on a funding mechanism and accepting the mission also delayed the process for establishing and implementing FMS cases. Although DESC and the Defense Energy Region-Europe began the process of acquiring fuel by identifying suppliers and delivery methods before the FMS process started, the acquisition process couldn't be completed until the FMS cases were established. The establishment of FMS cases began only after DoD agreed to the mission. In addition, site surveys of the fuel infrastructure in Bosnia and Croatia could not begin until all nations acquiring fuel from the United States had deposited funds into an FMS account.

Fuel From the UN. Because the FMS Program initially had no fuel contracts in place, the United States could not provide all participating nations the fuel needed to get through the winter. However, the UN fuel contracts were still in place, and the NATO logistics commander requested that the UN remain and provide the multinational fuel needs until FMS contracts could be implemented. Although the UN agreed, it was unable to keep its fuel contracts open because of problems with the Croatian supplier. The UN departed in January 1996. Without UN or FMS fuel contracts, participating nations had to obtain fuel directly from suppliers or through the British and French, who had established contracts of their own rather than participate in the RSN mission. The Defense Energy Region-Europe awarded a contract for fuel on February 20, 1995, and the first delivery was completed on February 28, 1995. Operating procedures had still not been established for the delivery and accountability for fuel under the FMS Program.

Operating Procedures. The lack of operating procedures delayed fuel delivery to participating nations. Ordering, delivery, and accountability for payment procedures had to be established. In addition, the FMS process was new to participating nations that had never been eligible for the FMS Program because they had been a part of the former Soviet Union or had been a Warsaw Pact nation. Initially, country clearances and border crossings caused delays in fuel delivery. The ethnic backgrounds of the drivers distributing the fuel in Bosnia determined the ability of the delivery trucks to cross borders. On May 23, 1996, DESC published standard operating procedures for executing the RSN mission. Five months after the United States accepted the RSN mission in Bosnia, the procedures were in place and the United States was providing the participating nations of the multinational force the necessary fuel support to execute the NATO mission.

Planning for the RSN Mission

The newness of the RSN concept and the limited guidance concerning RSN hampered planning for an RSN mission.

NATO Policy. At the time the RSN mission began, the only publication that addressed it was Military Committee 319, "NATO Principles and Policies for Logistics," September 1992. However, Military Committee 319 only mentioned RSN, stating that specific logistics missions may be assumed by a lead nation or RSN. In addition, Military Committee 319 did not consider operations conducted outside the NATO area of responsibility or the inclusion of non-NATO nations. As a result, NATO issued Military Committee 319/1, "NATO Principles and Policies for Logistics," April 1, 1997, which requires that NATO logistics resources be used more economically, effectively, and efficiently. The new NATO policy identifies the need for advanced planning in establishing logistics requirements, integrating non-NATO nations, and identifying required logistics capability. In addition, the policy defined the new NATO mission of role specialization as one nation assuming the responsibility for providing a particular class of supply or service for all or part of a multinational force. Reimbursement for the supply or service was to be by agreement of the nations involved. As of November 1998, the new NATO mission was not incorporated into DoD doctrine.

Draft Joint Publication 3-16. Draft Joint Publication 3-16, "Joint Doctrine for Multinational Operations," Final Coordination, September 2, 1997, does not address the RSN mission. The publication provides guidance and principles for the Armed Forces of the United States when operating as part of a multinational force. The publication describes multinational operations that the United States may participate in as part of an alliance, coalition, or other ad hoc agreement and addresses combined organizational structures. It also provides guidance for the exercise of authority by combatant commanders and other joint force commanders, and it prescribes doctrine for joint operations and for forces preparing plans. A chapter of the publication describes considerations to be addressed during the planning and execution of multinational operations, including logistics and host-nation support; however, the publication does not address planning and executing the RSN mission.

Draft Joint Publication 4-08. Subsequent to the lessons learned from the RSN mission, the Joint Staff recognized the lack of relevant doctrine. As a result, draft Joint Publication 4-08, "Doctrine for Logistic Support of Multinational Operations," Initial Draft, April 1998, was established. The publication describes DoD authorities, responsibilities, and various ways that multinational logistics can be achieved; addresses the importance of advanced planning for multinational logistics missions; and provides some details for initiating the RSN mission.

- The Secretary of Defense will authorize United States acceptance of RSN missions for designated functions.
- The Chairman, Joint Chiefs of Staff, will recommend a DoD organization or command to function as an RSN executive agent.

- RSN missions should be considered for such functions as fuel management and provisioning, strategic lift, and hazardous waste disposal.
- Prospective participating nations should be approached early to obtain acceptance of their participation in the RSN mission.
- ACSAs and FMS cases are the primary funding mechanisms that should be used to execute the RSN mission.

The Military Departments and Defense agencies, which will be responsible for executing RSN missions, are authorized by the draft publication to provide RSN support to the multinational force commander when authorized by the Secretary of Defense. However, they are not made responsible for preparing to provide RSN support and assuring that components of the force understand the policies and procedures associated with that support. The draft publication, which will be the vehicle to provide the Joint Staff doctrine for multinational logistics operations in the future, gives authority but does not fully apply the requisite responsibilities and executing policies and procedures needed for the RSN mission.

