March 2004

Dear Navy Stockholder,

I am very pleased to present the second annual Shore Installation Management (SIM) Stockholders' Report - the "Product of the Plan" for Fiscal Year 2003. This has been indeed a year of extraordinary challenge and accomplishment for the Nation, our Navy and Shore Installation community of practice. The war in Iraq the on-going operations in Afghanistan (and other areas of global instability), and the war on terrorism have been met superbly by our combat ready naval forces forward deployed and sustained so ably by our world-wide total force team.

The year's global challenges notwithstanding, the progress keeping with CNO's transformational roadmap has in many ways revolutionized the manner and effectiveness of our support to the war fighter. We have, for example, capitalized on initiatives that leverage the "genius of our people" by engaging our Integrated Process Teams (IPTs) in the "business of the business" to ensure that every practice and key SIM process is a model for efficiency and effectiveness. Models that were developed initially for programming continue to be refined to assist as budget and in-year execution tools for "output-based" performance measurements, developing capabilities-based budgets, and quantifying risk vis-à-vis resource allocations. Considerable progress has been made in establishing Navy-wide standards for service delivery, regional alignment and standardization, and linkages to readiness. This report will describe these efforts in detail, as well as other actions and initiatives undertaken pursuant to CNO's 2003 Guidance and top five priority areas.

A major 2003 Navy alignment initiative that has been a major driving focus and area of considerable attention has been the establishment of a single headquarters organization "to provide consistent, effective and efficient shore installation services and support to sustain and improve current and future fleet readiness and mission execution". Commander, Navy Installations (CNI) stood up on 1 October 2003. Effective with the standup of CNI, all responsibilities that were performed previously by eight major Installation Management Claimants (IMCs) were shifted under the new Echelon II CNI headquarters. Moreover, this new alignment and transfer of responsibilities was taken to enable the eight divesting IMCs to focus exclusively on primary mission execution. I view the CNI mission as pretty straight forward: to provide operating forces support, community support, base support, and mission support to enhance the Navy's combat power. We in CNI will do the best at what we do, so our customers can be the best at what they do!

The fiscal year 2004 Stockholders' Report accordingly will be refocused to describe the "Product of the Plan" from the CNI (single claimant perspective) rather than the current report based on the organizational alignment under the eight claimant alignment. Under CNI, Navy has been better aligned to focus squarely on installation effectiveness including the incorporation of "best

business practices", and other opportunities for cost-saving efficiencies. Appendix H is a great summary of the many successes and efficiencies the regions have achieved already.

Today, unlike any time in our past history, our Navy Shore Installations and associated infrastructure are squarely aligned as key and integral components of our Naval and Joint combat power. This alignment has been further reinforced with the establishment of CNI. The body of this report, then, provides a comprehensive look at the FY 2003 plans and programs. It highlights the major accomplishments in each core business area including new and improved business practices, any associated savings, and contributions to fleet readiness. It is entirely appropriate that we reflect on the past year, our successes and shortcomings, not to "steer by our wake", but rather set a course that accelerates in new and revolutionary ways, our transformation in meeting CNO's challenge to "Be Ready" to protect our nation, bases, ships and Sailors.

CHRISTOPHER WEAVER
Rear Admiral, U. S. Navy
Commander, Navy Installations

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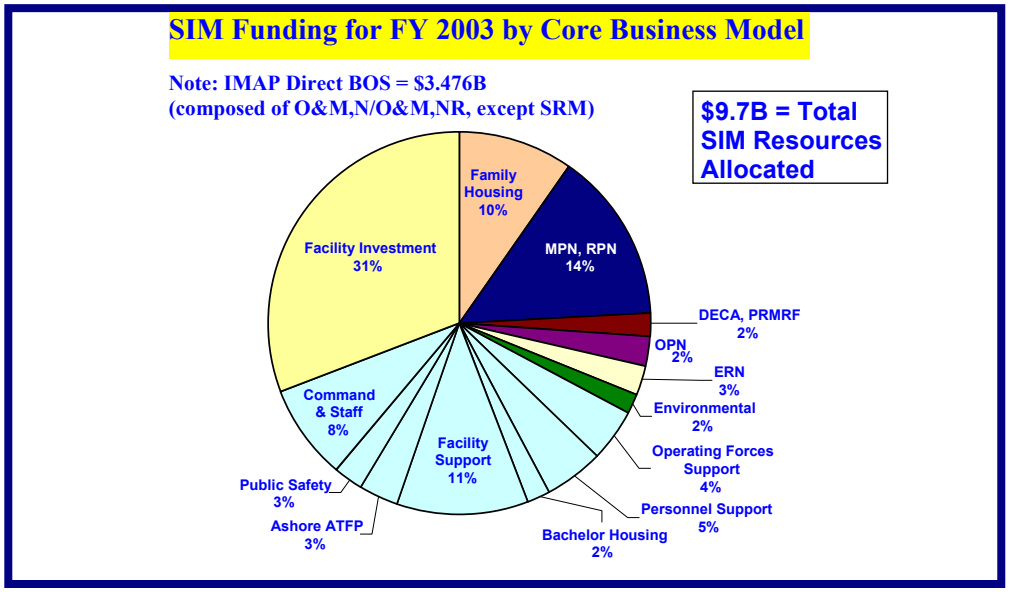
Executive Summary

Our Shore Installation Management (SIM) enterprise today is better positioned than at any time in years' past to meet fully, effectively, and efficiently the important and wide-ranging support requirements of the operational forces and other mission commanders. While this report will focus primarily on Fiscal Year 2003, progress over the past five years has been particularly noteworthy and characterized across the entire shore installation business spectrum by areas of significant and positive change and improvement. Appendix H notes some of the progress achieved to date. Our Regions have made exceptional strides under very challenging circumstances to improve support of their warfighter and other mission customers. We are aligned better for effectiveness, organized and structured for efficiency, and have made clearer connections between the inextricable links to Fleet readiness and the support provided through our shore installations. Moreover, it is important to note that, throughout all of the many transformation initiatives, they all have been undertaken with the welfare of our Sailors and their families first and foremost. Our total workforce team has itself never been supported better, a fact evidenced in part by today's unprecedented retention rates.

A key component of this progress as evidenced within many of the Installation Management Accounting Project (IMAP) Core Business Model (CBM) business areas, has been the development of robust performance models whereby we can both assess, and better measure service delivery outputs compared against resources, and specifically, those resources planned, budgeted and executed as part of the Defense PPBES cycle. And importantly, this new process makes us identify and assess the risks or consequences of varying service or capability levels. The result has been a quantum improvement in our ability to better assess, and meet more effectively and efficiently, customer requirements while balancing limited fiscal resources against the attendant risks. It is this ability to better assess and quantify risk vis-à-vis specific resource allocations that will improve markedly our ability to provide the "right" readiness at the "right" cost.

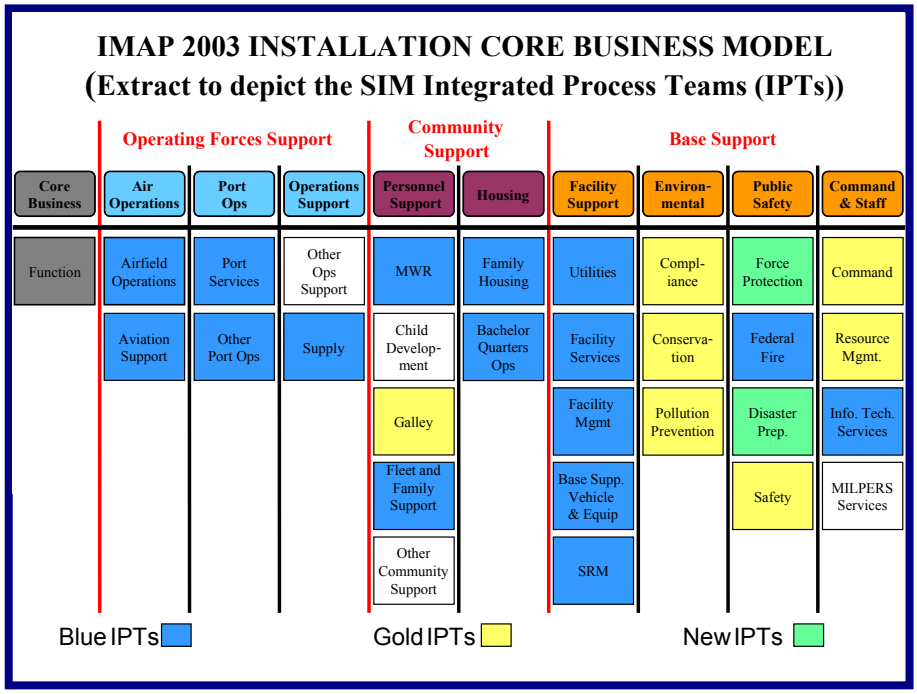
Navy has taken a number of steps and specific actions during the past year to further enhance overall SIM support capabilities including the establishment of Commander, Navy Installations Command (CNI), which among other things, significantly reduced the number of Installation Major Claimants from eight to one. While the formal establishment of CNI was not effective until 29 September 2003, considerable planning and preparatory efforts began early and continued aggressively throughout



the Fiscal Year. This single and important CNO alignment action will have a large and important impact in the coming years on how we provide Fleet support. The standup of CNI, as well as other important issues including security concerns pursuant to the terrorist attacks of 9/11, the Iraqi War, ongoing operations to counter terrorist threats worldwide, and the emergence of supplemental appropriations associated with the above, have presented unique and special challenges in an unusual year. This report describes not only how the SIM community responded in light of the above concerns, but also, the effectiveness of the SIM enterprise in utilizing the funding allocated to deliver services to the warfighter and other mission commanders.

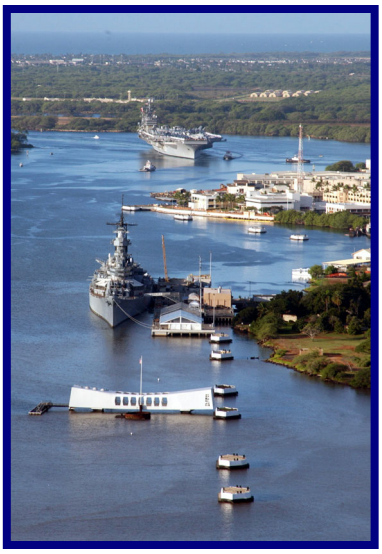
Approximately $9.7B of Navy's FY 2003 Total Obligation Authority (TOA) was allocated for SIM (the $9.7B figure represents an increase over the FY 2002 total of $8.5B, and largely is the result of increased facilities investment, utilities support, and facilities related cost). Final FY 2003 funding was the result of a process that began with PR-03, and which was initiated in the fall of 2000. Last year's Stockholders' Report, among other things, addressed several issues associated with Other Base Operating Support (OBOS), including the fact that OBOS represented some 20 different base support functions. These functions accounted for more than 77% ($2.4B) of the total O&M,N/NR Navy Base support funding for installations, exclusive of facilities maintenance. The inability in the past to get below the "OBOS level" of detail, and to identify the discrete parts of the overall OBOS funding line, contributed to an inability to individually track funds, measure detailed outcomes or outputs, and break out the "pieces" of OBOS into discrete parts. That limitation contributed to credibility issues in requirements justification, migration of funds, and determining appropriate SIM funding allocations. In FY 2003, the Navy Comptroller office provided authorization and direction that enabled categorization of OBOS into distinct elements each identified by new Special Interest Items (SII) codes assigned for each. These new SIIs took effect in FY 2004. The new SIIs will provide better visibility throughout the programming and budget process including "in-year" execution. This will become increasingly important with CNI assuming execution year tracking responsibilities as the Budget Submitting Office (BSO). A chart of these new codes can be found in Appendix B.

Other important SIM actions underway in FY 2003 have been the careful examination of the various component functions and tasks within shore



installation support that must be performed to properly support the operational forces and optimize shore readiness. This process has included a SIM Integrated Process Team (IPT) approach that includes twenty-two discrete functional area teams each comprised of subject matter experts. These IPT groups serve as Navy's primary advisory groups for their respective SIM functional area. The IMAP chart (bottom of previous page) depicts the areas that are represented by IPTs. The blue areas are the most mature SIM IPTs (and the most resource intensive), with the gold areas next. The two business areas highlighted in green will be initiated in FY 2004.

Since first being chartered in the spring of 2000, the IPTs have been developing individual performance models as part of their chartered tasks. These models (a number of which already have undergone Navy's Verification, Validation, and Accreditation (VV&A) process) are being utilized to support development of Capability Plans as part of the Planning and Programming process, and for budget and budget execution as well. Key elements of each performance model include requirements determination, setting of Navy-wide standards, identification of key associated metrics and discreet levels of capability (Capability Levels – CLs). Each Capability Level is characterized by succinct written descriptors. Last year's report termed these CLs as Service Levels. They have been re-named to better demonstrate their output-related importance.



Accordingly, each IPT has focused diligently on ensuring that all elements of the performance model, i.e. the macro and micro metrics, standards, capability levels and the capability level descriptors are related directly to the key Fleet and other mission commander outputs and mission (see each chapter and associated appendix for detailed discussion for each SIM program area). An overarching aim of this report is to demonstrate "what we got for our money" by comparing CLs achieved for a particular function with the Status of Resources and Training System (SORTS)/C-Level Readiness Rating that were used in the OPNAV N46 Baseline Assessment Memorandum (BAM) submission for PR-03. These

SORTS/C-Level Readiness Ratings Definitions

- **C-1:** Unit possesses the required resources and is trained to undertake the ***full*** wartime mission(s) for which it is organized or designed – meets 95 to 100% of the mission requirement.
- **C-2**: Unit possesses the required resources and is trained to undertake ***most*** of the wartime mission(s) for which it is organized or designed – meets 90 to 94% of the mission requirement.
- **C-3**: Unit possesses the required resources and is trained to undertake ***many, but not all*** portions of the wartime mission(s) for which it is organized or designed – meets 85 to 89% of the mission requirement.
- **C-4**: Unit ***requires additional resources and/or training*** in order to undertake its wartime mission(s), but it may be directed to undertake portions of its wartime mission(s) with resources on hand – meets 84% or less of the mission requirement.

Generic Capability Level Definitions

- **CL 1**: Installation possesses the required resources and expertise to execute its ***full*** mission (full quantity and quality requirement).
- **CL 2**: Installation possesses the required resources and expertise to execute ***most*** of its mission (with degradation in both quantity and quality).
- **CL 3**: Installation possesses the required resources and expertise to execute ***many, but not all*** portions of its mission (with degradation in both quantity and quality).
- **CL 4**: Installation ***requires additional resources and/or training*** to execute its mission but may be directed to execute portions of its mission with resources on hand.

C-Ratings were used in PR-03 for the development of overall requirements since CLs did not exist at the time of the start of PR-03.

While there is not a direct correlation between the C-Readiness Ratings (C-1 – C-4) and the Capability Levels (CL 1 – CL 4), there were reasonably close parallels for rough parity, pending development and completion of SIM specific capability levels. Future year Stockholders' Reports incrementally will include expected versus actual comparisons of Capability Levels vice use of C-ratings. In creating Capability Levels, we made an initial assumption that parallels to the extent possible, SORTS/C-Ratings with Capability Level ratings as summarized on page v.

This report is organized into chapters reflecting the IMAP 2003, Core Business Model structure. The CBM was developed to provide more accurate and consistent cost accounting at installations, and to provide better OBOS granularity for added fiscal visibility. Importantly, IMAP provides a common, standard terminology and way of describing the types of services that SIM provides. These functional area descriptions are used as well in building more accurate and detailed Capability Plan requirements. A chapter is devoted to each Core Business Area.

The ten performance levels in the Objective Matrix (ranging from a low of 1 to a high of 10) were divided into four Capability Level categories, each broadly described in terms of the resources and expertise required to perform the mission (below).

IPT Name

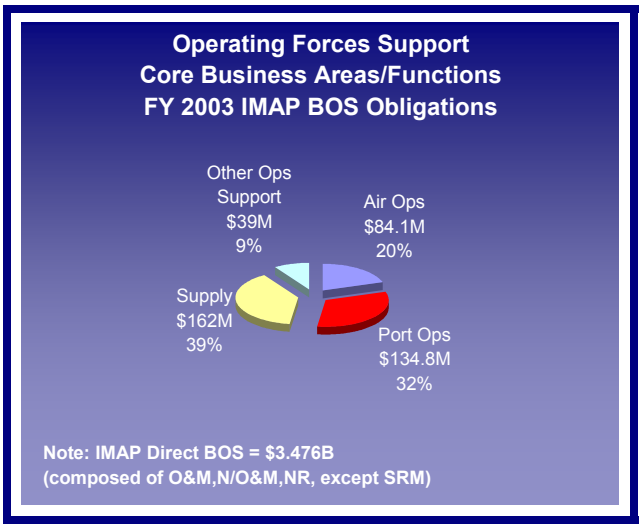
Quantity	Quality	Performance	
630	630		
950	950	10	CL1
900	900	9	CL1
800	800	8	CL2
700	700	7	CL2
600	600	6	CL3
500	500	5	CL3
400	400	4	CL4
300	300	3	CL4
200	200	2	CL4
100	100	1	CL4
<100	<100	0	CL4

6	6	Score	
49	51	Weight	Index
294	306	Value	600

At the conclusion of the overview in each chapter is a "Product of the Plan" shaded box summarizing key accomplishments and SIM concerns for FY 2003. Chapter 12 includes important lessons-learned recognizing that important work remains to advance and refine even further our business practices and processes to realize improved effectiveness and further efficiencies in the delivery of SIM services. Also included are anecdotal "success stories" at the beginning of each chapter that describe briefly actual SIM community inter-actions that show how SIM affects the Navy and community as a whole (more such anecdotes are listed in Appendix H, with detailed stories on the CNI website at www.cni.navy.mil.

Operating Forces Support

The Core Business Areas under Operating Forces Support include Air Operations, Port Operations, and Operations Support (Other Operations Support and Supply functions). They provide the clearest linkage and most direct support to the Fleet and a direct link to readiness. Significantly, the associated funding for these areas comprises only 12% of the IMAP direct BOS obligations for FY 2003, which was very similar to the case in FY 2002, with 13%.



The Air Operations, Port Operations, and Supply IPTs have been leaders within the SIM enterprise in developing strong performance metrics and Capability Level descriptors. Considering the relatively small total budget percentage of the Other Ops Support function and other pending issues within OPNAV regarding Navy weapons and ranges, the decision was made not to establish an IPT at this

time to address the associated requirements for these activities. Within Operating Forces Support, all of the functions were again included under Special Interest Item (SII) OB (Other Base Support) in FY 2003, and are combined as a portion of OB within the larger category of Base Support. For FY 2004, new SII codes are provided for all areas which will provide for better fiscal visibility and tracking of expenditures.

For FY 2003, Air and Port Operations were programmed at a readiness level of C-2, while Supply was programmed at C-3. Based upon the Navy-wide performance metric data calls conducted during the year, performance in all three key areas was assessed at Capability Level 2, which met or exceeded both the programmed readiness and/or expected Capability Levels as resourced by the Navy. Examples of the outcomes produced within the Operating Forces Support Core Business Areas include: Air Operations shore activities supported more than 220,000 hours of operation at air installations throughout the Navy; Port Operations across all regions supported 15,714 Ship Movements and 70,690 Berth-Days.

Operating Forces Support			
Core Business Area/Function	**FY 2002 Performance: Capability Level**	**FY 2003 Performance: Score**	**FY 2003 Performance: Capability Level**
Air Operations	**CL-2**	**8.37**	**CL-2**
Port Operations	**CL-2**	**8.38**	**CL-2**
Ops Support	**Not measured**	**Not measured**	**Not measured**
• ***Other Ops Support***	**Not measured**	**Not measured**	**Not measured**
• ***Supply***	**CL-2**	**7.08**	**CL-2**

This productivity was achieved with 85% (Air Operations) and 83% (Port Operations) respectively of the stated funding requirements in FY 2003, but in both areas, at the expense of deferred maintenance and in some cases, aging and deteriorating facilities. As noted in last year's report, concerns remain for overall facility conditions, and lack of replacement aviation ground electronics equipment; the overall condition of the Navy's inventory of service craft and boats, and a pressing need for a systematic approach to meeting Magnetic Silencing requirements of the future.

Community Support

The two Core Business Areas within Community Support (Personnel Support and Housing) address key quality of life issues, each with both direct and tangential linkages to recruitment and retention, and other important factors for both sailors and their families. Community Support comprises 17% of the total SIM resource allocation as detailed on page (i) of this Executive Summary.

Personnel Support includes Morale, Welfare, and Recreation (MWR), Child Development, Galley, Fleet and Family Support Program (FFSP), and Other Community Support. Of these, the largest in terms of fiscal obligations is MWR. Analysis indicates that Navy overall achieved the expected Capability Level in Community Support based on the funding provided within each discreet function.

Although Navy Military Personnel Command funding is not recorded as part of IMAP (approximately $58M), the pie chart on page viii displays the relative percentages of the Personnel Support functions by the reported direct IMAP BOS obligations. MWR, Child Development, and FFSP functions were resourced at a C-2 readiness rating in PR-03, while the remaining functions were resourced at C-3.

MWR provided increased support to deployed and deploying units for Operations Enduring Freedom and Iraqi Freedom. This support included the procurement and distribution of more than 169,000 pieces of recreation equipment to afloat units and an increase in the number of entertainment shows onboard ships by 30%. In moving forward to meet DoD Fitness standards, Navy MWR centrally funded and procured $3.4M in fitness equipment for 108 MWR locations. The MWR IPT made substantial

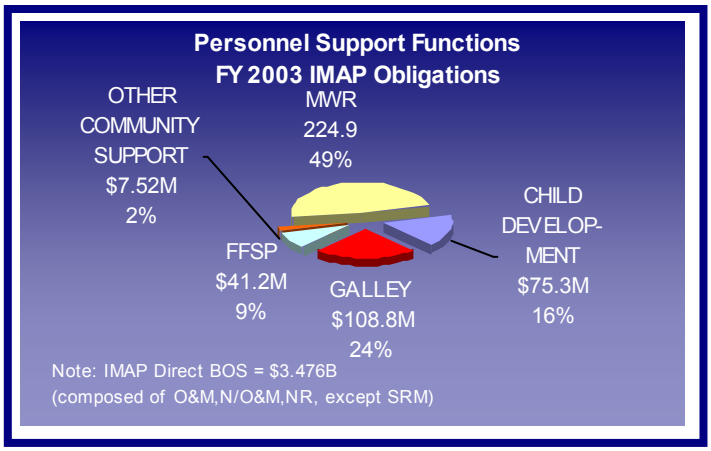
progress in the development of standards and metrics for an expanded number of MWR programs to include: MWR Overhead, Auto Skills, Category B Bowling, Fleet Recreation (Fleet Support), and Afloat Recreation (Shipboard). The MWR IPT also developed an agreed overall priority list of programs for this function within the Personnel Support Core Business Area. The overall MWR performance for FY 2003, was recorded at a low Capability Level 2, matching FY 2002, performance.

In FY 2003, Navy's Child Development Program (CDP) achieved its fiscal year goal of meeting 73% of the DoD potential child care need in terms of spaces versus the 80% DoD goal. The current funding stream will not enable the program to achieve the DoD goal of 80% by FY 2007. In FY 2003, 100% of the Navy's CDPs were DoD certified. Although the CDP continued to follow the MEO resulting from its implementation of the 2001 Functionality Assessment (FA), and therefore, does not have equivalent Capability Levels, the overall program in FY 2003 performed at the equivalent of a Capability Level 1.

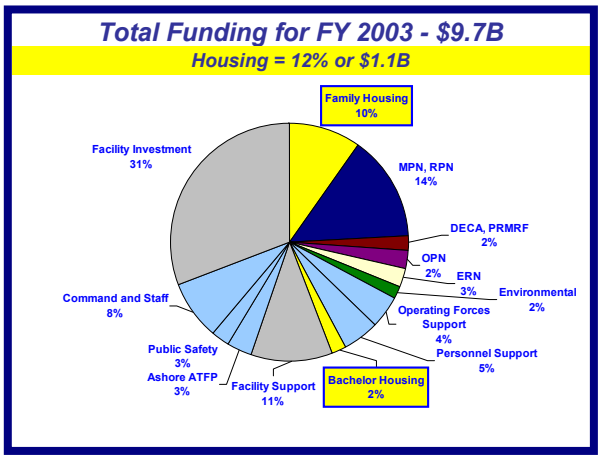
The Navy's 70 Galleys in FY 2003 served more than 10.389 million rations to Sailors and cash-paying customers. The Galley IPT completed its work in developing Navy-wide Capability Levels, which were subsequently approved by the SIPB/RCC. The overall Galley performance for FY 2003 was recorded at a Capability Level 2, with an overall score of 7.55 out of 10. This exceeded the FY 2003 expectations when compared against the PR-03 programmed resources at a C-3 readiness level. Additional in-year funding was provided in order to cover increased contract costs associated with added contract labor requirements.

The Fleet and Family Support Program (FFSP) has 55 centers delivering services at 65 installations throughout the U.S., 9 foreign countries, and U.S. territories. The FFSP system was once again heavily committed with the increased activities and demands in support of units and personnel deploying for Operations Enduring Freedom and Iraqi Freedom. Funding (both Navy and DoD) was adequate to ensure strong program and service delivery throughout the year. The FFSP IPT developed standards, metrics, and Capability Levels, all of which were approved by the SIPB. The FFSP IPT also developed an agreed overall priority list of programs for this function within the Personnel Support Core Business Area. FY 2003, performance for the FFSP was reported at a Capability Level 2, with an overall score of 8.21 out of 10. This level of performance was in line with the expectations set for FY 2003.

OPNAV N1 and N4 established a working group in late FY 2003, to identify options and alternatives for aligning PERS-65 & PERS-66 with CNI to improve overall the various functions and processes where it makes sense, and achieve increased effectiveness and efficiencies. A final report and recommendations are expected early in 2004, with implementation planned for 1 October 2004.



Community Support			
Core Business Area/Function	*FY 2002 Performance: Capability Level*	*FY 2003 Performance: Score*	*FY 2003 Performance: Capability Level*
MWR	**CL-2**	**7.12**	**CL-2**
Child Development	**CL-1**	**N/A**	**CL-1**
Galley	**Not measured**	**7.55**	**CL-2**
Fleet & Family Support	**CL-2**	**8.21**	**CL-2**
Other Community Support	**Not measured**	**Not measured**	**Not measured**
• **Family Housing**	**CL-2**	**7.61**	**CL-2**
Bachelor Quarters Ops	**CL-2**	**7.87**	**CL-2**



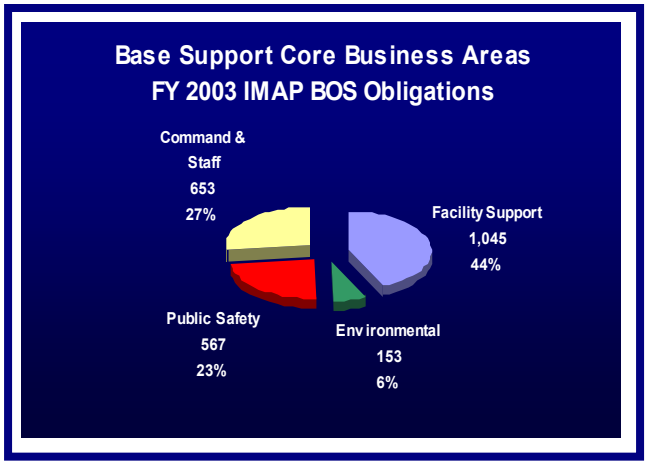
Navy's Sheltering program, which includes Family Housing and Bachelor Quarters Ops, accounts for 12% of the total SIM Funding. The Navy's Housing program currently addresses approximately 28% of the total requirement based on the personnel spectrum. The FH program is on track to meet Defense Planning Guidance requirements to eliminate inadequate houses by FY 2007, through a mix of traditional MILCON, Basic Allowance for Housing (BAH), and privatization. The performance level for the Family Housing function in FY 2003, was reported at Capability Level 2, matching the FY 2002, recorded performance.

The Bachelor Quarters Operations functional area again performed well in FY 2003, with another Capability Level 2 performance equaling that of FY 2002. The performance data call for FY 2003 was significantly improved and more comprehensive than in the previous year. The level of performance was achieved with fiscal 03 expenditures which approximated 83% of the PR-03 stated requirement in terms of obligations, and remaining virtually constant with the level of funding in FY 2002. Steady progress was also made toward meeting the FY 2008 goals for eliminating inadequate permanent party Bachelor Housing and the Homeport Ashore program.

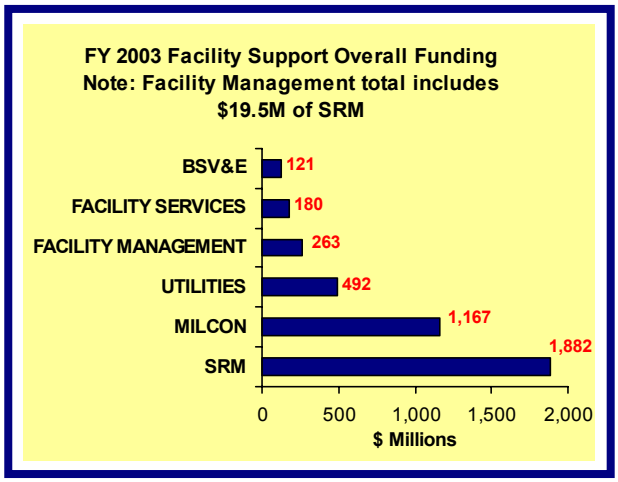
Base Support

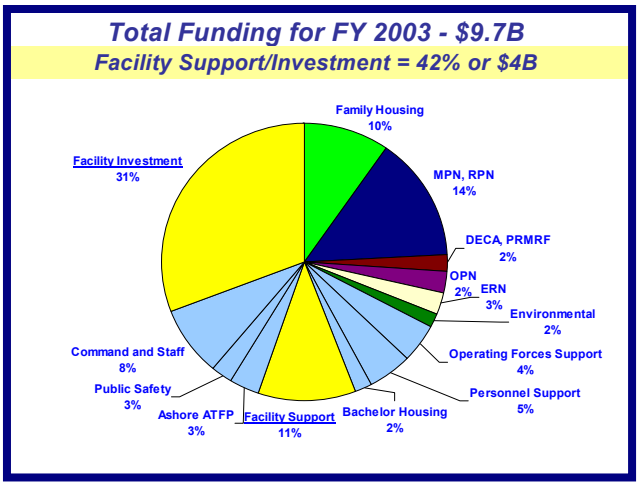
The Base Support portion of the Core Business Model comprises a wide spectrum of functions that range from Utilities to Disaster Preparedness to MILPERS Services. Base Support includes the Core Business Areas of Facility Support, Environmental, Public Safety, and Command and Staff. Together these account for approximately 68% of the total FY 2003 IMAP direct BOS obligations. The largest single fiscal obligation component is in the Facility Support Core Business Area.

Facility Support, as a part of overall Base Support, covers a broad scope of functions and activities. MILCON execution data is not captured as part of IMAP, while SRM data is in IMAP, but addressed separately from BOS obligations. Facility Support includes the five basic functions of Utilities; Facility Services; Facility Management; Base Support Vehicle and Equipment; and Sustainment, Restoration & Modernization (SRM) Facility Investment. All Facility Support functions were programmed for



Note: IMAP Direct BOS = $3.476B
(composed of O&M,N/O&M,NR, except SRM)





FY 2003, at a C-3 readiness rating with the exception of Utilities, which was programmed at C-2.

A majority of the Facility Support funding in FY 2003 was allocated for SRM and MILCON. SRM funding in FY 2003 increased to $1.882B, up from the $1.292B in FY 2002. The FY 2003 MILCON funding noted a sizeable Congressional add to the DoD budget request. In sum, the SRM and MILCON programs in FY 2003 accounted for nearly 75% of the overall Facility Support and Facility Investment program. The Utilities program was the next largest at 12% of the total, and the other functions at much smaller percentages.

Over the course of FY 2003, significant progress was made in refining the standards and metrics for many of the functions within the Facility Support Core Business Area. The Navy's Program Managers within the Facility Support Core Business Area conducted a series of Navy-wide performance data calls in FY 2003, addressing the basic facility functions. The Utilities function scored a very high Capability Level 1, and saw an overall increase in funding from $442.8M in FY 2002 to a total of $491.6M in FY 2003. This performance was above the Navy's target of Capability Level 2, but is reflective of the volatile fiscal realities associated with today's Utilities commodity. The other functions of Facility Services, Facility Management, and Base Support Vehicle and Equipment all performed at Capability Level 3, with Facility Services very close to Capability Level 2. Total fiscal obligations for these three functions increased by more than $70M in FY 2003.

The FY 2003, MILCON program had total funding of $1.167B including Congressional adds of $198M and $177M in Defense Emergency Response funds. This MILCON funding covered 95 MCON projects for the active Navy, and 13 MCNR projects for the Naval Reserves.

Visibility and fidelity within the SRM functional area has increased steadily, due in large measure to OSD efforts to develop and benchmark metrics and requirement models. This initiative is marshalling overall efforts to standardize many aspects and methods of Facility Management. Navy in FY 2003 programmed for 84% Sustainment. Navy also programmed for a 116-year recapitalization rate and attained a recapitalization rate of 75 years through Congressional adds. The SRM funding was again not proportionately obligated across the year with 46% of funding allocated in the 4th quarter. The phasing of SRM funding in FY 2003, by quarter indicates inefficiencies in that the phasing of the funds forces a "back-loading" of execution vice executing in accordance with the original plan for SRM projects. Indicative of this "back-loading" is the accompanying table of quarterly obligations of SRM data for FY 2003. The SRM obligations exceeded the plan by over $180M with a total increase exceeding $560M over that in FY 2002. This increase in funding over the pan was in part a planned buy-ahead of FY 2004, special projects.

SRM Quarterly Obligations

1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
$245M	$288M	$477M	$870M

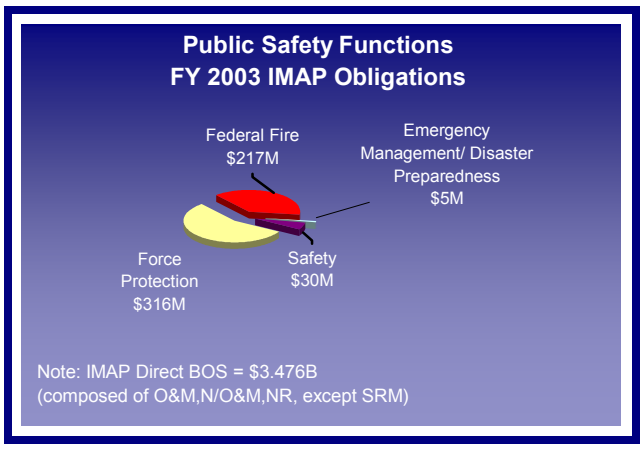
Source: IMAP FY 2003 Obligations Shown for SRM

The Navy's Centralized Demolition Program remains a success story. Eliminating excess infrastructure avoids recurring annual costs for sustainment, restoration and modernization, and BOS. The Navy demolished 2.38 Million Square Feet Equivalent (MSFE) in FY 2003, improving on the FY 2002 goal of 2.00 MSFE. FY 2003, execution was at $38M, with an O&M,N/NR savings of $11.6M.

The Navy's obligations for FY 2003 came to a total of $314.44M for Navy BRAC. The BRAC program continued progress toward meeting the FY 2005, goal for remaining cleanup and base transfers to local communities. FY 2003 also saw the establishment of the CNI organization including responsibilities for oversight of BRAC 05 activities.

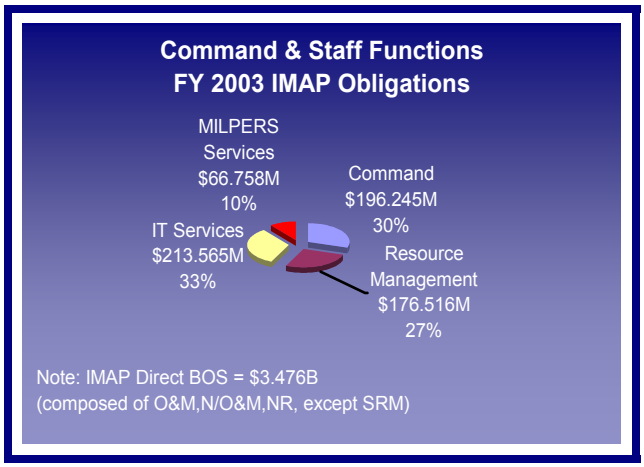
The Environmental Core Business Area includes Environmental program activities required to meet Federal, state, tribal and local laws. Funding is programmed to ensure 100% compliance and to meet legal requirements. During FY 2003, the SIM community in concert with the Operational Commanders and SYSCOMs established a split between SIM and Mission Environmental programs and funding. An organization was set up for CNI Environmental at CNI and at the Regions. The Environmental IPT was reintroduced. The CNI and OPNAV N45 staffs worked to establish the ground rules and Charter for the future efforts of the revised IPT. An initial draft of the Environmental Capability Level Descriptors is in review. The overall recorded direct IMAP obligations for the Environmental Core Business Area in FY 2003 were $155.77M. The Navy's Environmental program also includes ER,N funding for the Environmental Restoration Account and requirements. Navy's total for ER,N for FY 2003, was $255.5M. This funding is for a centrally managed transfer account that funds analysis and cleanup of past contamination from toxic and hazardous substances, low-level radioactive materials and petroleum, oil and lubricants at DoD installations.

Considering only the IMAP obligations reported for FY 2003, the distribution of obligations within the Public Safety Core Business demonstrated that the preponderance of the obligations was within the Force Protection ($315.7M) and the Federal Fire ($216.8M) functions. There was limited funding for the Safety ($29.8M) and Emergency Management/ Disaster Preparedness ($5.1M) functions. The PR-03 readiness level for Force Protection was set at a C-2 readiness with the other three functions for FY 2003 all set at C-3. No performance data call was conducted for either the Force Protection or the Emergency Management/Disaster Preparedness functions. For the Federal Fire function, the FY 2003 performance data call reported the function at an overall Capability Level 3. This level of performance corresponded with the level of funding and reported performance for FY 2002. Within the Safety program, the FY 2003, performance data call resulted in a Capability Level 3 overall score. This was consistent with the expected performance based on the funding allocated. In FY 2003, the Navy made significant progress in aligning its overall Public Safety posture—particularly for the Force Protection function. OPNAV N46/CNI established strong links to CFFC/N34/SYSCOMS on ATFP issues. CNI has established an IPT for both this function and for the Emergency Management/Disaster Preparedness function with initial meetings completed. The Federal Fire overall obligations increased in FY 2003, by $15M (7%) over FY 2002. IRCA directed changes will result in significant future process changes for the Federal Fire program. Staffing shortages continue to result in increased overtime expenses. The Safety IPT was reactivated in FY 2003. Safety is developing a plan to achieve the DoD 50% mishap reduction goal in the next two years.



The four primary functions within the Command and Staff Core Business Area are Command, Resource Management, Information Technology (IT) Services, and MILPERS Services. They were all programmed at a C-3 readiness rating in PR-03. The FY 2003 Command and Staff Core Business Area represents

20% of the total IMAP direct BOS obligations. The distribution of obligations amongst the four functions within the Command and Staff Core Business Area is relatively even with the exception of the MILPERS Services function, which at 9% of the total is the smallest. The only programs with sufficient maturity to develop a performance data call for FY 2003 were the IT Services function and the Religious Programs sub-function of the Command function. For FY 2003, the overall performance for IT Services was at Capability Level 3, while the Religious Programs was assessed at a low Capability Level 2, albeit with little customer satisfaction input for this initial review of standards implementation. None of the other functions or sub-functions within this Core Business Area was in a position to measure performance in FY 2003.



There are IPTs chartered for both the Command Admin sub-function and the Resource Management function. The Command Admin IPT was re-instituted in FY 2003, and made an initial presentation to the IMWG in September 2003. The IPT for Resource Management did not meet in FY 2003. For FY 2003, one of the highlights of the year for this Core Business Area was the success of the Religious Programs IPT in developing standards, metrics, and Capability Level descriptors for the sub-function and having the SIPB/RCC approve these measures at its Fall 2003 meeting. While progress was made across a number of functional areas within the Command and Staff Core Business Area, the efforts in this area more than most other Core Business Areas were centered on activities related to the establishment of CNI in FY 2003. This work had a significant impact in the Resource Management and the Command and Staff program areas in particular. While the progress toward CNI establishment and the work to assimilate new installations into the regions produced excellent results, the functional oversight of the details of the programming and execution for these areas suffered. For FY 2004, CNI must reactivate the Resource Management IPT and reinvigorate the Command Admin IPT to accelerate the development of standards and metrics for these key functional areas.

Performance for Base Support is summarized in the accompanying table.

