

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

IMPLEMENTATION OF THE ENERGY POLICY ACT OF 1992

Report Number 93-055

February 18, 1993

Department of Defense

The following acronyms are used in this report.

CFR.....	Code of Federal Regulation
DEIS.....	Defense Energy Information System
DEPPM.....	Defense Energy Program Policy Memorandum
DLA.....	Defense Logistics Agency
DoE.....	Department of Energy
OIG.....	Office of Inspector General



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202

February 18, 1993

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (PRODUCTION
AND LOGISTICS)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
INSPECTOR GENERAL, DEPARTMENT OF THE ARMY
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Report on DoD Implementation of the Energy Policy
Act of 1992 (Report No. 93-055)

We are providing this final report for your information and use. The audit of the DoD Energy Management and Conservation Program was required by the Energy Policy Act of 1992. Comments on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, we request comments from the Navy and the Marine Corps on the finding and recommendations by April 19, 1993.

DoD Directive 7650.3 also requires that comments indicate concurrence or nonconcurrence in the finding and each recommendation addressed to you. If you concur, describe the corrective actions taken or planned. Give the completion dates for actions taken and the estimated completion dates for actions planned. If you nonconcur, state your specific reasons for each nonconcurrence. If appropriate, you may propose alternatives for accomplishing desired improvements. Recommendations are subject to resolution in accordance with DoD Directive 7650.3 in the event of nonconcurrence or failure to comment.

The courtesies extended to the audit staff are appreciated. If you have any questions on this audit, please contact Mr. Salvatore D. Guli, Program Director at (703) 692-3025 (DSN 222-3025) or Mr. Bruce Burton, Project Manager at (703) 692-3178 (DSN 222-3178). Appendix D lists the planned distribution of this report.



Robert J. Lieberman
Assistant Inspector General
for Auditing

cc:

Secretary of the Army
Secretary of the Navy
Secretary of the Air Force
Commandant of the Marine Corps
Inspector General, Department of Energy

Office of the Inspector General, DoD

Report No. 93-055
(Project No. 3CF-7001)

February 18, 1993

DOD IMPLEMENTATION OF THE ENERGY POLICY ACT OF 1992

EXECUTIVE SUMMARY

Introduction. This audit was performed in response to the Energy Policy Act of 1992 which requires Inspectors General to survey energy policy implementation in Federal agencies. The National Energy Conservation Policy Act of 1978, as amended by the Federal Energy Management Improvement Act of 1988, required Federal agencies to establish in-house programs to reduce energy consumption 10 percent by FY 1995, using FY 1985 as the base year. Federal agencies were also required to establish accounting mechanisms to assess accuracy and reliability of energy consumption and energy cost figures.

Objectives. Our objectives were to determine if DoD, through its Energy Management and Conservation Program, complied with the provisions of the Federal Energy Management Program and to determine if internal accounting mechanisms were in place to assess the accuracy and reliability of DoD energy consumption and energy cost figures.

Audit Results. DoD implementation of energy initiatives was commendable. DoD reported reduced energy consumption of 27.3 percent from FYs 1975 to 1985. This approximates a \$700 million energy savings in terms of current facility energy use. DoD energy use continues to decline through the current 10-year period, FYs 1986 to 1995. The Army, the Navy, and the Air Force reduced energy consumption a reported 17.3 percent, 11 percent, and 11.6 percent, respectively, from FY 1985 through FY 1991. We concluded that, as a whole, DoD implemented an in-house energy conservation program and put in place accounting mechanisms to assess the accuracy and reliability of energy consumption and energy cost figures. However, because of the short time frame allowed for the audit, we did not test the accuracy of the reported energy costs. We did find that some improvements were needed to better implement energy conservation policies at selected Military Department and Defense Logistics Agency installations.

Internal Controls. The audit found no material internal control weaknesses related to the DoD Energy Management and Conservation Program. See Part I for a discussion of the internal controls reviewed.

Potential Benefits of Audit. Monetary benefits in the form of reduced energy consumption will result from implementation of the recommendations; however, we could not quantify the benefits. Appendix B summarizes potential benefits of the audit.

Summary of Recommendations. We recommended that the Military Departments update energy management plans annually and that the Marine Corps establish an energy management plan. We also recommended that the Military Departments and the Defense Logistics Agency establish procedures to verify that field installations maintain awareness of and implement energy management plans.

