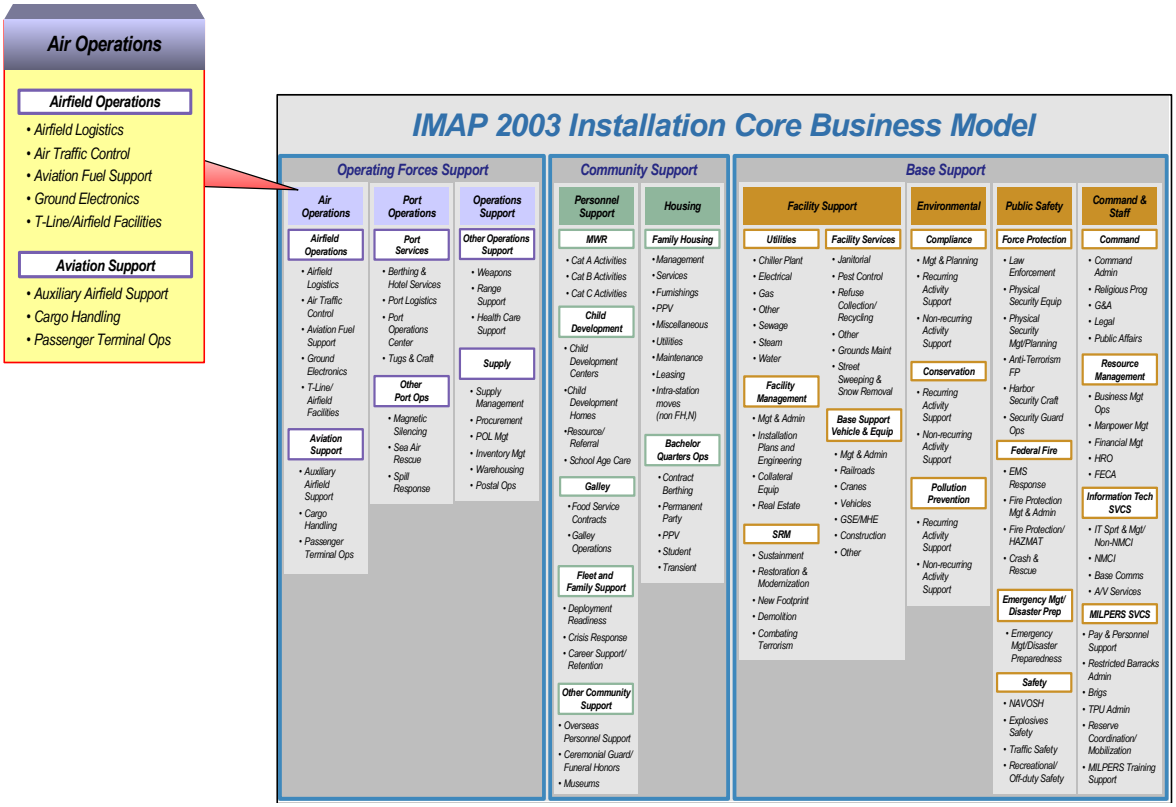
Chapter 1 – Air Operations

Overview

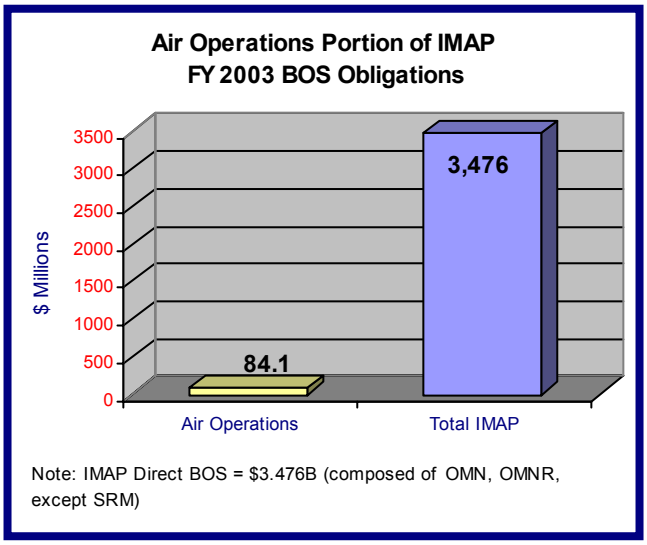
Of all the support provided to our operational forces through the framework of IMAP 2003, perhaps the clearest and most direct link to warfighter readiness is that comprised by the three Core Business Areas under Operating Forces Support. Nowhere is this more important than in Air Operations. The round the clock support posture and unique capabilities of our U. S. Navy Air Installations, activities and facilities world-wide are linked inextricably to aviation readiness specifically, and Navy Aviation overall. Without question, the innovative, robust and timely support provided by the hard-working Naval Air support team under the superb leadership of our Regional Air Operations Program Managers has been, and will continue to be, essential in fully meeting the Fleet's operational and training requirements.