Base Support			
Core Business Area/Function	*FY 2002 Performance: Capability Level*	*FY 2003 Performance: Score*	*FY 2003 Performance: Capability Level*
Utilities	**CL-2**	**9.6**	**CL-1**
Facility Services	**CL-3**	**6.6**	**CL-3**
Facility Management	**CL-3**	**6.5**	**CL-3**
Base Support Vehicle & Equipment	**CL-3**	**6.43**	**CL-3**
SRM	**Uses Sustainment and Recap Models vice CL**	**N/A**	**Uses Sustainment and Recap Models vice CL**
Environmental	**Not measured**	**Not measured**	**Not measured**
Force Protection	**Not measured**	**Not measured**	**Not measured**
Federal Fire	**CL-3**	**6.5**	**CL-3**
Disaster Preparedness	**Not measured**	**Not measured**	**Not measured**
Safety	**Not measured**	**5.5**	**CL-3**
Command	**Not measured**	**Not measured**	**Not measured**
• ***Religious Programs***	**Not measured**	**7.02**	**CL-2**
Resource Management	**Not measured**	**Not measured**	**Not measured**
Information Technology	**CL-3**	**6.33**	**CL-3**
MILPERS Services	**Not measured**	**Not measured**	**Not measured**

Balanced Scorecard

To assist the IPTs in defining their goals and metrics, the Navy SIM leadership used the Balanced Scorecard methodology to assess progress in the four primary areas of planned action, and developed seven metrics within the scorecard to assess the SIM community's performance.

SIM Balanced Scorecard (BSC) Metrics	
Customer • % of Customers Satisfied with performance (by 2005/6)	**Investment** √ Program to Requirements Ratio √ Budget to Program Ratio √ Execution to Budget Ratio
Process √ % of Functional Areas with approved standards • Capability level Ratio (by 2004)	**Work Force** • Employee Satisfaction and Effectiveness (by 2005/6)

The Balanced Scorecard provides a clear prescription as to what organizations should measure in order to "balance" the financial perspective, and has been used effectively in industry for more than ten years. The SIM community views the various functional areas from four perspectives: Customer, Process, Investment, and Workforce. Currently, the capability to fully populate all seven metrics on this scorecard is not available because of data limitations/availability from POM/PR cycles that occurred prior to today's capability planning board on the newly developed performance models. Measurement, however, has begun on four metrics as depicted in Chapter 10 of this report.

2003 SIM Priority Actions

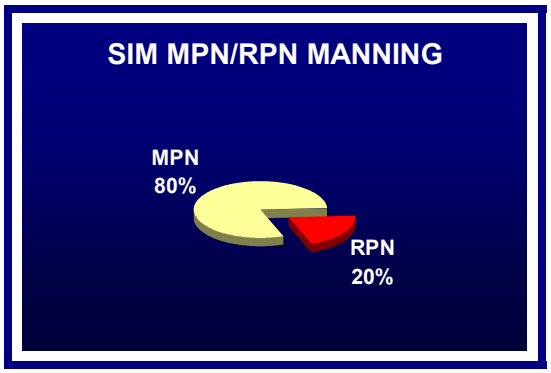
In 2001, the Installation Claimants and Regional Commanders identified, evaluated, and prioritized more than 60 priority SIM actions. From this initial list, the board members selected 13 actions (a Baker's Dozen – shown in table), which were considered to have the highest potential impact. These actions spanned all four Balanced Scorecard quadrants, and were deemed the major activities to be pursued. Good Progress has been made during the past year on all 13 priority items. The full report is included at Chapter 12.

"BAKER'S DOZEN" ACTIONS

CUSTOMER	INVESTMENT
1) Identify Facility Requirements 2) Identify Standards of Services/Measures 3) Develop Measures of Customer Satisfaction	4) Develop Credible Link to Fleet Readiness (IPTs) 5) Develop Vision and Strategic Imperatives (NAV 2025) 6) Develop Communications Plan
PROCESS	**WORKFORCE**
7) Align Financial Systems 8) Evaluate/Correct Organization Structure 9) Identify BOS Functional Owners 10) Deploy Activity Based Cost Management	11) Determine SIM Work Force Mix 12) Designate N4 as Manager for Ashore Personnel 13) Implement a SIM Work Force Development Program

Miscellaneous Items

The Military Personnel, Navy (MPN) and the Reserve Personnel, Navy (RPN) appropriations account for a significant portion of essential SIM funding with a total of $1.387B in FY 2003, or some 14% of the $9.7B total as indicated at the chart on page (i). It is imperative that on-going initiatives that may impact on the MPN/RPN billet base be evaluated carefully in light of key considerations such as sea-shore rotation, quality of life, and quality of work.

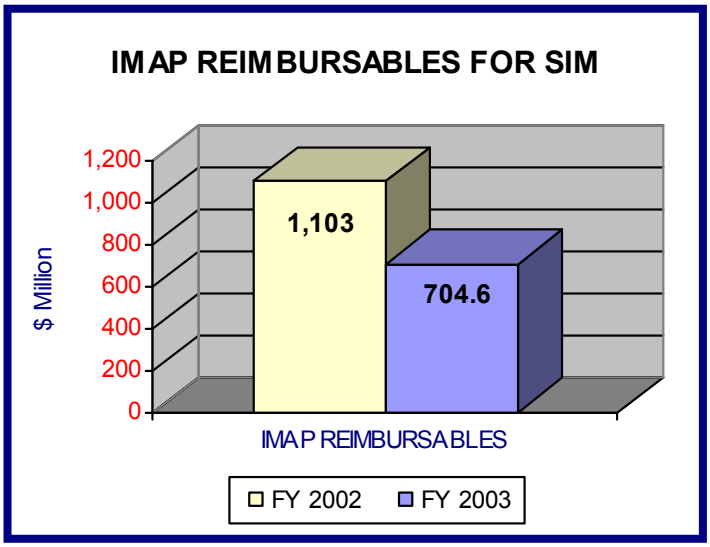


For SIM, the Other Procurement, Navy (OPN) account provided a total FY 2003 OPN authorized of $236.7M; an increase of more than $82M from FY 2002. The OPN growth in FY 2003, was largely for increases to Anti-Terrorism/Force Protection (ATFP) and ATFP-related issues. OPN program requirements must continue to be juxtaposed carefully and balanced with the overall O&M,N/NR requirements.

OPNAV N46 provides BOS funding support to the Defense Commissary Agency (DeCA) for the entire Navy portion of the commissary operations bill. For FY 2003, Navy's portion of the bill was $148.8M in support for a Department of Defense (DoD) bill totaling more than $1B for commissary operations worldwide.

The Pentagon Reservation Maintenance Revolving Fund (PRMRF) finances the activities of Washington Headquarters Services in providing space, maintenance, protection, renovation, and a full range of building services for DoD Components, including the Military Departments and other activities housed within the Pentagon Reservation. It is designed to operate on a break-even basis over the long term. Revenue is generated from various sources, but is dependent primarily upon funds collected via a basic user charge for space and building services. The Navy's portion in FY 2003 was $56.6M.

Within SIM, the Regional Commanders are the recipients of significant funding in the form of reimbursables. These can often drive the requisite size of SIM facilities or their capacity. While we do not program (POM) for reimbursables, they do have an impact on the size of our facilities and their capacity. For FY 2003, this reimbursable funding went down by over one-third.



The accompanying chart summarizes the Capability Levels computed for FY 2003. C-Ratings were converted to Capability Levels for the PR-03 projections. FY 2006, will be the first year that we can assess fully programming actions based on Navy-wide standards and Capability Level methodology and compare programmed Capability Levels with actuals.

SIM FY 2003 Performance by IMAP Core Business Area

IMAP 2003 Installation Core Business Model	Core Business Area	Projected during PR-03 & converted to Capability Level	FY 2003 Performance: Capability Level
Operating Forces Support	Air Ops	C-2=CL 2	CL 2
	Port Ops	C-2=CL 2	CL 2
	Ops Support	C-3=CL 3	CL 2[1]
Community Support	Personnel Support	C-2=CL 2	CL 2
	Housing	C-2=CL 2	CL 2
Base Support	Facility Support	CL 2/CL 3[2]	CL 1/3[2]
	Environmental	Meet Legal Requirements	Met Legal Requirements
	Public Safety	C-3=CL 3	CL 3[3]
	Command & Staff	C-3=CL 3	CL 3[4]

Notes:
1. Other Operations Support was not measured. Supply was the largest function in Operating Forces Support and performed at CL 2. Child Development performed at CL 1.
2. Utilities was funded at C-2 and performed at CL 1. All other functions were funded at C-3 and performed at CL 3.
3. All functions were funded at C-3, but Federal Fire and Safety were the only measured Capability Levels at CL 3.
4. All functions were funded at C-3. Religious Programs was measured at CL 2 and IT Services was measured at CL 3. Other functions were not measured.

Summary and Conclusions

Today, Navy SIM is better aligned and structured organizationally to optimize support to the operational forces and other mission commanders. While FY 2003 indeed has been a year of major challenge for our Nation, Navy, and Shore enterprise, the progress made in better defining our business processes, articulating requirements, aligning with the expectations of our war fighting and other mission customers, and modeling our support capabilities through output-based performance metrics, and discreet capability levels has been noteworthy. This report describes in considerable detail the various initiatives, actions, and innovative steps that either have been taken or were in progress during the past year. These actions and activities can be categorized generally into three areas; those related to organizational alignment, those steps taken to further strengthen and build credibility, and still others that have enhanced our collective abilities to provide for better decision-making. It is imperative that we not lose the considerable momentum now underway as Navy considers further actions to better align and streamline to achieve even greater effectiveness and efficiency under Commander, Navy Installations (CNI).

In building credibility both within and outside of the Shore community, the importance of the IPTs in establishing Capability Levels, Metrics, Objective Matrices, and Navy-wide standards has been substantial, but the job is not complete. We must build on the successes, continue to "challenge the assumptions", and leverage fully the strengths of our people. The development of discreet Performance Models, and the important next steps to incorporate as part of the models Required Operational Capability (ROCs)

levels of our installations, coupled with Navy actions to improve the Planning, Programming, Budgeting, and Execution (PPBES), will continue to be especially helpful in providing for better and more timely decision-making. In particular, changes that have improved our ability to assess prior year execution and concomitantly, influence future programming requirements within a real-time feedback loop have assisted substantially efforts to manage programs and allocate resources based on capabilities, requirements, and realistic assessments of risk.

FY 2003 can be characterized as a year of major steps forward in the process of better defining SIM requirements not only in terms of funding, but importantly in terms of outcomes, outputs, risks, and capabilities — what are we buying, is it at the right price, what risk can we accept and does it afford the desired outcome(s)? The SIM return on investment (ROI) generally matched the programmed expectations, and as incorporated into the budget process. Progress in setting Navy-wide standards, capability levels, and key performance metrics that measure outputs was substantial. This includes models for the major core business program areas and comprises more than 80% of the resources allocated through SIM obligational authority. As noted, however, in the report, while we did make substantial progress, we did not execute consistently for all program areas, nor achieve therefore, optimum resource efficiency. Actions that have been taken preparatory to the standup of CNI, and underway now, should significantly improve future year execution performance. Those CNI plans and actions include the following guiding principles plus near and mid-term tasks. While not all inclusive, they can be grouped into focus areas as follows:

- Implement/improve standard business processes (common business rules)
- Reduce layering and establishing a common organizational structure
- Further reduce costs by streamlining delivery models and eliminating duplication
- Focus on metrics-based, output-driven resource investments
- Inculcate an atmosphere of Trust, Confidence and Communications
- Priorities:
  1. Standup CNI – Instill a sense of urgency for near and longer term change
  2. Capabilities-based resource management
  3. "Quick Hit" savings in near term
  4. IT Plan
- AT/FP Plan
- OBOS/SRM: Capability-based Budgeting
- Initiate Joint Business Connections
- CNI Staff established and sited
- Transformation Initiatives
- Recapitalization/Savings reinvestment
- PR-05/Budget follow-on
- BRAC planning and support
- Human Capital Development Plan
- Acquisition Efficiencies
- ABCM Implementation
- Establish readiness links through Required Operational Capability (ROC) 4X4 methodology

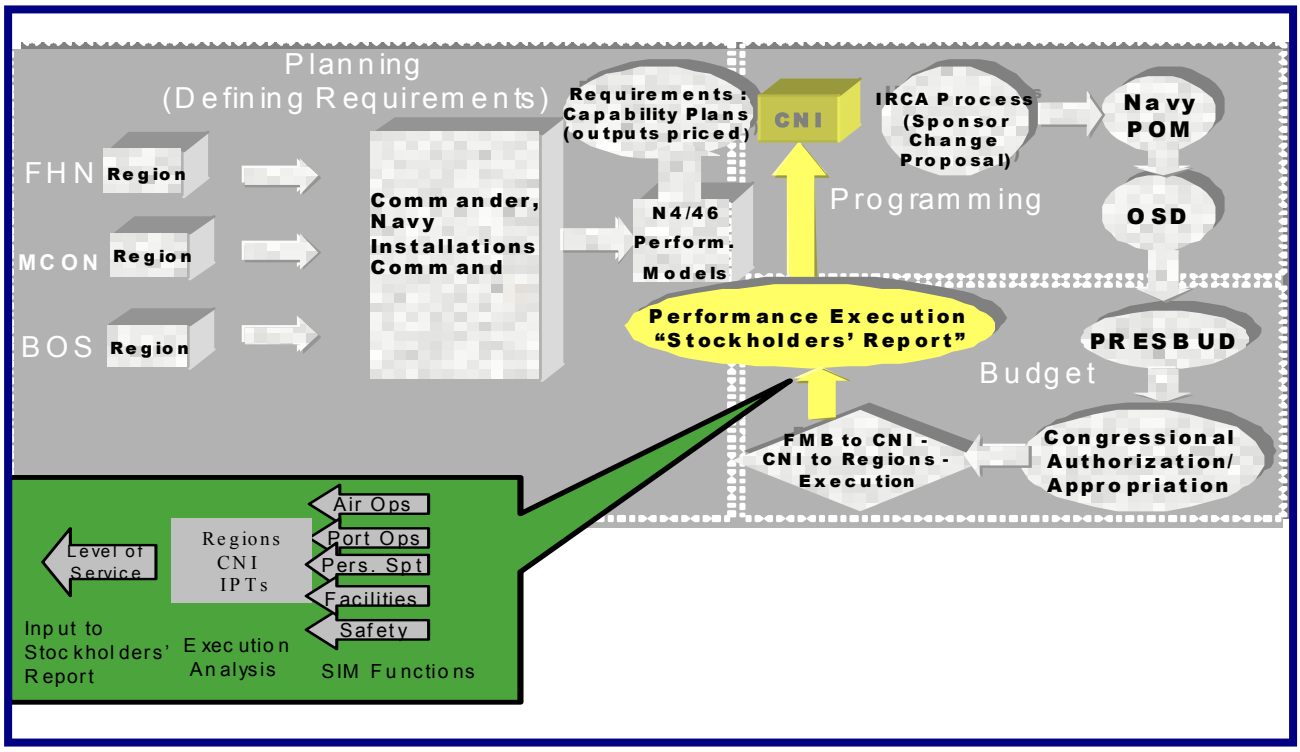
The FY 2003 SIM goals and objectives have been built in part on these points. This 2003, report on U.S. Navy Shore Installation Management – "Stockholders' Report – The Product of the Plan" – provides a comprehensive look at the programs, initiatives, and numerous activities that have, and will continue to ensure that our fighting forces receive the very best support possible, now and well into the future.

Introduction

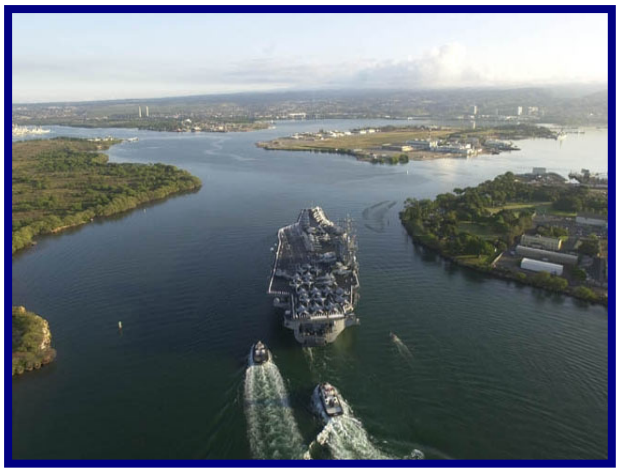
The Challenge

Fiscal Year (FY) 2003 has been a year of real challenge for our nation, our military forces, and certainly our Navy. The war in Iraq, the on-going war with terrorists, and the many emergent challenges arising from the ever-changing and turbulent, geo-political world scene all have been met superbly, but not without significant strain on our people, equipment, and ever-tightening fiscal resources.

Those challenges notwithstanding, our shore installation enterprise has made significant and steady progress along the transformation pathway to re-orient our shore support priorities in terms of core capabilities and outputs that best meet the needs of the operational forces and fleet readiness. While we have made good progress, we must continue to seek better ways to deliver the required support that maximizes both effectiveness and efficiency. Continued refinement and development of on-going initiatives including output-based performance metrics and models; best business practices and benchmarking; capabilities-based budgets; methodologies such as activities-based costing/management; and a mind-set that "challenges the assumptions" is essential in order that we leverage fully our limited fiscal resources for force recapitalization and modernization. Our operating forces today (and in the future), and the elements ashore that support them, must be underpinned by an agile, balanced, and transformed shore infrastructure in order to meet the increased demands of a "surge ready" posture.



Purpose – "The Product of the Plan"



This is the second Shore Installation Management (SIM) Stockholders' Report, providing a new and comprehensive examination and assessment of the state of the SIM community in the Navy. The term "Product of the Plan" is taken from CNO Admiral Vern Clark's guidance to our Navy to become more output focused. In this context, it describes what the Navy has achieved in FY 2003, with the $9.7B in SIM funding. The Stockholders' Report serves as an important element in the feedback loop to define and describe output performance and execution – the "Product of the Plan". The figure on the previous page depicts the SIM Planning, Programming, Budgeting, and Execution System (PPBES) process.

Background

The Shore Installation Management community encompasses all of the Navy regions and installations worldwide. These regions and installations exist for only one reason: to support our Navy ships, aircraft, and Sailors; and other mission commanders. The shore establishment is a complex enterprise, comprised of dozens of installations comparable to small to mid-sized cities each with its associated infrastructure, including in many cases, airports and harbors. Others incorporate shipyards, aviation depots, industrial activities, and major research and development facilities. Most provide common support functions like family housing, hospitals and/or medical clinics, child care, and shopping – exchange and commissary – facilities.

In FY 2003, our Navy regions and their respective shore installations were key contributors to the overall success as part of the Navy team in responding to world events and the many unique challenges mentioned earlier. While the accomplishments were significant, the war in Iraq and the fight with terrorists took its toll on SIM resources and had significant impact on our Sailors and their families. The real-world events of FY 2003 notwithstanding, the SIM community made substantial progress to transform the shore enterprise. In that regard, a key milestone event occurred – the establishment of a single Installation Management Claimant (IMC) responsible for all of SIM, Commander, Navy Installations Command (CNI). CNI is the result of years of evolution in the SIM community. In the past, SIM oversight was provided by as many as eighteen IMCs. These IMCs had core missions other than installation management. With so many IMCs essentially doing the same things in SIM, in differing ways in many cases, inefficiencies occurred. The Navy's shore infrastructure reflected this lack of a coherent, standardized approach to SIM, in terms of

the inefficient use of available resources and duplicated effort.

In the "CNO Guidance for 2003", the CNO stated:

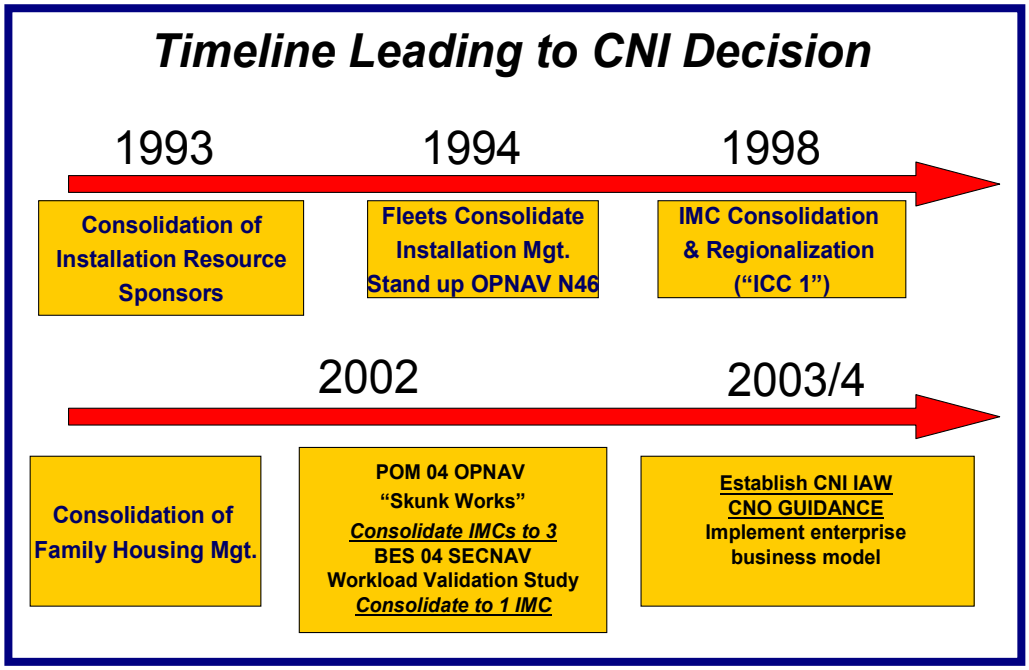
> *"We developed a clear and concise vision -- Sea Power 21 -- to achieve a more powerful 21st century Navy. It provides the framework for how we will organize, align, integrate, and transform our Navy to meet the challenges that lie ahead.*
>
> *We must challenge every assumption and search for new and better ways to accomplish our tasks. We must refine requirements, conduct innovative operations, and optimally allocate resources to achieve efficiencies and recapitalize the Fleet."*

This FY 2003 Stockholders' Report describes in detail the many innovative initiatives, actions, and business process changes either underway, or planned for the near-term, that describe how the SIM community is meeting the CNO's guidance. Pursuant to his FY 2003 guidance, the CNO provided specific actions for Navy leadership as depicted below.

CNO Actions for 2003

- ***"Be Ready"***
- ***Protect our nation, bases, ships, and Sailors***
- ***Achieve efficiencies to buy more ships and aircraft***
- ***Accelerate Sea Power 21 capabilities***
- ***Streamline and align manpower and skills mix***

In addition to his actions for leadership, the CNO also reemphasized his top five priorities: Manpower, Current and Future Readiness, Quality of Service, and Organizational Alignment. Under alignment, the CNO stated: "Aligning our organization is an on-going effort that involves continual assessment of processes and systems. The goal is to rapidly and efficiently deliver warfighting capability, while maximizing the growth and development of our people. When an organization is aligned, everyone from junior to senior shares an understanding of the goals and purposes of that organization, allowing them to contribute to their fullest." Consistent with



that theme (see timeline chart on previous page), he directed the establishment of CNI, "...with responsibilities for the operation, administration, and support of U.S. Navy installations worldwide, establishing a single claimant for all base operating support resources."

This new Navy command, commissioned on 29 September 2003, is the:

- Supporting Commander for Base Operations, providing the assistance required by the Supported Commanders
- Single responsible office, claimant, and honest broker for SIM
- Provider of unified procedures, standards, and practices for efficient management of installation support
- Performance model manager
- Overseer of funding, delivery of installation services, and implementation of efficiencies through Administrative Control (ADCON) of 16 regions and 98 world-wide installations that comprise collectively:
  - 2,017,736 Acres
  - $133,910,156,083 in Plant Replacement Value (PRV) (Building, Structure, Utilities)
  - 61,693 Buildings
  - 437,787,888 Bldg SF
  - 55,000 military and civilians
- Dual-hat as OPNAV N46

It is important to note that this report addresses the results of FY 2003, under the "pre-CNI" organizational alignment of eight Claimants, understanding that CNI was not commissioned until the last days of FY 2003. Considerable additional reference to CNI will be made throughout this report with supporting information in Appendix A.

SIM Strategic Plan

SIM involves, among other things, the coordination of policy, planning, budgeting, execution and reporting for all shore installation activities. As we transform our operational forces, our naval forces will need to be kept at a high state of readiness for longer sustained periods in order to meet the requirements of a rapidly changing world scene. As such, it is imperative that the Navy maintains and

operates its shore installations efficiently and effectively in order to provide optimal operational support to the warfighter, and meet requirements for both the current and planned future Navy force structure. In so doing, the Navy also must maintain critical facilities and make improvements incorporating technological advances wherever possible.

A Shore Installation Management (SIM) Strategic Plan was first completed in 1997. Subsequent transformation and other initiatives occurring across the SIM Community highlighted the necessity for retooling the strategic plan to review the SIM Mission and Vision, provide more distinct direction, and to establish a structure for applying and measuring the success of SIM strategies throughout the entire SIM Community. OPNAV N46, with support from each of the eight IMCs, initiated a process to revise the SIM Strategic Plan in February 2001. Two working groups - the Strategic Planning Working Group (SPWG), comprised of representatives from each IMC, and representatives from MCPON, NAVSUP, NAVFAC, and SECNAV, and the SIM Strategic Planning Board (SSPB), comprised of flag level representatives from each IMC, spearheaded the effort. By the end of June 2001, three O-6-level working group meetings and three flag-level decision boards had met in support of this strategic plan development effort. Ideas were submitted and developed for incorporation from both up and down the chain of command. The resultant product received buy-in from all key stakeholders including the Installation Management Claimants, MCPON's office, OPNAV N40, N41, N44, N45, N46 and N81, NAVSUP, NAVFAC, SECNAV, various Navy Regions, and NAVY IG.

This fully revised SIM Strategic Plan provided a new vision and mission for the SIM community, four attendant supporting goals, strategies, action items, and specific performance measures to achieve the goals. The SIM Strategic Plan, with the stated mission and vision (see below), provided guidance and tools for use over the ensuing five years that would assist markedly in SIM transformation efforts.

MISSION: *"Provide consistent effective and efficient services and support to sustain and improve Fleet Readiness."*

VISION: *"Our Navy ashore team - the bed-rock of Naval Operations worldwide - exceeds expectations Everyday – Everyway."*

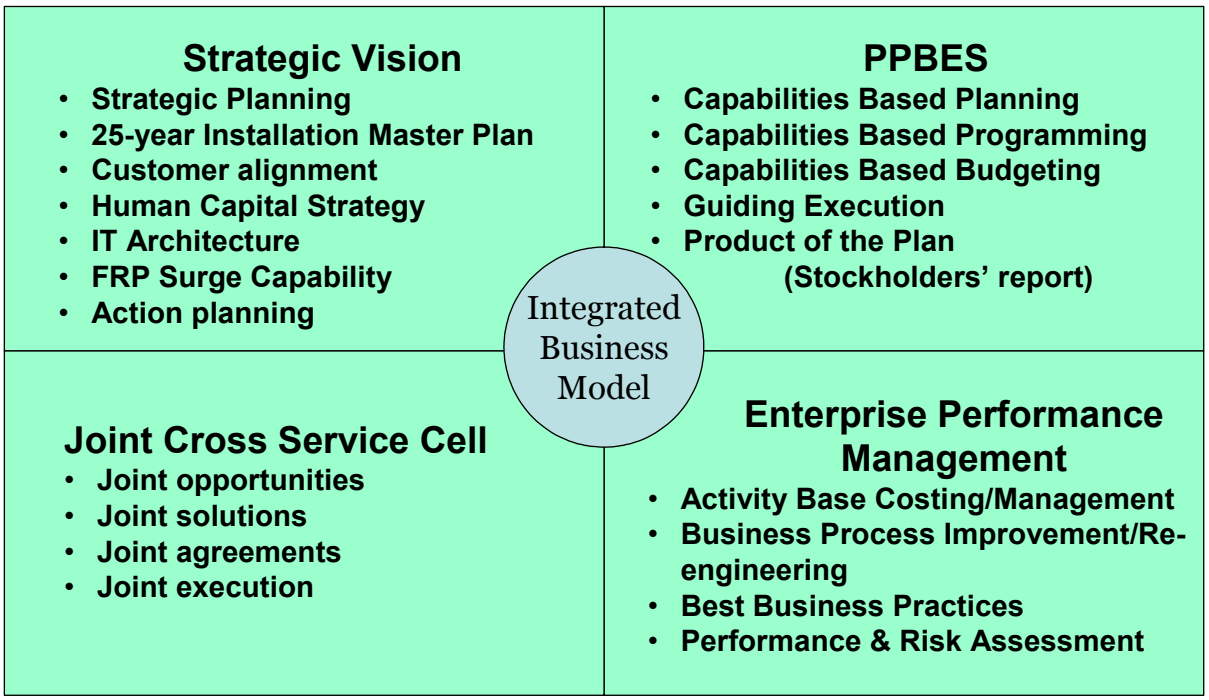
In late 2001, this completed, revised plan was briefed to the Navy's Shore Installation Programming Board and the VCNO. It is available electronically via the Navy SIM Clearinghouse web site at www.navy-im-clearinghouse.net. The FY 2002 SIM Stockholders' Report provided performance data for SIM functions vis-à-vis those planned, status on the top 13 SIM action items, and status on Strategic Plan execution. Further to strategic plan implementation, standards and service levels for 14 major SIM functions that comprise more than 80% of SIM resources have been approved by the SIPB, and the Navy Board of Directors. These standards, service levels (now called capability levels), were approved by the CNO in March 2003.

CNI will modify and update this current version of the SIM strategic plan to reflect CNI's new integrated business architecture (see chart).

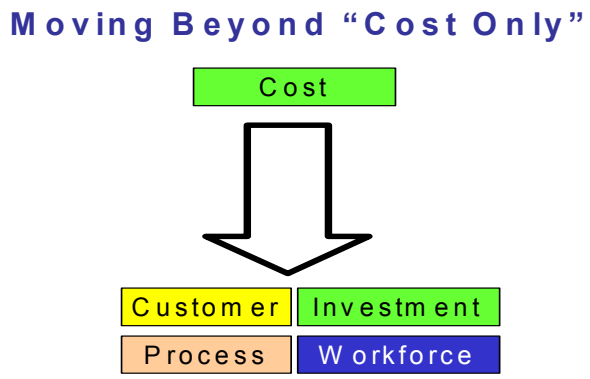
Balanced Scorecard

The Balanced Scorecard (BSC) has been in use in industry for nearly 10 years as a management system that helps clarify vision and strategy, and translate objectives into action. This is achieved through the development of metrics, collecting data, and conducting analyses relative to each of the perspectives. The four perspectives using a BSC approach that go beyond examining only costs are depicted below. Traditional approaches to performance measures generally involve measurements that are more "input" oriented or measuring after-the-fact parameters – how much money was spent, time lost, etc. The BSC approach views performance

New CNI Integrated Business Architecture



by identifying real-time parameters that focus on "output" and that provide management with the ability to make timely corrections. This balanced approach looks at the organization from four perspectives as noted below, instead of just one or two that focus only on funding related inputs.



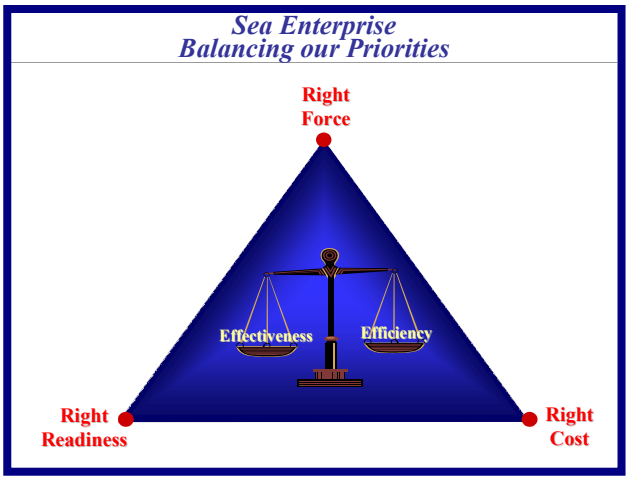
The BSC approach has created a more robust and higher quality product than previous efforts with greater buy-in among the many levels of SIM stockholders. As a methodology, it is in varying stages of implementation among the SIM regions. As enumerated in the current Strategic Plan, strategies, action items, and performance measures have been developed to achieve the four stated goals, with the focus on the highest priority items first (the top action items are addressed in more detail in Chapter 11). The aim has been to produce a structured, coherent plan listing what we want to achieve, how to achieve it, and how to measure success.

SIM Priorities

Key SIM actions and initiatives undertaken in 2003 have been in full consonance with the CNO's Top Five Priorities for the Navy. In 2004, coincident with the standup of CNI, SIM actions and initiatives will be reexamined and refocused to align with the 2004 CNO Guidance. Those priorities are:

- Manpower
- Current Readiness
- Future Readiness
- Quality of Service
- Organizational Alignment

First, in the area of Manpower, efforts continue to help ensure that our installations and activities are manned properly with the right mix of quality people – military (active and reserve), civilian (government service, wage grade, and temporary appointments), and contractor support. In-house reviews, efficiency studies, functionality assessments (FAs), and various strategic sourcing initiatives (e.g. A76) have been conducted to help ensure we are operating as most efficient organizations (MEO). In the area of Current Readiness, SIM support has been focused to provide the most effective and affordable shore support possible. The 2003 Stockholders' Report is an important step in describing the depth and breadth of that support. A key element in the support provided has been the collective process output (performance models, metrics, standards, risk assessments, etc.) of the SIM Integrated Process Teams (IPTs). These teams have been instrumental in the identification, development, and validation of functional requirements for the various SIM program areas, while leveraging from applicable best business practices from industry. SIM has been engaged fully in the homeland aspects of anti-terrorism and force protection, to include improving the security posture at our shore installations worldwide. In terms of Future Readiness, ongoing efforts and planned near-term actions such as Base Realignment and Closure 05, will help to size and shape our shore infrastructure further to balance both current and anticipated changes in force structure. As described more fully this report, there are a number of on-going programs that address improvement to the Quality of Service environment, including quality of life and quality of worklife programs. The management of these programs – programs that have direct ties to personnel retention and propensity for recruitment, is keenly apparent. In the area of Organizational Alignment ashore,



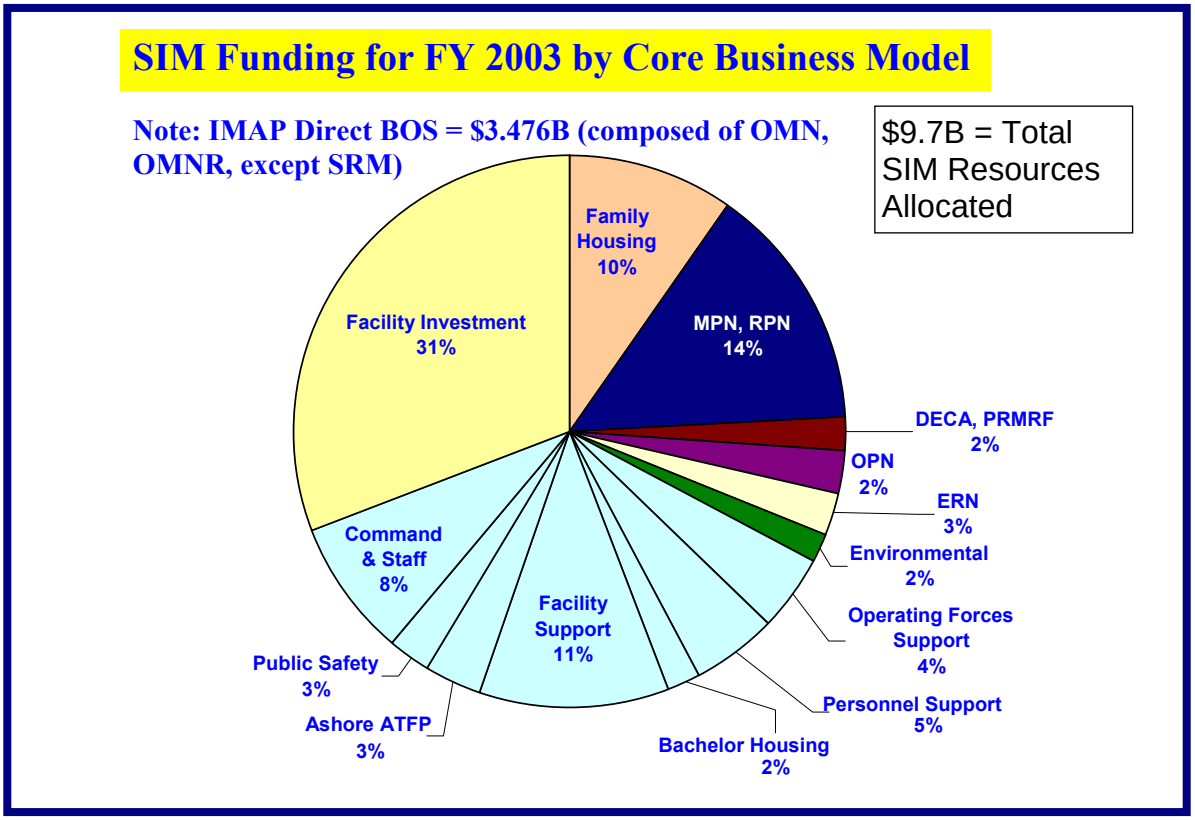
Commander, Navy Installations Command was established in 2003 as the single process owner for installation management. This has been the single most important initiative in addressing both organizational and financial realignment goals to transform the way we manage Navy installations to support the warfighter and other mission commanders.

Resources applied to SIM are definitely big business. In FY 2003, the Navy allocated close to $9.7B dollars to support the regions, shore installations, and facilities (see pie chart). The $9.7B figure represents an increase over the FY 2002 total of $8.5B, and largely is the result of increased facilities investment, utilities support, and facilities-related cost.

Prior to the establishment of CNI, Navy IMCs were responsible for allocating Base Operating Support (BOS) funding to their supported activities, and for managing the execution of funds received for Operations and Maintenance, Navy (O&M,N), Operations and Maintenance, Naval Reserve (O&M,NR), and Other Procurement, Navy (OPN) as part of the annual appropriations process. While this arrangement gave claimants control over their respective BOS programs, it was inherently duplicative, and as a result often inefficient. This arrangement also resulted in considerable variation in the level of service within a given business function because of differences in priorities, resources, and requirements among major claimants.

Migration

In FY 2003, the ability to identify, in some cases exactly, where and how allocated funds were expended was not precise. This limitation largely was because a major portion of the SIM business ($3.476B), referred to as OBOS (Other Base Operating Support), had been grouped together for many years to support a wide variety of functions. There are presently 20 different functional areas that comprise OBOS. Often in prior years, budget



reductions in this area may have occurred because there had not been an adequate (or totally accurate) means of expressing the associated funding reduction impact. One result was the migration of funds from one OBOS functional area to another OBOS functional area to cover bills that must be paid – such as moving ships, utilities, fire fighting, contracts, and airfield operations – and to address emerging or under-funded requirements. If must-pay functional areas were under-funded from the start, such migration became even more pronounced. It should be noted that in FY 2003, new Special Interest Items (SIIs) were approved to help alleviate this situation by "breaking out" the details of OBOS into discrete SIM functions. A chart showing a comparison of the new codes and what they represent are at Appendix B. The areas coded as "OB" represent OBOS.

Another form of migration that can occur, and frequently has, is when funds are "borrowed" from one functional area early in a fiscal year to fund different requirements. These funds are then repaid, but much later in the same fiscal year, sometimes as late as the last few days of the fiscal year. For example, the phasing of Sustainment, Restoration, and Modernization (SRM) funding in FY 2003, by quarter, indicates a "back-loading" of execution vice executing in accordance with the original plan for SRM projects.

SRM Quarterly Obligations			
1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
$245M	$288M	$477M	$870M
Source: IMAP FY 2003 Obligations shown for SRM			

Migration is indicated by examining the actual quarterly phasing of obligation authority compared to the planned quarterly resource allocations.

Integrated Process Teams

In part to help combat the SRM migration problem, the Navy's SIM leadership (OPNAV N4, N46, and Installation Claimants) agreed on the need to establish Navy-wide standards of services and metrics, and a common strategy for Program Objective Memorandum/Program Review (POM/PR) mechanisms to share ideas. In April 2000, SIM created Integrated Process Teams (IPTs) for 21 of the functional business areas identified in the Installation Core Business Model (ICBM). IPT members are a collection of subject-matter experts (SMEs), both active duty Navy and civilians, drawn from every region and numerous installations from around the world.

These IPTs were launched under the vision of enabling clear business decisions (i.e. decisions based on clear cost visibility), better defining requirements, and defining readiness links, standards, performance metrics, and levels of service (now called capability levels). The IPTs were divided into two groups – Blue and Gold. This approach concentrated the limited SIM fiscal and personnel resources on a smaller number of IPTs covering areas that represented approximately 80% of Installation Management Accounting Project (IMAP) obligations.

In FY 2002, the fourteen Blue IPTs focused their efforts on developing Navy-wide standards, levels of service, and associated metrics. They participated in their first Navy-wide performance data call – the results of which formed the analytical basis of last year's Stockholders' Report.

In FY 2003, the IPT deliverable expectations were reversed, with the Gold IPTs (Galley, Safety, and Religious Ministry in particular) accelerating their meeting intensity to refine further their performance metrics and to develop Capability Levels (i.e., levels of performance or service). The Capability Level Descriptors were approved at the end of FY 2003 and the three Gold IPTs identified above participated in the FY 2003 all-Navy performance data call along with the Blue IPTs. The results of these data calls form the basis for Capability Level comparisons in this report. Last year's report termed these CLs as Service Levels. They have been re-described to be more reflective of their output-related importance.