USEUCOM Directives. The USEUCOM directives also had not been revised to include planning and executing guidance for the RSN mission. For example, USEUCOM Directive 63-1, "Management of Bulk Petroleum in USEUCOM," February 7, 1997, makes no reference to the RSN mission or planning for such a mission. Since the initial RSN mission was performed on behalf of USEUCOM, personnel there assisted in carrying out the mission.

USEUCOM tasked the Institute for Defense Analyses to review and describe U.S. involvement in Operation Joint Endeavor, identify major lessons learned, and make recommendations for improvement based on the results of its review. In Institute for Defense Analyses Paper P-3302, "Operation Joint Endeavor-Description and Lessons Learned (Implementation, Transition, and Redeployment Phases)," July 1997, the Institute recommended that USEUCOM develop a mechanism for politically sensitive, close-hold contingency planning and prepare for the planning of the next operation, based on the initial operation in Bosnia. In addition, the report recommended that USEUCOM incorporate lessons learned from the RSN mission into existing policies and procedures for future operations. As of November 1998, there were no USEUCOM directives that addressed the RSN mission, to include the execution of the initial operation in Bosnia. Since RSN can pertain to commodities other than fuel, the relevant USEUCOM logistics directives should define RSN, describe the concept, describe procedures for the subordinate commands to execute such missions, and identify how RSN missions will be executed.

Conclusion

The primary focus of DoD planning is to provide the necessary forces for any contingency, from crisis or conventional operations to strategic nuclear operations, and to operate in Service Component, joint, or combined task

organizations as required. If the United States were again to serve as the RSN for logistics commodities, the lack of published doctrine, policies, and procedures could again result in delays in the delivery of commodities. Advance planning and commitment are essential for successful execution of any multinational operation. The unified commands, Military Departments, and Defense agencies must prepare in advance to provide RSN support when called upon and ensure that their Components understand the policies and procedures associated with that support.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Director, Joint Staff:

a. Include in draft Joint Publication 3-16, "Joint Doctrine for Multinational Operations," September 2, 1997, the requirement for U.S. forces to plan for the execution of the role specialist nation mission in future operations.

b. Include in draft Joint Publication 4-08, "Doctrine for Logistic Support of Multinational Operations," April 1998, the need for DoD Components to prepare in advance and develop specific policies and procedures for executing the role specialist nation mission in future operations.

Management Comments. The Joint Staff concurred with the draft audit report. The Joint Staff recognizes the need for RSN doctrine, policies, and procedures, stating that policies and procedures would be included in the next revision of Joint Publication 4-03 (Joint Bulk Petroleum Doctrine) to be staffed during FY 1999.

Audit Response. Comments from the Joint Staff were partially responsive. The Joint Staff did not specifically address action for RSN mission inclusion in draft Joint Publication 3-16. We agree that the inclusion of policies and procedures in Joint Publication 4-03 will improve RSN mission execution for fuel support in the future. However, the Joint Staff did not discuss the recommendation to include policies and procedures in draft Joint Publication 4-08, which includes all joint logistics support. Therefore, we request that the Joint Staff provide additional comments in response to the final report, indicating whether Joint Publications 3-16 and 4-08 will be modified and when those actions would be completed.

2. We recommend that the Commander in Chief, U.S. European Command, revise logistics directives to include information on the role specialist nation process used for the mission in Bosnia and prepare guidance for planning and executing the role specialist nation mission for any commodity in future operations.

Management Comments. USEUCOM concurred, and stated that relevant USEUCOM logistics directives will be reviewed and updated to describe the concept and procedures for the execution of RSN missions. Expected completion date is December 1999.

Appendix A. Audit Process

Scope and Methodology

We reviewed applicable U.S. public laws and NATO, Joint Staff, USEUCOM, Defense Logistics Agency, and DESC publications dated from 1961 through April 1998 that included information pertaining to funding mechanisms for multinational military operations. We reviewed documentation that presented the evolution of the U.S. acceptance and execution of the RSN mission in Bosnia between October 1995 and December 1996. We reviewed alternative international agreement mechanisms for executing future RSN missions and compared the benefits and restrictions of using ACSAs, FMS cases, NATO Standardization Agreements, and contingency contracts. We reviewed DESC and U.S. Army Security Assistance Command documentation of the implementation of the FMS cases, including letters of offer and acceptance, monthly activity reports, and case management documents. We reviewed lessons learned documents and Institute for Defense Analyses papers to identify accomplishments as well as shortfalls and recommendations for future operations. In addition, we interviewed personnel who were in-theater during the initiation of the RSN mission, as well as key contacts within DESC, Defense Energy Region-Europe, Defense Fuel Office-Balkans, Defense Security Assistance Agency, Joint Staff, Office of the Secretary of Defense, U.S. Army Security Assistance Command, and USEUCOM.