The Air Operations Core Business Area includes a significantly broad scope of functions and activities in support of Naval Aviation operations in all theaters. From support at Naval Air Stations in the Mediterranean to Naval Air Facilities in Japan to Naval Stations in Guantanamo Bay and in Mayport, these services cover the requisite activities to



support direct operations and all levels of aviation training ashore. The two IMAP functions within the Air Operations Core Business Area are Airfield Operations and Aviation Support.

Air Operations functions are in fact very small when considered as total IMAP obligations as recorded by the Regional Commanders. The level of total obligations for Air Operations has remained relatively constant over the last several years. In FY 2003, obligations for the entire Air Operations Core Business Area were $84.1M, slightly more than the FY 2002 obligations of $79.5M. This represents less than 2.5% of the total IMAP FY 2003 direct BOS obligations for all of the Navy's Shore Installations.

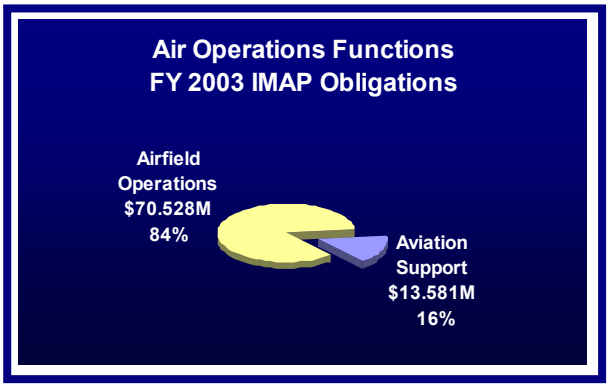


The Airfield Operations function accounts for 84% of the total obligations for this Core Business Area. The sub-functions within the Aviation Support function (led by Passenger Terminal Operations) comprise 16 % of the total of $84.1M.

A separate Special Interest Item code (SII) for the Air Operations Core Business Area (AO) was approved in FY 2003 for use commencing on 1 October 2003. This new SII will assist to highlight the Air Operations functions throughout the budget process and on into the execution under CNI. OPNAV N46 already increased the visibility of the Air Operations area during the development of both the POM-04 and PR-05 inputs with detailed requirements submissions covering both of the Air Operations functions.

The Air Operations IPT has been one of the leaders in developing strong performance metrics and Capability Level descriptors. The Capability Levels for Air Operations are based on standards produced over time by the Aviation Type Commanders and by NAVAIR to meet operational and training requirements. The approved macro metric for Air Operations is the cost per airfield hour of operation. The full requirement for Air Operations is established to provide Squadron and Aircraft Commanders with full service including all IMAP services necessary to meet mission and environmental requirements. Tenant and transient squadrons and aircraft are permitted to operate within established field operating hours and are provided with the capability to conduct 24-hour operations as necessary in specific locations.

Based on PR-03, the FY 2003 Navy plan for the Air Operations Core Business Area was set for a C-2 readiness rating. The funding requirement for this level was submitted by OPNAV N46 at a total of $98.629M or the equivalent of 95% of the full requirement developed by the IMCs. The overall FY 2003 IMAP direct BOS obligations for Air Operations Core Business Area ($84.1M) were 85% of the stated requirement. As evident through the performance data call conducted for all of the Navy's air installations for FY 2003, the overall performance reported was a strong Capability Level 2 score (8.49 out of 10).



Prior to the commencement of the year, the goal for FY 2003 for Air Operations to function at Capability Level 2 in terms of service to the Fleet.

In FY 2003, Air Operations shore activities supported over 220,000 hours of operation at air installations throughout the Navy. The continued execution of support at Capability Level 2 will require a commitment to adequate BOS funding for Capability Level 2 operations, together with the requisite support funding through OPN procurements to modernize and sustain these operations. The continued implementation of the CFFC Training Resources Strategy (TRS) and the support for the new Fleet Response Plan (FRP) remain as priority areas for Air Operations Program Managers in the coming years.

As identified in last year's Stockholders' Report, several areas of concern remain for Air Operations. These include: replacement programs for Tactical Air Navigation Systems (TACANs) and Precision Approach Radars (PARs); aging and deteriorating aviation facilities at many Air Installations; manning levels at installations; and the implementation progress of the Bird/Wildlife Aircraft Strike Hazard (BASH) program. CNI will need to ensure senior oversight of all of these issues in close coordination with NAVAIR and the Air Type Commands, as well as, the Regional Commanders and Program Managers.

Air Operations Overall Performance By Region

Region	FY 2002 Performance: Capability Levels	FY 2003 Performance: Score	FY 2003 Performance: Capability Levels
Northeast	CL 2	7.82	CL 2
NDW	CL 2	8.86	CL 2
Mid-Atlantic	CL 2	8.30	CL 2
Southeast	CL 2	8.81	CL 2
Northwest	CL 2	8.54	CL 2
Southwest	CL 2	8.76	CL 2
Gulf Coast	CL 2	9.30	CL 1
South	CL 2	7.26	CL 2
Japan	CL 2	8.93	CL 2
Europe	CL 2	8.34	CL 2
Overall Performance	CL 2	8.49	CL 2

Product of the Plan

Air Operations Summary

Airfield Operations:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting Fleet requirements.
- Airfield Operations FY 2003 funding was 15% higher than prior year.
- Concerns remain for the overall facility conditions and lack of replacement ground electronics equipment.