Key IPT goals include:

- Identify/validate true requirements and establish macro metrics (for building the Capability Plan)
- Establish Navy-wide standards
- Develop key performance metrics (quality and quantity) that enable an assessment of how well we are doing in meeting Navy-wide standards

- Provide links to readiness through Levels of Service and representative "descriptors" for each Capability Level (i.e., outcomes)
- Provide representative costing for each Capability Level
- Identify and integrate "best business practices"
- Benchmark against other services, government departments/agencies, and industry

More than twenty-one IPTs have developed approved macro metrics. POM-06's Capability Plan will be influenced heavily by the standards, capability levels and other associated costing data developed by these IPTs and approved by the SIPB. Importantly, the IPTs are methodically building the arguments and risk assessments that can be used in developing present and future Capabilities Plans. More importantly, they are establishing credibility based on the ability to set and establish valid requirements balanced against required funding.

Standards, Metrics, and Capability Levels

Central to the work of the IPTs has been the creation of a methodology to quantify the key aspects of each functional area. The goal was to establish Navy-wide service delivery standards and, equally as important, the associated metrics that would enable an assessment of performance output measured against the standard. The first step in this process involved researching and collecting existing standards and metrics, and comparing the degree of applicability to any related DoD/other service standards and metrics for possible use/adaptation by the Navy. Each standard, metric, and performance measure was then assessed to determine areas of commonality, and to identify gaps. Regional service providers were consulted to ensure the range of BOS services provided was consistent with the standards and metrics, and where indicated, assessed gaps. Working with this preliminary data a baseline template was created to ensure complete coverage of external support requirements.

The IPTs next identified the key processes within each functional area. Performance metrics, both quantitative and qualitative, were determined for each key process area and assigned "prototype" relative weights based on importance and impact. This data was applied to an Analytical Hierarchical Process/ Objective Matrix methodology with the overall Capability Level determined based on the cumulative scores of each functional/sub-functional area. To validate these figures, Navy-wide data calls (or in several cases, representative data tests) were conducted. The elements for these data calls were based predominantly on the performance metrics. After analysis of the data call results, it sometimes was necessary to adjust the weights for the key process areas and for the performance metrics. Finally, with the data validated, the Objective Matrices were populated using Navy-wide data. Appendix C provides a more complete description and additional information on this process.

IPT Name			
Quantity	Quality		
630	630	Performance	
950	950	10	CL1
900	900	9	CL1
800	800	8	CL2
700	700	7	CL2
600	600	6	CL3
500	500	5	CL3
400	400	4	CL4
300	300	3	CL4
200	200	2	CL4
100	100	1	CL4
<100	<100	0	CL4
6	6	Score	
49	51	Weight	Index
294	306	Value	600

The ten performance levels in the Objective Matrix (ranging from a low of 1 to a high of 10) were divided into four Capability Level categories (see chart on previous page), each broadly described in terms of the resources and expertise required to perform the mission (see chart below).

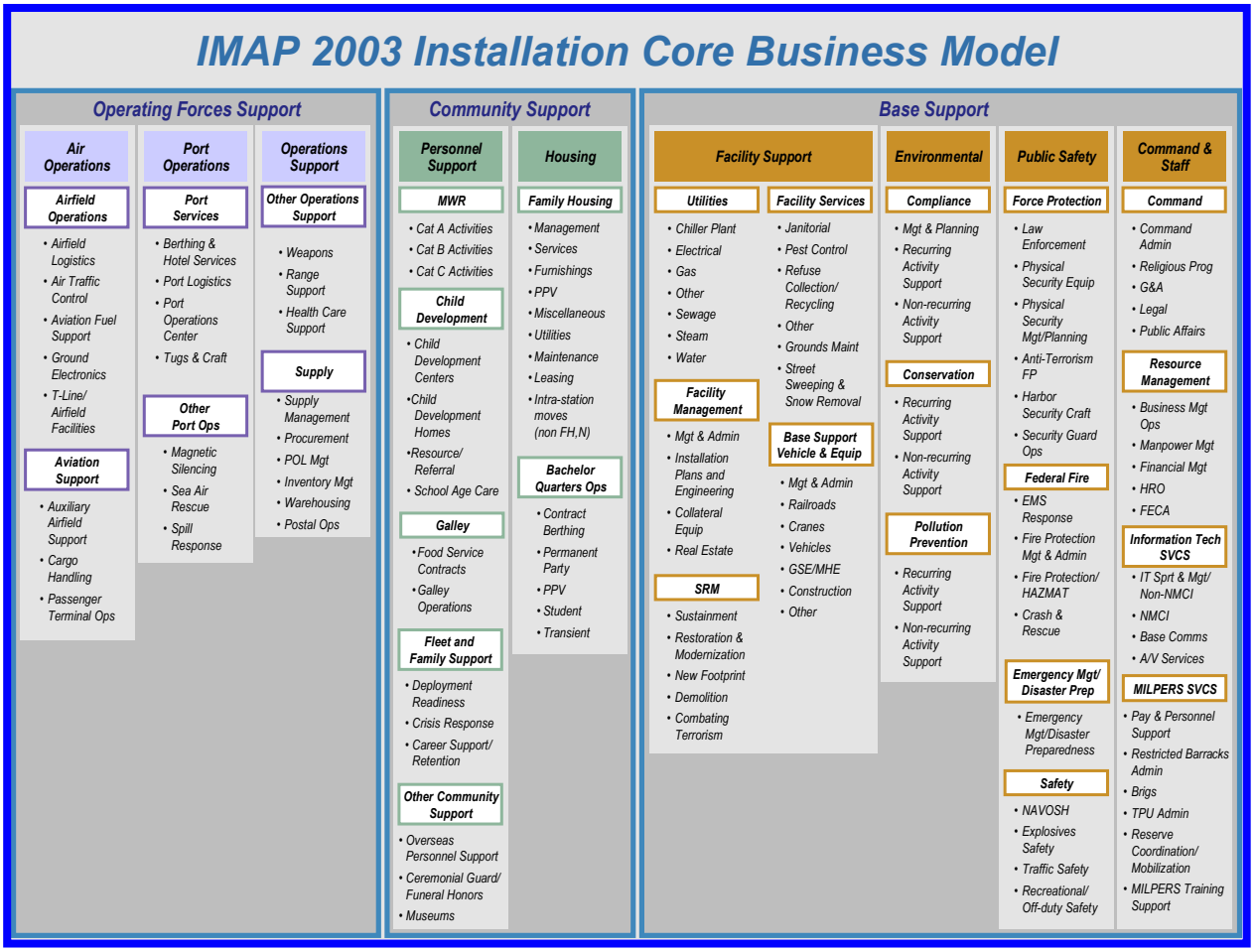
Generic Capability Level Definitions

- **CL 1**: Installation possesses the required resources and expertise to execute its ***full*** mission (full quantity and quality requirement).
- **CL 2**: Installation possesses the required resources and expertise to execute ***most*** of its mission (with degradation in both quantity and quality).
- **CL 3**: Installation possesses the required resources and expertise to execute ***many, but not all*** portions of its mission (with degradation in both quantity and quality).
- **CL 4**: Installation ***requires additional resources and/or training*** to execute its mission but may be directed to execute portions of its mission with resources on hand.

Each IPT, in addition to developing the Objective Matrix, crafted written descriptors for Capability Levels one through four describing, in broad terms, capabilities at that respective level. These capability levels can then be "costed" in terms of required fiscal resources, and quantified in terms of associated risk for Navy leaders. The intent was to clearly define the increased "level of risk" incurred as the Capability Level declined.

IMAP 2003 Core Business Model

The Installation Core Business Model (ICBM) was developed to provide more accurate and consistent cost accounting at installations within the Standard Accounting and Reporting System/Field Level (STARS/FL). The ICBM is also used to define common SIM business areas, functions, and sub-functions that provide the basis for Navy-wide areas,



functions and sub-functions that are managed by the installations, and funded through a consistent approach to installation cost accounting. The model addresses only BOS business areas. These functional area descriptions are used for building accurate requirements for the Capabilities Plan.

IMAP provides Navy leadership and their line managers with accurate data on the costs incurred to operate our shore infrastructure and the associated support services. Cost information furnished by IMAP is both structured and standardized, allowing leadership to make meaningful comparisons of past performance and identify areas requiring resource attention to ensure that they are applied in the most efficient manner. IMAP also addresses the increased scrutiny recently directed at base support expenditures. The IMAP chart on the previous page shows the Core Business Areas, the associated functions, and sub-functions. It should also be noted that a full-size view of this appears on the opposing page of the inside back cover.

Verification, Validation & Accreditation

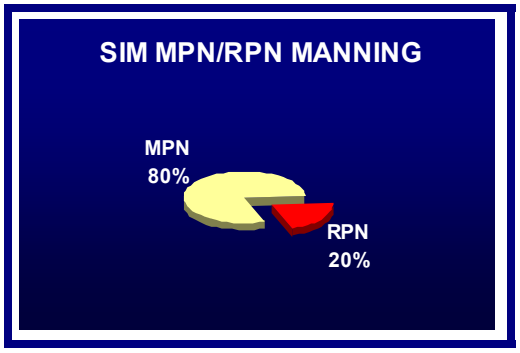
In order to meet the President's Management Agenda goal of integrating performance and the budget, SIM, where applicable, uses performance models in order to link performance with resources. Coupled with aligning resource management to the level directly responsible and accountable for results (i.e., Fleet), performance models are employed to determine near-term operating resource requirements for SIM. To meet this goal, all existing performance/pricing models associated with the programs are being subjected to the Verification, Validation, and Accreditation (VV&A) process.

An important by-product of the VV&A process is to establish credibility and confidence in model and simulation applications before making investment decisions. Another important aspect of the VV&A process is model data itself. The VV&A process addresses how data is obtained and used, whether or not the data will be evaluated, and if the results of one model feed into another.

For BOS, 12 out of 22 functional areas are currently modeled. Therefore, approximately 73% of the total $3.0B funds allocated to BOS are modeled and able to be tracked. Child Development, Fleet & Family Support, Galley, Disaster Preparation, Force Protection, Safety and Command functional areas (13% of BOS resources) are in the initial stages of model development and are scheduled to complete the modeling and V&V process in FY 2004. Other Operations Support, Other Community Support, Resource Management and Military Personnel Services (10% of BOS funds) are considered Level of Effort (LOE). These functional areas consist of varied sub-functions and are not readily associated with a macro metric or Capability Levels. These functions will continue to be studied through the IPTs to identify sub-functions that can be modeled. A final decision will be made in FY 2004 as to whether they will remain LOE or are to be modeled.

MPN/RPN

The Military Personnel, Navy (MPN) and the Reserve Personnel, Navy (RPN) appropriations account for a significant portion of the overall SIM funding in FY 2003. The Navy's SIM community provided Sailors with jobs and experience for the "shore" side of Sea-Shore rotation for many ratings and for the officer community as well. For FY 2003, the overall MPN/RPN contributions amounted to 14% of the SIM total of $9.7B. The split between the two appropriations in terms of personnel is shown in the chart below.



Of the more than 28,400 MPN/RPN personnel within CNI overall, the largest percentage of the personnel are associated under the Anti-Terrorism

Force Protection (AT/FP) function. The next largest functional area is the Air Operations Core Business Area.

SIM MPN/RPN MANNING PROFILE BY REGION			
REGION	MPN	RPN	TOTAL
CNI Headquarters	56	-0-	56
Southwest Asia	232	375	607
Europe	3,926	1,852	5,778
Guam	328	101	429
Gulf Coast	565	121	686
Hawaii	817	96	913
Japan	1,934	301	2,235
Korea	84	201	285
Mid-Atlantic	2,916	618	3.534
Mid-West	345	85	430
NDW	1,088	137	1,225
North Central	2	-0-	2
Northeast	1,442	274	1,716
Northwest	1,241	118	1,359
South	1,323	363	1,686
Southeast	3,308	758	4,066
Southwest	3,070	345	3,415
TOTALS	22,677	5,745	28,422

OPN

The Other Procurement, Navy (OPN) account provides for many different but necessary aspects of SIM resource requirements. The total OPN authorized in FY 2003 was $236.7M. This total compares to the OPN for FY 2002 of $154.4M. The OPN growth in FY 2003 largely reflected increases for Anti-Terrorism/Force Protection (AT/FP) and AT/FP-related issues.

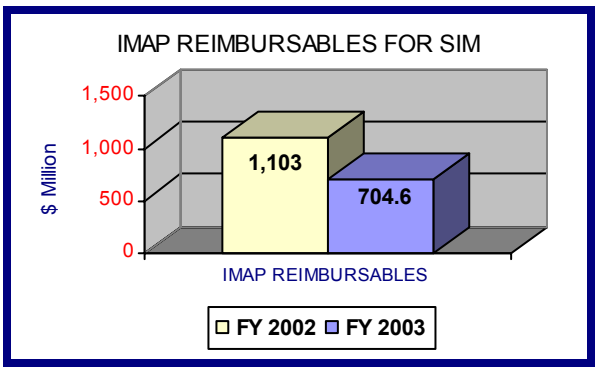
DECA/PRMRF

OPNAV N46 provided the BOS funding support to the Defense Commissary Agency (DeCA) for the entire Navy portion of the Defense commissary operations bill. The commissary benefit has long been rated as the second most important non-pay benefit to our Sailors, their dependents, and retirees. The FY 2003 Navy share of the DeCA bill totaled $148.9M.

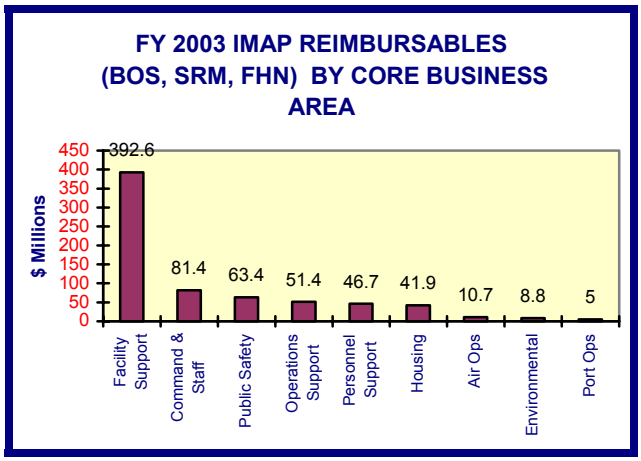
DCNO (Fleet Logistics and Readiness) (OPNAV N4) is the senior Navy voting member on the Commissary Operating Board (COB). This Board of Directors (BoD) provides Service representation, strategic DeCA oversight, and approves the agency's annual budgets and capital plans. The Pentagon Reservation Maintenance Revolving Fund (PRMRF) finances the activities of Washington Headquarters Service in providing office space, maintenance, protection, renovation, and a full range of building services for DoD Components, including the Military Departments and other activities housed within the Pentagon Reservation. It is designed to operate on a break-even basis over the long term. Revenue is generated from various sources, but is primarily dependent upon funds collected through a basic user charge for space and building services. The Navy's share in FY 2003 was $56.6M

REIMBURSABLES

Within Shore Installation Management, the Regional Commanders are the recipients of significant funding in the form of reimbursables. While we do not program (POM) for reimbursables, they can often drive the requisite size of SIM facilities or their capacity. For FY 2003, this reimbursable funding went down by more than one-third.



The reimbursables for FY 2003 are recorded in IMAP by Core Business Area as shown below:



SR Organization by Chapter

The Stockholders' Report is structured to parallel as closely as possible the IMAP 2003 structure previously described. Each of the core business areas has its own chapter.

The Chapters: The chapters covering the core business areas are numbered 1 to 9 going from left to right on the IMAP model. Each chapter is similarly organized. On the first pages is an overview of the particular business area showing its funding percentage, overall highlights, and Capability Levels attained for the year. At the end of each chapter overview is a yellow-shaded box, titled "Product of the Plan," which contains the key summary highlights for that functional area.

Following the overview, each function and sub-function will be addressed in detail, and also followed by a "Product of the Plan" box. A main feature of these key highlights is the comparison of the Capability Level achieved for a particular function against the Status of Resources and Training System (SORTS)/C-Level Readiness Rating used in the OPNAV N46 BAM submission for PR-03. These C-Ratings were used in PR-03 by the IMCs for the development of overall requirements and defined as shown in the accompanying box. While there is not a direct correlation between the C-Readiness Ratings and the Capability Levels, there are close parallels for rough parity. Future Stockholders' Report editions will incrementally include expected versus actual comparisons of Capability Levels vice use of C-ratings.

SORTS/C-Level Readiness Ratings Definitions

- **C-1**: Unit possesses the required resources and is trained to undertake the ***full*** wartime mission(s) for which it is organized or designed – meets 95 to 100% of the mission requirement.
- **C-2**: Unit possesses the required resources and is trained to undertake ***most*** of the wartime mission(s) for which it is organized or designed – meets 90 to 94% of the mission requirement.
- **C-3**: Unit possesses the required resources and is trained to undertake ***many, but not all*** portions of the wartime mission(s) for which it is organized or designed – meets 85 to 89% of the mission requirement.
- **C-4**: Unit ***requires additional resources and/or training*** in order to undertake its wartime mission(s), but it may be directed to undertake portions of its wartime mission(s) with resources on hand – meets 84% or less of the mission requirement.

The overall SIM approach to the BSC methodology and the Priority SIM actions for FY 2003, are addressed in Chapters 10 and 11 respectively. The report concludes with Chapter 12 which provides a review of key lessons learned and a look toward the future.

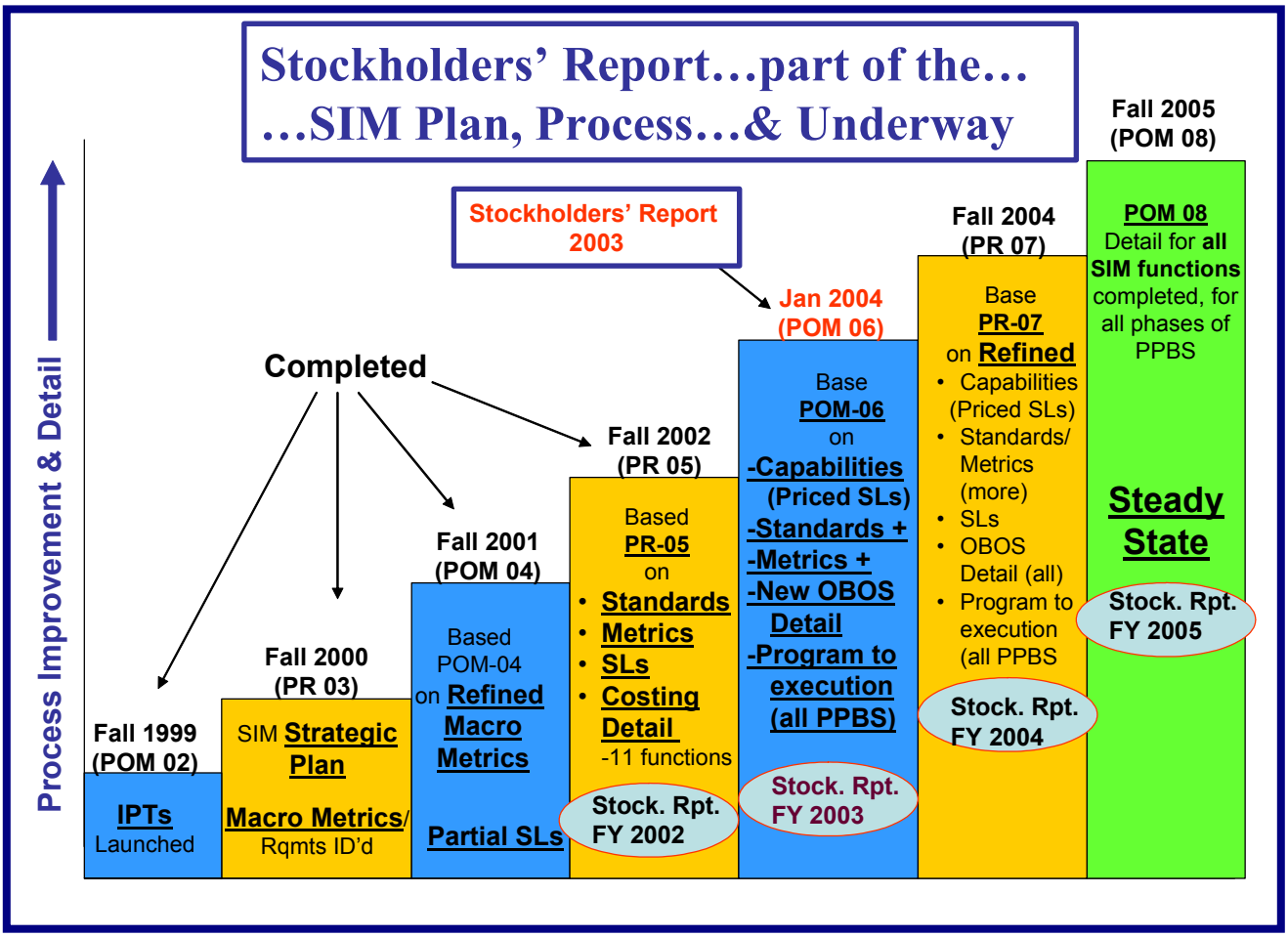
Appendices: Each core business area has its own appendix at the end of the report. These provide additional details to supplement the information included in the chapters themselves. Capability Level descriptors are included for each functional area that has an IPT, and that have been approved by the SIPB.

There are also several other appendices addressing: CNI – its mission, vision, organization, and other facts not discussed in the main report; IMAP 2003, and a comparative chart displaying the new SIIs for FY 2003. In addition, there is an appendix that shows the procedures followed by the IPTs in determining Capability Levels, including a sample Performance Data Call and its accompanying Objective Matrix. New to this year's report is an appendix listing SIM success stories. Finally, there is a glossary of terms and a list of acronyms used throughout this report. Appendix H notes some Regional Success Stories and efficiencies achieved to date.

Funding Comparisons: Throughout this report, there are references that are specific to different phases of the Planning, Programming Budgeting and Execution System (PPBES) process. For some appropriations there is good visibility throughout the process – MILCON for example. For other functional areas, the visibility is not currently as clear given that a number of functional areas are rolled into the single OB Special Interest Item (SII) code – Air and Port Operations for example. For these less visible functional areas, the report provides a chart that shows the progression of funding from full requirements in the earliest stages on POM, through overall FY 2003 obligations.

The obligations shown as "IMAP direct BOS obligations" for FY 2003 are all taken from the most recent IMAP funding report available on the SIM Clearinghouse website as of 23 December 2003. These obligations are total BOS obligations, but do not include reimbursable funding, since the Capability Plan requirements are based on direct funding only. Comparisons are made in the report relating to the total IMAP direct BOS obligations for FY 2003, which total $3.5B in OM,N and OMN,R Total Obligational authority (TOA). SRM obligations are addressed separately and total $1.8B in FY 2003.

The chart below describes the evolutionary progress underway within our SIM community.



SUPPORTING
THE WARFIGHTER

SAVING LIVES FROM THE SKIES

NASB SAR team responded to a distress call on June 26th, when it was reported that a hiker in a remote to location on the Bemis Mountain section of the Appalachian Trail had passed out and was unresponsive.

NAVRIIP Team Identifies Unique and Aggregate Barriers

In December 2002, the NAVRIIP team changed its focus to T/M/S barrier identification vice site specific reviews. The use of across-the-board representation of top-to-bottom support is a key advantage of the T/M/S strategy.

The Fighting Tigers Return from Deployment

The "Fighting Tigers" flew more th missions and 2,700 hours in support Operation "Iraqi Freedom." Training execution by aircrews and mainten personnel enabled the safe comple more than 700 missions and 7,500 h hours.

VP-26 Surpasses 41 Years of Mishap-Free Flying

In August, Patrol Squadron 26 (VP-26) surpassed 41 years of mishap-free flying, an outstanding record recognized by both the Navy and by the Federal Aviation Administration (FAA). Team Trident has flown over 296,000 hours without a mishap.

Air crews from Brunswick Naval Air Station are flying missions over Iraq

After weeks of silence, the Navy confirmed Thursday that a 400-member squadron from the Brunswick base has been taking part in the war, flying its planes to Iraq from an undisclosed air base in the Mediterranean.

European air facilities increased airfield operations

Souda Bay, Greece averages 12 dai aircraft events which jumped to 5 events, up 466%. Sigonella, Sicily increased to 68 daily events, up 11 Rota, Spain increased to 32 daily up 133%.

Commander, Fleet Activities Okinawa: 41 years aviation mishap-free

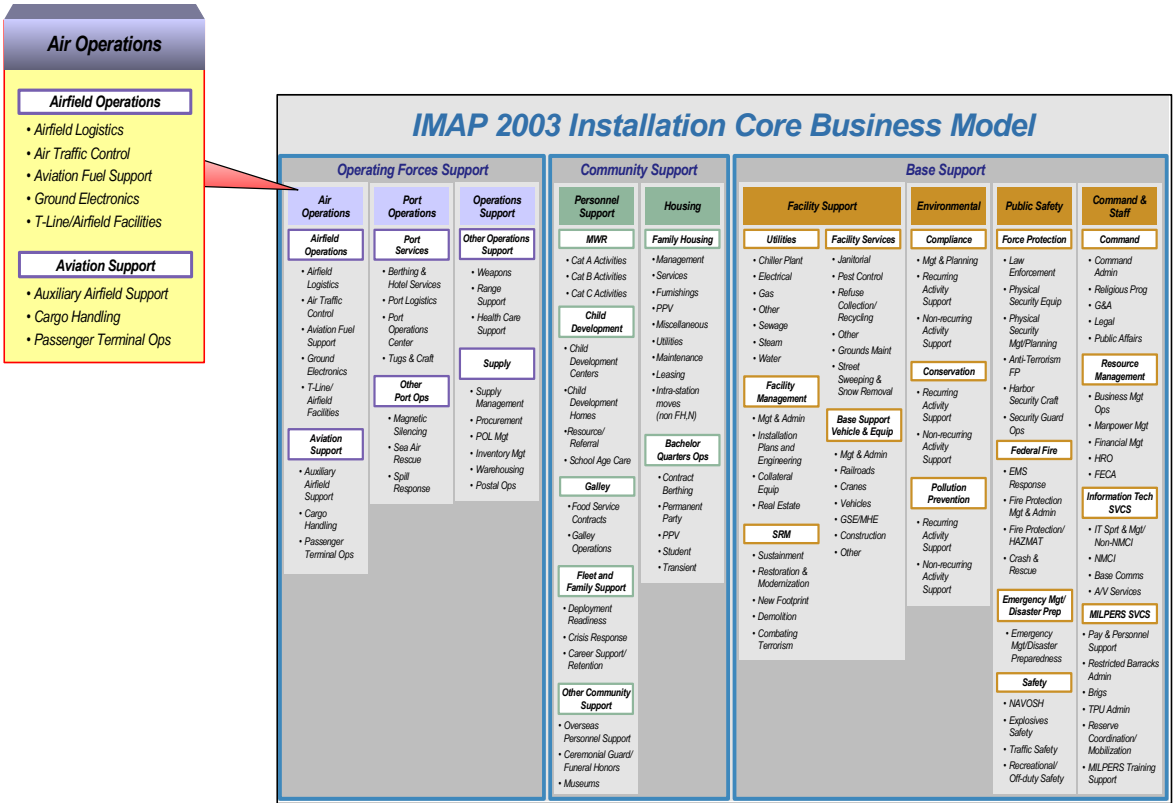
Two Navy air wings, four helicopter squadrons and four VRC COD squadrons, totaling 114 aircraft safely flew 945.5 flight hours and moved 840 passengers and 7.7 tons of cargo with the station's two UC-12F aircraft.

Chapter 1 – Air Operations

Overview

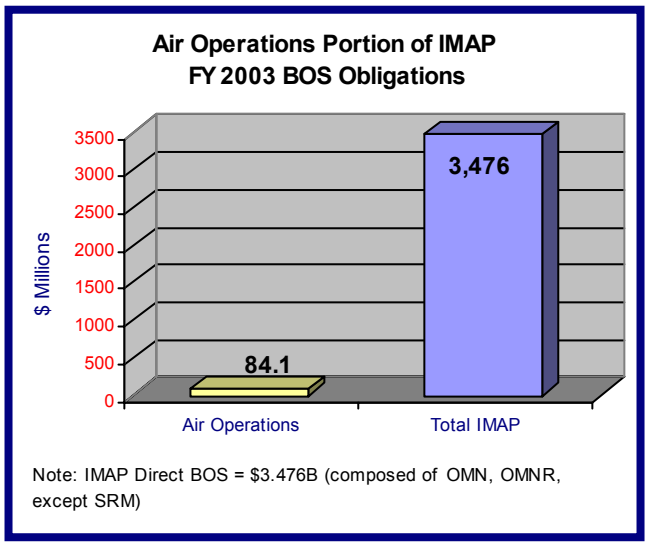
Of all the support provided to our operational forces through the framework of IMAP 2003, perhaps the clearest and most direct link to warfighter readiness is that comprised by the three Core Business Areas under Operating Forces Support. Nowhere is this more important than in Air Operations. The round 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.

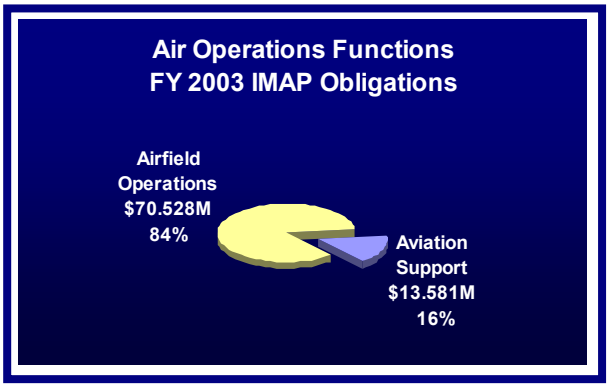


The Airfield Operations function accounts for 84% of the total obligations for this Core Business Area. The sub-functions within the Aviation Support function (led by Passenger Terminal Operations) comprise 16 % of the total of $84.1M.

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).



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

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.

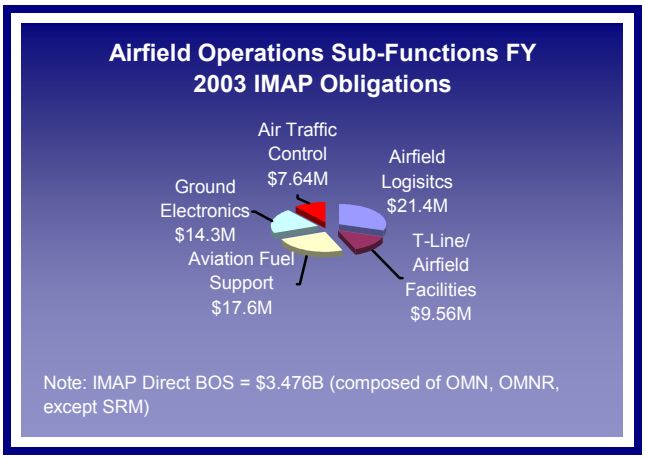
Ground Electronics: The Ground Electronics sub-function was also covered in PR-03 as a portion of the Airfield Support Core Business Area under the Air Operations function. The overall requirement submitted by OPNAV N46 for Ground Electronics for FY 2003 was at $16.604M or some 95% of the total requirements 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 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).

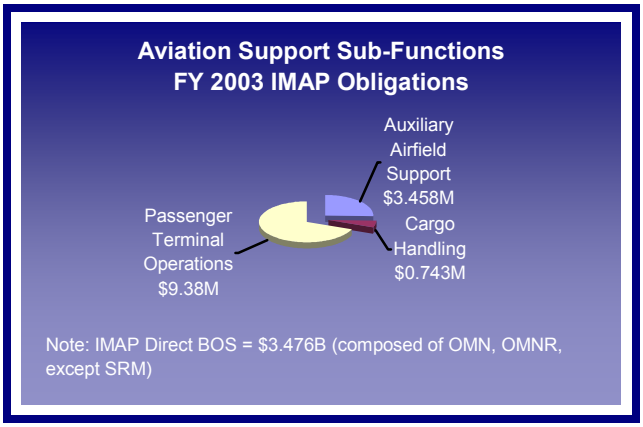
Passenger Terminal Operations: The Passenger Terminal Operations sub-function makes up the largest portion of the FY 2003 obligations within the Aviation Support function – over 70%. Passenger Terminal Operations were also a part of the Other Air Operations function in the PR-03 BAM submission. The total 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).

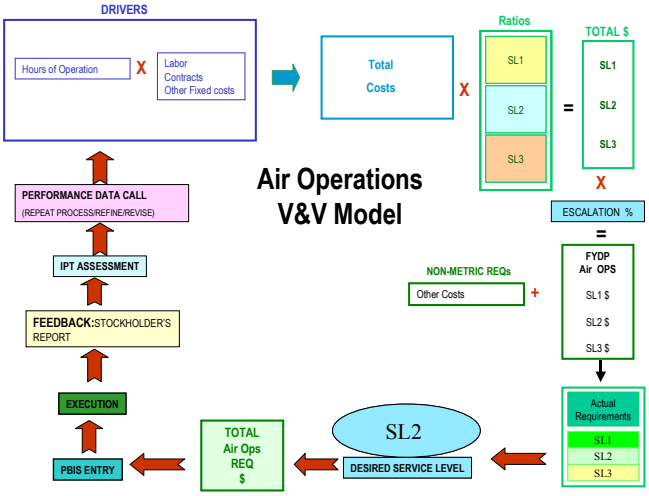
Aviation Support Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "OB" (For FY 2004, SII = "AO")	IMAP Obligations
$27.036M	$25.684M		$13.581M

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"

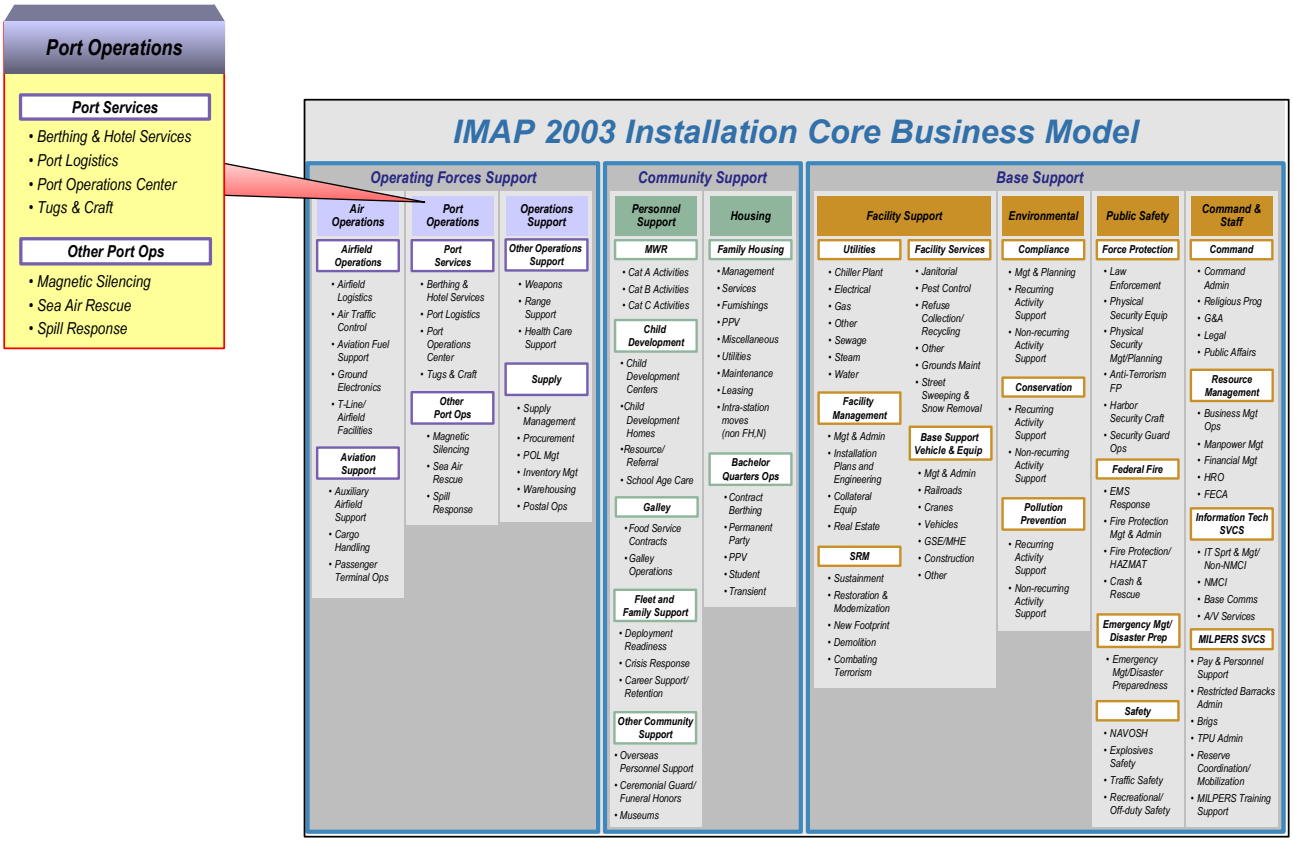
Commander, Fleet Activities Okinawa (CFAO) has, for 3 years running, qualified 100% of Port Operations Personnel in Oil Spill First Response Certification.

Chapter 2 – Port Operations

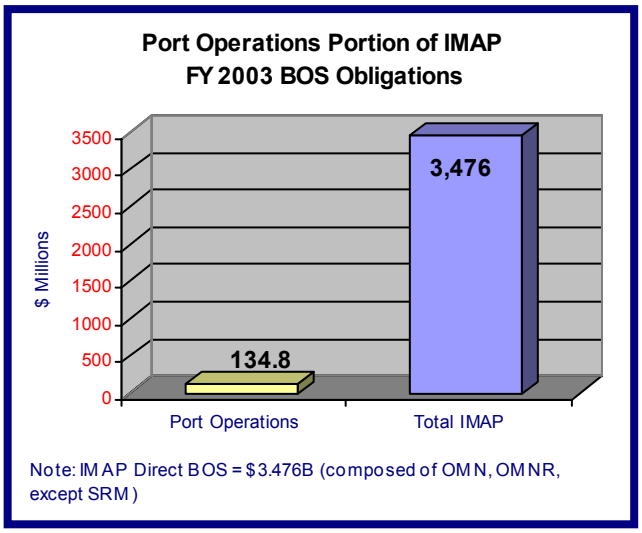
Overview

Within IMAP 2003, the direct support to the Navy's operational forces provided by the Shore Establishment is most directly relevant through the three Core Business Areas under Operating Forces Support. The Port Operations Core Business Area has a direct link to Fleet readiness through the support provided to Fleet units either as homeported units or as transiting units. During FY 2003, the Port Operations Program Managers across the Navy continued to work closely with the operational commanders, service organizations, and those federal, state, and local authorities/organizations with maritime interests in meeting the operational requirements of ships in port.

The Port Operations Core Business Area addresses a broad range of functions and activities associated with the direct operation of the Navy's ports. This includes the operation and maintenance of small craft and tugs, berthing and hotel services, operation of the port operations center, and harbor pilot services. The Port Operations Core Business Area has the two functions of Port Services and Other Port Operations. From the support provided at Naval Stations in San Diego and Norfolk, to Fleet Activities Sasebo and Yokosuka in Japan, to SUBASE New London and Bangor, to Weapons Stations Seal Beach and Yorktown, to Naval Support Activities in Naples and Souda Bay, the Port Operations services cover the broad spectrum of activities to support direct fleet operations across the globe.

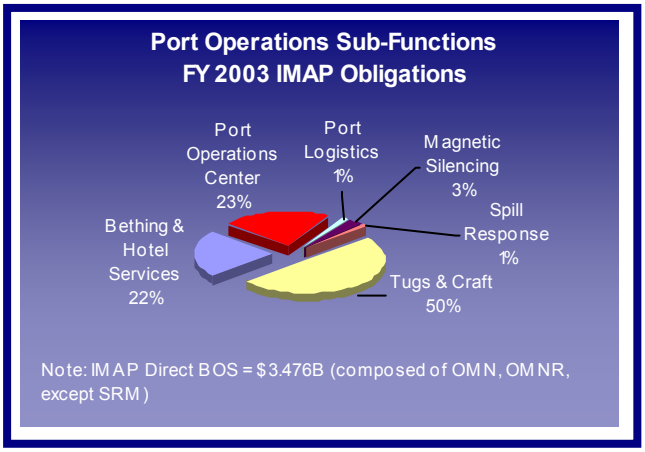


The accompanying graph, which helps to portray the overall Port Operations Core Business Area, represents but a small portion of the IMAP obligations again in FY 2003. As compared with last year, the FY 2003 total direct IMAP obligations for Port Operations remained nearly constant. In FY 2003, the Port Operations obligations for the entire Core Business Area were $134.839M or some $3.5M more than the $131.382M in FY 2002. This represents less than 3.8% of the total IMAP FY 2003 direct BOS obligations for all of SIM.



As with the Air Operations Core Business Area, the bulk of the Port Operations obligations are associated with just one of the functions within the Port Operations Core business Area. The Port Services function includes the sub-functions of Berthing and Hotel Services, Port Operations Center, Tugs and Craft, and Port Logistics. These activities represent 96% of the total Port Operations obligations for FY 2003. The sub-functions within the Other Port Operations function (Magnetic Silencing, Spill Response, and Sea Air Rescue) had only $5.399M (4%) in obligations in FY 2003.