Management Comments. The Army, the Air Force, and the Defense Logistics Agency concurred with our recommendations. However, the Navy and Marine Corps did not provide written comments to the draft of this report. We request that the Navy and the Marine Corps comment on the recommendations by April 19, 1993.

TABLE OF CONTENTS

	<u>Page</u>
TRANSMITTAL MEMORANDUM	1
EXECUTIVE SUMMARY	i
PART I - INTRODUCTION	
Background	1
Objectives	2
Scope	2
Internal Controls	3
Prior Audits and Other Reviews	3
PART II - FINDING AND RECOMMENDATIONS	
Energy Policy Implementation	5
PART III- ADDITIONAL INFORMATION	
APPENDIX A - Military Department and Defense Logistics Agency Energy Policy Implementation	13
APPENDIX B - Summary of Potential Benefits Resulting from Audit	17
APPENDIX C - Activities Visited or Contacted	19
APPENDIX D - Report Distribution	21
PART IV - MANAGEMENT COMMENTS	
Department of the Army	25
Department of the Air Force	27
Defense Logistics Agency	29

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD. Copies of the report can be obtained from the Secondary Reports Distribution Unit, Audit Planning and Technical Support Directorate, (703) 614-6303 (DSN 224-6303).

PART I - INTRODUCTION

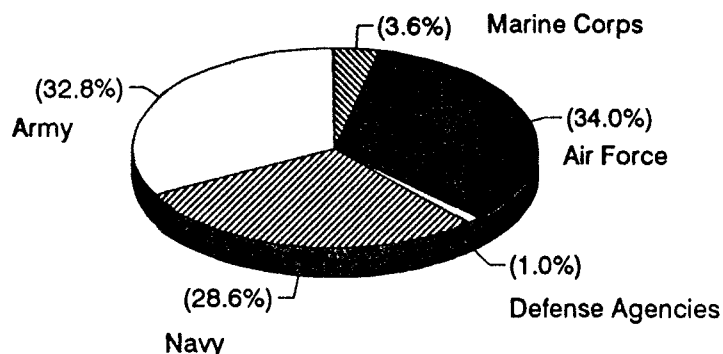
Background

The Energy Policy Act of 1992, October 24, 1992, section 160, required each Federal Office of Inspector General (OIG) to identify agency compliance activities and other matters relevant to implementing energy goals under the National Energy Conservation Policy Act of 1978, section 543. The Energy Policy Act of 1992 also requires the President's Council on Integrity and Efficiency (PCIE) to submit a report by March 1993 to the Committee on Energy and Natural Resources and the Committee on Governmental Affairs of the Senate, and the Committee on Energy and Commerce and the Committee on Public Works and Transportation of the House of Representatives. The PCIE, with the Department of Energy (DoE) as the lead agency, will summarize Federal OIG reports and submit a consolidated report to the committees.

Federal energy management requirements. The National Energy Conservation Policy Act of 1978, as amended by the Federal Energy Management Improvement Act of 1988, required Federal agencies to establish an in-house program to reduce energy consumption by 10 percent by 1995, using FY 1985 as the base year. The prescribed main elements of the program were surveys and studies, retrofits of existing systems to improve energy efficiency, and new building designs. In 1991, the President issued Executive Order 12759 mandating that energy consumption be reduced by an additional 10 percent (a total of 20 percent from base year FY 1985) by the close of the century. DoD integrated these goals into Military Department policies and procedures and actively tracks progress through the Defense Energy Information System (DEIS), an automated management information system through which DoD monitors its energy supplies and consumption.

DoD energy use. Approximately 1,200 Defense installations contain more than 400,000 buildings, with approximately 2.5 billion square feet. Defense installations spent about \$2.5 billion in FY 1991 for energy use. The following graph illustrates FY 1991 Military Department and Defense agency energy use.

DoD BUILDINGS AND FACILITIES ENERGY USE
BY COMPONENT IN FY 1991



DoD energy conservation. DoD has had a formal, centrally managed program of energy management and conservation since the early 1970s. DoD established goals and objectives and made many no-cost and low-cost operational changes, including turning lights off when not in use, lowering building temperatures in cold weather, and raising building temperatures in hot weather. These measures contributed to reducing energy consumption by a reported 27.3 percent from FYs 1975 to 1985, which approximates a \$700 million savings in terms of current facility energy usage. In addition, from FYs 1976 through 1992, DoD spent \$1.1 billion of military construction funds for facility retrofits that resulted in claimed energy savings of \$2 billion.