Aviation Support:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting Fleet requirements.
- Aviation Support funding was 25% less than in FY 2002.
- Additional work required to insure consistency in categorizing and tracking Air Ops sub-functions across all regions.

Airfield Operations

Scope of Program

The Airfield Operations function includes all sub-functions that provide support for aircraft operations and ground servicing of aircraft.

Airfield Operations
➢ Airfield Logistics
➢ Air Traffic Control
➢ Aviation Fuel Support
➢ Ground Electronics
➢ T-Line/Airfield Facilities

Airfield Logistics: The Airfield Logistics sub-function includes all activities that provide support to airfield administration and management, transportation support, air crew training, air-based search and rescue, and aviation safety.

Air Traffic Control: This sub-function includes the activities that exist primarily to provide air traffic control services for the installation to assure the orderly and expeditious movement of aircraft departing, landing, or approaching the airfield for landing or in Special Use Airspace as applicable.

Aviation Fuel Support: The Aviation Fuel Support sub-function covers activities funded by the installation that are involved with fuel receipt/delivery and defueling services for aircraft, and liquid oxygen and nitrogen issuance.

Ground Electronics: The Ground Electronics sub-function addresses the activities that provide maintenance and support for ground electronics, navigation aids, and radios for air operations. This includes corrective maintenance, inspection, testing, calibration, alignment, installation, and repair.

T-Line/Airfield Facilities: This sub-function consists of all activities that provide flight line and runway support including operation and maintenance of ground support equipment (GSE), arresting gear, optical landing systems, and aircraft salvage equipment supported by installation BOS funding.

Progress in FY 2003

U. S. Naval Air Installations continued to provide strong support in FY 2003 to CONUS and forward deployed operations. Notable progress in FY 2003 includes:

- Outstanding support of Operation Iraqi Freedom Navy-wide
- Installation and cutover of the National Airspace System Modernization (NASMOD) project at many air stations, improving the volume and quality of air traffic control information provided to Navy controllers. The multi-year plan will continue for the next several years.
- Continued efficiency initiatives:
  - ➢ Complete review of all billets at Region Gulf Coast
  - ➢ One completed A-76 study at Region Northwest and three completed at Mid-Atlantic
  - ➢ One completed Functionality Assessment at Region Northwest and two completed at Region South
  - ➢ Region Gulf Coast retired two non-directional beacons following cost-benefit study and retired two Fresnel Lens Optical Landing Systems awaiting their low-cost replacements, Improved Fresnel Lens Optical Landing System (IFLOLS), which will deliver improved training similar to shipboard environment.

  - Region Southeast implemented the Minimum Pillars plan at NS Roosevelt Roads, delivering required service at Capability Level 3
- Assumed occupancy of new air traffic control towers at NAS Oceana and Naval Auxiliary Landing Field San Clemente Island.
- Support of Future Missions:
  - Region Southeast implemented the national Training Resources Strategy, including improvement and expansion of Pinecastle Range.
  - NAS Oceana selected as East Coast site for F/A-18E/F Super Hornet in September 2003 with first aircraft arriving September, 2004.
  - Operational Capability Improvement Requests to establish radar approach capability at NAF El Centro and Runway Visual Range System at NAS Lemoore initiated
  - Initiated Environmental Assessment for Military Operations Area (MOA) over NAS Lemoore, intended to provide improved training at a lower cost to the Fleet
  - Joint Land Use Study completed and land acquisition projects underway at Region Gulf Coast
  - Environmental Assessment underway for future siting of F/A-18G; NAS Whidbey Island under consideration
- Continued and new support of joint operations:
  - Eagle Flag exercise at NAES Lakehurst
  - Region Europe support of Joint Commanders to forward deployed units
- Air Operations throughout the Navy benefited from numerous MILCON and Special Projects supporting airfield infrastructure, runways, taxiways, ramps, hangars

One of the major concerns addressed in last year's report and at the March 2003 Air Operations Summit was the Precision Approach Radar (PAR) replacement program.

- The AN/FPN-63 PAR (IOC was in 1978) has exceeded its projected product life cycle of 15 years and has numerous reliability and

obsolescence problems that must be corrected. To continue to logistically support and to keep the AN/FPN-63 PAR operating efficiently through FY 2010, there is a requirement for OPN funds for Engineering Change Proposals to modernize and correct reliability problems and for O&M,N funds for on-site overhaul, repair and the correcting of emerging obsolescence problems.
- If OPN and O&M,N funding is not obtained to resolve AN/FPN-63 PAR problems, Navy & Marine Corps Air Stations will have an increased risk and higher probability of unpredicted and extended losses of PAR/ GCA capabilities with associated safety of flight risks. These problems will become serious in FY 2005. This issue has been addressed as part of the Navy Air Ops Summit, which membership includes the Air Ops IPT Lead and CNI program director. This issue has been addressed as part of the Navy Air Ops Summit, which membership includes the Air Ops IPT Lead and CNI program director.