The Port Operations IPT is one of the IPTs that have been leading the way in the development of performance metrics and Capability Level descriptors. The Capability Levels for Port Operations have been developed in concert with the operational commanders, particularly with respect to meeting the Fleet requirements of Ship Movements and Berth-Days. Here, more so than in most other programs, the Fleet truly does set the requirements in terms of total ship movements in and out of port and in terms of the number of ship berth days alongside to be supported by the shore establishment.



The approved Macro Metrics for the Port Services function are the cost per Ship Movement and the cost per Berth-Day. For the Other Port Operations function the Macro Metrics are the cost per hour of operation for Magnetic Silencing and the cost per Facility Response Team (FRT) for Spill Response. These Macro Metrics form the basis for evaluating the performance of the Port Operations activities and for developing the requirements for the Port Operations Core Business Area for POM submissions.

For FY 2003, the established Navy requirement for the Port Operations Core Business Area was set at the C-2 readiness rating during the development of PR-03 in early 2001. The funding requirement for this readiness level was provided by OPNAV N46 at a total of $162.675M or the equivalent of 95% of the full requirement submitted by the IMCs. Prior to the commencement of FY 2003, the Navy established the goal for the Port Operations Core

Business Area to perform at a Capability Level 2 in terms of service to the Fleet. The performance data call conducted for all of the Navy's installations with Port Operations programs for FY 2003 reported the overall performance across all regions at a Capability Level 2 (8.38 out of 10). Thus, for Port Operations the "Product of the Plan" met the performance expectations for FY 2003. The Navy's Port Operations Program Managers met the Fleet requirements in terms of Ship Movements and Berth-Days.

Port Operations Overall Performance By Region

Region	FY 2002 Performance: Capability Level	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	CL 2	8.80	CL 2
Mid-Atlantic	CL 2	7.84	CL 2
Southeast	CL 2	8.56	CL 2
Northwest	CL 2	8.26	CL 2
Southwest	CL 2	8.82	CL 2
Gulf Coast	CL 2	8.05	CL 2
South	CL 2	8.53	CL 2
Hawaii	CL 2	8.18	CL 2
Japan	CL 2	8.82	CL 2
Guam	CL 3	7.88	CL 2
Europe	CL 2	8.25	CL 2
Overall Performance	CL 2	8.38	CL 2

During FY 2003, the Port Operations shore activities across all regions supported 15,714 Ship Movements and 70,690 Berth-Days. The overall macro metric cost per Ship Movement for FY 2003 was $4,784 on average. The macro metric cost per Berth-Day in FY 2003 was $768. The OPTEMPO and port loading varied throughout FY 2003 as the Port Operations Program Managers supported the Fleet's response to operational requirements. The overall variations for ship movements ranged from a high of 1,462 in October 2002 to a low of 1,036 in December 2002. For Berth-Days, the low was 5,070 in April 2003 with a high of 7,015 in December 2002 during the holiday season. Locations such as Naval Station Norfolk went from nearly empty piers in late spring to full piers with four carriers alongside by mid-summer 2003.

The concerns expressed last year continue to exist within Port Operations. The overall condition of the Navy's service craft and boats and the continuing deferred maintenance on these assets is a major issue. The POMS (Port Operations Management System) has proven successful at SUBASE New London and is needed across the Navy. CNI and NAVSEA must develop and fund a comprehensive plan to upgrade the Navy's 9 Magnetic Silencing Facilities (MSF) to meet future requirements. NAVSEA has developed an initial plan to meet these MSF requirements and is working with the individual Regions to put this plan into action. Some Regions have started the process by initiating EA studies and 1391 documents. What is needed is a systematic CNI approach to fund these projects. The overall approach for Spill Response also lacks uniformity across all regions. The Sea Air Rescue sub-function should still be eliminated and at a minimum renamed "Search and Rescue."

Product of the Plan

Port Operations Summary

Port Services:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting expectations.
- Continued to meet the Fleet requirements in FY 2003 for Ship Movements and Berth-Days.
- 15,714 Ship Movements
- 70,690 Berth-Days
- Port Operations FY 2003 funding remained relatively constant compared to FY 2002.

Other Port Operations:

- Funded at C-2 readiness rating.
- Magnetic Silencing and Spill Response both performed at Capability Level 2.
- Continued to meet Fleet requirements.
- Overall 19.5% increase in obligations over last year for this function.
- Requirement to provide an overall Navy approach for the requisite MSF equipment and facility upgrades remains unresolved.
- MILCON and OPN MSF requirements must be coordinated and prioritized.

Port Services

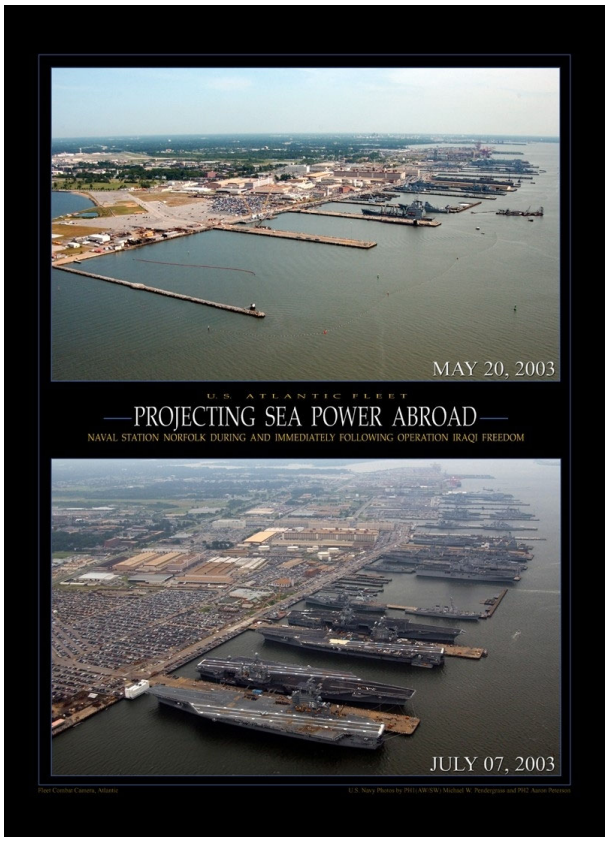
Scope of Program

The Port Services function includes all sub-functions and activities that provide direct support for the operation of the port.

Port Services
➢ Berthing and Hotel Services
➢ Port Logistics
➢ Port Operations Center
➢ Tugs and Craft

Berthing and Hotel Services: The Berthing and Hotel Services sub-function includes all activities in support of ships entering or leaving the harbor and moored or anchored within the harbor. It includes harbor pilot services, support provided while moored, weapons and material handling, oily waste disposal, hazardous waste disposal, and fueling of ships. Berthing and hotel services also include provision of fenders, relocation of floating cranes and other activities that support ship's berthing. In addition, it includes maintenance of NAVAIDS funded by the installation in those locations where the U.S. Coast Guard or host nations don't provide this service.

Port Logistics: This sub-function consists of all activities involved in cargo handling support provided by the installation Port Services organization. It includes loading and unloading of materials onto and from ships, the loading and unloading of live ammunition onto and from combatant vessels, loading and unloading of aircraft onto and from carriers, and the direct supervision of the foregoing operations. It also includes all costs incident to overall supervision, clerical, and service support covering water freight operations.



Port Operations Center: The Port Operations Center sub-function includes all activities in support of the harbor master and watch team that manage the movement of ships and schedules the delivery of services to ships. It also includes administration, management and training for all Port Operations Functions and Senior Officer Present Afloat (SOPA) administrative support.

Tugs and Craft: This sub-function includes all activities conducted to lease, operate (less pilot services) and maintain tug boats, yard oilers, barges, and other small craft (craft maintenance costs paid by other commands are NOT included in IMAP). Note: For FY 2004, the two Cost Account Codes within the Tugs and Craft sub-function reflect the approved Port Operations macro metrics. Thus, Tugs and Craft will have a CAC for Tug Support (for the Ship Movements macro metric) and another CAC for Service Craft (for the Berth Days macro metric).

Progress in FY 2003

During FY 2003, the Port Operations Program Managers and their staffs continued to provide a high level of support and service to the fleet. This level of effort is depicted in the two accompanying charts on the overall numbers of Ship Movements and Berth-Days supported during FY 2003 and the variations in support during the course of FY 2003 by month.

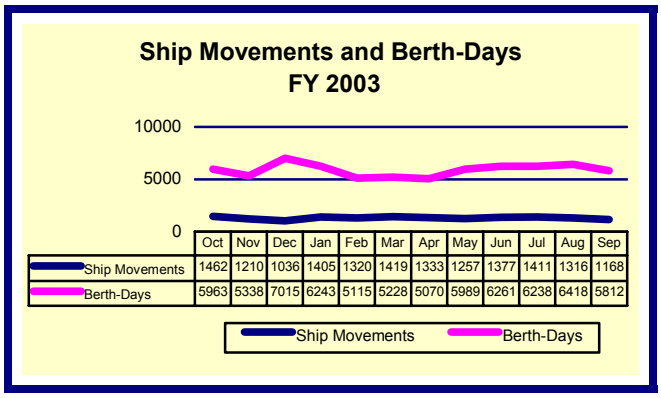
Port Operations Management System (POMS) Update: The Navy has determined that POMS is the program of choice to support the Port Operations requirements across the fleet. The SUBASE New London POMS installation has been adopted as the core program and the prototype. New London has successfully installed and operated POMS during FY 2003 and the fleet operators there have become dependent on POMS to support the Port Operations functions. New London funded this effort using its own BOS money.

Port Operations Overall Numbers By Region

Region	FY 2003 Ship Movements	FY 2003 Berth-Days
Northeast	690	5,742
Mid-Atlantic	3,218	17,220
Southeast	2,347	10,000
Northwest	907	3,872
Southwest	2,913	11,317
Gulf Coast	33	103
South	1,003	4,765
Hawaii	1,373	4,003
Japan	1,134	7,917
Guam	297	2,187
Europe	1,799	3,564
Overall Totals	15,714	70,690

There is no long term funding identified to support POMS. The overall requirement to support initial POMS implementation has been identified as $3M. For FY 2003, the Congress marked several SIM projects, including $6.6M for POMS. There is another $7M in the budget for POMS in FY 2004 for implementation rollout of the system. A complete regional site deployment schedule has been developed with a general site template prepared and regional specific issues highlighted.

Tug Contracts: Regional Port Operations Program Managers have commenced a thorough review of regional tug contract requirements. In many cases the overall number of tugs required may be able to be reduced. However, the signing of OPNAVINST 3040.5D on 19 May 2003 now requires nuclear ship homeports to have trained government crews to backup contractor tugs in the event that during an emergency, the contractor is unwilling or unable to respond. This is in addition to the requirement that tugs be standing by for any emergent requirements. As an example, the Northeast Region is required to maintain tugs in New London around the clock to support NAVSEA 08 requirements to tow a nuclear powered submarine out of port in the event of an accident. At Naval Weapons Station Earle, the requirement per OP-5 is to maintain one tug 24/7 to meet towing requirements in the event of a weapons emergency. The Port Operations Program Manager in the Northeast Region has a tug contract to cover these requirements, but the cost accounts for over 60% of the Port Operations budget. The added requirement of the new instruction places a greater demand on ensuring regions have the requisite military manning to support these requirements. In addition, there is a need to review the current relationship with MSC on the issue of tug contracts and tug contract rates. The Military Sealift Command (MSC) sets the rates. MSC is a NWCF entity and CNI's influence on these rates must be reviewed. There is also a reduced per diem cost for tugs for FY 2004 and FY 2005 that will result in a reduction in overall costs for tug operations. These rates are then expected to go back up for later years.



The Naval Audit Service conducted a review of the Navy's tug contracts during FY 2003. This survey was the result of concerns from Congress stated in FY 2002 that DoD could perform the management of service contracts more effectively. The GAO identified overall DoD contract management as a high-risk area in January 2003. The Navy obligates a significant amount of funds for chartered tugboat services. The Military Sealift Command (MSC), as a DoN Head of Contracting Activity, awards and administers either firm-fixed price time-charter contracts or indefinite delivery (ID)/requirements-type contracts for Port Operations tugboat services at Naval Stations. Navy Audit Service has shown that in Norfolk, San Diego, and Pearl Harbor, there was insufficient evidence to support how requirements for the number of time-chartered tugboats were determined. The review of the actual utilization rates for time-chartered tugboats, along with when they were used simultaneously to effect moves, showed that tugboats were idle on average of between 60 and 70% of the time. Naval Audit Service concluded that significant savings are possible by implementing an acquisition strategy that includes a combination of a lesser number of time-chartered tugboats in conjunction with separate ID/requirements-type contracts before future awards are made and upcoming options on current contracts are exercised.

In Norfolk, a new ID/IQ tug contract with McAllister Towing commenced on 1 August 2003. This contract calls for a requirement of 5 tugs for one year firm period with four 1-year option period and no minimum hiring guarantees. Rates are set according to four zones where the tugs are employed. There is a 2-hour notification required for both straight time and for overtime hires. In San Diego, the Regional Program Manager has reduced the number of tugs from 6 to 4 commencing in December 2003 to help to increase the overall tug utilization percentage. These contact changes are seen as a step toward meeting the intent of the Naval Audit Service's report.

Fleet Response Plan: The Port Operations IPT has reviewed the potential impacts of the new Fleet Response Plan (FRP) on local Port Operations functions. The Fleet Response Plan responds to CNO tasking for CFFC to "streamline the IDTC (Inter-Deployment Training Cycle)" and produce a significant institutionalized surge capability. The Fleet Response Plan changes significantly the manning, maintenance, and training processes. In addition, the time between deployments has changed. It forms the ideal basis to grow Sea Power 21, while recognizing that this will be a paradigm shift. The FRP will help to yield:

- Increased surge capability
- A more responsive force
- Fiscally efficient, properly funded, pre-planned maintenance
- Progressive and predictive levels of readiness

The FRP is also based on the principle of progressive readiness and the extended use of surge readiness. Port Operations Program Managers and the IPT are continuing to work with CFFC on better defining the requisite changes for the Port Operations Core Business Area. Defining how Port Operations can incorporate surge capabilities into its activities will be a major action across the CNI regions.

OPN Funding: Port Operations continues to suffer from a lack of an overall approach to OPN funding to support needed upgrades at many of the Navy's ports. The OPN threshold has increased from $100K to $250K allowing for more use of OM&N/OM&NR funding for many of these items. However, an OPN funding plan for Port Operations equipment must be developed soon as the aging inventory and deferred maintenance has left much of the current equipment in poor condition.

Likewise, the situation with respect to Service Craft and Boats has been exacerbated. CNI must work closely with NAVSEA to ensure that future funding for these assets is coordinated to provide the regions with the necessary equipment. Most of the funding

in this area has gone to Harbor Security Craft with little attention to the ongoing needs of the rest of Port Operations.

The Port Operations IPT is also working to review the IRRS status of its piers, wharves, and other facilities. These facilities are truly a part of the Facility Support Core Business Area and there is no funding associated with this review. However, Port Operations is largely dependent on the availability of adequate facilities to help to deliver the services to the Fleet. Developing a relationship between these functions is a goal for the longer term.

Assessment and Performance

Port Services BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Berthing and Hotel Services	$39.566M	$38.234M
Port Logistics	$0.439M	$1.735M
Port Operations Center	$20.641M	$27.904M
Tugs and Craft	$66.221M	$61.567M
TOTAL Port Services	$126.867M	$129.440M

Berthing and Hotel Services: The Berthing and Hotel Services sub-function was addressed as a separate sub-function within the Port Services function of the "Seaport Support" Core Business Area in the PR-03 BAM submission in February 2001. The OPNAV N46 requirements submitted for FY 2003 for the Berthing and Hotel sub-function were $27.043M or 95% of the total requirement from the IMCs. For the Berthing and Hotel Services sub-function the level of obligations is significantly above the level of the stated requirements submitted in PR-03. This is most likely a reporting inconsistency between the programming development and the execution reporting. Of note, the overall FY 2003 obligations for all of the Port Services function came to $129.44M, which is significantly less than the $158.391M requirement in PR-03.

The overall obligations recorded for FY 2003 in IMAP for the Berthing and Hotel Services sub-function came to $38.234M or over $1M less than the $39.566M recorded for FY 2002. The reported obligations for this sub-function were fairly consistent across all regions from FY 2002 to FY 2003, with very few major variances. The obligations for the Berthing and Hotel Services sub-function at Naval Station San Diego increased (increase of over $2.6M), while others decreased. Despite these large deviations, the overall reported performance in FY 2003 for the Berthing and Hotel Services sub-function across the Navy was at a solid Capability Level 2 (8.02 out of 10).

Port Logistics: The Port Logistics sub-function was also included as a separate line item in the PR-03 BAM submission by OPNAV N46. The overall requirement for the Port Logistics sub-function for FY 2003 was submitted at $7.287M. The total direct IMAP BOS obligations in FY 2003 for the Port Logistics sub-function were $1.735M or nearly $1.5M more than the $439K recorded in FY 2002. These FY 2003 obligations are only 24% of the requirements submitted in PR-03 for Port Logistics. A review of the reported obligations within the Port Logistics sub-function shows some inconsistencies across the regions in how these activities are accounted for and how the Cost Account Codes (CACs) are used. Only five of the regions involved in Port Operations reported any obligations under Port Logistics. These were Europe, Southwest, Northeast, Mid-Atlantic and Southeast Regions. All of these regions showed relatively large increases in obligations for Port Logistics in FY 2003 over the previous year as the CACs become more in vogue. The most significant change was in the Mid-Atlantic Region which increased by more than $500K. Overall in FY 2003, the results of the performance data call showed the Port Logistics sub-function at Capability Level 2 (8.34 out of 10).

Port Operations Center: The Port Operations Center sub-function was covered in the PR-03 BAM submission as a separate sub-function within the "Seaport Support" Core Business Area. For FY 2003, the requirement for the Port Operations Center sub-function was submitted at $40.16M. The stated requirements are also significantly more than the actual direct IMAP BOS obligations for FY 2003 for the Port Operations Center sub-function, which were at $27.905M. The FY 2003 obligations for the Port Operations Center sub-function were over $7M more than in FY 2002. This is a relatively large increase for a Core Business Area that has been relatively stable in terms of obligations. The major increases in obligations occurred at Naval Station Rota (over

$100K), at Region Northwest (over $600K), at Region Hawaii (over $1.3M), at NAB Little Creek (over $150K), and at Naval Support Activity New Orleans (over $500K). Significantly, the overall performance reported across the Navy for the Port Operations Center sub-function was at Capability Level 1 (9.26 out of 10). This was the highest scoring sub-function within the Port Operations Core Business Area.

Port Services Performance By Region			
Region	FY 2002 Performance: Capability Level	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	CL 2	8.83	CL 2
Mid-Atlantic	CL 2	7.94	CL 2
Southeast	CL 2	8.24	CL 2
Northwest	CL 2	8.62	CL 2
Southwest	CL 2	8.89	CL 2
Gulf Coast	CL 2	8.81	CL 2
South	CL 2	8.87	CL 2
Hawaii	CL 2	8.71	CL 2
Japan	CL 2	9.03	CL 1
Guam	CL 3	8.03	CL 2
Europe	CL 2	8.66	CL 2
Overall Performance	CL 2	8.58	CL 2

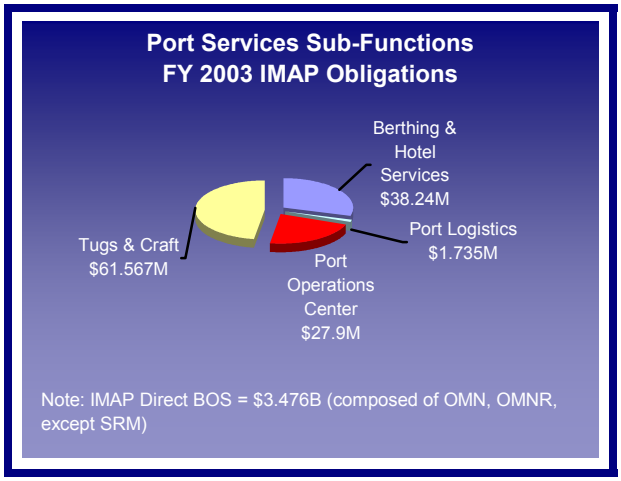
Tugs and Craft: The Tugs and Craft sub-function is the largest in terms of overall requirements and obligations within the Port Operations Core Business Area. For PR-03, the Tugs and Craft sub-function was addressed as a separate line item within the overall Port Services function. The FY 2003 requirements for the Tugs and Craft sub-function were submitted as $83.901M. The overall recorded direct IMAP BOS obligations in FY 2003 for the Tugs and Craft sub-function were set at $61.567M or nearly $4.65M less than the FY 2002 obligations and over $22M less than the stated requirements in PR-03. Within this sub-function, the reported obligations varied significantly in many localities from FY 2002 to FY 2003. Examples of these differences included a large decrease in obligations in Region Northwest (decrease of over $5.9M) and at SUBASE Kings Bay (decrease of over $2.99M) and increases at NDW (increase of nearly $700K) and at Region Hawaii (increase of over $4M).

The Port Operations Program Managers along with the IPT have worked to refine the Tugs and Craft sub-function to allow for the "Tugs" portion of this sub-function to count towards the overall Ship Movement Macro Metric, while the Service Craft and Boats portion counts towards the Berth-Day Macro Metric. The IPT plans to submit changes to the IMAP and Cost Account Codes (CACs) to reflect these differences. Overall, the FY 2003 performance recorded for the Tugs and Craft sub-function was at Capability Level 2 (Tugs at 9.08 and Service Craft/Boats at 8.65 out of 10 – for a total score of 8.86).

Port Services 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 = "PR"	IMAP Obligations
$166.73M	$158.39M		$129.44M

Port Services Performance By Sub-Function			
	FY 2002 Performance: Capability Level	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Berthing and Hotel Services	CL 2	8.02	CL 2
Port Logistics	CL 2	8.34	CL 2
Port Operations Center	CL 2	9.26	CL 1
Tugs and Craft	CL 2	8.86	CL 2
Overall Performance	CL 2	8.58	CL 2

Port Services Performance By Macro Metric			
	FY 2002 Performance: Capability Level	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Ship Movements	CL 2	8.50	CL 2
Berth Days	CL 2	8.78	CL 2
Overall Performance	CL 2	8.58	CL 2



Port Services:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting expectations.
- The Port Operations Center sub-function performed at Capability Level 1 and the other 3 sub-functions at Capability Level 2.
- Continued to meet the Fleet requirements in FY 2003 for Ship Movements and Berth-Days.
- Supported 15,714 Ship Movements and 70,690 Berth-Days in FY 2003.
- Port Operations FY 2003 funding remained relatively constant compared to FY 2002.
- POMS fully up and operational at SUBASE New London; plan in place for other ports.
- OPN funding plan for boats and other equipment is lacking.
- Aging assets continues as a concern.
- NAVSEA tug requirements increase the burden on Port Operations.

Other Port Operations

Scope of Program

Within the Core Business Area of Port Operations, the Other Port Operations function includes sub-functions and activities that provide indirect support to the operation of the port.

Other Port Operations
➢ Magnetic Silencing
➢ Sea Air Rescue
➢ Spill Response

Magnetic Silencing: The Magnetic Silencing sub-function includes all activities in support of the operation and maintenance of the port magnetic silencing operation. The Cost Account Code (CAC) for Magnetic Silencing does include labor, material, and supplies used in magnetic silencing operations.

Sea Air Rescue: This sub-function consists of all activities primarily involved in providing a water-borne search and rescue capability. It includes labor and material used in the operation of rescue boats (including installation funded maintenance activities).

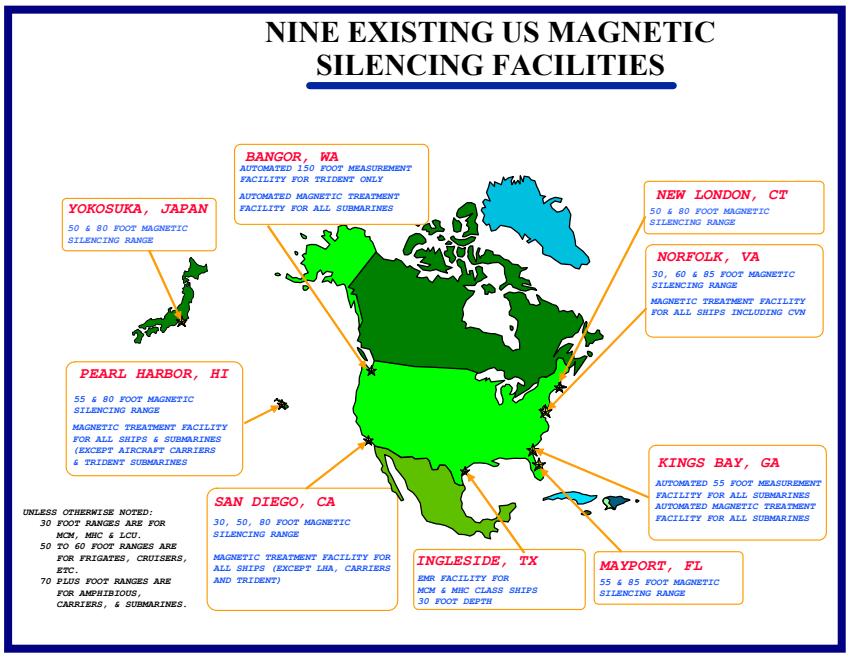
Spill Response: The Spill Response sub-function includes all activities that provide the capability to respond to hazardous spills in the harbor associated with operation of the seaport.

Progress in FY 2003

During the course of FY 2003, there was an increased awareness of the changing requirements for the Navy's overall Magnetic Silencing posture. The Navy has a total of nine existing Magnetic Silencing Facilities around the world. These facilities include both magnetic silencing ranges as well as magnetic treatment facilities. They are strategically located near large fleet concentrations. In May 2003, CFFC

completed an assessment of the Navy's overall current Signature Measurement facilities and capacity. CFFC determined the existing infrastructure is optimized and no additional consolidation is required.

However, new construction ships due to enter the fleet over the next several years have an increased built-in ability to provide for better silencing signatures. These ships will require an increased Magnetic Silencing Facility capability as described in the recently issued OPNAVINST C8950.2G (Feb 2002). The Navy has invested heavily in the advanced signature silencing systems on board these new classes of ships (LPD-17, T-AKE, SSN 21, and SSN 774). The requirement now is to upgrade the Navy's Magnetic Silencing Facilities to meet these new capabilities and to meet the requirements detailed in the new OPNAV instruction. This effort will require both MILCON (COMPACFLT has two projects) and OPN funded equipment upgrade projects. The MILCON projects also require corresponding OPN funding. COMPACFLT has included the MILCON requirements in their integrated priority list (IPL) during the FY 2003 MILCON programming efforts. These MILCON priorities for Magnetic Silencing Facility upgrades will transition to the respective regions for FY 2004. However, there is no clear evidence that the requisite OPN funding has been adequately addressed – by either the Fleet Commanders, the Regional Commanders, or by OPNAV. CNI must work with CFFC, the Regional Commanders, and with NAVSEA to ensure the OPN funding is established to correspond with the MILCON funding. The long term requirements (which are currently unfunded) include a total of some $43.3M in MILCON funding at Pearl Harbor and San Diego, as well as a total of $93.3M in OPN funding across all nine facilities.



Assessment and Performance

Other Port Operations BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Magnetic Silencing	$3.291M	$3.961M
Sea Air Rescue	$0	$91K
Spill Response	$1.224M	$1.347M
TOTAL Other Port Operations	$4.515M	$5.399M

Magnetic Silencing: The Magnetic Silencing sub-function was included in the OPNAV N46 BAM submission for PR-03 as a part of Seaport Support under the sub-functional heading of "Degaussing". The total FY 2003 requirements submitted for Magnetic Silencing were $2.282M. The overall FY 2003 total BOS direct obligations were recorded as $3.961M or some $670K more than the FY 2002 obligations. The most significant increase in obligations took place at Naval Station Norfolk with over $690K increase in FY 2003 over FY 2002. The differences in obligations here reflect usage of the facilities themselves and also the condition of these facilities – some were not fully operational during parts of FY 2003.

Magnetic Silencing Performance By Region

Region	FY 2002 Performance: Capability Levels	FY 2003 Performance: Scores	FY 2003 Performance: Capability Levels
Northeast	CL 2	10.00	CL 1
Mid-Atlantic	CL 2	7.68	CL 2
Southeast	CL 2	6.40	CL 3
Northwest	CL 3	8.65	CL 2
Southwest	CL 2	7.60	CL 2
South	CL 2	5.50	CL 3
Hawaii	CL 2	7.68	CL 2
Japan	CL 3	6.40	CL 3
Overall Performance	CL 3	7.48	CL 2

For FY 2003, the regions reported the overall Navy performance for Magnetic Silencing at a low Capability Level 2 (7.48 out of 10). This performance reflects an upgrade from FY 2002's report, which had Magnetic Silencing at a Capability Level 3. The significant improvement here is in the improved data call survey itself as well as the correction of equipment casualties at the facilities themselves.

Sea Air Rescue: The Sea Air Rescue requirements for FY 2003 were included in the PR-03 BAM submission by OPNAV N46 under the Seaport Support. These requirements came to a total of $83K. The FY 2003 total BOS direct obligations for the Sea Air Rescue sub-function were recorded as $91K. Of note, the only location showing any obligations for this sub-function in FY 2003 was at the Naval Support Facility in Diego Garcia. By comparison, there were no recorded FY 2002 IMAP obligations for the Sea Air Rescue sub-function. Given the Coast Guard's primary mission for Sea-Air Rescue and the lack of actual organic utilization, the Port Operations IPT has recommended that this sub-functional area be removed as an IMAP sub-function. Performance in FY 2003 for the reasons stated above was not measured for the Sea Air Rescue sub-function.

Spill Response: The Spill Response sub-function was also covered under the Seaport Support Core Business Area in the PR-03 BAM submission. The Spill Response requirements were stated at $1.919M. The FY 2003 total BOS direct obligations came to $1.347M or slightly more than the $1.224M recorded in FY 2002. For FY 2003, the regions reported the overall Navy performance for the Spill Response sub-function at Capability Level 2 (7.27 out of 10).

The overall requirement for the Navy in terms of Facility Response Teams (FRT) for Spill Response is for 32 teams. The FRT must be capable of responding to the installation's average most probable spill within certain time parameters to meet legal requirements. To support the FRT requirements, the regions must provide the requisite number of boats, total feet of boom and the trained personnel to meet the legal requirements.

The Spill Response sub-function is not administered across the regions in a uniform manner, with wide disparities existing in terms of both practical execution and non-compliance with CAC definitions from region to region. The Program Manager in the Southwest Region is revamping how the funding is accounted for in this sub-function commencing in FY 2004. For FY 2003, reported IMAP direct BOS obligations for Spill Response varied significantly between regions as shown in the accompanying table. In the Mid-Atlantic Region, these costs are all inclusive (non-labor and labor costs) as PWC Norfolk executes this sub-function for Port Operations. Whereas the costs in the Southeast Region are much lower as they depend more on the use of MPN for this sub-function.

These large variances in obligations reflect to some extent the performance within the region in preventing spills, but also whether the sub-function is handled under a BOS contract (Guam), by a PWC

(Mid-Atlantic), largely by Host Nation Support (Europe and Japan), or is a full time Port Operations responsibility (Southeast).

Spill Response Performance By Region			
Region	FY 2002 Performance: Capability Levels	FY 2003 Performance: Scores	FY 2003 Performance: Capability Levels
Northeast	CL 2	8.58	CL 2
Mid-Atlantic	CL 3	5.00	CL 3
Southeast	CL 2	8.08	CL 2
Northwest	CL 2	8.02	CL 2
Southwest	CL 2	8.61	CL 2
Gulf Coast	N/A	5.00	CL 3
South	CL 2	8.82	CL 2
Hawaii	CL 2	5.00	CL 3
Japan	CL 2	8.17	CL 2
Guam	CL 2	7.28	CL 2
Europe	CL 2	5.57	CL 3
Overall Performance	CL 2	7.27	CL 2

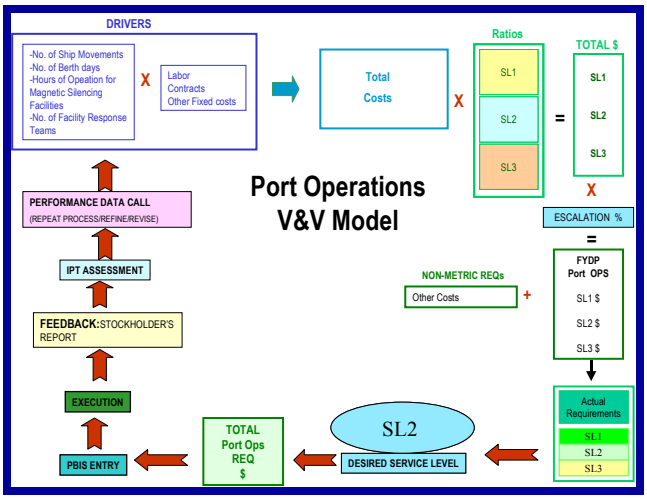
REGION	FY 2003 IMAP OBLIGATIONS: SPILL RESPONSE SUB-FUNCTION
Northeast	$24,910
Mid-Atlantic	$733,790
Southeast	$261,504
Northwest	$80
Southwest	$7,402
Gulf Coast	$2,008
South	$39,535
Hawaii	$124,937
Japan	$41,458
Guam	$111,391
TOTAL Spill Response	$1,347,014

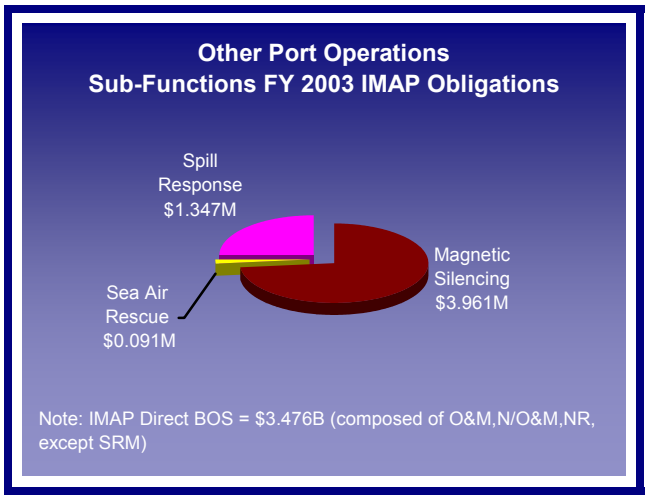
CNI and the Port Operations IPT will need to examine how best to fulfill the Spill Response sub-function across the Navy and whether the activities involved here are best covered under the Port Operations or the Environmental Core Business Areas.

Other Port Operations Performance By Sub-Function			
	FY 2002 Performance: Capability Level	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Magnetic Silencing	CL 3	7.48	CL 2
Oil Spill Response	CL 2	7.27	CL 2
Overall Performance	CL 2	7.34	CL 2

Other Port 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 = "PR"	IMAP Obligations
$4.509M	$4.284M		$5.399M

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 Port Operations Core Business Area is shown below. Note: Service Level changed to Capability Level effective FY 2004.





Other Port Operations:

- Funded at C-2 readiness rating for FY 2003.
- Magnetic Silencing and Spill Response both performed at Capability Level 2.
- Continued to meet Fleet requirements.
- Overall 19.5% increase in obligations over last year for this function.
- Requirement to provide an overall Navy approach for the requisite MSF equipment and facility upgrades remains unresolved.
- MILCON and OPN MSF requirements must be coordinated and prioritized (NAVSEA has provided a prioritized list to CNI).
- Spill Response sub-function requires a common, regionalized approach across all of CNI – either in Port Operations or in Environmental Core Business Areas.
- Sea Air Rescue sub-function should be eliminated in view of Coast Guard capability.

Navy Commander Commends Those Giving Support From The Background

Most of the bombs dropped by Navy pilots over Iraq, most of the bullets fired by Marines, came through New Jersey port. Starting in late November the civilian employees there worked around the clock, seven days a week, through some of the worst winter weather that the region has seen in many years, to make sure the ships were ready.

OPERATION IRAQI FREEDOM SERVICE

Naval Weapons Station Earle out-loaded 82% of the Navy and Marine Corp ordnance provided to support OPERATION IRAQI FREEDOM. The tremendous ordnance out-loading accomplishment of 9 ships in a 106-day period wherein the contents of 700 tractor trailers and 200 railcars were processed to load almos 14,000 short tons of Navy and Marine Corp missiles, bombs and ammunition.

SEABEES ESTABLISH STEADY SUPPLY LINES

"If they need it we can get it," said Builder 3rd Class Brandon Twing, a tool room clerk assigned to the Material Liaison Office (MLO) at Camp Hope, Iraq. The crew has worked through language barriers and an entirely different way of doing business with Arab cultures. What they can obtain is various types of tools, construction supplies and equipment to support the building projects and operations of the battalion.

Express Shipment Now Available to Sailors

Sailors on PCS or TAD orders can have unaccompanied baggage shipped by express services to new duty stations in 3-7 in the continental US and in 10-to-14 days overseas.

DoD EMALL is One-Stop Support for the Warfighter

The DoD EMALL is a single entry point for buyers to find and acquire more than 12 million consumable items and commercial off-the-shelf goods. What's more, the DoD EMALL is an option for purchasers to obtain supplies, parts, and commercial IT products using the purchase card from suppliers and government sources.

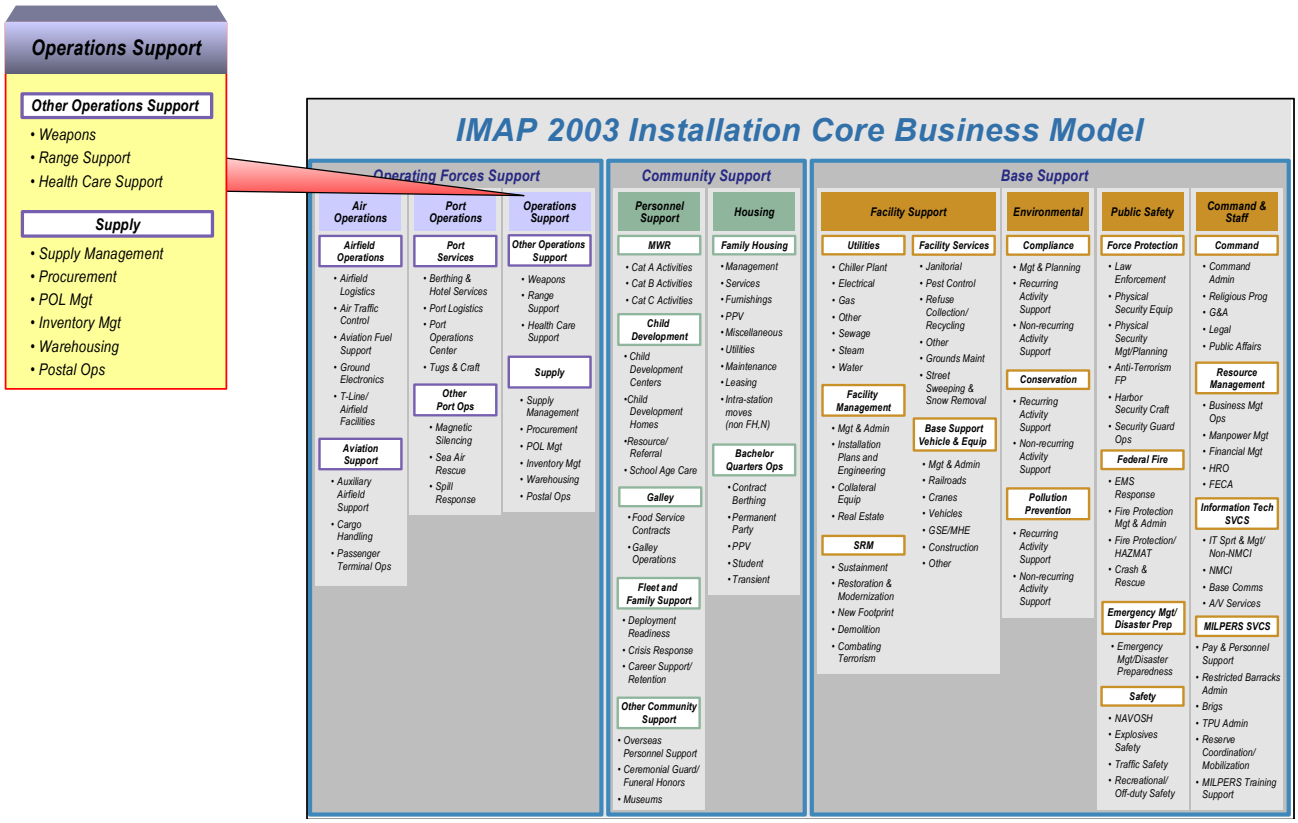
Chapter 3 – Operations Support

Overview

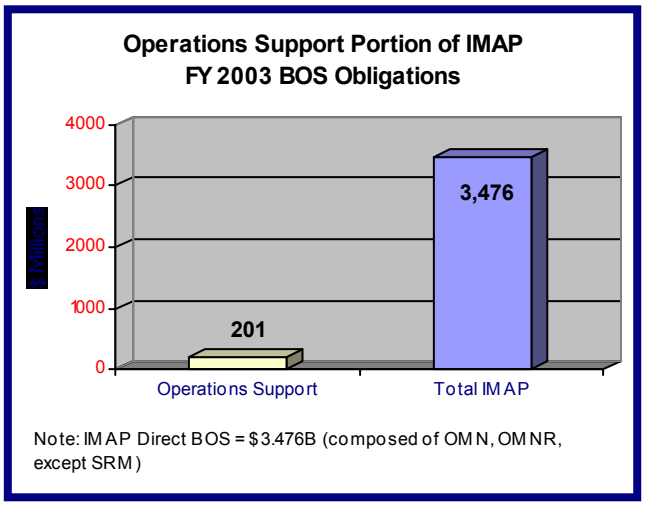
Within IMAP 2003, the direct support to the Navy's operational forces provided by the Shore Establishment is most directly relevant through the three Core Business Areas under Operating Forces Support. While the support provided through the Air Operations and Port Operations functions addressed in Chapters 1 and 2 is most commonly thought of as the direct support to the Fleet, the same is also true for the functions and sub-functions within the Operations Support Core Business Area.