Objectives

The objectives of the audit were to determine if DoD, through its Energy Management and Conservation Program, complied with provisions of the Federal Energy Management Program and to determine if internal accounting mechanisms were in place to assess the accuracy and reliability of DoD energy consumption and cost figures.

Scope

This audit was required to be completed within 120 days from October 24, 1992, the effective date of the Energy Policy Act of 1992. To assess DoD compliance with the Energy Policy Act of 1992, we reviewed applicable laws, Federal regulations, and DoD implementing policies and procedures at the Office of the Secretary of Defense, the Military Departments, and the Defense Logistics Agency (DLA). We also visited 48 field installations: 15 Army, 15 Navy, 13 Air Force, 2 Marine Corps, and 3 DLA (Appendix A). Using FY 1991 DEIS data, we calculated that these 48 installations had total expended energy costs of \$333 million

out of the total DoD reported facility energy expenditure of \$2.5 billion. While the audit relied on and used computer-generated data from DEIS to report DoD energy conservation results, we did not verify the accuracy and reliability of the data. We performed limited tests at field installations to determine if internal mechanisms or procedures were established for inputting data to the DEIS system. However, we cannot render an opinion as to the accuracy of DoD reported energy conservation savings because of the short time frame allowed for the audit.

We performed this audit using a survey guide prepared by DoE. DoE developed the survey guide using provisions of the National Energy Conservation Policy Act of 1978, the Energy Conservation Policy Act of 1975, the Federal Energy Management Improvement Act of 1988, Executive Order 12759, and the Code of Federal Regulation (CFR), part 10. We judgmentally selected field installations from the Military Departments and DLA based on dollars of energy consumption and geographical proximity to other high-dollar energy consumers. The short time frame for completing the audit influenced the selection of field installations. We did not use statistical sampling procedures to select field installations nor did we project audit results.

This economy and efficiency audit was performed from November 1992 through January 1993 in accordance with generally accepted Government auditing standards issued by the Comptroller General of the United States as implemented by the OIG, DoD. Accordingly, we included such tests of internal controls as were considered necessary. Appendix C lists the activities visited or contacted during the audit.

Internal Controls

Our review was limited to an evaluation of internal controls related to the operation and maintenance of the DoD Energy Management and Conservation Program. Therefore, we are not expressing an opinion on the adequacy and compliance of any other internal controls or the Defense Logistics Agency implementation of the Federal Managers' Financial Integrity Act.

We reviewed controls related to policy dissemination and implementation, and controls related to the internal accounting mechanisms. Our audit disclosed no material internal control weaknesses.

Prior Audits and Other Reviews

No recent audit coverage in this area required follow-up actions. The OIG, DoD, Office of the Assistant Inspector General for Inspections plans a comprehensive follow-up review of energy resources management in FY 1993.

PART II - FINDING AND RECOMMENDATIONS

ENERGY POLICY IMPLEMENTATION

The DoD Energy Management and Conservation Program generally complies with Federal requirements. However, the Military Departments and DLA have not fully implemented effective energy management policies at selected headquarters and field installations. This lack of implementation occurred because DoD guidance, in some cases, was not followed and because Military Department energy management plans were, in some cases, not received by field installations (Appendix A). As a result, a comprehensive energy management program was not implemented at all levels, and potential energy reductions and savings may be lost.

DISCUSSION OF DETAILS

Background

Energy management policy. The Energy Policy Directorate, Office of the Assistant Secretary of Defense (Production and Logistics), issues DoD energy policy. DoD Instruction 4170.10, "Energy Policy Management," assigns responsibilities and provides procedures for DoD energy management. DoD Instruction 5126.47, "DoD Energy Policy Council," established an energy council to provide a coordinated review of DoD energy policy issues, systems, and programs. DoD Instruction 5126.47 also established the Defense Energy Action Group, a working group subordinate to the Defense Energy Policy Council that provides logistical and technical support on specific energy policy issues to be deliberated by the Defense Energy Policy Council. Defense Energy Program Policy Memorandums (DEPPMs) issued by the Energy Policy Directorate provide additional guidance to Military Departments and Defense agencies. DEPPMs also disseminate general guidance on periodic reviews and surveys and retrofits as an element of energy conservation and management. The Military Departments and DLA use DEPPMs to establish and issue guidance to their field activities.