Another concern covered at the Summit was the subject of the pending obsolescence of the URN-25 TACAN system in FY 2007. In addition, the overall implementation of the Navy/Marine Corps NAS Modernization Program is continuing at installations across SIM.

In summary, the Navy must migrate to the next generation systems/technologies in a carefully planned process to maintain the integrity of ATC systems. The currently fielded systems and equipment must be sustained while new ones are being developed, or

safety of flight, force protection, or operational capability will be diminished.

Assessment and Performance

Airfield Operations BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Airfield Logistics	$19.789M	$21.425M
Air Traffic Control	$6.491M	$7.641M
Aviation Fuel Support	$14.859M	$17.612M
Ground Electronics	$13.168M	$14.294M
T-Line/Airfield Facilities	$7.061M	$9.556M
TOTAL Air Operations	$61.368	$70.528M

Airfield Logistics: The Airfield Logistics sub-function was included in the PR-03 BAM submission under the Air Operations function as a part of the Airfield Support Core Business Area. Airfield Logistics was included by OPNAV N46 under the overall Special Interest Item (SII) Code of "OB" for the submitted FY 2003 requirements. These overall requirements for FY 2003 for Airfield Logistics totaled $20.92M or some 95% of the full mission requirement submitted by the IMCs. The reported FY 2003 IMAP direct BOS obligations for Airfield Logistics came to $21.425M. The Airfield Logistics obligations for FY 2003 are consistent with the stated requirements and with the FY 2002 obligations. The Airfield Logistics sub-function continued to provide the most obligations in FY 2003 of any of the sub-functions throughout the entire Air Operations Core Business Area.

In Bahrain, the Airfield Logistics obligations increased by almost $1M over FY 2002. In Europe, the COMUSNAVEUR showed a $1M plus line for Airfield Logistics (Administration) as headquarters obligations – previously recorded under Aviation Support as obligations under Auxiliary Airfield Support for FY 2002. In Europe, the Host Nation Support aspects of the co-located air stations with commercial airfields drive many of the costs for Airfield Logistics. The obligations for Airfield Logistics increased substantially in FY 2003 at NAVSTA Roosevelt Roads (plus $614K) and at NAVSTA Guantanamo Bay (plus $468K). Several Air Stations saw significant decreases in obligations for Airfield Logistics in FY 2003 in comparison to FY 2002. At NAS North Island the reductions came to over $666K and at NAS Whidbey Island to over $764K. NAS North Island's obligations were realigned to other sub-functions to more accurately reflect costs.

The Air Operations IPT continued its strong work in FY 2003 through an improved performance data call that included a more comprehensive survey of the Airfield Logistics sub-function. The results showed the Airfield Logistics performance at a solid Capability Level 2 in FY 2003 (8.69 out of 10). This performance is consistent with the reported performance in FY 2002.

Air Traffic Control: The Air Traffic Control sub-function was also included under Airfield Support in the PR-03 BAM submission and as a part of the overall "OB" Special Interest Item (SII) Code for FY 2003. OPNAV N46 submitted the FY 2003 requirement for Air Traffic Control at $8.36M as 95% of the total IMC requirements. For FY 2003, the recorded IMAP direct BOS obligations for Air Traffic Control were $7.641M. These obligations are over $1M more for the Air Traffic Control sub-function than recorded the previous year. The most significant increase for the Air Traffic Control sub-function was recorded in the NDW Region with a rise of over $265K in FY 2003. Some of the Air Traffic Control responsibilities in Japan are conducted by U. S. Air Force personnel at shared bases, which is also true at other joint bases.

The overall reported performance for Air Traffic Control in FY 2003 was at a strong Capability Level 2 (8.31 out of 10).


US Navy Sailors and Italian AF Airmen working at Sigonella Air Tower

Aviation Fuel Support: The Aviation Fuel Support sub-function is another of the areas addressed in the PR-03 BAM submission as a part of the overall Airfield Support Core Business Area. The Aviation Fuel Support sub-function requirement for FY 2003 was submitted as $14.413M at 95% of the full IMC stated requirement. While the FY 2002 recorded obligations for Aviation Fuel Support were at a similar $14.859M, the FY 2003 direct BOS obligations were higher at a total of $17.612M. Thus, these obligations were well over $2M higher than the PR-03 stated requirement. The largest increases in obligations for Aviation Fuel Support in FY 2003 were at NAS Whidbey Island (plus $983K) and at NAVSTA Norfolk (plus $289K). In Europe, the air facilities are dependent on a large local contract for aviation fuel support. This is true almost everywhere. A key reason for the significant increase in obligations is the realignment of funds for Aviation Fuel from the Supply Core Business Area to the Air Operations Core Business Area in those regions that were previously funding the sub-function from Supply vice Air Operations.

The expanded performance data call conducted for the Air Operations Core Business Area recorded an overall performance for the Aviation Fuel Support sub-function at a solid Capability Level 1 (9.15 out of 10). The scoring reflected the overall mission requirement to meet the Fleet's fueling and defueling needs in a timely manner. The funding and performance data call does not address the fuel commodity itself, just the capacity to deliver it; the commodity is owned by DESC.