The Operations Support Core Business Area provides a wide spectrum of services and functions in direct support of operational missions using BOS funding at Shore Installations. The two functions within this Core Business Area are Other Operations Support and Supply. The Other Operations Support function includes the key sub-functions addressing Weapons, Range Support, and Health Care Support. The Supply function covers the Supply support to the Fleet from the shore establishment.

When examined as an entire Core Business Area, Operations Support remains relatively small in terms of its overall obligations expended in FY 2003. The same was shown as true in last year's report. For FY 2003, the total IMAP direct BOS obligations for this Core Business Area came to some $201M. Significantly, the overall Operations Support obligations in FY 2003 remain more than that expended for either the Air

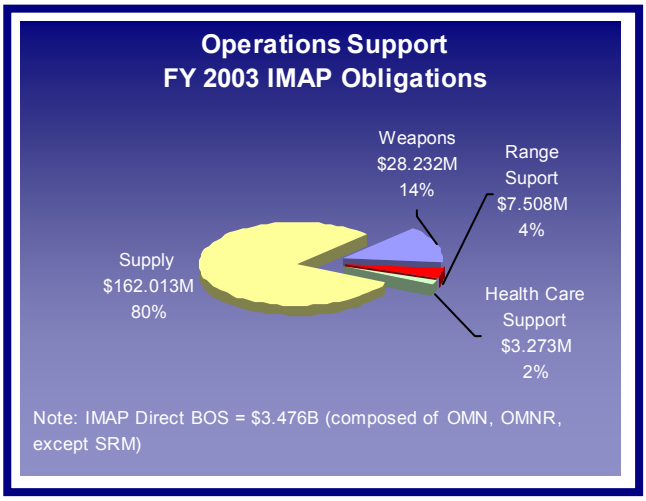


Operations Core Business Area ($84.1M) or the Port Operations Core Business Area ($134.8M). Thus, for the three Core Business Areas within the overall Operating Forces Support portion of IMAP 2003, the sub-functions and activities within the Operations Support Core Business Area account for 47.2% of the total expenditures.



Within the Operations Support Core Business Area, only the Supply function has a currently active IPT. The other sub-functions within Other Operations Support have widely diverse activities and limited associated funding. No IPT has been established for the Other Operations Support function.

As shown in the accompanying chart, the Supply Function ($162.M) accounts for 80% of the total obligations within this Core Business Area. The Weapons sub-function follows at 14% and some $28M in total direct BOS obligations. The other two sub-functions contribute significantly less with Range Support at 4% ($7.5M) and Health Care Support at 2% ($3.3M).



The overall recorded IMAP obligations for the Supply function were remarkably similar in FY 2002 and FY 2003 at around $160M. Within the Other Operations Support function, all three sub-functions showed relatively significant increases in obligations in FY 2003 over FY 2002, with the overall increase at around 41% up to a total of $39M from last year's total of $27.66M.

During FY 2003, separate Special Interest Item codes (SII) were established for both Other Operations Support (OO) and for Supply (SP). These SII will permit greater visibility throughout the budget process and through the execution cycle for both of these functions commencing in FY 2004. In fact, in both the OPNAV N46 BAM submission for POM-04 (January 2002) and the OPNAV N46 Capabilities Plan submission for PR-05 (January 2003), detailed requirements were presented for both Other Operations Support and for Supply. The Weapons sub–function was first split out from the Air Operations and Port Operations Core Business Areas in the PR-05 submission.

The FY 2003 Navy-wide performance data call was conducted for the Supply function. Overall, the Supply function performed Navy-wide at Capability Level 2 (score of 7.32 out of 10), while, more importantly, meeting its mission requirements. This, when compared to the less rigorous performance data call for FY 2002, showed an overall Supply functional score of 7.43 out of 10 (Capability Level 2). The data call for FY 2003 provided a refined evaluation of the Product of the Plan for Supply with coverage across all of the Supply sub-functions. The complete results by Region for the Supply function are included at the end of this Chapter. These results showed continued strength in several

of the Supply sub-functions and overall superior performance to the Fleet across the Navy. This overall performance also reflected the strong work by the Supply IPT during FY 2003. During a series of meetings, the Supply IPT successfully reworked the developed metrics for each sub-function and refined the Supply Capability Level descriptors. These modifications contributed significantly to an improved set of performance metrics for the Supply function.

The results of the review for this report show the potential benefits for several future actions under CNI. Both of the functions under Operations Support provide significant direct contributions to the Fleet. As such, the Navy should consider funding these functions at similar Capability Levels to those approved for funding the Air Operations and Port Operations Core Business Areas. In this era of reduced funding availability, it remains important to seek the highest level of service to the Fleet in the areas most directly contributing to Fleet readiness. The Supply IPT has made very important improvements to the overall performance metrics. The Navy must also consider how best to make similar improvements for the sub-functions under Other Operations Support.

Product of the Plan

Operating Support Summary

Other Operations Support:

- Funded at C-3 readiness rating for FY 2003.
- Overall performance not measured – no IPT.
- New SII assigned.
- A 41% increase in obligations in FY 2003 over previous year.
- Level of expenditures potentially calls for an IPT for the Weapons sub-function.
- The Range Support sub-function should be linked to the Navy Range Office on the OPNAV Staff.
- Funding for these three sub-functions should be commensurate with the level of funding for Air and Port Operations Core Business Areas.
- Function and activities more appropriately "Mission" funded vice BOS funded.

Supply:

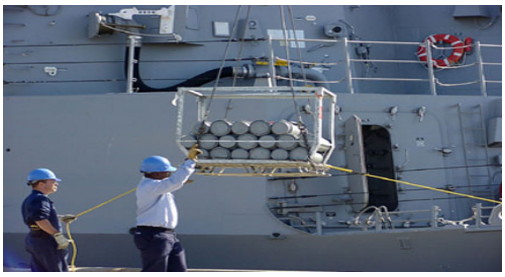
- Funded at C-3 readiness rating and performed at Capability Level 2.
- Reported Capability Level 2 performance is similar to the performance delivered in FY 2002. Performance at Capability Level 2 is due to improved data survey, wider scope of evaluation, and better metrics.
- Met mission requirements.
- Improved performance metrics and Capability Level descriptors, the result of strong IPT work.
- Plan is to transfer all Supply functions and activities to NAVSUP during FY 2004.

Other Operations Support

Scope of Program

The Other Operations Support function includes BOS funded activities in the following three sub-functions:

Other Operations Support
➢ Weapons
➢ Range Support
➢ Health Care Support



Weapons: The Weapons sub-function addresses all activities that provide receipt, segregation, storage, issue, handling, maintenance, tests, and checks of weapons. This sub-function also includes explosive ordinance disposal (EOD) activities where applicable.

Range Support: The Range Support sub-function includes BOS funded activities in support of either a station-operated training or RDT&E range/s or Stand Alone (separate UIC). It includes personnel support (security forces, guards, diving units), target acquisition support, maintenance and retrieval support, range upkeep/ordnance sweeps, vehicle support, and transportation services.

Health Care Support: This sub-function includes installation provided reimbursable BOS funded activities in support of operations and facilities of tenant health and dental care providers.

Progress in FY 2003

During FY 2003, no IPT was established to address the standards, capability levels or specific requirements for these sub-functions as the overall budget remains a relatively small portion of the total IMAP. The total direct BOS obligations for FY 2003 for the Other Operations Support function were $39M, or just one percent of the total IMAP BOS obligations. These three sub-functions have been addressed as collateral duty responsibilities within both OPNAV N46 and CNI for any one individual. The same is true at the regional level. Thus, there is currently little headquarters level focus on any of these three sub-functions. However, given the overall level of obligations for the Weapons sub-function ($28M), CNI should consider a review of the Weapons activities together with the staff of OPNAV N41 to determine the potential for creating a separate IPT for the Weapons sub-function. Of equal or more importance is the fact that during the stand-up of CNI over the summer of 2003, the divesting Claimants retained significant portions of the Weapons sub-function activities as "Mission" funded with no transfer of funding, responsibility or oversight to CNI. Therefore, the most significant action for CNI in the Other Operations Support functional area in FY 2004 is to seek full agreement on what is included here as "Mission" funded versus "BOS" funded.

Likewise, CNI will need to continue to review the Range Support sub-function in terms of how these activities relate to an OPNAV office for Ranges – yet to be established, but under consideration. With the need for CNI to interface directly with the Fleet Commanders and in particular with the new COMUSFLTFORCOM and his training responsibilities for use of the ranges, CNI's responsibilities for supporting this sub-function require further review. The key here is to ensure the proper distribution of responsibilities and funding between the Mission Commander and the Regional Commander for the Range Support function.

Significantly, the new Special Interest Item code (SII) for Other Operations Support (OO) will contribute to CNI's ability to track funding for these three sub-functions throughout the budget process and down through the execution year at the regional level.

Assessment and Performance

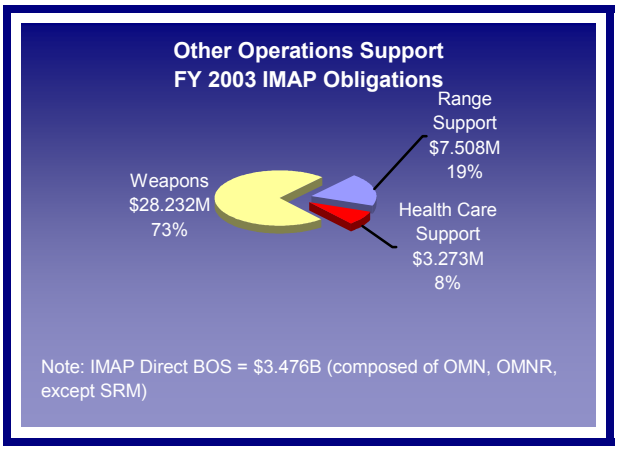
Other Operations Support BOS Direct Funding Obligations from IMAP		
Sub-Function	FY 2002 Obligations	FY 2003 Obligations
Weapons	$24.352M	$28.232M
Range Support	$2.607M	$7.508M
Health Care Support	$0.703M	$3.273M
TOTAL Other Operations Support	$27.662M	$39.013M

Weapons: The Weapons sub-function contributes the most significant portion of the overall obligations under the Other Operations Support Core Business Area. The total BAM requirement for the Weapons sub-function (spilt between the Airfield Support and Seaport Support Core Business Areas) submitted for FY 2003 in PR-03 was set at $38.344M. This requirement was over 50% higher than the submission for FY 2002 in POM-02. The total IMAP direct obligations in FY 2003 for the Weapons sub-function equaled $28.232M. As was true last year, the most significant obligations for the Weapons sub-function came from Guam ($12.7M) and from NAVBASE Pearl Harbor ($5.96M). Of note, Guam and NAVMAG Pearl Harbor Weapons had already transferred this function from "Mission" to BOS for FY 2004.

Range Support: The Range Support sub-function was included under the previous Core Business Areas of Airfield Support and Seaport Support – now Air Operations and Port Operations. The Range Support sub-function was not included as a separate line item for the OPNAV N46 BAM submission for PR-03. During FY 2003, this sub-function was elevated with specific requirements detailed for FY 2004 and beyond. The total FY 2003 obligations of $7.508M showed a nearly threefold increase over FY 2002. These total obligations were attributed to the following locations: NAVSUPPACT Souda Bay, Crete ($2.47M); NAVBASE San Diego ($2.6M); NAS Oceana ($1.3M); and Fleet Activities Okinawa, Japan ($0.95M). Significantly, the CNI support for ranges has the potential for costs above what is immediately apparent. For example, at San Clemente Island, Commander Navy Region Southwest has the responsibility to keep the roads open for access to the targets at considerable expense, although some of these costs are reimbursable.

Health Care Support: The Health Care Support sub-function was included under the Other Mission Support Core Business Area during the development of PR-03. The overall BAM requirements submitted for FY 2003 for Health Care Support were $1.384M. During FY 2003, execution was reported at $3.273M or nearly 2.5 times the BAM submission. The increased obligations occurred at two prime locations – NAVSTA Guantanamo Bay, Cuba ($2.8M) and NAVSUPPFAC Diego Garcia ($0.373M).

Other Operations 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 = "OO")	IMAP Obligations
$42.6M	$38.344M		$39.013M



The three sub-functions under Other Operations Support do not receive significant visibility across the budget process or within the structure of the new CNI organization. However, these activities provide for significant direct contributions to the Fleet. As such, CNI should seek to fund these functions at similar Capability Levels to those approved for funding the Air Operations and Port Operations Core Business Areas. In this era of reduced funding availability, it remains important to seek the highest level of service to the Fleet in the areas most directly contributing to Fleet readiness. Clearly, the Weapons and Range Support sub-functions have been shown to do just that. The new SII code and improved development of the true requirements for these sub-functions will help significantly. Overall, these three sub-functions lend themselves to continued CNI review in terms of defining "Mission" funding versus BOS funding.

Other Operations Support:

- Funded at C-3 readiness rating for FY 2003.
- Overall performance not measured.
- New SII assigned.
- A 41% increase in obligations in FY 2003 over prior year.
- Level of expenditures potentially calls for an IPT for the Weapons sub-function.
- The Range Support sub-function should be linked to the proposed Navy Range Office on the OPNAV Staff.
- Funding for these three sub-functions should be commensurate with the level of funding for Air and Port Operations Core Business Areas.
- Function and activities more appropriately "Mission" funded vice BOS funded.

Supply

Scope of Program

The Supply function includes sub-functions and activities that provide Supply and Logistic services to the mission operations of the installation. Some regions have Fleet Industrial Supply Centers (FISCs) in their geographical area, while other regions do not presently have them. For some Supply sub-functions, the FISCs are mission-funded to provide those services and do so. On the other hand, for some Supply sub-function areas of responsibility, the FISC performs these services as a reimbursable expense to the BOS appropriation based on various arrangements at the regional level. The costs reported here are only BOS charges incurred in the absence of a FISC or if the FISC performs the service on a reimbursable basis. The activities within the Supply function at the Navy's installations are critical to the operations of the Navy. They conduct transactional processing to provide support and to meet the operational requirements of the war fighting community.

Supply
➢ **Supply Management**
➢ **Procurement**
➢ **POL Management**
➢ **Inventory Management**
➢ **Warehousing**
➢ **Postal Operations**

Supply Management: The Supply Management sub-function provides for the management and administration of installation Supply activities. It includes installation support for personal property management activities (Household Goods (HHG)) and management of the Consolidated Hazardous Re-utilization Management Program (CHRIMP).

Procurement: This sub-function addresses the procurement, contracting, contract administration and small purchasing services for the installation.

POL Management: The POL Management sub-function includes BOS activities (i.e., facilities maintenance and transportation) that manage and support POL requirements not provided by a FISC.

Inventory Management: The Inventory Management sub-function covers activities involved in managing stocks of supplies (either raw commodities or end-use items) necessary to support end users. This includes commodity management, technical support, cataloging, supply standardization, stock control, training, and inventory control support. It does not include management of POL inventories.

Warehousing: This sub-function includes all activities involved in storing material for future use or shipment. It includes receiving, material handling (including reprocessing), issue, shipping, warehouse inventory control, internal security activities and associated transportation costs.

Postal Operations: The Postal Operations sub-function includes all activities involved in the operation of the installation's Post Office. It includes installation BOS funded activities undertaken to deliver US mail and guard mail on the installation.

Progress in FY 2003

Together with the establishment of CNI as the single Shore Installation Claimant, the progress made by NAVSUP in its transformation efforts contributed toward the goal of obtaining sufficient funds to allow for recapitalization and the long-term sustainment of the Fleet. This effort addressed the NAVSUP organizational structure, functional alignment, and customer alignment. The NAVSUP objectives are to maintain its ability to accomplish its mission and support its customers, to seek opportunities to improve its processes, and to gain efficiencies. This entire transformation effort links directly to the Shore Installation Management and CNI improvement efforts for the Supply function under the Core Business Area of Operations Support.

In support of this, the Supply IPT has made very important improvements to the overall performance metrics. At this time CNI and NAVSUP are actively negotiating an agreement for NAVSUP to become the Navy-wide service provider for the six sub-functions within the Supply function during FY 2004. Several teams have been formed to capture workload, labor and performance metric information to support the smooth transfer of operations to NAVSUP. The intended use of this data is to understand, analyze and negotiate the transfer of all BOS Supply functional workload to NAVSUP via COMFISCs through a reimbursable payment. CNI will retain oversight of the BOS Supply program as the program manager/ resource sponsor and will monitor workload and performance with COMFISCs.

The major portions of the entire Supply function are covered in the two areas of civilian personnel costs and the contract services costs. This is consistent with the services delivered and the activities performed.

The development of a separate Special Interest Item code (SII) for the Supply function (SP) commencing in FY 2004 is an important step forward to allow for better visibility of all that the ashore side of Supply does to support Navy operations.

Assessment and Performance

During FY 2003, the Supply IPT took the actions suggested in last year's Stockholders' Report. This IPT met several times to redefine and refine the Supply performance metrics and Capability Level descriptors. This excellent work allowed for a more significant performance data call across the Navy, addressing all six of the Supply sub-functions. The results of this IPT work and the data call are covered below.

Supply BOS Direct Funding Obligations from IMAP		
Sub-Function	**FY 2002 Obligations**	**FY 2003 Obligations**
Supply Management	**$26.053M**	**$27.760M**
Procurement	**$43.645M**	**$30.589M**
POL Management	**$8.406M**	**$10.629M**
Inventory Management	**$29.830M**	**$29.467M**
Warehousing	**$42.305M**	**$42.659M**
Postal Operations	**$13.231M**	**$20.909M**
TOTAL Supply	**$165.592M**	**$162.013M**

Supply Management: The Supply Management sub-function was not clearly defined in the BAM submission for PR-03. During the subsequent BAM submission for POM-04 (January 2002) and the Capabilities Plan submission for PR-05 (January 2003), the detailed requirements for Supply Management were better articulated. These improvements resulted from the improved definitions and metrics within the overall Supply function. For FY 2003, the overall direct BOS obligations as shown in IMAP for the Supply Management sub-function were recorded at $27.760M. In comparison, the obligations for FY 2002 were at $26.053M.

The Capability Level 1 descriptor for Supply Management calls for the required resources and expertise to execute full mission and meet or exceed the standards for processing Household Goods (HHG) actions and executing the Hazardous Material Reduction Program (CHRIMP). The corresponding performance metrics relate directly to these two measures. The work of the Supply IPT to refine these metrics was evident in the successful measurement of the Navy's performance in the Supply Management sub-function for FY 2003. The overall score came in at Capability Level 3 (6.5 out of 10). Of note, improvements in the CHRIMP process have resulted in significant savings starting in FY 2003.

Procurement: The Procurement sub-function was clearly detailed in the OPNAV N46 BAM submission for PR-03. It was included within the Supply function under Command Support. The overall requirement for FY 2003 submitted in PR-03 was at $61.27M. This requirement was some 90% of the total requirement requested from the claimants. The IMAP reported FY 2003 total direct BOS obligations are $30.589M for the Procurement sub-function. This is considerably less than what was reported for FY 2002 ($43.645M). CNI plans to examine the disconnect here between the requirement and the level of obligations under the Procurement sub-function.

The performance metrics and Capability Level descriptors for the Procurement sub-function revolve around the effective use of the Simplified Acquisition Program (SAP) and the reported delinquency rate standards. The FY 2003 performance data call for Supply covered these areas in great detail. The results show the Procurement sub-function performance at Capability Level 3 (5.84 out of 10) total across the Navy.

POL Management: The POL Management sub-function was addressed under the Supply function in the PR-03 submission for FY 2003. These requirements came to a total of $20.662M. This represented some 90% of the total requirements submitted by the IMCs for FY 2003. The actual obligations reported in IMAP for FY 2003 were considerably less at $10.629M. The FY 2002 obligations for POL Management were in the same order of magnitude at $8.4M. It would appear the development of the requirements for POL Management does not fully correspond with the actual level of obligations for this sub-function.

During FY 2003, the Supply IPT developed Capability Level descriptors and performance metrics for the POL Management sub-function. These standards place the most significant weighting on the percentage of fuel transfers completed within the required delivery period to meet mission needs. Less emphasis is placed on the percentage of scheduled maintenance actions completed. The overall POL Management performance across the Navy in FY 2003 was at a high Capability Level 2 (8.43 out of 10).

Inventory Management: The Inventory Management sub-function was included in the BAM submission for PR-03 under the Supply function. OPNAV N46 submitted the BAM requirement for Inventory Management at $29.415M. The review of the FY 2003 IMAP obligations shows the expenditures at $29.467M, almost matching the FY 2002 obligations of $29.83M. Within the Supply functional area, the Inventory Management sub-function shows the closest relationship between the requirements and the obligations.

The Inventory Management performance metrics and Capability Level descriptors address the key areas of percentage of net effectiveness, warehouse refusal rate, and the bounce back rate together with the relationship between these measures. For FY 2003, the regions reported the overall Navy performance for Inventory Management at a low Capability Level 2 (7.01 out of 10).

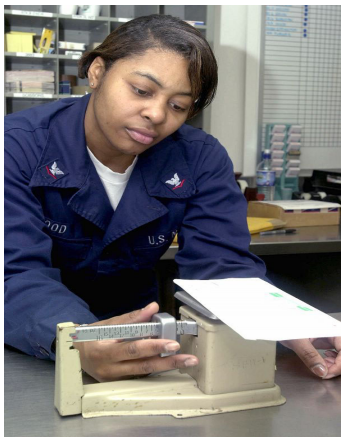
Warehousing: The Warehousing sub-function accounts for the largest percentage of the total obligations within the Supply function. The total requirement submitted for FY 2003 in the PR-03 BAM submission was $69.465M. This total represented 90% of requirements from the Claimants. Of note, the recorded IMAP direct BOS obligations for the Warehousing sub-function came to $42.659M. These obligations were very similar to the reported obligations for Warehousing in FY 2002 ($42.3M). Thus, the actual obligations were considerably less than the requested budget.

The performance metrics and Capability Level descriptors for the Warehousing sub-function concentrate on the areas of issues processing and receipt processing. The weighting within this sub-function is equally distributed between three areas:

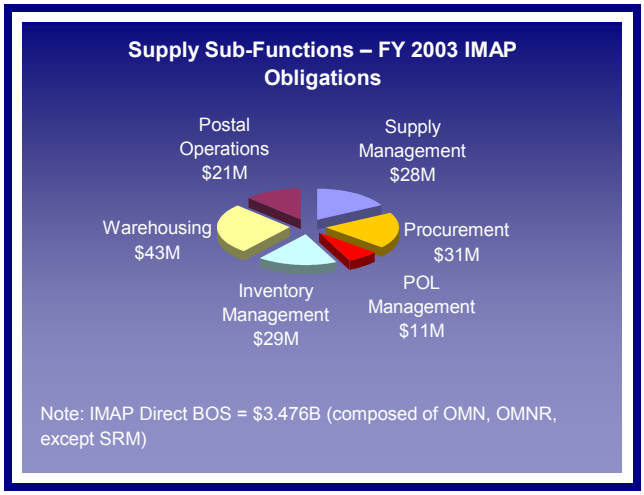
- the percentage of issues processed.
- the percentage of DTO receipts available.
- the percentage of stock receipts stowed per standards.

For FY 2003, the overall Navy performance for the Warehousing sub-function was reported at a Capability Level 2 (7.8 out of 10).

Postal Operations: The Postal Operations sub-function was included under the Command Support Core Business Area in the BAM submission for PR-03. For Capabilities Plan submission for PR-05 (January 2003), the requirements for the Postal Operations sub-function were addressed by OPNAV N46 under the Supply function of the Operations Support Core Business Area. For FY 2003, the requirements for the Post Operations sub-function were submitted as $17.93M. This requirement represented 90% of the total requirements submitted by the IMCs for FY 2003. During FY 2003, the reported IMAP direct BOS obligations for Postal Operations were $20.909M, or over 50% higher than the obligations the previous year.



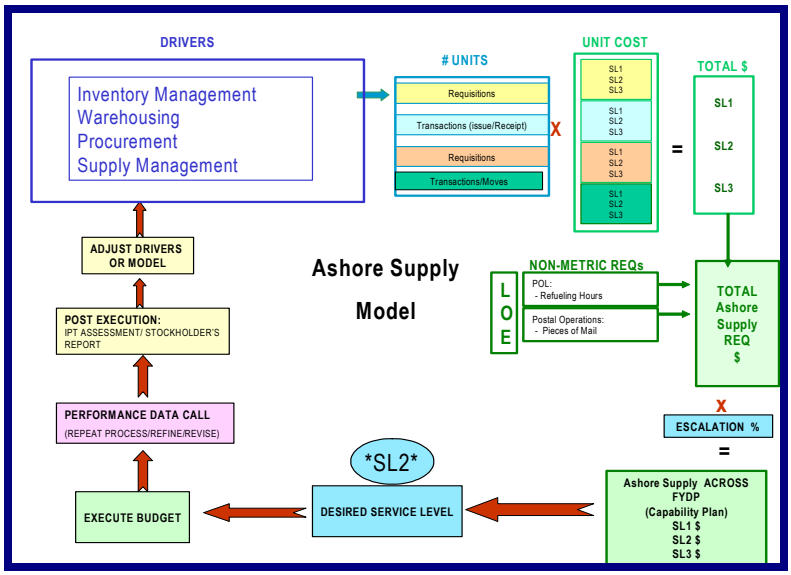
Through the strong work of the Supply IPT, the Capability Level descriptors and the performance metrics for Postal Operations were completed. The emphasis was placed on the percentage of mail processed in accordance with DOD and USPS Procedural Standards and the percentage of mail delivered within Navy Timeliness Standards. Regional mail centers have emphasized improved procedures in order to realize significant postage savings. These resultant savings come from overall consolidation efforts and improved screening of premium mail services. As reflected in the results of the Supply performance data call, the Postal Operations function is meeting the needs of the Navy with a Capability Level 3 score (6.76 out of 10).



Supply Overall Performance By Region		
Region	**FY 2003 Performance: Score**	**FY 2003 Performance: Capability Level**
Northeast	**7.19**	**CL 2**
NDW	**7.61**	**CL 2**
Mid-Atlantic	**7.08**	**CL 2**
Southeast	**7.86**	**CL 2**
Northwest	**6.02**	**CL 3**
Southwest	**7.40**	**CL 2**
Midwest	**5.22**	**CL 3**
Gulf Coast	**7.34**	**CL 2**
South	**7.60**	**CL 2**
Hawaii	**7.62**	**CL 2**
Japan	**6.78**	**CL 3**
Korea	**7.24**	**CL 2**
Guam	**7.48**	**CL 2**
Europe	**7.52**	**CL 2**
Southwest Asia	**5.99**	**CL 3**
Overall Performance	**7.06**	**CL 2**

Supply Overall Performance By Sub-Function		
Sub-Function	**FY 2003 Performance: Score**	**FY 2003 Performance: Capability Level**
Supply Management	**6.5**	**CL 3**
Procurement	**5.84**	**CL 3**
POL Management	**8.43**	**CL 2**
Inventory Management	**7.01**	**CL 2**
Warehousing	**7.8**	**CL 2**
Postal Operations	**6.76**	**CL 3**
Overall Performance	**7.32**	**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 Supply function is shown below. Note that Service Level was changed to Capability Level in FY 2004.



Supply 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 = "SP")	IMAP Obligations
$230.45M	$207.409M		$162.013M

Supply:

- Funded at C-3 readiness rating and performed at Capability Level 2.
- Reported Capability Level 2 performance is similar to the performance delivered in FY 2002. Performance at Capability Level 2 is due to improved data survey, wider scope of evaluation, and better metrics.
- Met mission requirements.
- Improved performance metrics and Capability Level descriptors the result of strong IPT work.
- Plan is to transfer all Supply functions and activities to NAVSUP during FY 2004.

NAVAL SUBMARINE BASE, NEW LONDON,

Port Services Officer creates boat refurbishing contest that nets nine bass boats for MWR check out, while fostering camaraderie and competition amongst local sailors. Teams refurbished decrepit DRMO castoffs to better-than-new condition for prizes and trophies and MWR donated new 25 horsepower motors all of which cost of new purchase price for like boats.

NAF Atsugi now has a thriving a supportive Ombudsman Program due to the personal initiative of Natsuko Lovell.

Mrs. Lovell knows the concerns and issues of sailors and their families first hand. A Navy wife for 13 years, she also knows what it is like moving to a foreign country-a native of Japan , she spent several years in the States with her husband, on various tours. Seeing the need for the vital link in the communication chain, she was at the forefront in establishing NAF Atsugi's OmbudsmanProgram, now proudly serving the needs of Atsugi's sailors and families.

NAVREGNW established single POC with Washington State

authorities for State Child Protective Services, Family Child Care Services, Women, Infant and Children programs. Established Child Development and Child Development Home central 1-800 number for registering children into Navy childcare. Appointed one "lead" CDC and Youth Activities Manager for region to coordinate all regional centers and homecare programs. The reorganization allows for centralized and consistent planning, budgeting and execution.

NAVREGNW established General Mess Hybrid to reduce OB costs, improve

customer satisfaction and increase flexibility. Results of the pilot program were dramatic:

- Hours of operation of the former AGM were doubled
- Entrée selections for evening meal increased from only 2 to over 20!
- Table service for patrons at evening meal vice institutional cafeteria service
- Reduced Food Service Attendant costs by 24%
- Trident Training Facility working to develop curriculum in conjunction with local community college leading to associates degree
- Agreement in place for procurement of food product under Prime Vendor contract through DSCP

Commander, U.S. Forces Japan's Regional Master Chief, CNOCM Mike Driscoll was the driving force behind Operation

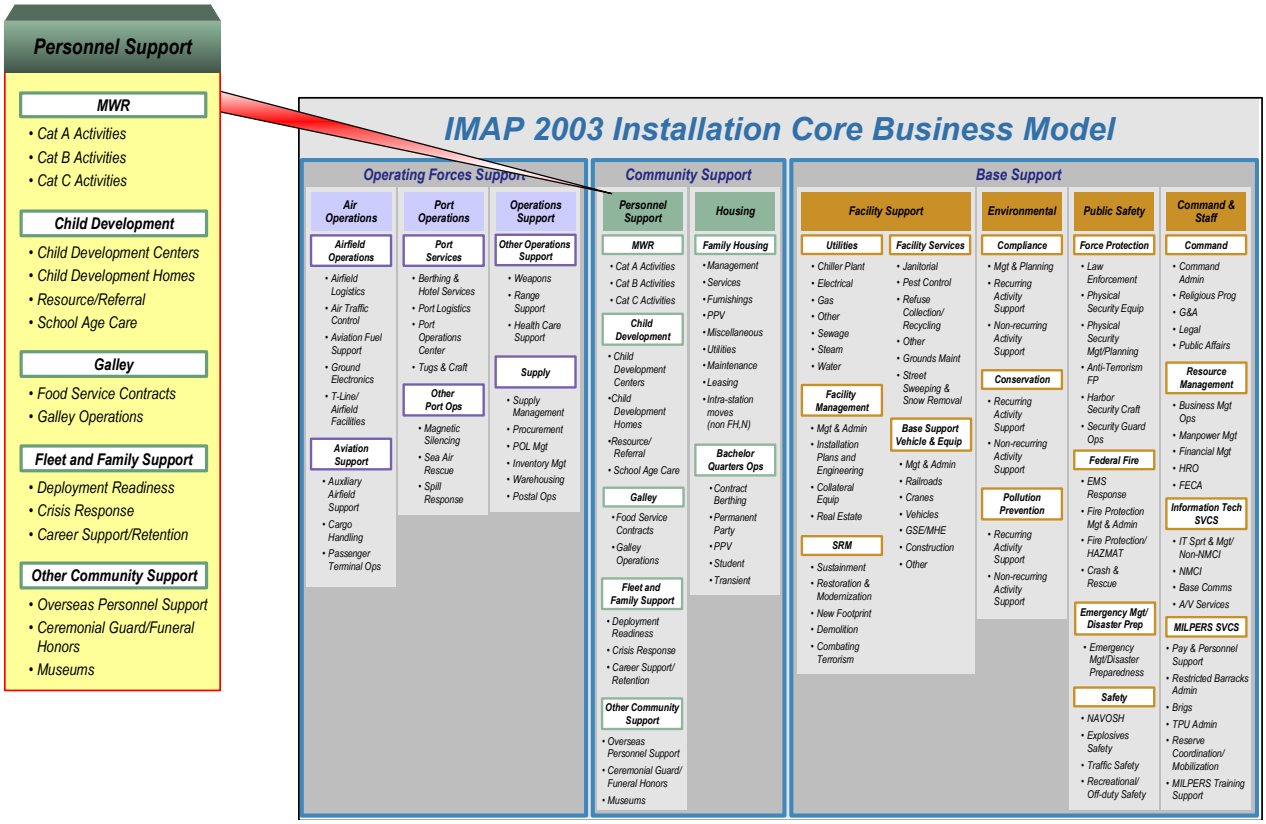
Save the Holiday. Recruiting volunteers from Yokosuka, NAF Atsugi, NAF Misawa, family members and DoD civilians. They sprang into action to provide a holiday meal to the 3000 sailors and family members on Guam. Without electricity or potable water following Typhoon Pongsona, most Guam families had little hopes for a traditional holiday meal. The volunteers arrived in Guam just before Christmas, utilizing the galley of the USS FRANK CABLE (AS40), they prepared 3000 holiday meals. No small feat considering the galley usually meets the needs of half that number. With precision and coordination the day came off without a hitch, and everyone involved took away wonderful memories for a lifetime.

Chapter 4 – Personnel Support

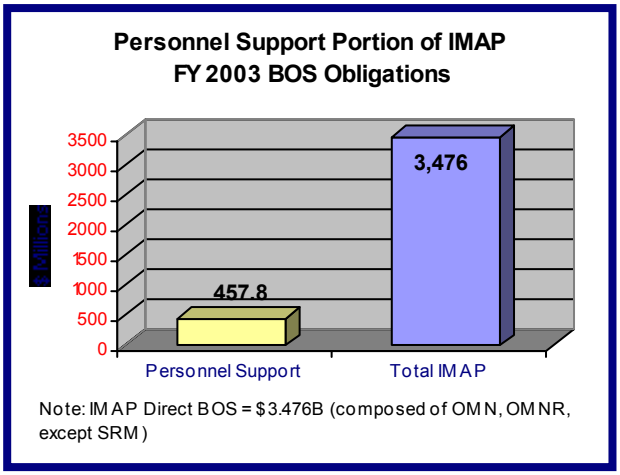
Overview

Within IMAP 2003, the Community Support portion of the Installation Core Business Model includes the two Core Business Areas of Personnel Support and Housing. Housing is addressed in Chapter 5. The Personnel Support Core Business Area includes all functions and sub-functions that provide products and services that support the quality of life of military personnel (active and retired) and their eligible dependents. The five functions are Morale, Welfare and Recreation (MWR), Child Development, Galley, Fleet and Family Support (FFSP), and Other Community Support. These programs cover a broad area of activities in support of quality of life goals and objectives.

During the course of FY 2003, the functions within the Personnel Support Core Business Areas received considerable attention as the Navy sought to align current and future funding constraints to meet the CNO's goals for future readiness. In both the MWR and the FFSP functions, the respective IPTs developed program priority lists to assist regional and local program managers with the difficult decisions on where to make changes in program delivery. The Child Development Program progressed toward the DoD goal for spaces to meet the potential need for child care for the ages of 0 to 12 years old. The Galley Function saw an increase in the obligations associated with Food Service Contracts while obtaining final approval of the Galley Capability Levels.

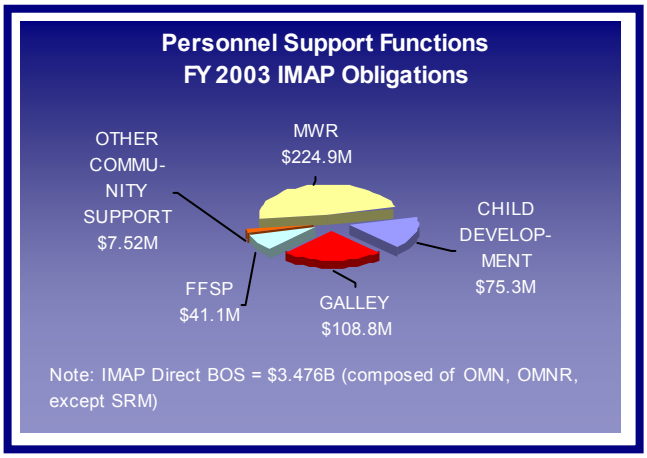


The overall contributions in terms of appropriated fund obligations for the Personnel Support Core Business Area in FY 2003 remained relatively large compared to the other 8 Core Business Areas. The chart opposite shows the Personnel Support portion of the total direct IMAP BOS obligations in FY 2003. These obligations represented some 13% of the total BOS for FY 2003. This percentage does not include some of the headquarters funding at Pers-6 for MWR, Child Development, and FFSP of approximately $58M. It also does not include other sources of funding such as the Non-Appropriated Funds (NAF) within the MWR program and the DoD funding stream that accounts for over 50% of the support for the programs within FFSP.



The overall funding within the Personnel Support Core Business Area was $457.8M in FY 2003. Of that total, the MWR function accounted for the largest portion with 49% of the total for $224.9M in direct IMAP BOS obligations. The Galley function was the next largest with 24% of the total and obligations of $108.8M. The Child Development function was much smaller with 16% and $75.3M in obligations. The FFSP function showed only $41.1M in direct IMAP BOS obligations and accounted for 9% of the total for the Personnel Support Core Business Area. The Other Community Support function accounted for only 1.6% of the total and some $7.52M.

The various IPTs within the Personnel Support Core Business Area had a particularly busy year in FY 2003. The MWR IPT developed for the first time a prioritized list of MWR programs to provide MWR activities with a guide for best implementing vertical cuts to MWR programs, while ensuring that the most important core programs continue at optimum capability levels. The MWR IPT also completed the development of standards and metrics for 5 more MWR programs, adding to the 7 core programs previously completed. The Galley IPT was successful in completing its work on Capability Levels and metrics. The SIPB/RCC approved these new Capability Levels and metrics at it meeting at the end of FY 2003. Likewise, the FFSP IPT conducted a series of meetings and was also successful in its presentation to the SIPB with the FFSP Capability Levels, macro metric and standards. Following the lead of the MWR IPT, the FFSP IPT also developed a priority list of programs used in the field.



The overall assessment of MWR in FY 2003 based on the results of the performance data call was recorded at a Capability Level 2 with a score of 7.12 out of 10. This matches the FY 2002 performance.

In FY 2003, CDP achieved its fiscal year goal of meeting 73% of the DoD potential child care need in terms of spaces versus the 80% DoD goal. Current funding stream will not enable the program to achieve the DoD goal of 80% by FY 2007.

The Navy's 70 Galleys served over 10.398 million rations to sailors and cash paying customers in FY 2003. The overall Galley performance for FY 2003 was recorded at a Capability Level 2 with an overall score of 7.55 out of 10. This exceeded the FY 2003 expectations as the funding line for FY 2003 in PR-03 was at a C-3 readiness rating.

In FY 2003, the performance in the FFSP function was reported at a Capability Level 2 with an overall score of 8.21 out of 10. This performance was in line with the expectations for FY 2003.

OPNAV N1 and N4 established a working group in late FY 2003 to identify alternatives for aligning PERS-65 & PERS-66 with CNI to improve overall functions and processes where it makes sense. A final report and recommendations are expected early in 2004 with implementation planned for 1 October 2004.

The Other Community Support function under the Personnel Support Core Business Area accounts for a very small portion of the overall obligations within Personnel Support (less than 2% in FY 2003). There is no IPT currently set up for this function and none is planned for the future. There are no metrics or Capability Levels.

Product of the Plan

Personnel Support Summary

MWR:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003.
- Major support efforts continued for Operations Enduring Freedom and Iraqi Freedom.
- Program had $30M increase in obligations over FY 2002.
- Completed standards, metrics and Capability Levels for additional MWR programs.
- Fleet fitness/recreation program expanded.
- Completed Spouse MWR survey – positive results.
- Developed MWR program priority list.
- Commenced review by CNI and Pers-65 to streamline organizational relationships.

Child Development:

- Funded at C-2 readiness rating.
- Performed at the equivalent of Capability Level 1.
- Met mission requirements with increased capacity and improved efficiencies.
- Program had $8M increase in obligations over FY 2002.
- Successfully reached goal to achieve 73% of the DoD potential need in terms of spaces by the end of FY 2003; 100% of CDPs are DoD certified.