Energy management policy implementation. The Energy Conservation Policy Act of 1975 and the Federal Energy Management Improvement Act of 1988 established the requirement for all Federal agencies to prepare a 10-year energy management plan. The CFR, part 10, requires each Federal agency to include a plan update in the agency's annual progress report. DEPPM 86-3, "Defense Energy Resource Management Program and Goals," April 16, 1986, established the requirement for the 10-year plan. DoD Instruction 4170.10 established responsibilities for reviewing Component programs and issuing annual programming and oversight guidance.

Procedures for conducting surveys and retrofits were included in the National Energy Conservation Policy Act of 1978. The CFR established the requirement for periodic review of energy conservation management at field installations and established energy conservation procedures for new buildings. CFR, part 10, and the Federal Energy Management Improvement Act of 1988 Federal building requirements for energy conservation are incorporated into DoD building design guidelines and associated manuals and regulations. The Army Corps of Engineers and the Naval Facilities Engineering Command are primarily responsible for all new building construction in DoD.

Implementation by the Military Departments and DLA

The Army, the Navy, and the Air Force have implemented energy management programs and procedures and, based on reported energy savings, have done a commendable job of reducing energy consumption. Details on the results of audit of each Military Department and of DLA are presented below.

Army. At the close of FY 1991, the Army reported a 17.3-percent reduction in facility energy consumption against the FY 1985 base line. However, during our review we found areas for additional improvement.

Although the Army 10-year energy management plan was updated in 1989 and is currently being revised, the Army does not update its energy management plan annually. In addition, 4 of the 15 Army installations did not have procedures for implementing the Army energy management plan.

Navy. The Navy reported an 11-percent reduction in facility energy consumption against the FY 1985 base line by the end of FY 1991. The Navy, however, has areas that need improvement.

The Navy has not updated its 10-year energy management plan annually and the Assistant Secretary of the Navy (Installations and Environment) had not issued specific guidance to the field activities on the survey and retrofit program. At the 15 Navy installations, we determined that not all locations were fully implementing energy management policies.

- o Ten installations did not have procedures in place for implementing the Assistant Secretary of the Navy (Installations and Environment) 10-year energy management plan, and 3 of the 10 were not aware of the Navy energy management plan.

- o Nine installations were not periodically reviewing activities to evaluate energy conservation actions and practices.

- o Seven installations did not have a field-level survey and retrofit program.

- o Six installations did not have internal control mechanisms or procedures to assess the accuracy and reliability of information entered into DEIS.

Air Force. The Air Force reported an 11.6-percent reduction in facility energy consumption against the FY 1985 base line as of the end of FY 1991. However, the Air Force program can also be improved.

The Air Force has not updated its 10-year energy management plan annually and has not issued specific guidance to field activities on the survey and retrofit program. At the 13 installations visited, implementing energy management policies needed improvement.

- o Eight installations were not implementing the 10-year energy management plan and three of the eight were unaware that an energy management plan existed.

- o Four installations did not have a field-level survey and retrofit program.

Marine Corps. The Marine Corps has established many procedures for implementing an energy management program, but has not issued a comprehensive 10-year plan for achieving energy reduction goals. The Marine Corps was not aware of the DEPPM 86-3 requirement for each Component to develop a 10-year energy management plan.

Defense Logistics Agency. Headquarters, DLA has not developed a 10-year energy management plan, but has a target date of March 31, 1993, for issuance of the plan. DLA also does not have a survey and retrofit program and has not issued specific guidance on surveys and retrofits and periodic reviews to field installations. As a result, two of the three DLA field installations that we visited did not have a survey and retrofit program, were not performing periodic reviews, and were not tracking their progress against DLA energy reduction goals.

RECOMMENDATIONS, MANAGEMENT COMMENTS, AND AUDIT RESPONSE

1. We recommend that the Assistant Secretary of the Army (Installations, Logistics, and Environment):

a. Establish procedures to verify that field installations are aware of and are implementing the Army 10-year energy management plan.

b. Update the Army 10-year energy management plan annually.

Management comments. The Army concurred with the recommendations and was in the process of printing an updated 10-year energy management plan. The estimated completion date was April 1993. The complete text of the Army comments is in Part IV.