Ground Electronics: The Ground Electronics sub-function was also covered in PR-03 as a portion of the Airfield Support Core Business Area under the Air Operations function. The overall requirement submitted by OPNAV N46 for Ground Electronics for FY 2003 was at $16.604M or some 95% of the total requirements submitted by the IMCs. The FY 2003 reported direct BOS obligations for Ground Electronics came to a total of $14.294M. These totals are over $1M more than the recorded totals for FY 2002, which were $13.168M. In this area, the addition of NAS Keflavik reporting under Europe (previously under COMLANTFLT) made a significant difference in the overall totals for NAVEUR ($2.39M). The most significant increase in FY 2003 was at NAVSTA Roosevelt Roads with a total increase of $483K for Ground Electronics.

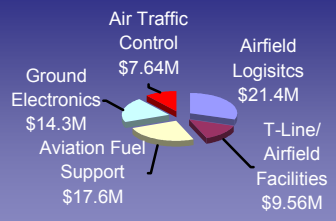
The overall reported performance for the Ground Electronics sub-function in FY 2003 was at a Capability Level 2 (8.21 out of 10). In this sub-function there is an apparent lack of consistency in both the reporting of performance across the regions and in the reporting of obligations in IMAP. The Air Operations IPT intends to reassess this area in FY 2004.

T-Line/Airfield Facilities: The Transient-Line/ Airfield Facilities sub-function was the fifth sub-function included within the Air Operations function of the Airfield Support Core Business Area for PR-03. In this sub-function there has been some variance in terms of the level of the stated requirements and the level of obligations. The total FY 2003 requirement for the Transient-Line/Airfield Facilities sub-function was submitted as $12.648M or 95% of the total IMC requirements. The FY 2002 obligations for this sub-function were reported at $7.061M, while in FY 2003 the direct BOS IMAP obligations were $9.556M. Obligations for FY2002 and FY2003 differed by over $2M and for FY 2003 were over $3M less than the stated requirements. Part of the difficulty in this area is a lack of common approach as to what is recorded as an activity under this sub-function. The Air Operations IPT and the Air Operations Program Managers have undertaken the task of reviewing the Cost Account Code (CAC) definitions for the T-Line/Airfield Facilities sub-function and work with the Regional Business Managers to ensure consistency across the program.

The overall reported performance for the T-Line/ Airfield Facilities sub-function in FY 2003 was at a Capability Level 2 (8.04 out of 10).

Airfield Operations Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "OB" (For FY 2004, SII = "AO")	IMAP Obligations
$76.78M	$72.945M		$70.528M

Airfield Operations Sub-Functions FY 2003 IMAP Obligations



Note: IMAP Direct BOS = $3.476B (composed of OMN, OMNR, except SRM)

Airfield Operations Overall Performance By Sub-Function			
Sub-Function	FY 2002 Performance: Capability Level	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Airfield Logistics	CL 2	7.90	CL 2
Air Traffic Control	CL 2	8.41	CL 2
Aviation Fuel Support	CL 2	8.61	CL 2
Ground Electronics	CL 2	7.98	CL 2
T-Line/ Airfield Facilities	CL 2	7.98	CL 2
Overall Performance	CL 2	8.24	CL 2

Airfield Operations Performance By Region			
Region	FY 2002 Performance: Capability Levels	FY 2003 Performance: Score	FY 2003 Performance: Capability Levels
Northeast	CL 2	7.64	CL 2
NDW	CL 2	8.48	CL 2
Mid-Atlantic	CL 2	7.64	CL 2
Southeast	CL 2	8.47	CL 2
Northwest	CL 2	8.45	CL 2
Southwest	CL 2	8.81	CL 2
Gulf Coast	CL 2	9.24	CL 1
South	CL 2	7.30	CL 2
Japan	CL 2	8.58	CL 2
Europe	CL 2	7.81	CL 2
Overall Performance	CL 2	8.24	CL 2

Airfield Operations:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting Fleet requirements.
- Airfield Operations FY 2003 funding was 15% higher than prior year primarily due to continuous improvement in IMAP alignment.
- Over 220,000 of installation airfield hours provided operational and training flight support to tenant and transient Squadrons/ Aircraft Commanders.
- Concerns remain for the overall facility conditions and lack of replacement ground electronics equipment.
  - Precision Approach Radar (PAR)
  - Tactical Air Navigation (TACAN)
- Specific actions required to link future OPN funding to fit facility requirements.

Aviation Support

Scope of Program

The Aviation Support function covers the sub-functions and activities that provide support for the airfield that are not directly related to Airfield Operations.

Aviation Support
➢ Auxiliary Airfield Support
➢ Cargo Handling
➢ Passenger Terminal Operations

Auxiliary Airfield Support: Major Auxiliary Airfields have many of the same functions and sub-functions as principal airfields. IMAP aggregates the costs associated with the functions and sub-functions described above for all installation airfields. The Auxiliary Airfield Support sub-function is provided for other activities that exist primarily to support the auxiliary airfield, but not addressed in any of the other sub-functions. This sub-function is typically used for auxiliary or outlying airfields that do not have a separate Unit Identification Code (UIC).