DoD-Wide Corporate Level Goals. In response to the Government Performance Results Act, DoD established 6 DoD-wide corporate level performance objectives and 14 goals for meeting those objectives. This report pertains to achievement of the performance objective to shape the international environment through DoD engagement programs and activities. The goal of that objective is to enhance coalition warfighting. **(DoD-1.2)**

Use of Computer-Processed Data. No computer-processed data were used in the course of the audit.

Audit Type, Dates, and Standards. This performance audit was conducted from March through August 1998. The audit was conducted in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available upon request.

Management Control Program

DoD Directive 5010.38, "Management Control Program," August 26, 1996, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of Review of the Management Control Program. We reviewed the adequacy of management controls at DESC, Defense Energy Region-Europe, Joint Staff, and USEUCOM pertaining to the execution of the RSN mission and the implementation of the FMS Program for the provision of bulk fuels in Bosnia. We did not assess the adequacy of management's self-evaluation because we did not identify a material weakness.

Adequacy of Management Controls. The management controls relating to the execution of the RSN mission and the implementation of the FMS Program were adequate as they applied to the audit objectives. We identified no material management control weakness in those areas reviewed.

Summary of Prior Coverage

During the last 5 years, the Inspector General, DoD, has issued two audit reports and the Institute for Defense Analyses has issued two papers relative to this audit.

Inspector General, DoD

Inspector General, DoD, Report No. 98-189, "Procuring Fuel and Ground Handling Services at Commercial Airports," August 18, 1998.

Inspector General, DoD, Report No. 98-114, "Fuel War Reserves for the European Theater," April 16, 1998.

Institute for Defense Analyses

Institute for Defense Analyses Paper P-3302, "Operation Joint Endeavor-Description and Lessons Learned (Implementation, Transition, and Redeployment Phases)," July 1997.

Institute for Defense Analyses Paper P-3210, "Operation Joint Endeavor-Description and Lessons Learned (Planning and Deployment Phases)," November 1996.

Appendix B. Report Distribution

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Inspector General, Defense Intelligence Agency

Non-Defense Federal Organizations

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

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

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

Joint Staff Comments

THE JOINT STAFF
WASHINGTON, DC

Reply ZIP Code:
20318-0300

DJSM 1189-98
16 November 1998

MEMORANDUM FOR THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

Subject: Audit Report on DOD Execution of the Role Specialist Nation Mission in Bosnia (Project No. 7LG-5030.02)

1. The Joint Staff has reviewed and concurs with the draft audit report concerning Project No. 7LG-5030.02.[1] We recognize the need for doctrine, policies, and procedures governing the execution of the Role Specialist Nation Mission by US forces.

2. The Director for Logistics (J-4), Joint Staff, will include these policies and procedures in the next revision of Joint Pub 4-03 (Joint Bulk Petroleum Doctrine). This revision will be staffed during FY 1999.

3. The Joint Staff point of contact is LTC Joe Tedesco, J-4 ILED, 697-6256.

STEPHEN T. RIPPE
Major General, USA
Vice Director, Joint Staff

Reference:
1 IG, DOD, memorandum, 16 September 1998, "Audit Report on DoD Execution of the Role Specialist Nation Mission in Bosnia (Project No. 7LG-5030.02)"

Copy to:
Director, Readiness and Logistics
Support Directorate

U.S. European Command Comments

HEADQUARTERS
UNITED STATES EUROPEAN COMMAND
UNIT 30400, BOX 1000
APO AE 09128

10 OCT 1998

ECJ4

MEMORANDUM FOR DIRECTOR, READINESS AND LOGISTICS SUPPORT DIRECTORATE, DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Draft Audit Report on DoD Execution of the Role Specialist Nation (RSN) Mission in Bosnia (Project No. 7LG-5030.02)

1. We appreciate the opportunity to review the subject draft report and recognize the effort required to produce it. Our comments concerning the recommendations for corrective action follow:

a. Concur with recommendation 1(a), that the Director, Joint Staff include in draft Joint Publication 3-16, "Joint Doctrine for Multinational Operations," September 2, 1997, the requirement for U.S. forces to plan for the execution of the RSN in future operations.

b. Concur with recommendation 1(b), that the Director, Joint Staff include in draft Joint Publication 4-08, "Doctrine for Logistic Support of Multinational Operations," April 1998, the need for DoD Components to prepare in advance and develop specific policies and procedures for executing the RSN mission in future operations.

c. Concur with recommendation 2 that the RSN concept can pertain to commodities other than fuel. Relevant USEUCOM logistic directives will be reviewed and updated to ensure they describe the concept and procedures for subordinate commands to execute RSN missions. Lessons learned from past and current operations in Bosnia will be utilized to prepare doctrine on RSN missions. Expected completion date for review and development of RSN doctrine in USEUCOM logistics directives is December 1999.

2. The USEUCOM point of contact is LCDR S.D. Grace, DSN 430-8263.

LARRY L. LUST
Major General, USA
Director, Logistics and
Security Assistance

Audit Team Members

This report was prepared by the Readiness and Logistics Support Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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