2. We recommend that the Assistant Secretary of the Navy (Installations and Environment):

a. Establish procedures to verify that field installations are aware of and are implementing the Navy 10-year energy management plan, have established an installation-level survey and retrofit program, and have established mechanisms and procedures to assess the accuracy and reliability of information reported to the Defense Energy Information System.

b. Update the Navy 10-year energy management plan annually.

Management comments. The Navy did not provide written comments to these recommendations.

Audit response. We request that the Assistant Secretary of the Navy (Installations and Environment) provide written comments to the final report.

3. We recommend that the Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment):

a. Establish procedures to verify that field installations are aware of and are implementing the Air Force 10-year energy management plan, and have established an installation-level survey and retrofit program.

b. Update the Air Force 10-year energy management plan annually.

Management comments. The Air Force concurred with the recommendations and was updating its energy management plan. The estimated completion date was June 1993. In addition, energy conservation improvement surveys and training seminars were scheduled for all major commands and 22 installations in FY 1993. The complete text of the Air Force comments is in Part IV.

4. We recommend that the Deputy Chief of Staff for Installations and Logistics, Marine Corps, develop and implement a 10-year energy management plan that addresses the Marine Corps' current energy management goals.

Management comments. The Marine Corps, did not provide written comments to these recommendations.

Audit response. We request that the Deputy Chief of Staff for Installations and Logistics, Marine Corps, provide comments to the final report.

5. We recommend that the Director, Defense Logistics Agency, develop an agency-wide survey and retrofit program and issue guidance to Defense Logistics Agency field installations for conducting an installation-level survey and retrofit program and performing periodic reviews.

Management comments. The Defense Logistics Agency concurred with the recommendations and planned to issue guidance by March 31, 1993, requiring Defense Logistics Agency field installations to conduct an installation-level survey and retrofit program. The complete text of the Defense Logistics Agency comments is in Part IV.

PART III - ADDITIONAL INFORMATION

- APPENDIX A - Military Department and Defense Logistics Agency
Energy Policy Implementation
- APPENDIX B - Summary of Potential Benefits Resulting
from Audit
- APPENDIX C - Activities Visited or Contacted
- APPENDIX D - Report Distribution

APPENDIX A - MILITARY DEPARTMENT AND DEFENSE LOGISTICS AGENCY ENERGY POLICY IMPLEMENTATION

<u>Installations Visited</u>	<u>Need Procedures to Implement a 10-Year Plan</u>	<u>Need Periodic Reviews</u>	<u>Need Survey and Retrofit Program</u>	<u>Need Procedures To Verify DEIS Information</u>
------------------------------	--	------------------------------	---	---

Army

Army Research Laboratory, MD
 Cameron Station, VA
 Carlisle Army Barracks, PA
 Fort Belvoir, VA
 Fort Detrick, MD
 Fort Eustis, VA
 Fort Lee, VA
 Fort Lewis, WA
 Fort McPherson, GA
 Fort Meade, MD
 Fort Myer, VA
 Fort Monroe, VA
 Fort Sam Houston, TX
 Letterkenny Army Depot, PA
 Walter Reed Army Hospital, DC

13

Navy

Naval Amphibious Base Little Creek, VA
 Naval Air Station Atlanta, GA
 Naval Air Station Norfolk, VA
 Naval Air Station Oceana, VA
 Naval Air Station Pensacola, FL
 Naval Hospital Pensacola, FL
 Naval Station San Diego, CA
 Naval Submarine Base Bangor, WA

APPENDIX A - MILITARY DEPARTMENT AND DEFENSE LOGISTICS AGENCY ENERGY POLICY IMPLEMENTATION (cont'd)

<u>Installations Visited</u>	<u>Need Procedures to Implement a 10-Year Plan</u>	<u>Need Periodic Reviews</u>	<u>Need Survey and Retrofit Program</u>	<u>Need Procedures To Verify DEIS Information</u>
Navy (cont'd)				
Naval Shipyard Charleston, SC		X		
Naval Shipyard Norfolk, VA	X*	X	X	X
Naval Shipyard Puget Sound, WA				
Naval Training Center San Diego, CA	X*			X
Naval Weapons Station Charleston, SC	X			
Public Works Center Norfolk, VA	X*	X	X	X
Public Works Center San Diego, CA	X	X	X	
Air Force				
Bolling Air Force Base, DC	X*			
Charleston Air Force Base, SC	X*		X	
Dobbins Air Force Base, GA	X*			
Eglin Air Force Base, FL	X		X	
Hurlburt Field, FL	X		X	
Kelly Air Force Base, TX	X			
Lackland Air Force Base, TX				
Langley Air Force Base, VA	X			
McChord Air Force Base, WA				
Randolph Air Force Base, TX				
Shaw Air Force Base, SC	X			
Warner Robins Air Logistics Center, Robins Air Force Base, GA			X	
Wright-Patterson Air Force Base, OH				

*Did not know Headquarters 10-year plan existed.