Cargo Handling: The Cargo Handling sub-function includes all activities involved in receiving, moving, and loading and unloading air cargo.

Passenger Terminal Operations: This sub-function consists of all activities involved in the operation of the terminal and in providing service to passengers. It includes all costs incurred in directing and administering an air terminal facility including dispatching, handling mail, and operating equipment as needed.

Progress in FY 2003

In Fiscal Year 2003, continued efficiency initiatives were focused in this functional area, including:

- Most Efficient Organization (MEO) implementation at Naval Base Ventura County Passenger Terminal and Cargo Handling, resulting in savings of 5 Full Time Equivalents (FTEs).
- MEO implementation at NAS Pensacola Passenger Terminal and Cargo Handling, resulting in savings of 15 FTEs.
- MEO implementation of flight line support (to include passenger terminal and cargo handling) at NAS Corpus Christi, resulting in savings of 7 FTEs.

Facility improvements also were also highlighted:

- Completed construction and took occupancy of Operational Support Airlift terminal at Chambers Field in Region Mid-Atlantic.
- Improvements underway at NAS North Island Air Terminal in Region Southwest.

Within the Air Operations community there are several other areas of future concern that are captured in the following points:

- In Navy Region Europe, the overall air facilities are experiencing heavy demand and are showing signs of degraded conditions. Areas requiring attention and additional resources include: ground electronics and repair, and the replacement of legacy systems such as the NAS Sigonella ILS.
- In Region Gulf Coast, two of the nine Fresnel Lens Optical Landing Systems in the region are past their three-year maintenance requirement life cycle and are now out of service and will not be returned to service pending efforts to procure IFLOLS.

Assessment and Performance

Aviation Support BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Auxiliary Airfield Support	$6.912M	$3.458M
Cargo Handling	$0.749M	$0.743M
Passenger Terminal Operations	$10.480M	$9.380M
TOTAL Aviation Support	$18.141M	$13.581M

Auxiliary Airfield Support: The Auxiliary Airfield Support sub-function was included within the Airfield Support Core Business Area and the Other Air Operations function in the PR-03 BAM submission. In that submission for FY 2003, Crash and Rescue and Weapons were also included as part of Other Air Operations. These sub-functions have been relocated to other Core Business Areas under IMAP 2003, with Crash and Rescue moving to the Public Safety Core Business Area and Weapons to the Operations Support Core Business Area. For FY 2003, the requirements for the remaining three sub-functions now under Aviation Support were relatively small (total of $25.684M) in comparison to the total requirements for Weapons and Crash and Rescue ($57.073M).

For FY 2003, the total reported IMAP direct BOS obligations for Auxiliary Airfield Support were only $3.458M. These obligations were roughly 50% of those reported for FY 2002. A key difference between the two years is the lack of funding for Navy Region Southwest tenant furnishings in FY 2003. Likewise, the FY 2003 obligations for Auxiliary Airfield Support were only one-third of the stated requirements submitted by OPNAV, which included requirements for tenant furnishings. For FY 2003, the reported OMNR obligations recorded under Reserve aviation activities ($1.288M) were consistent with those recorded for FY 2002 ($1.418M). For two regions, the reported obligations in FY 2003 were some 50% of the FY 2002 obligations for Auxiliary Airfield Support (NAVEUR and Southwest Regions).

The FY 2003 reported performance for the Auxiliary Airfield Support sub-function scored at Capability Level 2 (7.54 out of 10). Within the entire Air Operations Core Business Area, this score was the lowest of any of the sub-functions. There remains a significant disparity between the stated requirements for the Auxiliary Airfield Support sub-function and the reported IMAP obligations. This is largely due to inconsistencies in funding for tenant furnishings in Navy Region Southwest and the region is working to resolve this inconsistency in FY 2004.

Cargo Handling: This sub-function is relatively small in terms of obligations in comparison to the other sub-functions in the Air Operations Core Business Area. The Cargo Handling sub-function was addressed as a part of the Other Air Operations function in the PR-03 BAM submission by OPNAV N46. The total stated requirement for FY 2003 for the Cargo Handling sub-function was $7.589M or some 95% of the stated full requirement from the IMCs. The overall direct BOS IMAP obligations in FY 2003 for Cargo Handling were only $743K or less than 10 percent of the stated requirement. These FY 2003 obligations were similar to the reported FY 2002 obligations of $749K. Of note, the projected Cargo Handling requirements for FY 2004 and FY 2005 as stated in the POM-04 and PR-05 submissions are likewise in a range of around $4M to $6M (Capability Level 2 is $4.8M for FY 2005). Thus, it appears regions are either migrating funding out of the Cargo Handling sub-function to cover other requirements or the reporting of the obligations for Cargo Handling is inaccurate. The inconsistency can be partially explained by mandated accounting practices for Base Operating Support Contracts. For example, at NAS Fallon (in the Southwest region), the requirements for contract funds are expressed in the applicable sub-functions during the POM process, but the contract must be paid in the execution year against a single line item under Airfield Logistics. Another reason for the decreasing requirement is the downsizing associated with Commercial Activities studies, some of which are noted above.