Galley:

- Funded at C-3 readiness rating.
- Performed at a Capability Level 2 in FY 2003 exceeding expectations.
- Galley obligations increased by more than $13.8M in FY 2003 as compared to FY 2002.
- Cost per ration continued to increase.
- Great Lakes and Pensacola combined for more than 41% of rations served in Navy.
- Food Service Contract costs increased by 17% in FY 2003.
- New Capability Levels approved.

FFSP:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003.
- Continued to meet mission demands in a period of increasing demands.
- Program had $5M increase in obligations over FY 2002.
- New FFSP Capability Levels, standards, and metrics approved in FY 2003.
- Completed Navy-wide FFSP FA – ready for FY 2004 implementation.
- DoD funding stream remained constant to account for over 50% of total FFSP funding.
- Commenced review by CNI and Pers-66 to streamline organizational relationships.
- Developed FFSP program priority list.

Other Community Support:

- Funded at C-3 readiness rating.
- Performance not measured.

Morale, Welfare and Recreation (MWR)

Scope of Program

Within the Core Business Area of Personnel Support, the MWR function includes all sub-functions and activities of the normal MWR installation department.

Morale, Welfare and Recreation (MWR)
➢ Category A Activities
➢ Category B Activities
➢ Category C Activities

While Child Development Programs (CDP) are organizationally in the MWR Department as a Category B activity, the Model considers the CDP to be a separate function.

Category A Activities: This sub-function includes programs that directly support mission-sustaining requirements and include traditional recreational activities such as physical fitness centers, aquatic training, gyms, gear issue, and skill development. Category A also includes programs which provide support for afloat personnel. In accordance with OSD guidelines, one hundred percent of the eligible program costs are authorized to be funded with appropriated funds. Furthermore, programs in this category have virtually no capacity for the generation of revenue.

- Armed Forces Professional Entertainment Overseas
- Physical Fitness
- Free Admission Motion Pictures
- Libraries
- Recreation Center Programs
- Parks/Picnic Areas
- Shipboard, Unit Level Programs
- Sports/Athletics
- Single Sailor

Category B Activities: The Categories B Activities sub-function includes programs that provide community support, including youth programs, hobby centers (e.g., auto, arts and crafts, etc.) and outdoor recreation. These programs, while providing integral QOL support, have limited revenue-generating potential. Sixty-five percent of the authorized costs of these programs are authorized to be funded with appropriated funds.

- Youth Activities
- Community Activities
  - ➢ Cable/Community TV
  - ➢ Information/Tickets/Tours
  - ➢ Recreation Swimming Pools
- Outdoor Recreation Programs
  - ➢ Outdoor Recreation
  - ➢ Outdoor Recreation Equipment Checkout
  - ➢ Boating without Resale
  - ➢ Camping (Primitive)
  - ➢ Riding Stables

- Individual Skill Recreation
  - ➢ Amateur Radio
  - ➢ Performing Arts
  - ➢ Arts and Crafts
  - ➢ Auto Skills
  - ➢ Bowling with less than 12 Lanes
- Sports Programs (Above Intramural)

A.C. Read Golf Course, N.A.S. Pensacola

Category C Activities: This sub-function includes programs oriented toward the revenue-generating activities, such as clubs, golf and bowling. These are termed Business Activities and are to be self-sufficient. They are authorized limited appropriated fund support, except for overseas/remote locations which are authorized support equal to a Category B activity.

- Food Beverage & Entertainment
  - Military Open Messes (Clubs)
  - Other Food Outlets
- Lodging Programs (MWR)
  - Joint Service/Armed Forces Recreation Centers
  - PCS Lodging
  - Recreation Lodging
- Special Interest Clubs
  - Flying Program
  - Parachute/Sky Diving Clubs
  - Rod and Gun Clubs
  - Scuba/Diving Clubs
  - Horseback Riding Clubs
  - Video Program
  - Other
- Other Revenue Generating Activities
  - Resale
  - Amusement/Recreation Machines
  - Bowling with more than 12 Lanes
  - Golf
  - Marinas/Boating
  - Equipment Rental
  - Unofficial Commercial Travel Service
  - Other

Progress in FY 2003

"Mission First – Sailors Always" continued to highlight the MWR program's focus for FY 2003, which was to support Operations Enduring Freedom and Iraqi Freedom. This support was provided directly to sailors in programs like "Saluting Sailors and Their Families" and fitness equipment improvements for afloat units. The MWR business area covers a wide scope of operations, budget and execution in providing Navy sailors and families the finest in MWR facilities, programs and activities around the world. The various elements of the MWR program are interrelated and include three major funding sources: appropriated funds; self-generated revenue; and Navy Exchange dividends. The bulk of the appropriated fund support is in SII MW.

The MWR Program Manager currently resides at PERS-65 and the staff provides major oversight and direction for the program throughout the Navy. The majority of the funding for MWR programs has traditionally come from OPNAV N4 as the Resource Sponsor. OPNAV N1 and N4 established a working group in late FY 2003 to identify alternatives for aligning PERS-65 & PERS-66 with CNI to improve overall functions and processes where it makes sense. The objectives of this work were:

- Streamline organizational relationships to achieve greater efficiency in shore activities management;
- Differentiate the roles and relationships of CNP (HRM policy) and CNI (program operations);
- Recommend an alignment alternative which provides functional optimization in sustaining QOL support for Sailors while providing Navy with increased efficiency and effectiveness of program operations.

A final report and recommendations are expected early in 2004 with implementation planned for 1 October 2004.

MWR IPT: The MWR IPT had previously completed standards, metrics and Capability Levels for the 7 core programs that comprise roughly 80% of the APF that MWR receives. These 7 programs included: Fitness, ITT, Liberty, Libraries, Fleet MOPIX, Outdoor Recreation, and Youth/SAC. In 2002, the SIPB approved the MWR standards and directed that the MWR program manager (Pers65) implement and maintain them. The SIPB further directed that the standards and metrics process be institutionalized within MWR and that the funding requirement be further refined. To that end, the MWR IPT determined to revise the previously developed standards and metrics and develop standards for five new program areas. Groups of field managers for

each program area (called Process Enhancement or PET Teams) met to review the existing standards or develop new standards for the programs to be added. Another group of senior MWR managers, called the Program Support Group – a sub-group of the MWR IPT – reviewed their work. These standards are now complete for the following new programs: MWR Overhead, Auto Skills, Category B Bowling, Fleet recreation (Fleet Support), and Afloat Recreation (Shipboard).

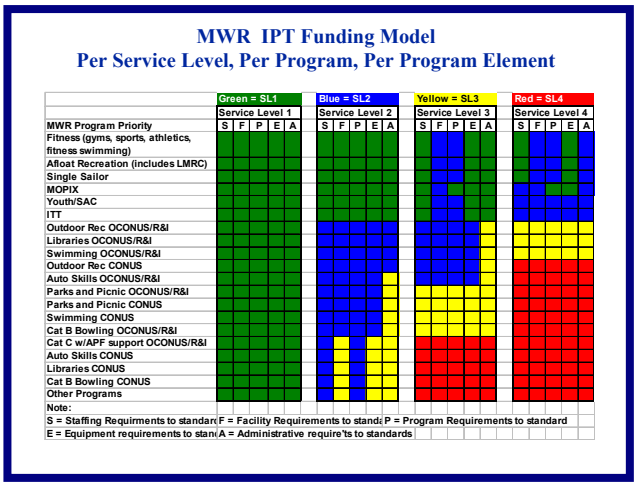
The MWR IPT also developed an overall priority list of programs for this function within the Personnel Support Core Business Area.

The MWR IPT developed this prioritized list to provide Navy MWR activities with a guide for implementing vertical cuts to MWR programs, ensuring that our most important core programs continue at optimum capability levels. Furthermore, it provides MWR management and command with a graphic and visible image of the impact of any significant reduction in appropriated fund support to MWR programs throughout the Navy. While MWR patron interest is significant, it is not the primary influence in setting program priorities. Navy-wide readiness and retention determine MWR's overarching program priorities. Thus, core MWR programs, with highest readiness correlation, should be funded with appropriated fund support before funding other program areas or common support. The MWR IPT still considers the list shown above as a "work in progress", any further refinement will not change MWR's basic philosophy of "fleet, fitness and forward deployed", giving priority in future funding to those programs. It is imperative that MWR operations Navy-wide maintain essential operations (those at the top of the list) at a high level of quality and even close doors on other programs if necessary.

The MWR IPT is continuing this work and has developed a first cut at an MWR IPT Funding Model based on the above priority list. This model is still in the early stages of review, but it corresponds with the efforts of the Air Operations IPT to associate required operational capabilities with Capability Levels.

The Program Manager at Pers-65 had several goals for FY 2003 for the Navy's MWR programs. A status report with the ***highlights*** on meeting these goals follows:

MWR PROGRAM PRIORITY	MWR PROGRAM
1	Fitness (gyms, sports, athletics, fitness swimming)
2	Afloat Recreation (includes LMRC)
3	Single Sailor
4	MOPIX
5	Youth/SAC
6	ITT
7	Outdoor Rec OCONUS/R&I
8	Libraries OCONUS/R&I
9	Swimming OCONUS/R&I
10	Outdoor Rec CONUS
11	Auto Skills OCONUS/R&I
12	Parks and Picnic OCONUS/R&I
13	Parks and Picnic CONUS
14	Swimming CONUS
15	Cat B Bowling OCONUS/R&I
16	Cat C w/APF support OCONUS/R&I
17	Auto Skills CONUS
18	Libraries CONUS
19	Cat B Bowling CONUS
	Other Programs



FY-2003 Top Initiatives for MWR:

- **Maintain high fitness and recreation standards for deployed support:**
  - Exceeded objective in large part. Provided 38 of 40 authorized afloat fitness/ recreation specialists to afloat units.
  - Procured and distributed over 169,000 pieces of recreation equipment to afloat units.

- Increased the number of entertainment shows aboard ships by 30%.

- **Improve Navy results in meeting DOD Fitness standards.**
  - Centrally funded and procured $3.4M in fitness equipment for 108 MWR locations.
  - 80% of centers now have Fitness Directors – did not meet goal of 100%.
- **Stimulate MWR field activities and HQ staff to continue innovative MWR programming opportunities for Sailors.**
  - Objectives met. Saluting Sailors and Their Families events; Movie Sneak Previews; First Run Overseas Theaters.
- **Assist Navy Personnel Command's (NPC) Center for Career Development with Career Decision Fairs by increasing spouse attendance 10% over FY-02.**
  - Objective not met due to increased operations.
- **Assist Naval Recruiting Command in retaining Delayed Entry Program (DEP) participants by promoting Navy QOL benefits to recruits and their families during DEP events that will be held in various locations throughout the United States.**
  - Conducted 5 family day events with around 450 attendees at each on average.
  - Objective met or exceeded. DEP attrition decreased by 50%.
- **Develop and execute a consistent and focused MWR message.**
  - Objectives met.
- **Garner at least $5M in documented free publicity for Navy through Saluting Sailor and their Families events and other related special events or promotions.**
  - Objective met with $7M in documented free positive publicity for Navy.
- **Increase teen programs offered by Navy Youth programs to promote life skills and ease separation anxiety of extended deployments of family members.**
  - Objective met.
- **Improve professionalism and services offered by MWR Category B programs through national accreditation and certification.**
  - Improvements made across a broad spectrum of Category B programs.
- **Further, automate tracking and administration of Navy MWR training programs.**
  - Objective met for the most part.
- **Generate $1.5M in commercial sponsorship revenues.**
  - Objective exceeded.
- **Continue rollout of new MWR Accounting and Management Information System (AIMS) to incorporate 60% of NAF revenue generated in Navy.**
  - Goal met. Bases representing 61% of Navy revenue are up and operating.
- **Increase MWR Category C revenue by $5M.**
  - Added 12 new branded facilities in FY 2003.
  - Did not increase additional revenue as deployments and FPCON measures eliminate potential growth for Category C revenue in FY 2003.
- **Expand program standards and metrics effort to include those MWR programs that consume 95% of APF funding support.**
  - Completed 5 new programs.
- **Average 24 months or less in completing any NAF construction projects contracted by NPC.**
  - Met goal as projects are tracking at 20-22 months; projects under $1.5M at 15 months.
- **Continue to support capitalization of the system infrastructure and develop Regional Shore Infrastructure Plans (RSIP), Capital Improvement Plans (CIP) and/or Master Plans in selected MWR core program areas.**
  - For NAF: RSIP plans are underway; awaiting full CNI implementation.
  - For NAF construction: Program submitted to Congress on 28 August 2003 with a total NAF infrastructure investment of $34.5M.

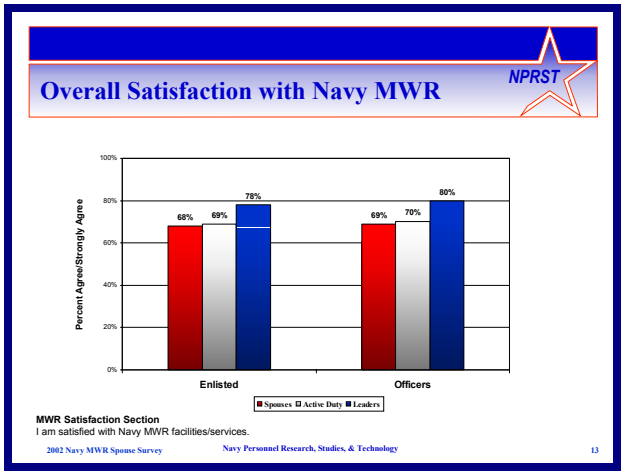
- MILCON: Not complete. Initiated a review of current facility inventory for MWR facilities. Additional work required.

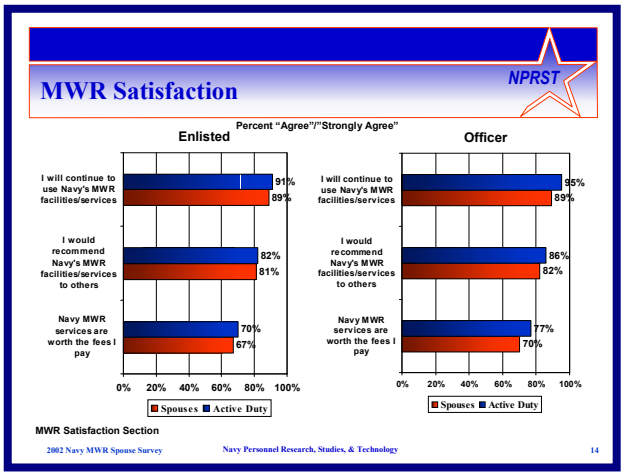
Fitness Programs: The DoD required reporting on Fitness Programs provided for an excellent return of the reports themselves. A rough cut of the regional roll-up data shows 96 commands/installations reporting on 141 fitness facilities. Only 16 (11.3%) meet or exceed all DOD standards, down from 37% last year and the worst results ever despite FY 2003 being the best ever APF year. Biggest correctable discrepancies lie in staffing areas. Facilities remain a problem, but many of those are beyond solution without MILCON, which is also under great stress. The MWR Program Manager is re-looking at some of the FY 2004 O&M,N funding priorities as fitness is the top core program, but funding support does not seem to be tracking the same way.

Navy MWR Spouse Survey Results: Results from the first Navy-wide MWR Spouse Survey indicate that more than 80 percent of respondents believe that Navy MWR programs improve their quality of life. About 70 percent of spouses said they were satisfied with Navy MWR facilities and services, and nearly one third of them reported that MWR programs and services increased the desire of their Sailors to stay Navy.

In addition, 90 percent of those surveyed said they would continue to use MWR programs, and 80 percent said they would recommend MWR facilities and services to others. The following MWR programs were rated by 70 percent or more of the respondents as being most important: Information, Tickets and Travel (85 percent); Fitness Centers (83 percent); Outdoor Recreation Areas (75 percent); On Base Free Movies (73 percent); Recreation Swimming Pools (72 percent); Youth Recreation Programs (72 percent); and Special Events (70 percent).

Surveys were mailed in December 2002 to 11,000 randomly selected Navy spouses. The response rate was 27.3 percent. Respondents included about equal numbers of spouses of officer and enlisted personnel; 75 percent were currently living off base and 25 percent on base; 91 percent were attached to CONUS commands and 8 percent to OCONUS commands; 58 percent were female and 42 percent were male.





The survey completed a three-year cycle that began with the 2000 MWR Customer Satisfaction Survey and the 2001 Navy MWR Leadership Survey. Overall, Navy spouse satisfaction with MWR was about the same as reported by Sailors in 2000 and about 10 percentage points lower than Navy leaders surveyed in 2001. The survey was commissioned by PERS-65 and conducted by the Navy Personnel Research, Studies and Technology Department, Navy Personnel Command.

Fleet Fitness/Recreation Refit: As a result of the FY 2003 Supplemental Funding, Navy MWR executed $7.6M to replace shipboard fitness (9,639 pieces of strength and 1,456 pieces of assorted cardiovascular equipment) and over 66,680 items of recreation and sports equipment which were used

extensively at sea during Operations Enduring Freedom and Iraqi Freedom. The MWR Fleet Support team helped to distribute equipment to their homeported ships.

Assessment and Performance

Morale, Welfare and Recreation (MWR) BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Category A Activities	$153.241M	$164.396M
Category B Activities	$44.954M	$49.106M
Category C Activities	$10.464M	$11.407M
TOTAL MWR	$208.659M	$224.909M

The overall assessment of MWR in FY 2003 based on the results of the performance data call is at Capability Level 2 with a score of 7.12 out of 10. This matches the FY 2002 performance. The MWR program is positioned to continue its strong support to the Fleet and to Navy families, but is facing additional funding restraints commencing in FY 2004. The currently approved Navy-wide standards provide the framework for improving the delivery of high levels of service across a broad range of programs, subject to decisions on Capability Level funding. The overall requirements for MW, which increased in the BAM for POM-04, were re-evaluated for PR-05 and were considerably lower. For example, the POM-04 requirements for FY 2004 and FY 2005 were set at $396M and $404M respectively. For PR-05, the FY 2005 requirements were shown as $342.977M for Capability Level 1, $240.084M for Capability Level 2, and $171.489M for Capability Level 3. The overall MWR Program is expected to continue using Utilization, Support, and Accountability (USA) to migrate APF billets to NAF as APF becomes more constrained and to use the MWR program priority list to assist with identifying program reductions.

For FY 2003, the total recorded direct BOS IMAP obligations for MWR were $224.909M. This total was over $16M more than the IMAP obligations for FY 2002. It is important to note again these IMAP appropriated fund obligations do not include the Pers-6 headquarters obligations for MWR (of approximately $58M including the centrally controlled MWR program areas such as the Fleet MOPIX which is around $10M by itself. With the addition of these obligations the MWR total for FY 2003 increases to $274.573M, or nearly $30M more than in FY 2002). These increased obligations were largely the result of supplemental appropriations adding to the overall fitness program implementation.

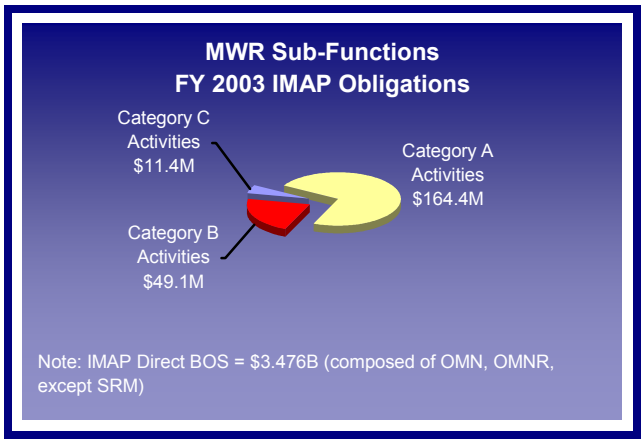
Category A Activities: The Category A Activities sub-function and its activities are authorized for 100% of eligible program costs to be funded with APF. The PR-03 BAM submission did not detail requirements by the MWR sub-functions. The same remained true for the POM-04 and PR-05 submissions. The total direct IMAP BOS obligations for this sub-function for FY 2003 were recorded at $164.396M or 73% of the total for the MWR function in FY 2003. These obligations showed an increase of over $11M from the FY 2002 recorded obligations. While the IMAP reporting for the MWR function has improved, it still does not account for significant PERS-6 headquarters funding. The MWR IPT and CNI Personnel Support program director will address this issue.

Category B Activities: The Category B Activities sub-function and its activities are authorized 65% of eligible program costs to be funded with APF. The PR-03 BAM submission did not detail requirements by the MWR sub-functions. The same remained true for the POM-04 and PR-05 submissions. The total direct IMAP BOS obligations for this sub-function for FY 2003 were recorded at $49.106M or 22% of the total for the MWR function in FY 2003. These obligations showed an increase of over $4M from the FY 2002 recorded obligations.

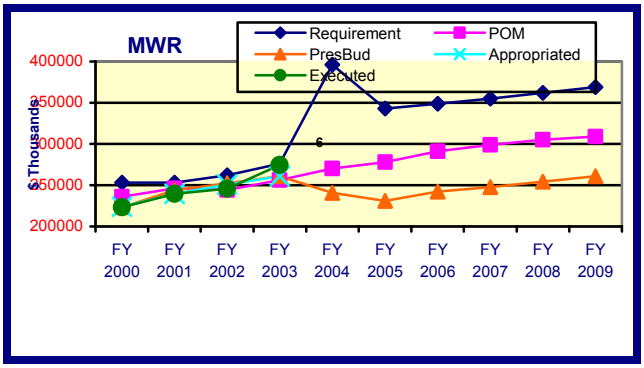
Category C Activities: The Category C Activities sub-function and its activities have limited APF support except for overseas and remote locations that are authorized 65% of eligible program costs. The PR-03 BAM submission did not detail requirements by the MWR sub-functions. The same remained true for the POM-04 and PR-05 submissions. The total

direct IMAP BOS obligations for this sub-function for FY 2003 were recorded at $11.407M or 5% of the total for the MWR function in FY 2003. These obligations showed an increase of nearly $1M over the FY 2002 recorded obligations.

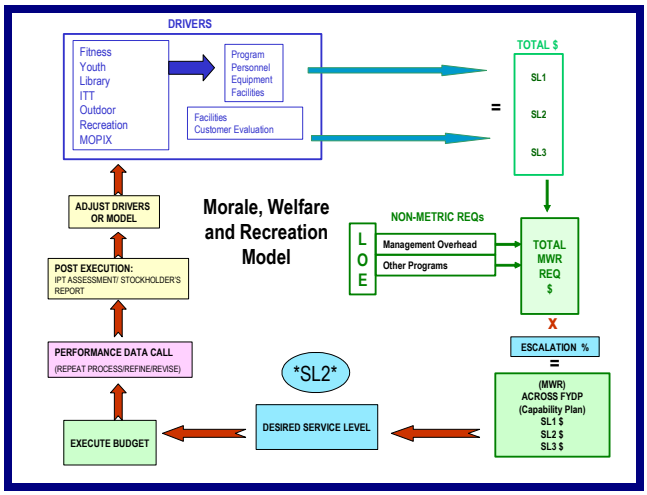
Morale, Welfare and Recreation (MWR) Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "MW" OSD Budget	IMAP Obligations
$280M	$260M	$233.377M	$224.909M



MWR Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance Capability Level
Northeast	7.01	CL 2
NDW	7.2	CL 2
Mid-Atlantic	7.1	CL 2
Southeast	7.2	CL 2
Northwest	7.05	CL 2
Southwest	7.3	CL 2
Midwest	7.1	CL 2
Gulf Coast	7.22	CL 2
South	7.1	CL 2
Hawaii	7.15	CL 2
Japan	7.2	CL 2
Korea	7.01	CL 2
Guam	5.0	CL 3
Europe	7.3	CL2
Southwest Asia	8.9	CL2
Overall Performance	7.12	CL2



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 MWR function is shown on the following page. Note that Service Levels changed to Capability Levels in FY 2004.



Morale, Welfare and Recreation (MWR):

- Funded at C-2eadiness rating.
- Performed at Capability Level 2 in FY 2003.
- Major support efforts continued for Operations Enduring Freedom and Iraqi Freedom.
- Program had a $30M increase in obligations over FY 2002.
- Completed standards, metrics and Capability Levels for additional MWR programs.
- NAF performance improved as units returned home.
- Fleet fitness/recreation program expanded.
- Completed Spouse MWR survey – positive results.
- Developed MWR program priority list.
- Commenced review by CNI and Pers-65 to streamline organizational relationships.

Child Development

Scope of Program

The Child Development function under the Core Business Area of Personnel Support includes all sub-functions and activities in direct support of the Child Development Program (CDP).

Child Development
➢ **Child Development Centers**
➢ **Child Development Homes**
➢ **Resource/Referral**
➢ **School Age Care**

Child Development Centers: The Child Development Centers sub-function includes child care services that are provided on a military installation (or on property under the jurisdiction of the commander of a military installation) for children of DoD personnel through age twelve. Care may be provided on a full-day, part-day, or hourly basis. Care is designed to protect the health and safety of children; to promote their physical, social, emotional, and cognitive development; and to enhance children's readiness for later school experience.

Child Development Homes (CDH): This sub-function includes in home care provided for up to six children ages birth to twelve (including own children under the age of eight) by a CDH certified military

dependent in quarters either owned or leased by the government or privately owned or leased. CDH providers are permitted and authorized to serve dependents of DoD civilian employees of the installation when determined beneficial by the local command.

Resource/Referral: The Resource/Referral sub-function includes all activities for the program that suggests child care alternative options for DoD personnel who cannot enroll their children in a Navy child development program. Alternatives provided include off-base services that meet qualifying criteria.

School Age Care: The School Age Care sub-function includes the program that provides child care services to DoD personnel for their school age children (6-18) who require supervision during duty hours, before and after school, and during school closures. Care is provided in a youth or community center or in partnerships with local school or other community facilities.

Progress in FY 2003

The Navy Child Development Program (CDP) has continued to offer quality care while implementing efficiencies allowing for program growth to meet DoD's expansion goals by FY 2007. This has been accomplished with the implementation of Most Efficient Organizations (MEOs) developed through the Functionality Assessment (FA) completed in FY 2001. Innovative initiatives have provided school-age children with exciting opportunities and increased spaces in the program to attend Scholarship Camps, Outdoor Adventure Camps, and Teen Employment. The SIPB agreed at its June 2001 meeting that the CDP should take the FA path vice continuing with its IPT efforts.

The Navy's CDP provides direct assistance to Navy personnel in balancing the competing demands of family life with the accomplishment of the mission, and to improve the economic viability of the family unit by providing high-quality child care at affordable rates. The Navy's focus has traditionally been on children from birth to 5 years of age, but it has now been expanded to include children 6–18 years of age. This allows for quality program improvements for children in need of school-age care – a growing population within DoD. To promote a high-quality child development program, DoD requires that caregiver salaries meet certain prescribed minimum levels and that those caregivers complete comprehensive child development training.

DoD is required by law to maintain strict oversight of the health and safety standards of its child development settings through inspections. Public Law requires DoD to establish uniform fees based on total family income and that no more than 50% of operating expenses shall be borne by combined parent fees. During FY 2003, through MEO implementation, programs were able to increase home care subsidies by 11%, limit parent fee increases to 1.5%, while limiting the overall cost increase to the government to 2%.

The number of spaces required in the CDP is determined by the DoD goal to provide child care to meet 80% (52,687 spaces) of the potential need (65,858 spaces) for ages 0–12 by FY 2007. Potential need is determined by a formula that uses the number of children ages 0–12 whose parents work outside of the home and who, based on statistics, may need some type of child care. Additionally, the Program Manager (Pers-65) evaluates the need to ensure Navy is providing an appropriate level of quality, affordable care in major fleet, overseas/ isolated and remote, and heartland locations.

In FY 2003, CDP achieved its fiscal year goal of meeting 73% of the DoD potential child care need in terms of spaces versus the 80% DoD goal. Current funding stream will not enable the program to achieve the DoD goal of 80% by FY 2007.

The Program Manager at Pers-65 had several goals for FY 2003 for the Navy's CDP. A status report on the completion of meeting these goals follows:

- **Increase Community Support Programs National Accreditation/Certification/ Affiliation**
  - 100% of eligible Child Development Programs (CDP) are accredited by National Association of Early Childhood for Young Children: **95% complete.**
  - 100% of CDPs are DoD certified: **100% complete.**

Navy CDP Total Spaces and Percentage of DoD Goal of 80% of Potential Need

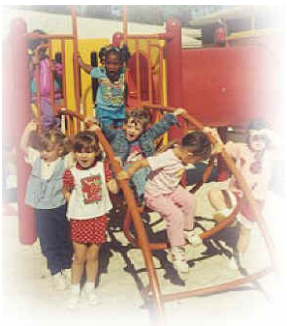
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Spaces	43,817	45,273	47,782	46,824	45,960	46,422	46,886
% of Need Met	67%	69%	73%	70%	70%	70%	71%

- 100% of Youth Programs affiliated with Boys & Girls Club of America: **90% complete.**
- 3% of Child Development Homes are accredited by Military Homes Accreditation/National Association for Family Child Care: **100% complete; currently 4% of Child Development Homes are accredited.**
- 25% of SAC programs are accredited by National School Age Care Alliance: **8% complete; currently 2% of SAC programs are accredited.**

- **Increase Community Support Information Management Systems**
  - Child/Youth Management System operational at 30% of total installations: **75% completed; installation complete in CNRNW and CNRSE, and underway in CNRSW, CNRMA, CNRHI, and Guam.**
  - 100% of all child/youth programs have connectivity: **70% complete; did not achieve 100% this FY due to funding reductions**
  - Child/Youth Management System (CYMS) FY 2004 Implementation Schedule:
  - The Program Manager (PERS-659) is centrally funding the installation of CYMS at all Navy installations operating child and youth programs. This information management system manages waiting lists, placement, enrollment, and youth classes and sports. Installation child/youth managers will be contacted directly to schedule specific dates and details for the system's installation. Installation is scheduled to be completed Navy-wide by the end of calendar year 2005.

    Fall 2003/Winter 2004
    - Navy Region Northwest
    - Navy Region Southwest
    - Navy Region Hawaii
    - Navy Region Mid-Atlantic
    - NTC Great Lakes
    - NSA Mid-South

    Spring/Summer 2004
    - Navy Region Pensacola
    - Navy Region Northeast
    - NAF Key West



    - NAVSTA Guantanamo Bay, Cuba
    - NAS Sigonella, Italy

- **Community Support: Increase Attendance of Professional Training for Field Managers by 50%**
  - Overall attendance by Community Support field managers was down approximately 9% YTD due to field funding reductions.
  - Annual Training for CDPs: Training & Curriculum Specialists, Child Development Program Administrators, Child Development Home Directors: **Attendance at T&C and CDH conferences down approximately 8% each due to field funding reductions.**
  - Annual Training for SAC, Youth Teen programs: **Attendance for SAC and Youth conferences was down by approximately 10% each due to field funding reductions.**

- **Community Support: Execution of Facility Projects**
  - NWS Charleston: Youth Center Conversion ($1.6M – NAFCON): **Complete.**
  - NAS Kingsville: Expand and Repair Foundation of CDC ($177K): **Reprogrammed to FY 2004 due to funding reductions; design funded with FY 2003 funding.**

- SUBASE New London: Repairs to CDC (CT 186) and SAC (Bldg. 1004) ($145K): **Re-programmed to FY 2004 due to funding reductions.**
- NSW Indian Head: Addition to SAC ($700K): **Under Construction.**
- PSNS Bremerton: Jackson Park Youth Center ($4.1M): **Re-programmed to FY 2004 due to funding reductions.**
- NAVSTA Pearl Harbor: CDH Group Home ($300K): **Complete ($119K).**
- NAS Brunswick: SAC Expansion ($500K): **Complete ($650K).**
- NAVSTAS Norfolk: CDH Group Home ($500K): **Complete ($700K).**
- NAS Pensacola: CDC Renovation ($468K): **Re-programmed to FY 2004 due to funding reductions**
- NDW: CDC Renovation ($100K): **Re-programmed to FY 2004 due to funding reductions**

- **Increase Family Support Programs**
  - Improve economic viability of families with children by freezing child/youth program fees: **100% complete; fees frozen at FY 2002 rates for FY 2003.**
  - New fees are authorized for the 1 January 2004 through 30 September 2004 period.

Central Enrollment and Waiting List Management (CEWL): The CEWL ensures that all child and youth program vacancies are tracked, monitored closely and filled quickly. It provides convenient and efficient customer service to patrons. It maintains a Navy-wide standardized waiting list system that provides fast, efficient and fair service to all patrons.

- 3 Tier Waiting List System;
- Centralized Placement within each local program.
- Single placement list for ages 6 weeks to 12 years.
- Helps patrons secure the care they want in a specific CDC, SAC, CDH or housing area/school district.
- Preferred Care Waiting list is to offer parents preferred care options.

Implementation of CEWL expedites:

- Placement in vacancies;
- Marketing;
- Administration support; and
- All placements are made through the CEWL

Assessment and Performance

Child Development BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Child Development Centers	$64.835M	$64.448M
Child Development Homes	$4.178M	$4.929M
Resource/Referral	$0.195M	$0.139M
School Age Care	$5.174M	$5.815M
TOTAL Child Development	$74.382M	$75.331M

The Military Child Care Act of 1989 (codified in 1996) provides the legislative cornerstone of the Child Development Program. The DoD goal is to provide Child Development spaces to meet 80% of the potential need for ages 0 through 12 years by FY 2007. In FY 2003, CDP achieved its fiscal year goal of meeting 73% of the DoD potential child care need in terms of spaces versus the 80% DoD goal. The overall metric for this function is the cost per space time the number of spaces. The PR-03 BAM submission had the FY 2003 requirements for the Child Development function as $89M with a total of 48,344 spaces for the 0-12 age group. This stated requirement was intended to provide 100% of the funding of SECNAV QOL Master Plan goals and OSD standards. In POM-04, the OPNAV N46 BAM submission included a metric cost of $1,876 per space and a total requirement of $90.8M for FY 2004. These grew in the PR-05 Capabilities Plan submission to $1,989 per space and a total requirement of $96.559M for FY 2005. These were shown as the

Capability Level 1 requirements (the full requirement) and the only Capability Level.

The recorded FY 2003 direct IMAP BOS obligations for the Child Development function were recorded at $75.331M or roughly $1M more than the FY 2002 obligations of $74.382M. These obligations do not include the Pers-65 headquarters obligations and centrally managed programs of roughly $19M for this function. With the addition of these obligations the CDP total for FY 2003 increases to $94.698M, or $8.5M more than in FY 2002. These increased obligations were largely the result of supplemental appropriations adding to the program's execution. There was no performance data call conducted for the Child Development function. In FY 2003, the Navy Child Development Programs maintained an MEO Capability Level 1, funding Child Development Centers to capacity with all authorized Child Development Home spaces subsidized. Maintaining the requisite funding level for this function is key to maintaining the program's Capability Level goals.

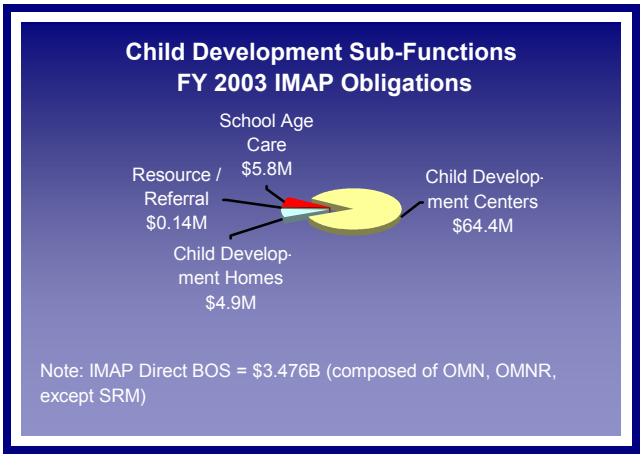
Child Development Centers: The Child Development Centers sub-function accounts for the majority of the funding within the CDP function. The requirements for this sub-function were not detailed in the PR-03 BAM submission, and they were not detailed in POM-04 or PR-05. The FY 2003 requirements were stated as 14,689 spaces, but there was no cost per space provided. The total direct IMAP BOS obligations for FY 2003 totaled $64.448M for the Child Development Centers sub-function. These obligations for FY 2003 were slightly less than the FY 2002 obligations ($64.835M) for this sub-function.

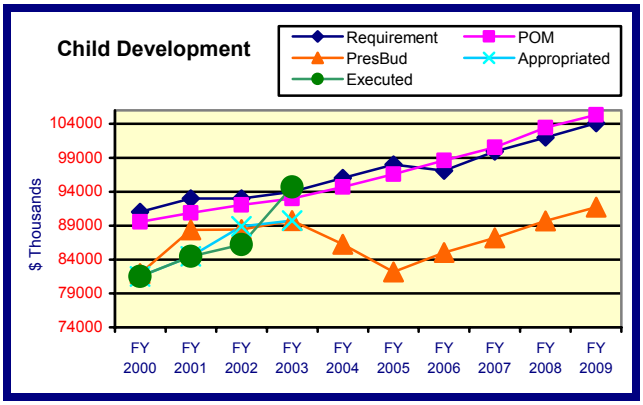
Child Development Homes: The Child Development Homes sub-function was also not addressed in terms of specific requirements in PR-03. The space requirements for FY 2003 were set at 20,155. The requirements for this sub-function were not detailed in POM-04 or PR-05. The total direct IMAP BOS obligations for FY 2003 totaled $4.929M for the Child Development Homes sub-function. These obligations for FY 2003 were slightly less than the FY 2002 obligations ($4.178M) for this sub-function.

Resource/Referral: The Resource/Referral sub-function has minimal associated funding for either FY 2002 or FY 2003. The requirements for this sub-function were not detailed in the PR-03 BAM submission and were also not detailed in POM-04 or PR-05. The FY 2003 total direct IMAP BOS obligations were recorded at only $139K in comparison to the $195K in FY 2002.

School Age Care: The School Age Care Response sub-function was also not addressed in terms of specific requirements in PR-03. The space requirements for FY 2003 were submitted at 12,492. The requirements for this sub-function were also not detailed in POM-04 or PR-05. For FY 2003, the School Age Care sub-function had direct IMAP BOS obligations of $5.815M. These obligations were over $600K more than the FY 2002 total for this sub-function.

Child Development Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "CD" OSD Budget	IMAP Obligations
$89M	$84M	$81.370M	$75.331M



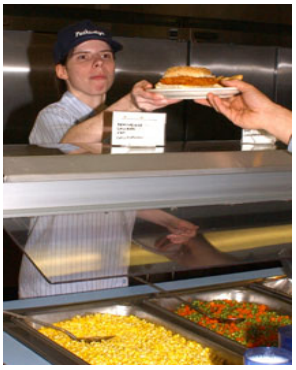


Child Development:

- Funded at C-2 readiness rating.
- Performed at the equivalent of Capability Level 1.
- Met mission requirements with increased capacity and improved efficiencies.
- Program had $8M increase in obligations in FY 2002.
- Successfully reached FY 2003 goal to achieve 73% of the DoD potential need in terms of spaces by the end of FY 2003.
- 100% of CDPs are DoD certified.

Galley

Scope of Program



Within the Personnel Support Core Business Area, the Galley Function includes sub-functions and activities that support the management and operation of the Galley. It includes labor, supplies and equipment used by the Galley to provide ration-in-kind, food service to eligible personnel.

Galley
➢ **Food Service Contracts**
➢ **Galley Operations**

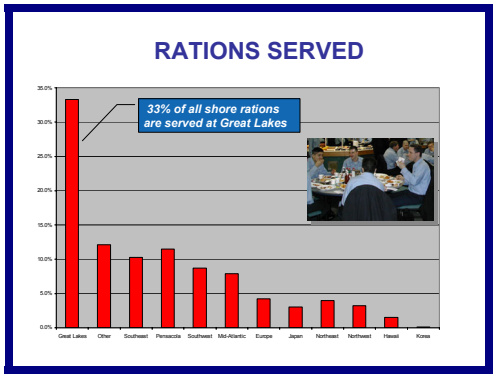
Food Service Contracts: The Food Service Contracts sub-function includes all labor, maintenance or service contracts required to operate the Galley for the delivery of rations-in-kind food services. This includes Food Service Staff contracts, Food Service Attendant contracts, Full Food Service contracts, Laundry Service contracts and others as required to manage and operate the galley.

Galley Operations: The Galley Operations sub-function includes the pay of personnel, the cost of consumable supplies and the cost of equipment needed to operate the Galley. It excludes products or services provided under procurement contracts.

Progress in FY 2003

Galley Operations in FY 2003: The Navy's 70 Galleys served over 10.389 million rations to sailors and cash paying customers in FY 2003. The Basic Daily Food Allowance is $6.38 per day. (Note that a ration is three meals for the day.) At NTC Great Lakes, it costs $13.85 per day to put a ration on the table. Cash sales made up approximately 18.5% of the total rations served. Significantly, one-third of all of the Navy's rations are served at NTC Great Lakes. With the construction underway at NTC Great Lakes for the RTC Recapitalization Program, the operations will grow from 2 Galleys to 16 Galleys, as the new buildings for recruit training are completed. RTC has also eliminated the RTC service week thereby increasing the demand for contractor support personnel. Great Lakes and Pensacola combined serve more than 41% of the rations in the Navy. Another example is at Naval Station Norfolk where they serve 1,276 meals per workday and

464,464 meals annually with a staff of 50 military and 39 contractor support personnel.