**APPENDIX A - MILITARY DEPARTMENT AND DEFENSE LOGISTICS AGENCY ENERGY POLICY
IMPLEMENTATION (cont'd)**

<u>Installations Visited</u>	<u>Need Procedures to Implement a 10-Year Plan</u>	<u>Need Periodic Reviews</u>	<u>Need Survey and Retrofit Program</u>	<u>Need Procedures To Verify DEIS Information</u>
Marine Corps				
Marine Corps Base Quantico, VA				
Marine Corps Recruit Depot San Diego, CA				
Defense Logistics Agency				
Defense Construction Supply Center, OH		X	X	
Defense Electronics Supply Center, OH		X	X	
Defense General Supply Center, VA				

APPENDIX B - SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

<u>Recommendation Reference</u>	<u>Description of Benefit</u>	<u>Type of Benefit</u>
1.a.	Economy and Efficiency. Field activities will implement the 10-year plan of energy conservation for the Army.	Nonmonetary.
1.b.	Economy and Efficiency. The Army plan will include current energy conservation goals and initiatives.	Nonmonetary.
2.a.	Economy and Efficiency. Field activities will implement the Navy energy management plan, establish survey and retrofit programs, and assess the accuracy and reliability of energy consumption information.	Nonmonetary.
2.b.	Economy and Efficiency. The Navy plan will include current energy conservation goals and initiatives.	Nonmonetary.
3.a.	Economy and Efficiency. Field activities will implement the Air Force energy management plan and establish survey and retrofit programs.	Nonmonetary.
3.b.	Economy and Efficiency. The Air Force plan will include current energy conservation goals and initiatives.	Nonmonetary.

APPENDIX B - SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT
(cont'd)

<u>Recommendation Reference</u>	<u>Description of Benefit</u>	<u>Type of Benefit</u>
4.	Economy and Efficiency. The Marine Corps will formally establish goals and initiatives for energy conservation management.	Nonmonetary.
5.	Economy and Efficiency. DLA will establish procedures for conducting energy conservation surveys and retrofits and periodic energy conservation reviews at field installations.	Nonmonetary.

APPENDIX C - ACTIVITIES VISITED OR CONTACTED (cont'd)

Department of the Air Force

Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment), Washington, DC
Bolling Air Force Base, Washington, DC
Charleston Air Force Base, Charleston, SC
Dobbins Air Force Base, Atlanta, GA
Eglin Air Force Base, Fort Walton Beach, FL
Hurlburt Field, Fort Walton Beach, FL
Kelly Air Force Base, San Antonio, TX
Lackland Air Force Base, San Antonio, TX
Langley Air Force Base, Hampton, VA
McChord Air Force Base, Tacoma, WA
Randolph Air Force Base, San Antonio, TX
Shaw Air Force Base, Sumter, SC
Warner Robins Air Logistics Center, Robins Air Force Base, GA
Headquarters Air Force Materiel Command, Wright-Patterson Air Force Base, OH

Marine Corps

Deputy Chief of Staff for Installations and Logistics, U.S. Marine Corps, Washington, DC
Marine Corps Recruit Depot San Diego, CA
Marine Corps Base, Quantico, VA

Defense Activities

Headquarters Defense Logistics Agency, Alexandria, VA
Defense Construction Supply Center, Columbus, OH
Defense Electronics Supply Center, Dayton, OH
Defense General Supply Center, Richmond, VA

APPENDIX C - ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Assistant Secretary of Defense (Production and Logistics),
Washington, DC