For the entire Navy in FY 2003 only the following installations recorded obligations under the Cargo

Handling sub-function in IMAP: NAS North Island (Southwest Region); NAS Whidbey Island (Northwest Region); NAS Key West; NAVSTA Roosevelt Roads; and NAVSTA Guantanamo Bay (Southeast Region). These are in-line with the reporting in IMAP for FY 2002. At many installations, cargo handling, passenger terminal operations and transient line sub-functions are handled by a single cross-functional workforce and costs are recorded under the dominant sub-function only.

For FY 2003, the performance data call results showed the Cargo Handling sub-function at a high Capability Level 1 (9.00 out of 10).

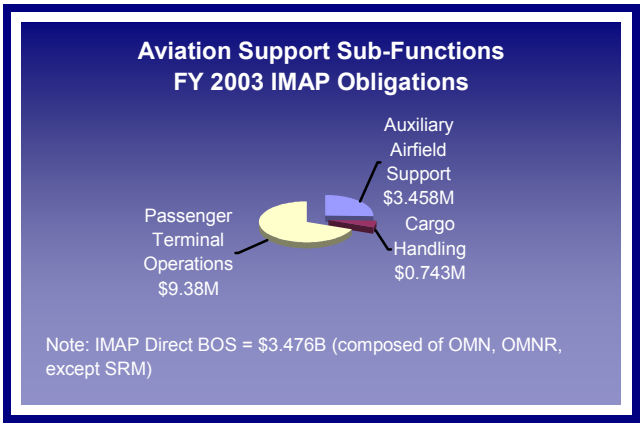
Passenger Terminal Operations: The Passenger Terminal Operations sub-function makes up the largest portion of the FY 2003 obligations within the Aviation Support function – over 70%. Passenger Terminal Operations were also a part of the Other Air Operations function in the PR-03 BAM submission. The total requirement for FY 2003 as submitted by OPNAV N46 was $8.498M for Passenger Terminal Operations or 95% of the total requirements from the IMCs. The recorded IMAP direct BOS obligations for FY 2003 for Passenger Terminal Operations were $9.38M. These obligations are over $1M less than the IMAP obligations reported for FY 2002 at $10.48M. Both of these are close to the stated requirements for Passenger Terminal Operations for FY 2003 of $8.498M with the FY 2003 obligations less than 10% higher than the requirement submission.

Of six regions reporting, the largest portion of these obligations occurs in the NAVEUR Region ($5.95M in FY 2003, down from $7.225M in FY 2002). NAS Sigonella and NAVSUPPACT Naples have the majority of these obligations. The majority of reimbursable obligations in FY 2003 for the entire Air Operations Core Business Area ($10.69M) are reported in the Aviation Support function ($6.2M), with $4.48M in NAVEUR, followed by the Southwest Region ($2.277M in FY 2003), led by NAS North Island ($1.359M). Of note here the Mid-Atlantic Region reports only $6K for Passenger Terminal Operations in FY 2003, but has over $600K in reimbursables for this sub-function in FY 2003.

For FY 2003, the overall reported performance for the Passenger Terminal Operations sub-function was at a Capability Level 2 (8.10 out of 10).

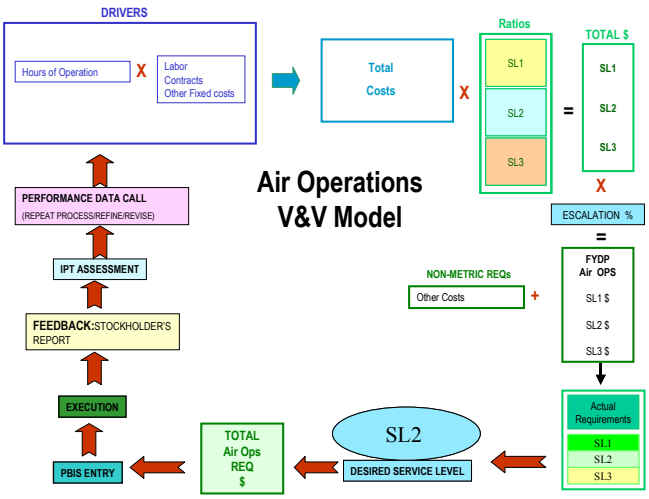
Aviation Support Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "OB" (For FY 2004, SII = "AO")	IMAP Obligations
$27.036M	$25.684M		$13.581M

Aviation Support Overall Performance By Sub-Function			
Sub-Function	FY 2002 Performance: Capability Level	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Auxiliary Airfield Support	CL 2	7.95	CL 2
Passenger Terminal Operations	CL 2	8.66	CL 2
Cargo Handling	CL 2	9.56	CL 1
Overall Performance	CL 2	8.98	CL 2