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

Galley IPT: The Galley IPT provided several of the highlights for all of the IPTs during FY 2003. It was successful in completing the development of its Capability Levels, standards, and metrics and in obtaining the SIPB's approval of these proposals. These efforts were accomplished as the Galley IPT had been one of the original IPTs, and then after 18 months as a Gold IPT moved ahead smartly to complete this work. The SIPB actually approved the macro metric of cost per ration back in 2001. The approval of the Capability Levels will allow for improved requirements submissions in POM-06 and beyond.

Assessment and Performance

Galley BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Food Service Contracts	$69.063M	$81.213M
Galley Operations	$25.915M	$27.612M
TOTAL Galley	$94.978M	$108.825M

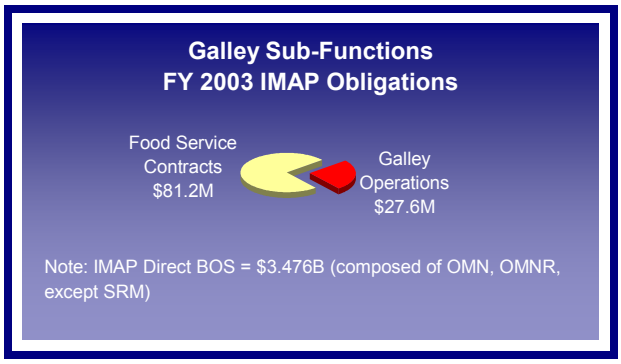
Food Service Contracts: The Food Service Contracts sub-function accounts for nearly 75% of the overall Galley obligations. The Food Service sub-function was not addressed as a separate element in the OPNAV N46 BAM submission for PR-03. The only reference for the Galley program was as a sub-function within the Shelter/Subsistence function with a requirement stated for FY 2003 of $68.465M. The total direct IMAP BOS obligations for the Food Service Contracts sub-function for FY 2003 were set at $81.213M or over $12M more than the FY 2002 obligations. The POM-04 BAM submission had increased detail than previous budget submissions. In that submission for FY 2004, the cost per macro metric was submitted as $9.0702 per ration served. The total requirement for FY 2004 was $100M. By January 2003, the cost per macro metric has increased to $10.871 per ration and the FY 2005 full requirement was set at $125.819M. The newly approved Capability Levels should help in the determination of the Galley requirements in POM-06.

The overall Galley performance for FY 2003 was not broken down into the two sub-functions of Food Service Contracts and Galley Operations. The FY 2003 performance was recorded at a Capability Level 2 with an overall score of 7.55 out of 10. This exceeded the expectations as the funding line for FY 2003 in PR-03 was at a C-3 readiness rating.

Galley Operations: The Galley Operations sub-function was also not detailed as a separate sub-function in the PR-03 BAM submission for FY 2003. AS was noted above, the overall sub-function was entitled Galley under the Shelter/Subsistence function and had a requirement shown for FY 2003 of $68.465M. The FY 2003 direct IMAP BOS obligations for the Galley Operations sub-function was recorded at $27.612M or nearly $1.7M more than in FY 2002. The largest expenditures in terms of obligations for the Galley Operations sub-function were found at

Guam ($5.645M), NAS Keflavik ($4.6M), NWS Charleston ($4.1M), NAVSTA Newport ($1.77M), and at SUBASE San Diego in Pt. Loma ($1.68M).

Galley 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 = "GL")	IMAP Obligations
$72.216M	$68.604M		$108.825M



Galley Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	7.61	CL 2
NDW	8.22	CL 2
Mid-Atlantic	7.95	CL 2
Southeast	7.83	CL 2
Northwest	7.22	CL 2
Southwest	8.07	CL 2
Midwest	6.95	CL 3
Gulf Coast	7.69	CL 2
South	6.66	CL 3
Hawaii	7.45	CL 2
Japan	8.09	CL 2
Korea	6.96	CL 3
Guam	*No Galley	
Europe	7.51	CL 2
Southwest Asia	*No Galley	
Overall Performance	7.55	CL 2

Galley:

- Funded at C-3 readiness rating.
- Performed at a Capability Level 2 in FY 2003 exceeding expectations.
- Galley obligations increased by more than $13.8M in FY 2003 as compared to FY 2002.
- Cost per ration continued to increase because of cost per contracts increase.
- Great Lakes and Pensacola combined for more than 41% of rations served in Navy.
- Food Service Contract costs increased by 17% in FY 2003.
- New Capability Levels approved in FY 2003.

Fleet and Family Support (FFSP)

Scope of Program

Within the Core Business Area of Personnel Support, the Fleet and Family Support function includes all of the sub-functions that provide direct support for FFSP operations. The primary mission of the FFSP is to assist Navy leadership in achieving mission readiness by providing to Sailors and their families a wide range of support services through installation Fleet and Family Support Centers (FFSC). These services support individual and family readiness and adaptation to life in the Navy, and include crisis intervention and response, and deployment support and repatriation.

Fleet and Family Support Program (FFSP)
➢ Deployment/Readiness
➢ Crisis Response
➢ Career Support/Retention

Deployment/Readiness: The Deployment/Readiness sub-function includes the FFSP services that directly support deployment and mission readiness by preparing service and family members to anticipate, understand, and cope with the demands associated with the navy lifestyle and operating tempo.

Crisis Response: This sub-function includes all FFSP services that provide clinical counseling, advocacy and support services, victim intervention and related prevention education. Crisis Response activities include: clinical counseling, victim advocacy, family advocacy, casualty/disaster response, SAVI, critical incident intervention, and mobilization/ repatriation.

Career Support/Retention: The Career Support/ Retention sub-function includes the FFSP services integral to increasing service member retention and building family support for active duty retention, plus the services to conduct and implement career support planning over the entire military career span.

Progress in FY 2003

FFSP Support to the Fleet: The FFSP has 55 centers delivering services at 65 installations throughout the U.S. and in 9 foreign countries and U.S. territories. The Program Manager is at Pers-66 within the Naval Personnel Command at Millington, Tennessee. OPNAV N1 and N4 established a working group in late FY 2003 to identify alternatives for aligning PERS-65 & PERS-66 with CNI to improve overall functions and processes where it makes sense. The objectives of this work were:

- Streamline organizational relationships to achieve greater efficiency in shore activities management;
- Differentiate the roles and relationships of CNP (HRM policy) and CNI (program operations);
- Recommend an alignment alternative which provides functional optimization in sustaining QOL support for Sailors while providing Navy with increased efficiency and effectiveness of program operations.

A final report and recommendations are expected early in 2004 with implementation planned for 1 October 2004.

The FFSP had another strong year in FY 2003, providing support to Navy commands, sailors, and family members. The FFSP system was again stressed with the increased activities and demands in support of units and personnel deploying for Operations Enduring Freedom and Iraqi Freedom. Funding (both Navy and DoD) was adequate to ensure strong program and service delivery throughout FY 2003. Some examples of the level of FFSP effort during the year include:

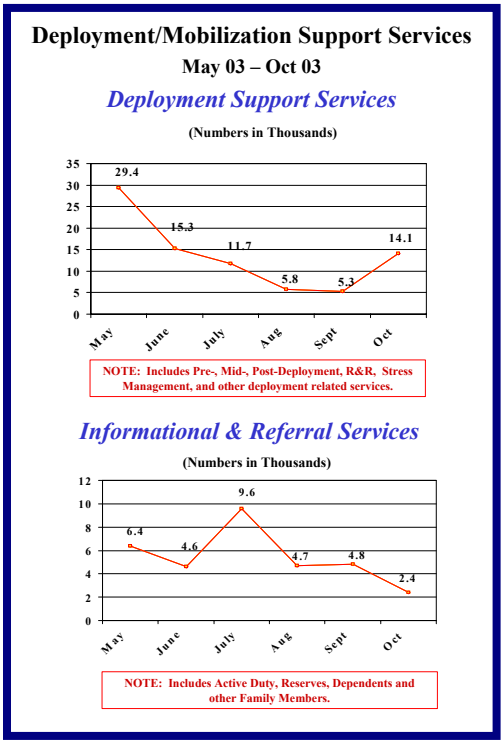
- In FY 2003, the Hampton Roads FFSCs responded to the following:
  - ➢ the activation of over 500 reservist through NMPS Norfolk;
  - ➢ provided pre-deployment programs to 92 deploying commands;

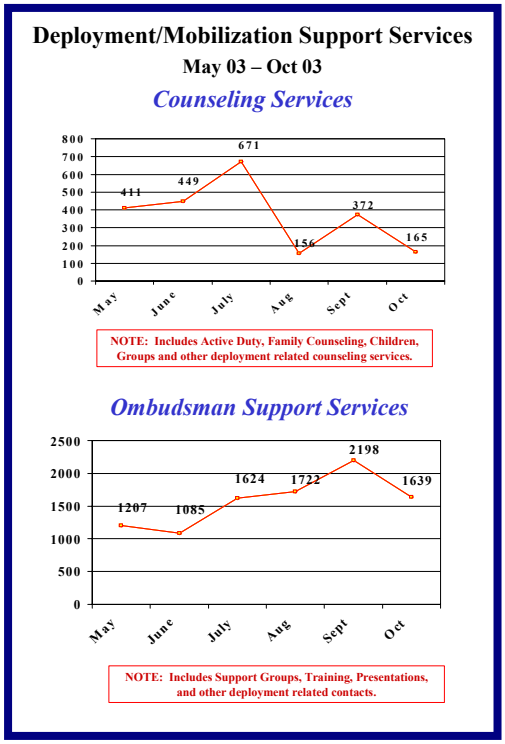
- 760 return and reunion programs for 30,378 attendees;
- repatriation of families from Bahrain transiting/or safe haven to Norfolk;
- support to area ombudsmen with increased training and consultation;
- training and support for Family Support Groups;
- extensive work with school guidance counselors;
- numerous media interviews; and
- increased briefings and pre-deployment programs given in the schools to support deployment and Operation Iraqi Freedom (OIF).

In addition to deployment/readiness support requirements, the FFSCs initiated a Family Assistance Center following Hurricane Isabel in coordination with military and civilian agencies. During this year, FFSC and FAP merged as one organization in Hampton Roads.

- Region Gulf Coast FFSCs at Pensacola and Whiting Field also addressed:
  - joining the Military Child Education Coalition and Governor Bush' Florida Military Student Education Committee in order to partner with the local school system and address the needs of military children relocating to Florida as well as Escambia County.
  - continuing work to obtain certification of batterer's intervention group. This will bring the Navy's program into compliance with State regulations.
  - providing expertise on critical incident stress management not otherwise available in the community.
    - FAR is a member of the local county school board task force on violence prevention;
    - FAR represents NASWF on the county domestic violence council and is chairing a committee to bring a national domestic violence training program for law enforcement and prosecutors to the local area.
    - FAR is working with community to establish a local child sexual abuse coalition.
- Major efforts in progress with the DoD Task Force on Domestic Violence and to respond to the DoD Social Contract.
- Some additional examples of overall statistics include the following 6-month snapshots:

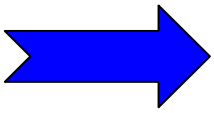
FFSP IPT: The FFSP IPT redefined the program





functional areas that have been incorporated into IMAP 2003. The changes are shown below:

IMAP 2000
- Counseling/Advocacy
- Management and Tech Support
- Mobility Support
- Operational Support



IMAP 2003
- Deployment/Readiness
- Crisis Response
- Career Support/Retention

The FFSP IPT Chair briefed the SIPB in December 2002 on the progress of the IPT's work in developing standards and metrics. The SIPB approved the FFSP's macro metric, standards, and Capability Levels (later revised) for use in programming, budgeting and execution. The approved macro metric is the cost per active duty personnel. The FFSP IPT also conducted the first Navy-wide performance data call for FY 2003.

The overall results are reported below. The IPT has commenced work on the development of Required Operational Capabilities by size and type of FFSC program depending on the region and installation requirements.

The FFSP IPT also developed an overall priority list of programs for this function within the Personnel Support Core Business Area.

FFSP Navy-wide Functionality Assessment: The FFSP Functionality Assessment (FA) was completed at the end of 2003. The objectives of this FA were to:

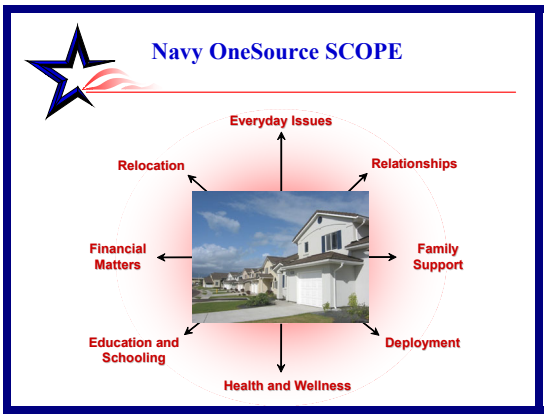
- Maximize FFSP efficiency through process assessment and redesign;
- Ensure "best value" service delivery for the Navy.

The FA included an FFSP Organizational Concept and provided a Business Case Analysis for the "To-Be" organization with responsibilities at the Claimant, Region, and Base Installation levels. The MEO for FFSP also addressed total costs, financial analysis and expected return on investment. The Navy's FFSP organization will review the implementation of the FA for FY 2004 as expected savings on the order of $5M per year are already programmed commencing in FY 2005.

FFSP PROGRAM PRIORITY	FFSP PROGRAM
1	CASUALTY/DISASTER RESPONSE (C)
2	MOBILIZATION/ REPATRIATION (C)
3	DEPLOYMENT SUPPORT
4	RELOCATION (OCONUS AND TRAINING COMMANDS
5	FAP – INCLUDES VICTOM ADVOCACY
6	CLINICAL COUNSELING – INCLUDES CRITICAL INCIDENT INTERVENTION
7	OMBUDSMAN
8	PERSONAL FINANCIAL MANAGEMENT
9	SEAP
10	RELOCATION (CONUS)
11	INFORMATION AND REFERRAL
12	TAMP
13	NEW PARENT SUPPORT (OCONUS AND REMOTE)
14	NEW PARENT SUPPORT (P)
15	SAVI (P)
16	LIFE SKILLS EDUCTION (P)
(C) = CONTINGENCY; (P) = PREVENTIVE	

Navy OneSource: The Navy OneSource program is designed to augment the current on-base family support programs on a 24-hour, 7 day a week, worldwide basis. It is providing military & community based information and referral that is customized each and every time the individual sailor and family member calls or e-mails. The purpose of Navy OneSource is to:

- reach those not currently reached by center-based services;
- augment center-based services by providing 24/7 availability by phone and on-line;
- increase scope of information available;
- increase referrals to existing Family Centers for local information/services
  - High-tech service delivery – Navy OneSource
  - High-touch service delivery – FFSCs



DoD is funding Navy OneSource for a 5-year period, at which time the Navy will decide whether to continue the funding and the program.

Fleet and Family Support Management Information System (FFSMIS): Pers-66 has continued its work to develop and deploy the new FFSMIS for use across the FFSP. The goal remains to roll out the new system during the later part of FY 2004.

Assessment and Performance

Fleet and Family Support Program (FFSP) BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Deployment/ Readiness	$11.811M	$8.695M
Crisis Response	$26.915M	$29.220M
Career Support/ Retention	$1.854M	$3.328M
TOTAL FFSP	$40.580M	$41.243M

The sub-functions within the FFSP program were included in the PR-03 BAM submission, but the OPNAV N46 staff used the then-approved IMAP sub-functions. These have subsequently been changed to the current IMAP sub-functions. For the POM-04 BAM and the PR-05 Capabilities Plan, the OPNAV N46 submissions included basic requirements for the FFSP as a whole, but with no details for the three sub-functions. The approval of the Capability Levels for FFSP and the improved metrics for this program will allow for improved articulation of the requirements by sub-function in POM-06 and beyond. The overall requirements submitted for FY 2003 for the FFSP function were set at $51M. This represented 100% funding of the SECNAV FFSP Master Plan and OSD standards. There was no specific reference to a readiness rating of either C-2 or C-3. Of note, the POM-04 total requirements submitted in early 2002 for FY 2004 for the FFSP function were at $53M. The improved submission in January 2003 for the PR-05 Capabilities Plan had the total requirements for the FFSP function at $51.699M in FY 2005, but not detailed by specific Capability Level.

For FY 2003, the total direct IMAP BOS obligations recorded for the FFSP function were $41.243M or slightly more than the IMAP obligations recorded in FY 2002. It is important to note again these IMAP obligations do not include the Pers-6 headquarters obligations for FFSP or the centrally controlled FFSP program areas or the DoD funding stream for FFSP, which is around $50M by itself. With the addition of the Pers-6 Navy obligations, the FFSP total for FY 2003 increases to $51.445M, or over $5M more than in FY 2002. The Navy is awaiting final determination on the appropriate use of DoD and Navy funds for the various programs. In FY 2003, the performance in the FFSP function was reported at a Capability Level 2 with an overall score of 8.21 out of 10. This performance was in line with the expectations for FY 2003.

Deployment/Readiness: The Deployment/Readiness sub-function was addressed in the PR-03 BAM submission in general terms under the old IMAP title of Operational Support. No specific requirements were detailed for this sub-function for FY 2003. This title was retained for the POM-04 BAM submission. In January 2003, the OPNAV N46 PR-05 Capabilities Plan submission provided specific reference to the new Deployment/Readiness sub-function, but no associated requirements or costs. The FY 2003 direct IMAP BOS obligations for this sub-function were set at $8.695M or over $3M less than the recorded obligations for FY 2002. The overall performance for the Deployment/Readiness sub-function in FY 2003 was at Capability Level 2 with a score of 8.23 out of 10.

Crisis Response: The Crisis Response sub-function supports the majority of the FFSP obligations again in FY 2003. In both the PR-03 and POM-04 BAM

submissions, the Crisis Response sub-function was referred to using the prior title of Counseling and Advocacy Support. No specific requirements were detailed for this sub-function for FY 2003. In January 2003, the OPNAV N46 PR-05 Capabilities Plan submission provided specific reference to the new Crisis Response sub-function, but no associated requirements or costs. The FY 2003 direct IMAP BOS obligations for this sub-function were set at $29.22M or over $2M more than the recorded obligations for FY 2003. The overall performance for the Crisis Response sub-function in FY 2003 was at Capability Level 2 with a score of 8.32 out of 10.

Career Support/Retention: The Career Support/ Retention sub-function was covered in general terms in the PR-03 and POM-04 BAM submissions using the Mobility Support sub-function title. No specific requirements were detailed for this sub-function for FY 2003. In January 2003, the OPNAV N46 PR-05 Capabilities Plan submission provided specific reference to the new Career Support/Retention sub-function, but no associated requirements or costs. The FY 2003 direct IMAP BOS obligations for this sub-function were set at $3.328M or nearly $1.5M more than the recorded obligations for FY 2002. The overall performance for the Deployment/Readiness sub-function in FY 2003 was at Capability Level 2 with a score of 7.95 out of 10.

Fleet and Family Support Program (FFSP) Funding

FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "FS" OSD Budget	IMAP Obligations
$48M	$46M	$46.318M	$41.243M

FFSP Overall Performance By Sub-Function

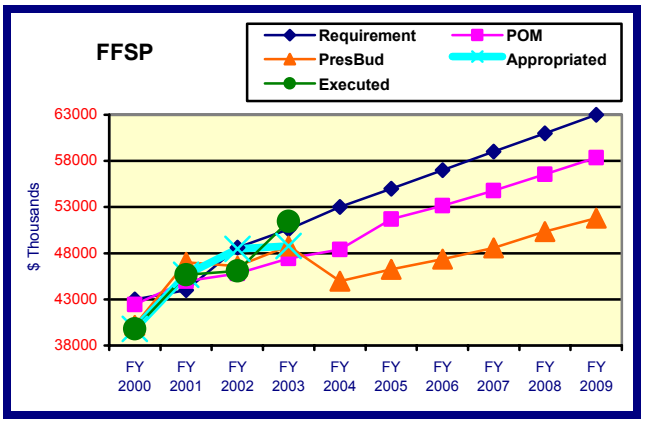
	FY 2003 Performance: Score	FY 2003 Performance Capability Level
Deployment/ Readiness	8.23	CL 2
Crisis Response	8.32	CL 2
Career Support/ Retention	7.95	CL 2
Overall Performance	8.21	CL 2

FFSP Overall Performance By Region

Region	FY 2003 Performance: Score	FY 2003 Performance Capability Level
Northeast	7.71	CL 2
NDW	6.31	CL 3
Mid-Atlantic	7.34	CL 2
Southeast	7.34	CL 2
Northwest	6.89	CL 3
Southwest	8.42	CL 2
Midwest	8.75	CL 2
Gulf Coast	8.64	CL 2
South	6.97	CL 3
Hawaii	7.44	CL 2
Japan	8.80	CL 2
Guam	7.65	CL 2
Europe	7.28	CL 2
Southwest Asia	7.88	CL 2
Overall Performance	8.21	CL 2

Fleet and Family Support Program (FFSP):

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003.
- Continued to meet mission demands in a period of increasing demands.
- Program had $5M increase in obligations over FY 2002.
- New FFSP Capability Levels, standards, and metrics approved in FY 2003.
- Completed Navy-wide FFSP FA – ready for FY 2004 implementation.
- DoD funding stream remained constant to account for over 50% of total FFSP funding.
- Commenced review by CNI and Pers-66 to streamline organizational relationships.
- Developed FFSP program priority list.



Other Community Support

Scope of Program

The Other Community Support function under the Core Business Area of Personnel Support includes all sub-functions and activities that provide base-wide military personnel support activities provided by the installation.

Other Community Support
➢ Overseas Personnel Support
➢ Ceremonial Guard/Funeral Honors
➢ Museums

Overseas Personnel Support: The Overseas Personnel Support sub-function includes all activities that are part of Overseas Personnel support. It includes retail support services, Commissary support, and Military Banking Support. This sub-function includes BOS costs associated with these activities.

Ceremonial Guard/Funeral Honors: The Ceremonial Guard/Funeral Honors sub-function includes all activities that are part of Ceremonial Guard services, Funeral Honors services, and operation of cemeteries. It includes the BOS costs associated with these activities.

Museums: This sub-function includes all installations provided BOS funded activities in support of the operation of museums.

Progress in FY 2003

The Other Community Support function under the Personnel Support Core Business Area accounts for a very small portion of the overall obligations within Personnel Support (less than 2% in FY 2003). It essentially covers those functions not logically addressed elsewhere under the IMAP Core Business Model. During FY 2003 the Navy approved a new Special Interest Item (SII) code for the Other Community Support function as "OC." This new SII will assist to highlight this function throughout the budget process and on into the execution under CNI. OPNAV N46 already increased the visibility of these activities during the development of both the POM-04 and PR-05 inputs with detailed requirements submissions covering all of the sub-functions within the Other Community Support function. There is no IPT currently set up for this function and none is planned for the future.

Assessment and Performance

Other Community Support BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Overseas Personnel Support	$0.336M	$0.593M
Ceremonial Guard/ Funeral Honors	$1.281M	$4.788M
Museums	$7.295M	$2.138M
TOTAL Other Community Support	$8.912M	$7.519M

Overseas Personnel Support: The Overseas Personnel Support sub-function is very small in terms of overall requirements and recorded obligations. In the PR-03 BAM submission, these activities under this sub-function were shown as the separate elements of: Commissary Support; Military Banking Facility; and Retail Service Support. The total requirements for FY 2003 for all three of these activities came to only $262K. For FY 2003, the total direct IMAP BOS obligations for the Overseas Personnel Support sub-function were recorded at $593K or a little more than double the stated requirements. Only two locations recorded any obligations in FY 2003 under this sub-function. NAVSUPFAC Diego Garcia had a total of $43K for Commissary Store support and NAVSUPPACT Naples had $150K for Military Banking Facilities support. The OPNAV N46 submissions for the POM-04 BAM and the PR-05 Capabilities Plan had improved requirements summaries for this sub-function. The FY 2004 requirement was at $916K (included $778 for Retail Services) and the FY 2005 at $548K. There are no metrics or Capability Levels.

Ceremonial Guard/Funeral Honors: The Ceremonial Guard/Funeral Honors sub-function was shown in the PR-03 BAM submission as the Ceremonial Guard sub-function under the MILPERS Services function with a requirement in FY 2003 of $292K. For FY 2003, the total direct IMAP BOS obligations for this sub-function came to $4.788M or over three times the FY 2002 obligations. These obligations were primarily recorded for the Ceremonial

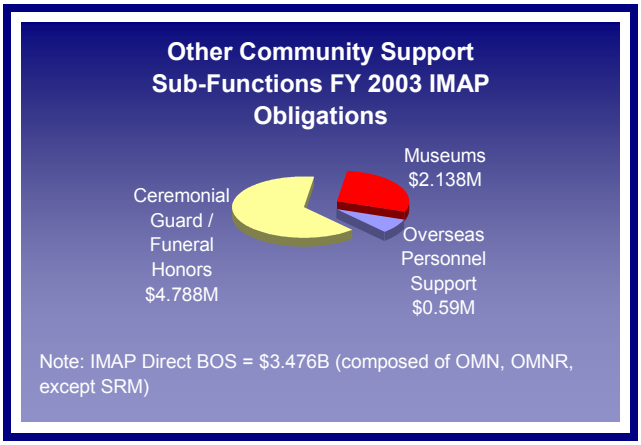
Guard portion ($4.145M) of this sub-function and over $3.757M of that total was recorded at NDW. This sub-function will require further review by CNI as the requirements on the Navy are increasing. The OPNAV N46 submissions for the POM-04 BAM and the PR-05 Capabilities Plan had improved requirements submitted for the Ceremonial Guard/ Funeral Honors sub-function. The FY 2004 requirement was at $5.551M and the FY 2005 at $5.693M. There are no metrics or Capability Levels.

Museums: The Museums sub-function was included in the PR-03 BAM submission under the Miscellaneous Support Function within the Other Mission Support Core Business Area. The FY 2003 requirements submitted for this sub-function were $2.896M, substantially less than the requirements submitted for the previous year at $7M. In the OPNAV N46 submission for FY 2003, the Museum sub-function was included with those funded at a C-3 readiness rating. The total FY 2003 direct IMAP BOS obligations for the Museums sub-function were recorded at $2.138M or 74% of the stated requirement. These obligations for FY 2003 were $5M less than in FY 2002. The obligations for the Museums sub-function track very closely with the PR-03 stated requirements.

As was true last year, the majority of the obligations for Museums fall within the Northeast Region and the Mid-Atlantic Region. The USS NAUTILUS (SSN 571) Museum in Groton accounted for $287K. The Mid-Atlantic Museum support totaled $1.33M. NAVSEA had obligations of $490K for museums.

The OPNAV N46 submissions for the POM-04 BAM and the PR-05 Capabilities Plan had improved requirements summaries for the Museums sub-function. The FY 2004 requirement was at $2,653M and the FY 2005 at $2,900M. There are no metrics or Capability Levels.

Other Community 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 = "OC")	IMAP Obligations
$3.83M	$3.45M		$7.519M



Other Community Support:

- Funded at C-3 readiness rating.
- Performance not measured in FY 2003.
- No IPT for this function.
- Obligations doubled the stated PR-03 requirements for FY 2003.
- 63% of the obligations for Ceremonial Guard/Funeral Honors sub-function.
- Improved requirements documentation developed during FY 2003.

5 STARS FOR BACHELOR HOUSING EXCELLENCE

Naval Station Pascagoula receives the ADM Elmo Zumwalt award for bachelor housing excellence — a feat achieved last year by only 16 of the 84 bachelor quarters complexes Navywide.

Naval Air Station Keflavik Wins First Zumwalt Award

Military members in pay grades E-1 through E-4 have their own bedroom and share a connecting kitchenette and bath with a roommate. Two-room suites are offered to E-5s and E-6s.

Quarters Renovations Enhance Rota Quality of Life

Sailors want their own rooms, even if it meant less living space. With the upgrades, most rooms have kitchen and laundry facilities shared between two rooms.

Navy plans to privatize its housing in Northeast

The Navy will privatize more than 5,700 units of housing in the Northeast by the fall of 2004. The entire Department of Defense is moving away from housing management and moving toward the public-private venture as a way to provide housing more efficiently and effectively.

The Navy Reopens Newly-Renovated Barracks on Yongsan

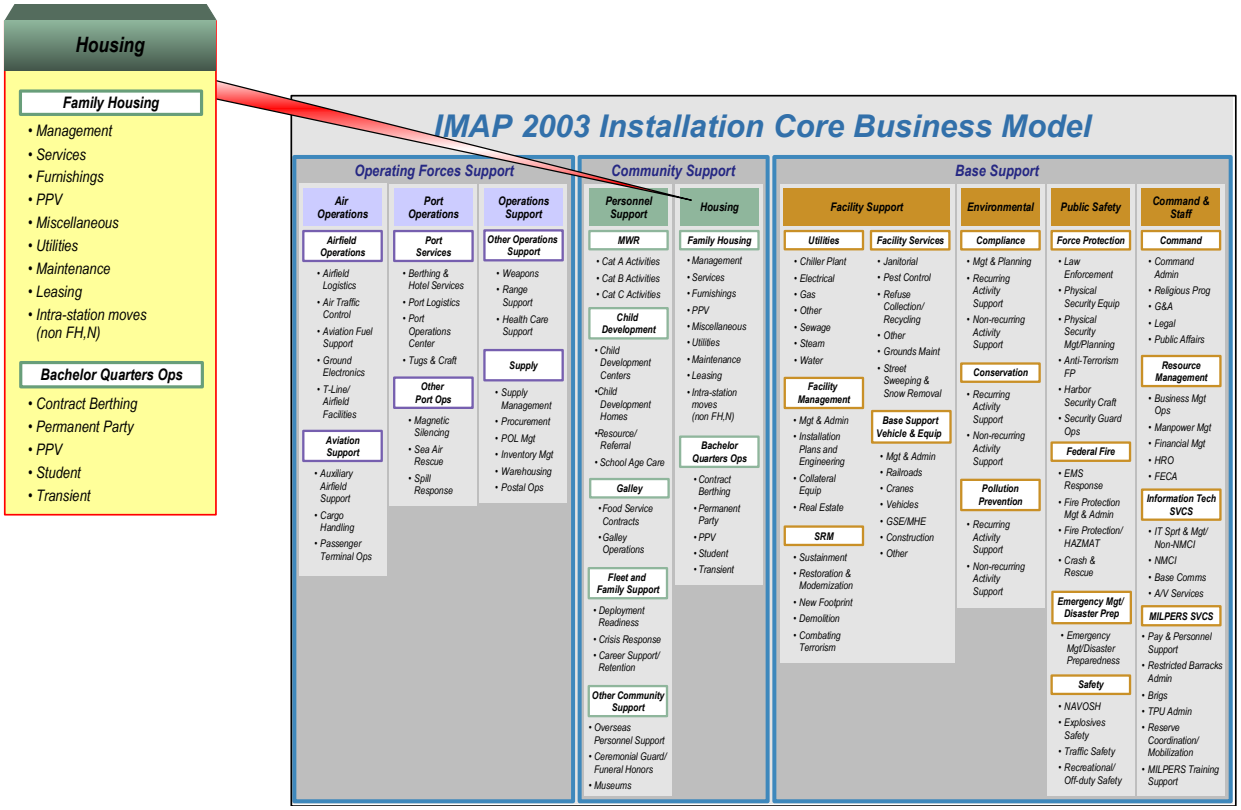
"The old barracks we have are so small, we can't turn a circle without bumping into something," Navy Seaman Jason M. Baines said. Over $120,000 was spent to furnish the rooms with new bedspreads, curtains, artwork, microwaves and refrigerators as well as washers, dryers and cable television.

Chapter 5 – Housing

Overview

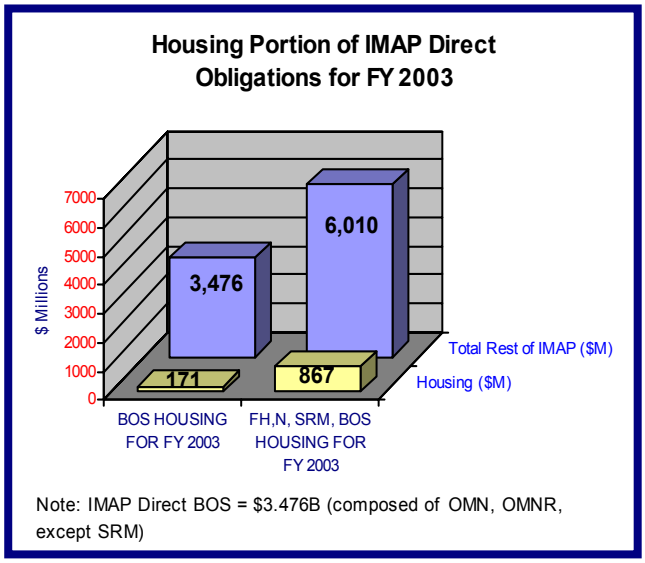
Within IMAP 2003, the Community Support portion of the Installation Core Business Model includes the two Core Business Areas of Personnel Support and Housing. Personnel Support was addressed in Chapter 4. The Housing Core Business Area is one of the largest within IMAP in terms of total obligations. It includes both Family Housing and Bachelor Quarters Operations. These two functions cover the breadth of Navy housing for service members and their families, either as military housing for families or as bachelor housing. The future of Navy Housing across both of these functions is to look toward greater use of the opportunities presented by Public Private Ventures (PPV).

The Housing Core Business Area includes all functions and sub-functions that provide support to accomplish the housing of military personnel and their eligible dependents, authorized civilians, and either permanent or transient shelter to all eligible personnel. The Navy's Housing Program supports activities around the world at all installations. Funding for the Housing Core Business Area includes several appropriations and has applications across other business areas. These sources of funding include the Family Housing, Navy (FH,N) account funding, funds provided within Other Base Operations Support (OB), Bachelor Quarters Operations funding (QO), and Bachelor Quarters Maintenance (QM). The overall funding contributions provided by the Housing Core Business area remain significant in comparison to the other eight Core Business Areas within SIM in terms of the total obligations for FY 2003. For the Housing Core Business Area, the majority of the

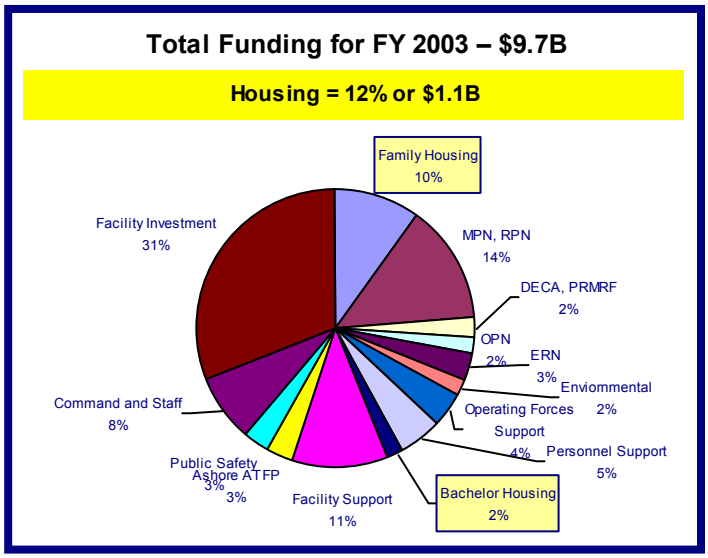


funding is within the FH,N appropriation, accounting for over 85% of the total FY 2003 Housing obligations. The accompanying chart shows the BOS funding, in terms of O&M,N/O&M,NR funds, as only $171M or 5% of the total direct BOS IMAP obligations ($3,476M) as shown in the other Chapters of this report. However, when looking at the overall IMAP total to include BOS, SRM, and FH,N funding, the housing portion of IMAP increases significantly to 13.7% of the total.

The accompanying pie chart addresses the total impact of the Housing Core Business Area funding across the full spectrum of the SIM business for FY 2003. Of the overall total of $9.7B in SIM funding for FY 2003, the Housing portion accounts for 12% or over $1B of the total. This total does not include the MILCON funding for Housing which would increase this percentage even more.

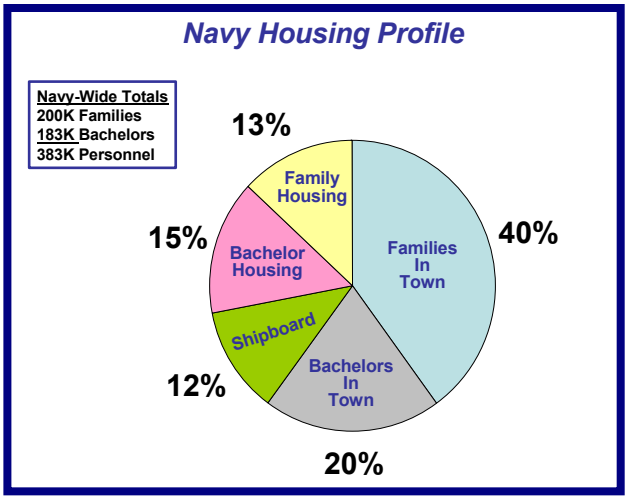


During FY 2003, additional progress was made in refining the standards and metrics for many of the sub-functions within the Family Housing and the Bachelor Quarters Operations functions under the Housing Core Business Area. These improvements have helped to develop more detailed requirements associated with specific Capability Levels starting with the January 2003 submission of the PR-05 Capabilities Plan for FY 2005 and beyond. In addition, Navy leadership approved the Capability Levels, standards, and metrics for both the Family Housing function and the Bachelor Quarters Operations function.



FY 2003 saw the implementation of the Family Housing Functionality Assessment (FA) and the completion of the overarching Housing Organizational Assessment (OA). This meant the reduction to three Claimants for Family Housing in FY 2003 (COMLANTFLT, COMPACFLT and COMUSNAVEUR), with the Regional Commanders supporting these efforts at the local level. With the subsequent approval to create CNI in FY 2004, the entire Housing Core Business Area functions and activities were driven to establish operations under one Claimant (CNI) as of 1 October 2003. The Family Housing FA had already set a high mark in terms of efficiencies, which included moving all Engineering Field Division Family Housing management functions under the Claimant or Regions (a 20% reduction in EFD FH,N FTE) and a 27% reduction in NAVFAC Headquarters Family Housing FTE. The resultant total for Family Housing was a savings of 100 FTE across the FYDP. The completion of the Housing OA and the establishment of CNI allowed for an additional savings of 29 FTE in the Bachelor Housing function.

The Navy's Housing program currently addresses 28% of the total requirement across all personnel. As shown in the accompanying chart, 60% of the Navy lives in town and another 12% onboard ships. The Homeport Ashore program will reduce that shipboard percentage significantly by FY 2008.



The Navy Family Housing program was submitted to the Congress for FY 2003 in the President's Budget with $192M for construction and another $702M for operations and maintenance. This FY 2003 program included 6 new construction projects and 399 units constructed, all while supporting 51,439 units, on average, across the Navy. The budget submit also stated that the Navy plans for FY 2003 included the privatization of 6,800 units for Family Housing. Overall, the FY 2003 FH,N obligations were at $696.8M or nearly $42M less than the FY 2002 obligations. Of these FH,N obligations for FY 2003, nearly 60% were for the two sub-functions of maintenance and utilities. The management sub-function (overhead to run the program) was at 8.4% or much lower than in many other Navy program areas. The performance level for the Family Housing function in FY 2003 was reported at Capability Level 2, matching the FY 2002 recorded performance.

PPV continues as the choice to reach the Inadequate Home Elimination goal by FY 2007. PPV projects are in place in San Diego, South Texas, New Orleans, Monterey, and Everett. Additional PPV is in process for Hawaii, Hampton Roads, and in the Northeast, Northwest and Southeast Regions.

The Bachelor Quarters Operations functional area performed well again in FY 2003 with another Capability Level 2 performance equaling that of FY 2002. The performance data call for FY 2003 was much improved and more comprehensive than last year. The level of performance was achieved with 83% of the PR-03 stated requirement for FY 2003 in terms of obligations, which remained virtually constant with the level of funding in FY 2002. Further progress was also made toward meeting the FY 2007 goals for eliminating inadequate permanent party Bachelor Housing and for the Homeport Ashore program.

The PPV Program for Bachelor Housing was started in FY 2003. It is following the lead from Family Housing PPV with the private sector being the majority partner. Navy pilot projects are planned for the San Diego and Hampton roads areas.

Product of the Plan

Housing Summary

Family Housing:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting expectations and equaling FY 2002.
- Implemented the Family Housing FA with 3 IMCs responsible for FH in FY 2003.
- Seamless shift to one Claimant (CNI) in FY 2004 with integrated Housing staff.
- Continued toward FY 2007 goal for Inadequate Home Elimination.
- Leveraged heavily on PPV for the future of Family Housing.

Bachelor Quarters Operations:

- Funded at C-2 readiness rating and again performed at a Capability Level 2 in FY 2003.
- Capability Level 2 achieved with only 83% of stated requirement for funding.
- Obligations remained relatively constant.
- Continued to progress toward Homeport Ashore goal by FY 2008.
- Progressed to meet goal to eliminate inadequate permanent party Bachelor Housing by FY 2007.
- Established an integrated CNI Bachelor Housing organization within the Housing Directorate.
- Commenced Bachelor Housing PPV.
- Provided housing for 133,300 personnel.