Department of the Army

Assistant Secretary of the Army (Installations, Logistics,
and Environment), Washington, DC
Office of the Deputy Chief of Staff for Logistics, Washington, DC
Army Research Lab, Adelphi, MD
Cameron Station, Alexandria, VA
Carlisle Army Barracks, Carlisle, PA
Fort Belvoir, Alexandria, VA
Fort Detrick, Frederick, MD
Fort Eustis, Newport News, VA
Fort Lee, Petersburg, VA
Fort Lewis, Seattle, WA
Fort McPherson, Atlanta, GA
Fort Meade, Laurel, MD
Fort Myer, Arlington, VA
Fort Monroe, Hampton, VA
Fort Sam Houston, San Antonio, TX
Letterkenny Army Depot, Chambersburg, PA
Walter Reed Army Hospital, Washington, DC

Department of the Navy

Assistant Secretary of the Navy (Installations and
Environment), Washington, DC
Naval Air Station Atlanta, GA
Naval Air Station Norfolk, VA
Naval Air Station Oceana, VA
Naval Air Station Pensacola, FL
Naval Amphibious Base Little Creek, VA
Naval Hospital Pensacola, FL
Naval Shipyard Charleston, SC
Naval Shipyard Norfolk, VA
Naval Shipyard Puget Sound, Bremerton, WA
Naval Station San Diego, CA
Naval Submarine Base Bangor, Seattle, WA
Naval Weapons Station Charleston, SC
Naval Training Center San Diego, CA
Public Works Center Norfolk, VA
Public Works Center San Diego, CA

APPENDIX D - REPORT DISTRIBUTION

Office of the Secretary of Defense

Assistant Secretary of Defense (Production and Logistics)
Assistant Secretary of Defense (Public Affairs)
Comptroller of the Department of Defense

Department of the Army

Secretary of the Army
Assistant Secretary of the Army (Installations, Logistics, and Environment)
Inspector General, Department of the Army
Auditor General, Army Audit Agency

Department of the Navy

Secretary of the Navy
Commandant of the Marine Corps
Assistant Secretary of the Navy (Financial Management)
Assistant Secretary of the Navy (Installations and Environment)
Deputy Chief of Staff for Installations and Logistics, Marine Corps
Auditor General, Naval Audit Service

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and Comptroller)
Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment)
Auditor General, Air Force Audit Agency

Defense Activities

Director, Defense Logistics Agency

Non-Defense Federal Activities and Individuals

Inspector General, Department of Energy
Office of Management and Budget

General Accounting Office, National Security and International Affairs Division, Technical Information Center

APPENDIX D - REPORT DISTRIBUTION (cont'd)

Non-Defense Federal Activities and Individuals (cont'd)

Chairman and Ranking Minority Member of Each of the Following
Congressional Committees and Subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
Senate Committee on Energy and National Resources
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Operations
House Subcommittee on Legislation and National Security,
Committee on Government Operations
House Committee on Energy and Commerce
House Committee on Public Works and Transportation

PART IV - MANAGEMENT COMMENTS

Department of the Army

Department of the Air Force

Defense Logistics Agency

DEPARTMENT OF THE ARMY COMMENTS



DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
WASHINGTON, DC 20315-0800



22 JAN 1993

DALO-TSE

MEMORANDUM THRU

~~DEPUTY CHIEF OF STAFF FOR LOGISTICS~~ *ELM*
20 Jan 93

~~DIRECTOR OF THE ARMY STAFF~~ *George R. Montgomery, LTC, GS, ADAS*

ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS, LOGISTICS
AND ENVIRONMENT)

FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE (AUDITING)

SUBJECT: President's Council on Integrity and Efficiency Draft
Audit Report on DOD Implementation of the Energy Policy Act of
1992 (Project No. 3CF-7001)--INFORMATION MEMORANDUM

1. This is in response to SAIG-PA memorandum, 19 Jan 93, SAB.
2. We concur with the finding and recommendations of the draft audit report (Tab A).
3. An updated Army 10-year energy management plan is currently being printed. It will be distributed in February 1993. Following distribution, Army Major Commands (MACOMs) will be requested to confirm that their installations have received the plan and are implementing it immediately. This process should be completed by the end of April 1993.
4. This office will review the Army 10-year management plan annually and publish and distribute updates as appropriate through MACOMs.