Aviation Support Performance By Region			
Region	FY 2002 Performance: Capability Levels	FY 2003 Performance: Score	FY 2003 Performance: Capability Levels
Northeast	CL 2	7.91	CL 2
NDW	CL 2	8.99	CL-2
Mid-Atlantic	CL 2	8.64	CL 2
Southeast	CL 2	9.63	CL 1
Northwest	CL 2	7.97	CL 2
Southwest	CL 2	9.04	CL 1
Gulf Coast	CL 2	9.58	CL 1
South	CL 2	9.38	CL 1
Japan	CL 2	9.65	CL 1
Europe	CL 2	8.98	CL 2
Overall Performance	CL 2	8.98	CL 2

During FY 2003, the OPNAV N46 staff completed the initial Verification and Validation Process submission to OPNAV N8 on the Base Operating Support Performance and Pricing Models. The overview of the model for the Air Operations Core Business Area is shown below. Note: Service Level changed to Capability Level effective FY 2004.



Aviation Support:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting expectations.
- Continued to meet Fleet requirements.
- Aviation Support funding in FY 2003 was 25% less than in FY 2002.
- Additional work required to align sub-functional requirements and obligations.
- Auxiliary Airfield Support performed at CL 2
- Cargo Handling performed at CL 1

IPT Progress in FY 2003

The Air Operations Program Managers across all regions were active in FY 2003 with further developments within the Air Operations IPT. The IPT worked to refine the Capability Level descriptors and the Air Operations Core Business Area was used as an example in presentations for the CNO and senior OPNAV staff. The IPT also worked to expand the utility of its work to include not only CONUS air facilities, but also OCONUS bases. The success of this work was evident in the execution of the Navy-wide performance data call for Air Operations, reporting out with Capability Level 2.

In the Southeast Region, the Air Operations Program Manager developed an initial concept to align the Air Operations Capability Levels to Air Operations Required Operational Capability (ROC) levels. The assigned ROC levels defined the requirement and were assigned as installation specific. The ROC Levels are based on Airfield Class, Airfield Hours, and Products and Services offered in accordance with the Installation's Missions, Functions and Tasks. Each ROC level can be priced at or perform at Capability Level 1, 2, 3 or 4 and is largely dependent on manpower, equipment functionality and facility condition. This new tool has been briefed to CNI and has impressed many with its significant potential for wider implementation across SIM.

A major event in FY 2003 was the Navy-wide Air Operations Summit held at NAS Oceana on 11 – 12 March 2003. This meeting brought together wide representation from all parts of Naval Aviation including headquarters, regional, aviation type commands, aviation systems commands, fleet commands, the Naval Safety Center and the Navy's Bird/Wildlife Aircraft Strike Hazard expert. Topics included financial management, encroachment and community partnering, safety surveys, air traffic control systems, long range planning, and sharing of common practices.

Lastly, several regions have established permanent civilian Deputy Program Manager positions, which provide continuity for the program and stabilizes IPT membership. This community of regional managers works closely together along with their headquarters counterparts, sharing ideas and continuing efforts toward standardization.

IPT Way Ahead for FY 2004

The progress achieved in FY 2003 drives momentum for FY 2004, a year that promises even greater accomplishments for the Air Operations IPT. Plans include:

- Full integration of the ROC concept into the pricing and service model.
- Continued standardization of business practices where practical under Commander, Navy Installations as single claimant for all shore installations, working with the Operating Forces Support Branch staff.
- Benchmarking of best practices and efficiencies.
- Development of a program Capabilities-Based Budget (CBB) for FY 2005, driven by the IPT's creation of common cost components and outputs.

OLD TUG A WELCOME SIGHT FOR SAILORS

"When they see the tugboats show up, it's like, 'Thank God, we made it,'" Seymour said as he guided his tug toward the USS Ingraham, making its way home to Naval Station Everett early Friday after eight months in the western Pacific. "Welcome home."

CNRNE instituted Port Operations Management Program

CNRNE improved submarine camel overhaul process, reducing cost per overhaul from $75,000 to $10,000. Averaging 6 overhauls per year, Port Ops will save nearly $390,000 annually.

NAVAL STATION NORFOLK -

PORT OPERATIONS SUCCESSFULLY SORTIED 36 SHIPS WITHOUT INCIDENT FOR HURRICANE ISABEL AND PROVIDED SAFE HAVEN FOR 8 SHIPS. AND, SUPPORTED THE SAFE RETURN TO PORT.

TR SAILORS LEND A HAND AFTER ISABEL

Two USS Theodore Roosevelt (CVN 71) Sailors put their own needs aside in the wake of Hurricane Isabel to help the community clean up. Aviation Ordnanceman Airman Justin Dow and Airman David Langston displayed true TR colors, when they lent a helping hand cleaning up Norfolk only hours after returning to homeport Sept. 20.

Mercury certified technician to certify Port Ops personnel

Port Ops is the only CNFJ base that has capabilities to conduct repairs on harbor security and oil spill response crafts, significantly decreasing downtime on all harbor security boats.

NAVOSH says "PORT OPS Top Oil Spill Recovery Team in Japan"

Commander, Fleet Activities Okinawa (CFAO) has, for 3 years running, qualified 100% of Port Operations Personnel in Oil Spill First Response Certification.