Encl

Hubert G. Smith
HUBERT G. SMITH
Major General, GS
Director of Transportation,
Energy and Troop Support

ASA(SAILE) - Concur, Mr. Croom, 697-5727 (by phone)

Pro Ghose/46564

OTC(US) #0039

DEPARTMENT OF THE AIR FORCE COMMENTS



OFFICE OF THE ASSISTANT SECRETARY

DEPARTMENT OF THE AIR FORCE
WASHINGTON DC 20330-1000

FEB 5 1993

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, OFFICE
OF THE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

SUBJECT: President's Council on Integrity and Efficiency, Draft
Report on DOD Implementation of the Energy Policy Act
of 1992, (Project No. 3CF-7001) - INFORMATION
MEMORANDUM

This is in reply to your memorandum requesting Air Force
comments on subject report. We concur with the report and it's
recommendations. Specific actions to implement recommendations
include:

a. The Air Force Energy Plan is currently being updated by
contract to include provisions of the 1992 legislation not in
existence when the plan was last updated. Estimated completion
is Jun 93. This plan along with an Energy Manager's Handbook,
under development, will be distributed Air Force wide. We are
also developing an electronic bulletin board which will
distribute current information directly to installations
electronically. Expected completion for this bulletin board is
Jul 93.

b. Low cost/no cost energy conservation improvement surveys
and training seminars were conducted at nine Air Force
installations in FY 92. Twenty two additional installations are
scheduled for these seminars in FY 93. In addition, an
installation survey training seminar conducted by the
Association of Energy Engineers is being scheduled for all Air
Force major commands in March 93.

We believe these actions will rectify the shortcomings
identified in your report. We appreciate the opportunity to
comment on this draft report prior to publication.

GARY D VEST
Deputy Assistant Secretary of the Air Force
(Environment, Safety and Occupational Health)

cc: SAF/FMPE
HQ USAF/LGSF
HQ AFCEA/EN

DEFENSE LOGISTICS AGENCY COMMENTS



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO DLA-CI

01 FEB 1993

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING,
DEPARTMENT OF DEFENSE

SUBJECT: President's Council on Integrity and Efficiency Draft
Audit Report on DoD Implementation of the Energy Policy
Act of 1992 (Project No. 3CP-7001)

This is in response to your 15 January 1993 request.

1 Encl

JACQUELINE G. BRYANT
Chief, Internal Review Division
Office of Comptroller

CC:
DLA-WI (Dave Van Pernis)
DLA-LR (MAJ Adrian)

DEFENSE LOGISTICS AGENCY COMMENTS
(cont'd)

TYPE OF REPORT: AUDIT

DATE OF POSITION: 29 Jan 93

PURPOSE OF INPUT: INITIAL POSITION

AUDIT TITLE AND #: President's Council on Integrity and Efficiency Draft
Audit Report on DoD Implementation of the Energy
Policy Act of 1992 (Project No. 3CF-7001)

RECOMMENDATION 5: We recommend that the Director, Defense Logistics Agency, develop an Agency-wide survey and retrofit program and issue guidance to the field installations for conducting an installation-level survey and retrofit program and performing periodic reviews.

DLA COMMENTS: Concur. We will develop and include program guidance in the revised DLAR 4170.1, "Energy Conservation and Awareness Program." The guidance will require DLA field installations to conduct installation level survey and retrofit programs. Estimated completion date for development and issuance of survey and retrofit program guidance is 31 March 1993.

INTERNAL MANAGEMENT CONTROL WEAKNESSES:

- () Nonconcur. (Rationale must be documented and maintained with your copy of the response.)
- (X) Concur; however, weakness is not considered material.
(The audit found no material internal control weakness related to the DoD Energy Management and Conservation Program.)
- () Concur; weakness is material and will be reported in the DLA Annual Statement of Assurance.

DISPOSITION:

- (X) Action is ongoing. Estimated Completion Date: 31 Mar 93
- () Action is considered complete.

ACTION OFFICER: David Van Pernis, DLA-WIR, x44891

PSE REVIEW/APPROVAL: James E. Jenkins, COL USA, Staff Director,
Installation Services and Environmental
Protection

DLA APPROVAL: Helen T. McCoy, Deputy Comptroller

AUDIT TEAM MEMBERS

David K. Steensma, Director, Contract Management Directorate
Salvatore D. Guli, Audit Program Director
Bruce A. Burton, Audit Project Manager
Steven I. Case, Team Leader
Charles L. Morseburg, Team Leader
LaNita C. Matthews, Auditor
Stephanie M. Haydon, Auditor
Kelly D. Garland, Auditor
John A. Seger, Auditor
Margaret Kanyusik, Editor
Ana M. Myrie, Administrative Support