Family Housing

Scope of Program

The Family Housing function includes all sub-functions and activities that provide support to family housing.

Family Housing
➢ Management
➢ Services
➢ Furnishings
➢ PPV
➢ Miscellaneous
➢ Utilities
➢ Maintenance
➢ Leasing
➢ Intra-Station Moves (Non FH, N)

Management: The Management sub-function covers the activities providing support to family housing including family housing management and local area housing coordinator services. This sub-function includes housing office operation and housing referral services, as well as programs and studies.

Services: This sub-function includes activities that provide support services to local activity housing areas. It includes refuse collection and disposal, fire protection, police protection, entomological services, custodial services, snow removal, street cleaning, municipal type services, and other authorized services for family housing.

Furnishings: The Furnishings sub-function consists of activities that provide furnishings support to family housing. It includes initial acquisition, maintenance, repair, and replacement of furnishings, furniture, movable household equipment, and authorized miscellaneous items. It also includes control, handling, record-keeping, and moving of government-owned furnishings into and out of dwelling units and connection and disconnection of equipment as well as handling costs incident to storage.

PPV: The PPV (Public/Private Venture) sub-function addresses the labor and support costs from outside the Family Housing organization providing support for initiating, developing, executing, and overseeing PPV initiatives. It includes efforts such as staffing notifications and approvals, Requests for Qualifications (RFQ), Requests for Proposals (RFP), selection boards, negotiation and implementation of partnership agreements, and oversight of active PPVs by personnel in government organizations outside of Family Housing.

Miscellaneous: This sub-function accumulates reimbursement costs for dwellings provided by State, municipal, or foreign government or by Federal Agencies other than the FHA or VA, and other miscellaneous Family Housing operations costs not covered elsewhere.

Utilities: The Utilities sub-function accumulates costs for all utilities consumed in family housing. Maintenance and repair costs of utility systems, covered under the Maintenance sub-function, are excluded.

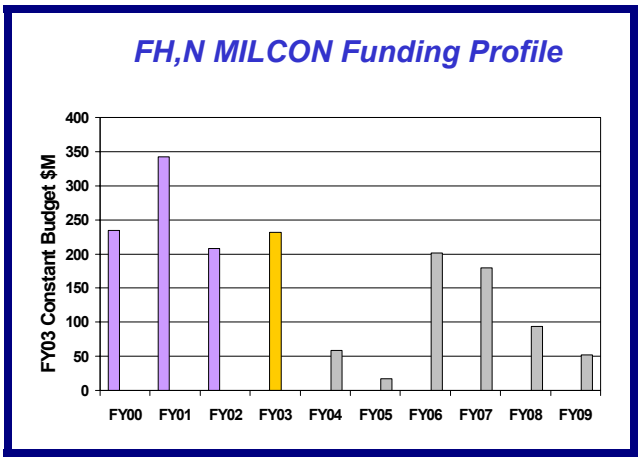
Maintenance: The Maintenance sub-function includes activities providing maintenance support to the dwelling unit including service calls, routine maintenance for change of occupancy work, repairs and replacement of major components and installed equipment, interior and exterior painting, and contract cleaning between occupancy. It also includes maintenance of exterior utility systems, maintenance of other real property, and unspecified minor construction.

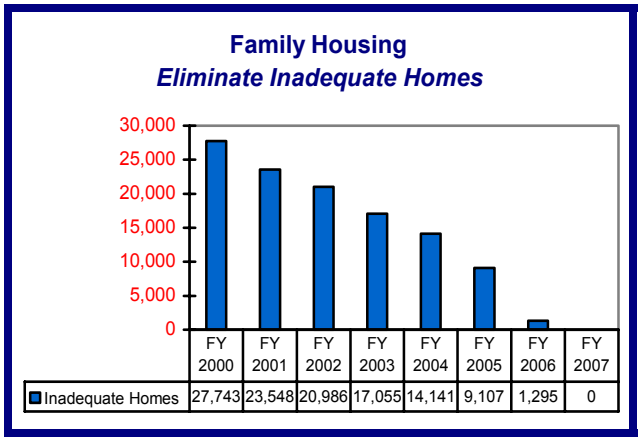
Leasing: The Leasing sub-function consists of activities providing leasing support for domestic leasing, foreign leasing, 801 leasing, and recruiter leasing initiatives.

Intra-Station Moves (Non FH, N): This sub-function addresses activities that manage and support installation non-FH,N financed intra-station moves within the housing area.

Progress in FY 2003

Housing FA Implementation: FY 2003 saw the implementation of the Family Housing Functionality Assessment (FA) and the completion of the overarching Housing Organizational Assessment (OA). Details were provided above in the overview section.



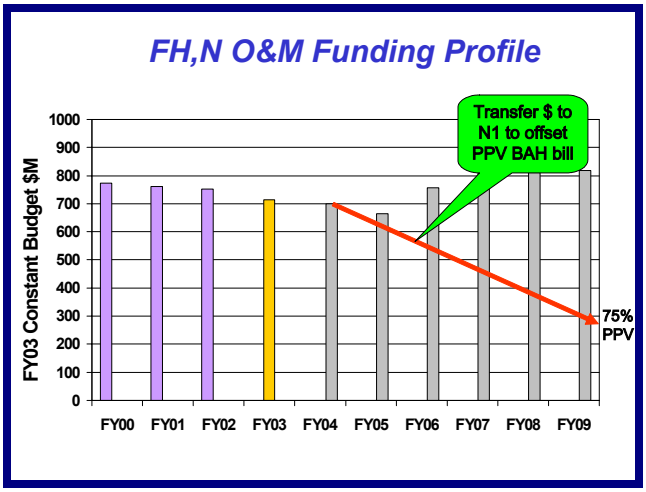


PPV: Privatized housing is also referred to as PPV housing in the Navy. PPV housing is owned by a private entity and governed by a business agreement in which the Navy has limited rights and responsibilities. The private entity is entirely responsible for the construction, renovation, maintenance and day-to-day management of the housing. PPV housing may be located on or off government property and may be former military housing. Privatized housing offers several advantages over traditional military housing:

- It relies on the private sector to provide housing services versus duplicating this function within the Navy and allows the Navy to focus on its core mission requirements.
- It reduces reliability on annual Family Housing funding appropriations, which historically have not kept pace with the funding required to maintain our Navy housing.
- It attracts private investors to finance housing construction, renovations and maintenance which allows the Navy to reduce housing deficits, upgrade aging homes, and perform needed maintenance much quicker than through annual military family housing appropriations.

Successful PPV housing is in-place in several Navy locations, including South Texas (at Ingleside and Corpus Christi), Everett, Kingsville, San Diego and New Orleans. PPV housing in procurement includes locations at Monterey Bay in California, Hampton Roads in Virginia, and additional PPV in the Northwest, Northeast, Southeast, and Hawaii Regions.

Family Housing MILCON: MILCON combined with PPV provides the source for Housing to eliminate inadequate housing by FY 2007. The Family Housing MILCON detailed in the PR-03 BAM submission called for the construction over the FYDP of some 1,685 units in the following locations: Brunswick (140 units); Everett (125 units); St. Mawgan (150 units); Whidbey Island (170 units); and Lemoore (300 units).



Assessment and Performance

Family Housing FH,N Direct Funding Obligations from NC 1002		
	FY 2003 Obligations	FY 2003 Obligations
Management	$86.630M	$83.642M
Services	$55.603M	$54.461M
Furnishings	$22.723M	$19.054M
PPV	$7.405M	$10.539M
Miscellaneous	$.752M	$.678M
Utilities	$146.915M	$137.476M
Maintenance	$314.450M	$281.081M
Leasing	$104.995M	$109.890M
TOTAL Family Housing	$739.473M	$696.821M

The sub-functions within the Family Housing function were not addressed as separate sub-functions in the PR-03 BAM submission. The PR-03 submission covered the requirements in terms of six components: New/Replacement Construction; Improvements and Design; Debt Payment; Leasing; Operations and Maintenance and Repair. The funding in the PR-03 BAM submission was to fund construction to meet DPG guidance concerning housing inventory and to fund 100% of maintenance and operations requirements. For the POM-04 BAM submission, the OPNAV N46 input included better articulated details on many of the sub-functions, but they were not well aligned with the IMAP approved sub-functions.

The overall requirements submitted for FY 2003 for the Family Housing function were set at $985.5M in FH,N funding. For FY 2003, the total direct IMAP BOS obligations recorded for the Family Housing function were $696.821M or 70.7% of the submitted requirement. The FY 2003 obligations for this function were just under $43M less than the obligations in FY 2002. Of note, the POM-04 total requirements submitted in early 2002 for FY 2004 for the Family Housing function were at $1,198M. In execution in FY 2003, the Family Housing Management obligations represented 11.8% of the total FH,N obligations. These equate to "overhead" costs for managing the program and these percentages are low compared to other CNI programs.

The Family Housing program maintained an overall score of Capability Level 2 throughout FY 2002. In FY 2003, the performance was reported at a Capability Level 2 with an overall score of 7.61 out of 10. This performance exceeded the expectations for FY 2003. The Capability Level 2 performance was achieved with 70.7% of the funding submitted as the FY 2003 requirement for the Family Housing function. In summary, the Capability Level 2 performance for Family Housing equated to the following:

- Met mission requirements;
- Dwellings and supporting neighborhood infrastructure show some signs of neglect.
- Reduced staffing in the housing office begins to affect the quality of customer service measured by decreased customer satisfaction.
- Some required maintenance is deferred.
- A shortfall of available leases for families creates a hardship for some families.
- Some needed overseas leases go unfunded.
- Appliances are typically older.
- Vacancy rates exceed 10%.
- Local move funding is scarce.

Management: The Management sub-function for Family Housing was not detailed in the PR-03 BAM submission and was also not addressed as a separate element in the POM-04 BAM submission. Management was considered a part of the overall Operations requirement for Family Housing. Of note, for FY 2003 this sub-function showed a total of $83.642M in total direct IMAP FH,N obligations. This represented 11.8% of the total for FH,N obligations in FY 2003. Thus, the Management (or overhead) portion of the Family Housing function is not high in comparison to many other SIM functions.

Services: The Services sub-function was also not detailed in either the PR-03 or the POM-04 BAM submissions. It was included as a part of the overall Operations requirement for Family Housing. For FY 2003, Services had recorded FH,N obligations of $54.461M.

Furnishings: The Furnishings sub-function represented a small portion of the overall FH,N obligations in FY 2003. Furnishings were included as a portion of the Operations requirement submitted in the PR-03 BAM for FY 2003, but not detailed as a separate sub-function. For FY 2003, Furnishings had recorded FH,N obligations of $19.054M.

PPV: The PPV portion of the Family Housing was detailed extensively in the PR-03 BAM submission and again in POM-04. The PR-03 submission assumed a mix of MILCON and PPV for future Family Housing improvements. The PR-03 BAM included seed money for PPV in the amount of $49M in FY 2004 and another $63M in FY 2007.

The FY 2004 seed costs help to eliminate an inadequate home backlog of $196M. For FY 2003, PPV had recorded FH,N obligations of $10.539M.

In POM-04, the OPNAV N46 BAM submission showed the impact of privatization on the BAH program funded by MP,N and the related transfer of O&M,N funds due to decreased maintenance requirements. For FY 2004, the BAH requirement due to PPV was set at $69.663M, with the FH,N transfer to MP,N at $53.737M.

Miscellaneous: This sub-function addressed reimbursements and had an overall FY 2003 FH,N obligation total of $678K.

Utilities: The Utilities sub-function is second only to the Maintenance sub-function in terms of FY 2003 obligations. The total direct FH,N obligations for Utilities were $137.476M or 19.7% of the total FY 2003 FH,N obligations. FH Utilities requirements were included under Operations in PR-03 and POM-04.

Maintenance: The Maintenance sub-function was shown as maintenance and repair in the PR-03 BAM submission. The total requirement for FY 2003 was stated as $351.599M. For FY 2004, the POM-04 BAM submission saw the Maintenance sub-function requirement grow to $354.286M. The FY 2003 total direct IMAP FH,N obligations for the Maintenance sub-function were $281.081M or 79.5% of the stated requirement. This total represented 40% of the total FY 2003 FH,N obligations.

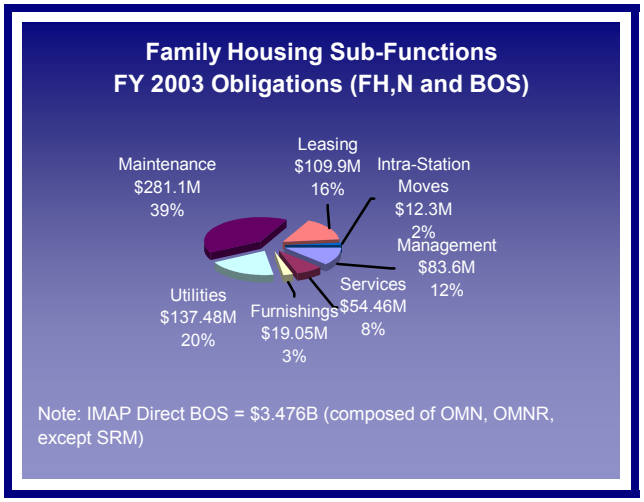
Leasing: The Leasing sub-function was addressed in some detail in the PR-03 BAM submission. The total requirement for FY 2003 was set at $147.407M. Overall, in FY 2003, the FH,N obligations for the Leasing sub-function were $109.89M or 68% of the stated requirement. The NAVEUR portion of the Leasing sub-function obligations was significant at $63.449M or 63% of the Navy's total for Leasing. For FY 2004, the POM-04 BAM submission details requirement at $122.515M.

Family Housing BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Intra-Station Moves (Non FH,N)	$13.117M	$12.305M
TOTAL Family Housing	$13.117M	$12.305M

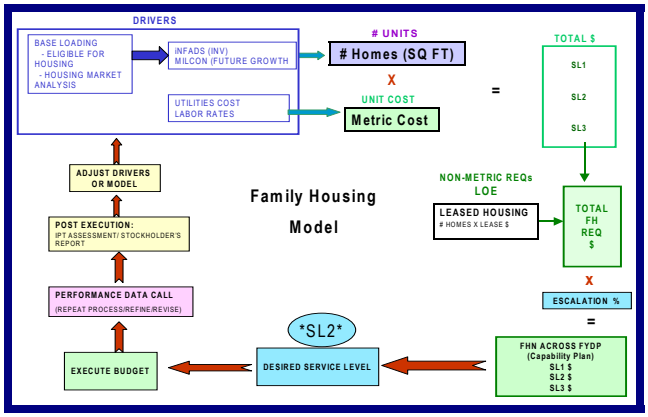
Intra-Station Moves (Non FH,N): The Intra-Station Moves (Non FH,N) are the O&M,N/O&M,NR BOS funds used for moves within the housing area. For FY 2003, the requirements for this sub-function were not addressed in the PR-03 BAM submission. They were covered in the POM-04 BAM and showed a requirement for FY 2004 of $28.529M. The FY 2003 total direct IMAP BOS obligations were set at $12.305M, slightly less than in FY 2002. In FY 2004, Navy is moving to eliminate any funding for this sub-function.

Family Housing Funding (FH,N)		
FY 2003	FY2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	NC 1002 Obligations
$1,058M	$985.5M	$696.821M

Family Housing Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance Capability Level
Northeast	6.85	CL 3
Mid-Atlantic	7.91	CL 2
Southeast	7.92	CL 2
Northwest	7.66	CL 2
Southwest	7.42	CL 2
Hawaii	7.07	CL 2
Japan	7.56	CL 2
Korea	9.46	CL 1
Guam	5.07	CL 3
Europe	7.48	CL 2
Southwest Asia	9.62	CL 1
Overall Performance	7.61	CL 2

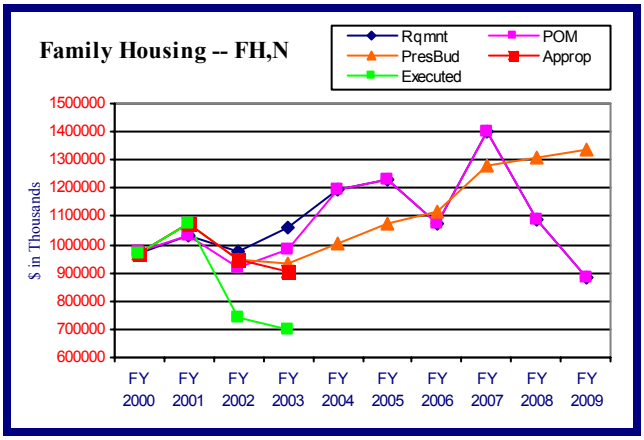


During FY 2003, the OPNAV N46 staff completed the initial Verification and Validation Process submission to OPNAV N8 on the Base Operating Support Performance and Pricing Models. The overview of the model for the Family Housing function is shown below. Note that Service Levels were changed to Capability Levels in FY 2004.



Family Housing:

- Funded at C-2 readiness rating.
- Performed at Capability Level 2 in FY 2003, meeting expectations, equaling FY 2002.
- Implemented the Family Housing FA with 3 IMCs responsible for FH in FY 2003.
- Seamless shift to one Claimant (CNI) in FY 2004 with integrated Housing staff.
- Continued toward FY 2007 goal for Inadequate Home Elimination.
- Leveraged heavily on PPV for the future of Family Housing.



Bachelor Quarters Operations

Scope of Program

Within the Core Business Area of Housing, the Bachelor Quarters function includes all sub-functions and activities that provide either permanent or transient shelter to eligible personnel.

Bachelor Quarters Operations
➢ Contract Berthing
➢ Permanent Party
➢ PPV
➢ Students
➢ Transient

Contract Berthing: The Contract Berthing sub-function includes the costs of contracted billeting services for drilling reservists that cannot be accommodated by installation facilities.

Permanent Party: The Permanent Party sub-function includes all labor, equipment and supplies needed to provide billeting to those individuals permanently assigned to the installation and who are entitled to reside in the Bachelor Quarters as their primary residence while so assigned.

PPV: The PPV (Public/Private Venture) sub-function covers labor and support costs from outside the Bachelor Housing organization providing support for initiating, developing, executing, and overseeing Public/Private Venture (PPV) initiatives. It includes efforts such as staffing notifications and approvals, Requests for Qualifications (RFQ), Requests for Proposals (RFP), selection boards, negotiation and implementation of partnership agreements, and oversight of active PPVs by personnel in government organizations outside of Bachelor Housing. The PPV sub-function is new for this year.

Students: This sub-function includes all labor, equipment and supplies needed to provide billeting to those individuals assigned to the installation, or a component thereof, for the purpose of receiving initial recruit training, and/or follow-on basic pipeline skills training or instruction (e.g., 'A' School).

Transient: The Transient sub-function addresses all labor, equipment and supplies needed to provide billeting of a temporary nature to those individuals assigned to the installation on a temporary duty (TAD, TDY or TEMDUINS) basis (not permanently assigned and not considered a Student per the above definitions). It also includes operational costs associated with those individuals entitled to avail themselves of temporary lodging at the Bachelor Quarters, based on their position or status.

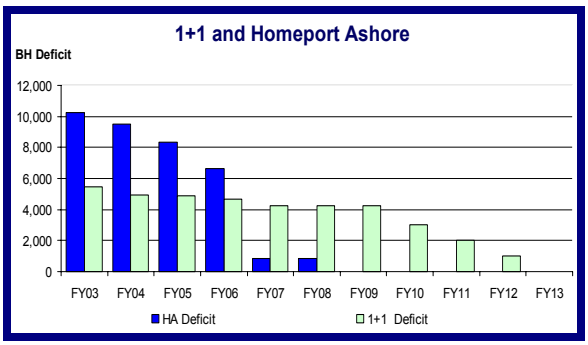
Progress in FY 2003

The Bachelor Housing program is a truly global operation. This Navy function includes 127 activities in 27 different states and 13 foreign areas. The Bachelor Housing IPT has been active over the past several years and has developed Capability Levels, standards and metrics that were briefed to and approved by Navy leadership during FY 2003.

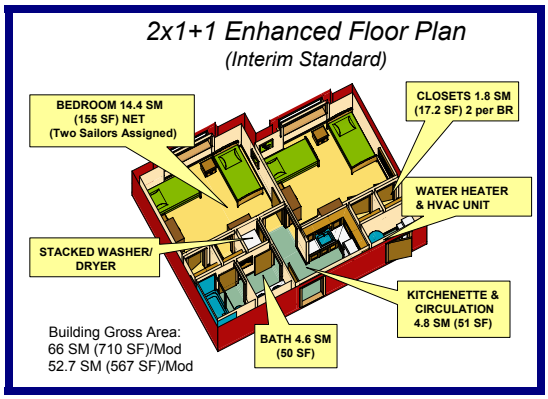
Housing Organizational Assessment: The overall Housing Organizational Assessment (OA) was completed during FY 2003. The impact for the Bachelor Housing program is as follows:

- Reduced IMCs owning BH and VQ Class 1 & 2 property from ten to four.
- Reduced BH and VQ fiscal claimants from ten to four.
- Recommended headquarters and regions consolidate housing management based on the synergy found in the Northwest Region's Community Support organization.
- Reduced BH and VQ civil service billets reduced from 106 to 77.

Homeport Ashore (HA): The Homeport Ashore initiative is designed to bring single Sailors stationed on ships into ashore housing when in homeport. In the past, single Sailors were expected to live onboard their ship when in port. The HA program goal is to bring Sailors off of ships by FY 2008.

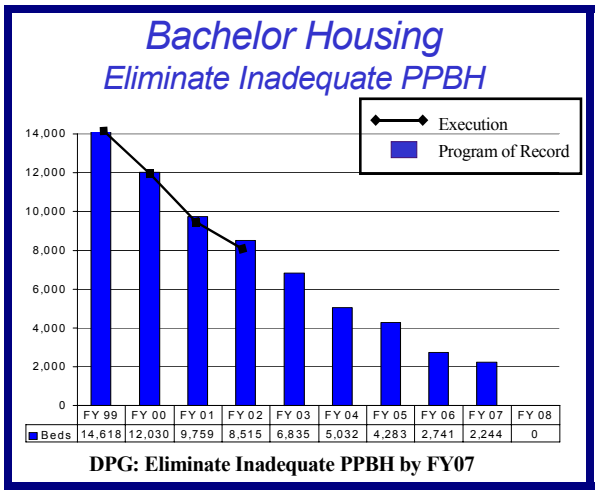


The current program funds the elimination of communal heads by FY 2007, achieves homeport ashore by FY 2008 for 2x1+1 (two sleeping rooms sharing a common area and a bath with two people in each sleeping room), 1+1 for all permanent party personnel by FY 2013, and 1+0 for transient personnel by 2015.



For FY 2003, the Bachelor Quarters Operations assignment policy changed thus reducing the overall New Furnishings requirement by $15M per year.

Eliminate Inadequate Permanent Party Bachelor Housing (PPBH): The DPG for FY 1999 directed the elimination of inadequate permanent party Bachelor Housing (primarily Bachelor Housing with Central Baths) by FY 2008. This was changed with the DPG for FY 2004 that directed such housing be eliminated by FY 2007. The Navy's MILCON program is covered in Chapter 6 of this report, but it plays a major role in the entire Bachelor Housing program.



PPV for Bachelor Housing: The Public Private Venture (PPV) program for Bachelor Housing is still in the development stage. This effort should have minimal costs with no Capability Levels assigned. Some characteristics of the Navy's Bachelor Housing PPV program are:

- Taking the lead from Family Housing PPV.
- Recognizes the shortage of MILCON funding.
- Private Sector Partner is Majority Partner.
- Navy is Minority Partner with rights.
- Risk is on the Private Sector.
  - Bring Money.
  - Build to private standards.
  - Manage to insure full occupancy.
  - Keep the customer satisfied.

The Navy's Bachelor Housing PPV program includes:

- Pilot Project Locations
  - Hampton Roads, VA
  - San Diego, CA
- Proposed concept: mixture of new and existing Bachelor Housing units
- Convey a portion of the existing BQ units into the PPV program
  - 1+1E construction standard
  - Targeted for E1-E3 Sailors
- Construct market style apartments off base or on separate land
  - Targeted for E4 and above Sailors
  - Tenant rent should reflect economic value of the unit
  - 2 bedroom/2 bath, or similar

Assessment and Performance

Bachelor Quarters Operations BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Contract Berthing	$9.670M	$9.366M
Permanent Party	$84.592M	$91.216M
PPV	$0	$0
Students	$8.494M	$8.868M
Transient	$52.451M	$48.678M
TOTAL Bachelor Quarters Operations	$155.207M	$158.128M

The sub-functions within the Bachelor Quarters Operations function were not addressed as separate sub-functions in the PR-03 BAM submission. The PR-03 submission covered the requirements in terms of two components: Bachelor Housing Furnishings and Bachelor Housing Direct Support. The funding in the PR-03 BAM submission was for 100% funding to meet OSD, ASN, and CNO Bachelor Housing Program goals. For the POM-04 BAM and the PR-05 Capabilities Plan, the OPNAV N46 submissions included well articulated details on all of the sub-functions with the exception of the new sub-function of PPV. These submissions also include requirements for New Furnishings and for the Bachelor Housing Program Management Office. These two requirements are non-metric requirements for new construction and renovation furnishings and for the centrally managed Bachelor Housing program.

The overall requirements submitted for FY 2003 for the Bachelor Quarters Operations function were set at $191M. For FY 2003, the total direct IMAP BOS obligations recorded for the Bachelor Quarters Operations function were $158.128M or 83% of the submitted requirement. The FY 2003 obligations for this function were just under $3M more than the obligations in FY 2002. This slight funding increase from FY 2002 to FY 2003 was to accommodate for the increase in requirements in support of the Homeport Ashore Program. Of note, the POM-04 total requirements submitted in early 2002 for FY 2004 for the Bachelor Quarters Operations function were at $237.847M. The improved submission in January 2003 for the PR-05 Capabilities Plan had the total requirements for the Bachelor Quarters Operations function at $256.481M for Capability Level 1, at $192.3M for Capability Level 2, and at $138.662M for Capability Level 3 for FY 2005. The Bachelor Housing Program Management require-

ments represented 6% of the total requirement at Capability Level 1, 8% at Capability Level 2, and 11.5% at Capability Level 3. These equate to "overhead" costs for managing the program and these percentages are low compared to other CNI programs.

The Bachelor Quarters Operations program maintained an overall score of Capability Level 2 through FY 2002. In FY 2003, the performance was reported at Capability Level 2 with an overall score of 7.87 out of 10. This performance exceeded the expectations for FY 2003. The Capability Level 2 performance was achieved with 83% of the funding submitted as the FY 2003 requirement for the Bachelor Quarters Operations function. Bachelor Quarters Operations function is a customer service organization, and all elements of performance are not a direct line to cost/funding. Performance was measured for check-in times, customer satisfaction surveys, trouble call response time, facility conditions, etc. Not all of the Bachelor Housing program is funded by QO, however, items such as facility condition and routine maintenance are a reflection of overall performance and are measured in the data call. In summary the Capability Level 2 performance equated to the following highlights:

- Bachelor Housing met most mission elements.
- Facilities were well operated, attractive, comfortable and adequately maintained.
- Case goods were less than 7 years old;
- Soft goods were less than 4 years old.

Contract Berthing: The Contract Berthing sub-function was not addressed as a separate line item in the PR-03 BAM submission in February 2001. There is no approved macro metric for this sub-function. Contract Berthing is required when government owned Bachelor Quarters assets are unavailable to meet program berthing needs. This requirement primarily supports drilling reservists. The overall reported FY 2003 direct IMAP BOS obligations were $9.366M or slightly less than the $9.67M reported for FY 2002.

For the POM-04 BAM submission, the OPNAV N46 staff prepared a more detailed assessment that included Contract Berthing. This requirement for FY 2004 was set at $372K – using only Special Interest Item (SII) code "QO" specific funding. For PR-05, the Capabilities Plan submission in January 2003 included a requirement for the Contract Berthing sub-function at $10.1M for Capability Levels 1, 2, and 3. This reflected a change in that in prior years Contract Berthing had been funded by "OB" money not by "QO" funding.

The FY 2003 performance in the Contract Berthing sub-function was not measured.

Permanent Party: The Permanent Party sub-function was likewise not detailed in the PR-03 BAM submission. The approved macro metric is cost per unit multiplied by the number of "month-stays". The number of spaces required per month is based on actual and programmed inventory. The FY 2003 total direct IMAP BOS obligations were recorded at $91.216M or over $6.6M more than in FY 2002 at $84.592M. In total, the Permanent Party obligations accounted for over 57% of the total for the Bachelor Quarters Operations function.

With the improved metrics in place for POM-04, the FY 2004 requirements for the Permanent Party sub-function were submitted at $104.643M. The requirements submitted in January 2003 as part of PR-05 showed the Permanent Part sub-function at $93.795M for Capability Level 1, $79.929M for Capability Level 2, and $61.860M for Capability Level 3 for FY 2005. The Bachelor Quarters Operations program supports 66,100 permanent party personnel in FY 2004. This compares to the PR-03 reported scope for the permanent party personnel of 75,000.

The overall FY 2003 performance for the Permanent Party sub-function across the Navy was recorded as a solid Capability Level 2 with a score of 8.04 out of 10.

PPV: The PPV sub-function is new. No funds were shown as obligated in FY 2002 or FY 2003 under this sub-function. Performance was also not measured. As the Bachelors Quarters PPV is a new

program, it was also not addressed in either the POM-04 or the PR-05 submissions.

Students: The Students sub-function was not covered as a separate line item in the PR-03 BAM submission. The approved macro metric for this sub-function is cost per unit multiplied by the number of "day-stays". The number of spaces required per day is based on actual and programmed inventory. The cost per day to operate Student quarters and Recruit quarters differs primarily due to the increased furnishings to support students and common area cleaning costs now provided in Student quarters, but not in Recruit quarters. This sub-function addresses the requirements for both Students and for Recruits. The FY 2003 total direct IMAP BOS obligations were recorded at $8.868M or virtually the same as in FY 2002 at $8.494M.

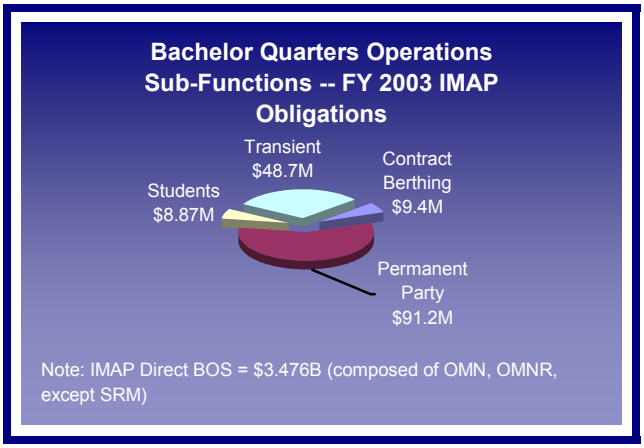
For the POM-04 BAM submission, the OPNAV N46 staff prepared a more detailed assessment that included both the requirements for Student berthing and for Recruit berthing. The requirement for FY 2004 for Students was set at $18.905M and for Recruits at $8.567M – using only Special Interest Item (SII) code "QO" specific funding. For PR-05, the Capabilities Plan submission in January 2003 included a requirement for the Student berthing sub-function at $26.051M for Capability Levels 1, at $19.917M for Capability Level 2, and at $18.59M for Capability Level 3. The PR-05 requirements for the Recruits berthing were set at $9.402M for Capability Level 1, at $8.760M for Capability Level 2, and at $8.351M for Capability Level 3. The Bachelor Quarters Operations program supports 17,300 students and 16,000 recruits in FY 2004. This compares to the PR-03 reported scope for the student personnel of 21,400 and for the recruits of 11,500.

The overall FY 2003 performance for the Student sub-function across the Navy was recorded as a Capability Level 2 with a score of 7.41 out of 10.

Transient: The Transient sub-function was also not described in the PR-03 submission. The macro metric for the Transient sub-function is the cost per unit multiplied by the number of "night-stays." The number of night stays is based on both actual and anticipated inventory. For FY 2003, the total direct IMAP BOS obligations were reported at $48.678M. This total was over $3.7M less than the FY 2002 obligations. In total, the Transient sub-function obligations accounted for nearly 31% of the total for the Bachelor Quarters Operations function.

With the improved metrics in place for POM-04, the FY 2004 requirements for the Transient sub-function were submitted at $56.236M. The requirements submitted in January 2003 as part of PR-05 showed the Transient sub-function at $82.412M for Capability Level 1, $47.995M for Capability Level 2, and $13.578M for Capability Level 3 for FY 2005. The Bachelor Quarters Operations program supports 30,000 transients in FY 2004. This compares to the PR-03 reported scope for the transient personnel of 25,400.

Bachelor Quarters Operations Funding			
FY 2003	FY2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "QO" Pres. Budget	IMAP Obligations
$203M	$191M	$169.959M	$158.128M



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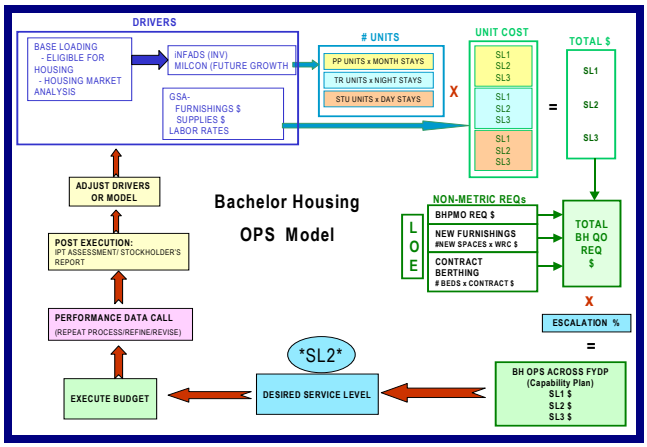


Bachelor Quarters Overall Performance By Region

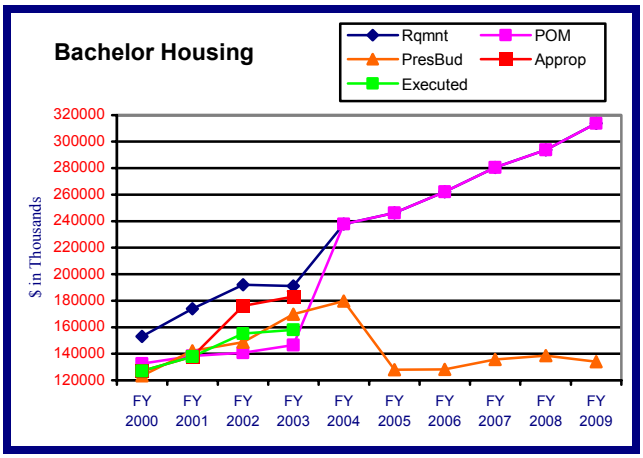
Region	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	7.61	CL 2
NDW	7.94	CL 2
Mid-Atlantic	8.10	CL 2
Southeast	7.91	CL 2
Northwest	7.95	CL 2
Southwest	8.01	CL 2
Midwest	7.47	CL 2
Gulf Coast	8.19	CL 2
South	8.39	CL 2
Hawaii	8.87	CL 2
Japan	8.20	CL 2
Korea	8.22	CL 2
Guam	7.06	CL 2
Europe	7.87	CL 2
Southwest Asia	8.71	CL 2
Overall Performance	7.87	CL 2

Bachelor Quarters Overall Performance By Sub-Function

	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Contract Berthing	N/A	N/A
Permanent Party	8.04	CL 2
PPV	N/A	N/A
Students	7.41	CL 2
Transient	8.17	CL 2
Overall Performance	7.87	CL 2

Bachelor Quarters Operations:

- Funded at C-2 readiness rating.
- Performed at a Capability Level 2 again in FY 2003, matching FY 2002 performance.
- Capability Level 2 achieved with only 83% of stated requirement for funding.
- Obligations remained relatively constant.
- Continued to progress toward Homeport Ashore goal by FY 2008.
- On track to meet goal for the elimination of inadequate permanent party Bachelor Housing (primarily Bachelor Housing with Central Baths) by FY 2007.
- Completed overall Housing Organizational Assessment; stood up an integrated CNI Bachelor Housing organization within the Housing Directorate.
- Commenced Bachelor Housing PPV.
- Met most mission elements with well-operated, attractive facilities, comfortable and adequately maintained.
- Provided housing for a total of 133,300 permanent party personnel, students and recruits, and transient personnel.



Hangar: #31.4 million, 700 jobs

The vice president of the primary contractor for the new $31.4 million hangar at the Brunswick Naval Air Station said as many as 700 jobs could be created. Most of the subcontracted work would be going to local and state companies.

Naval Base Ventura County Wins SECNAV Energy Conservation Award

For the second consecutive year, Naval Base Ventura County has been named as winner of a SECNAV Energy Conservation Award. In many cases, energy conservation is achieved by retrofitting equipment, such as lighting and ventilation systems.

Energy Saving Bulbs Cut Electric Bill

All of the BEQ/BOQ buildings in Pearl Harbor received some of the 10,000 energy saving bulbs that the Navy purchased. The bulbs will save energy and money, cutting the yearly electrical bill by 75 percent.

NEW BEQ OPENS DOORS TO SAILORS

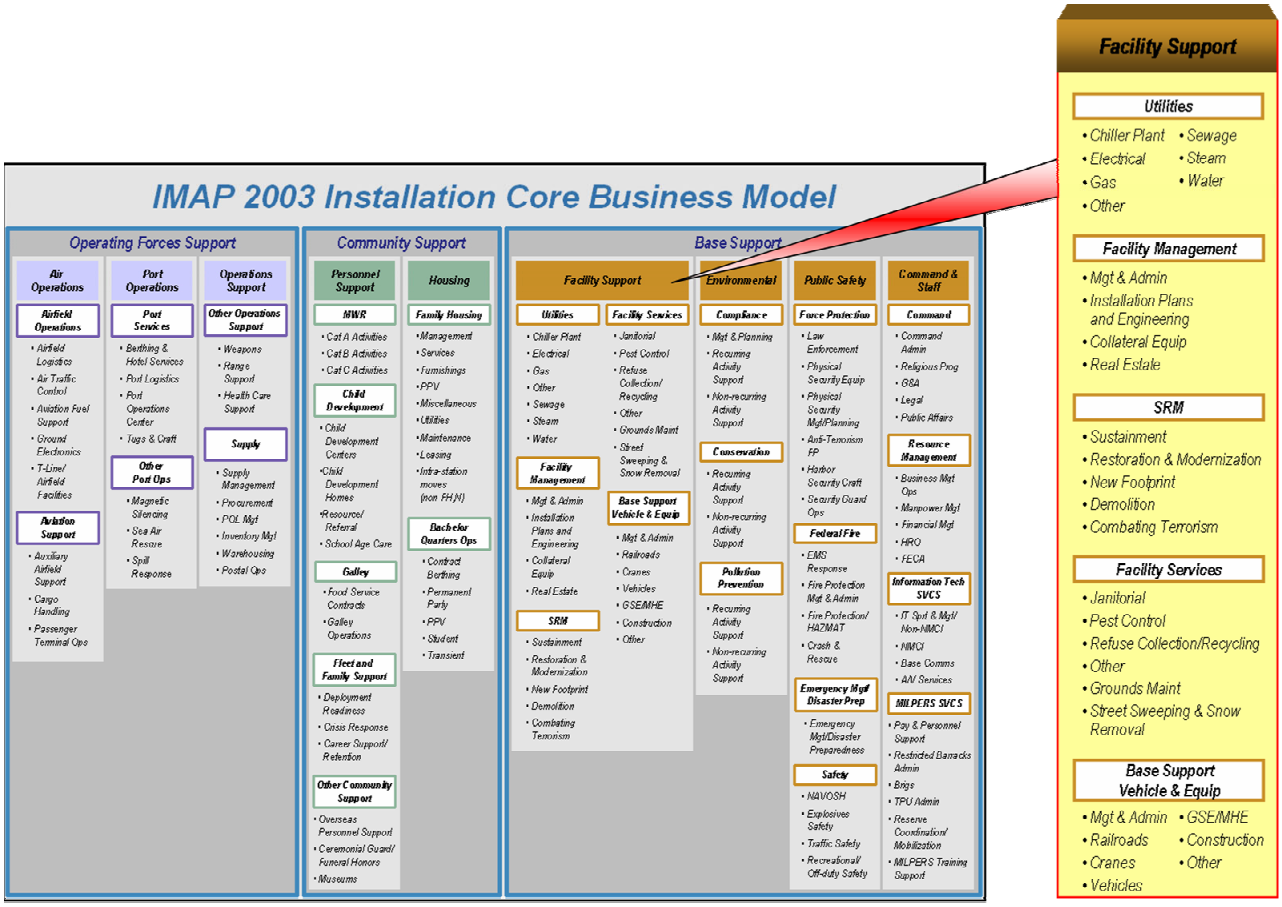
Two hundred and eight Sailors have a new place to live with the opening of Oklahoma Hall, Pearl Harbor's newest bachelor enlisted quarters (BEQ). Each room at the BEQ, built at a cost of more than $13 million, includes a bathroom, a kitchenette, air conditioning, solid-oak furniture, carpeting, two telephone jacks, two TV armoires with televisions included and personal mailboxes with daily delivery. Each floor has its own lanai and laundry. The first floor houses a recreation area with a large screen-high definition TV, pool table and full kitchen."

Chapter 6 – Facility Support

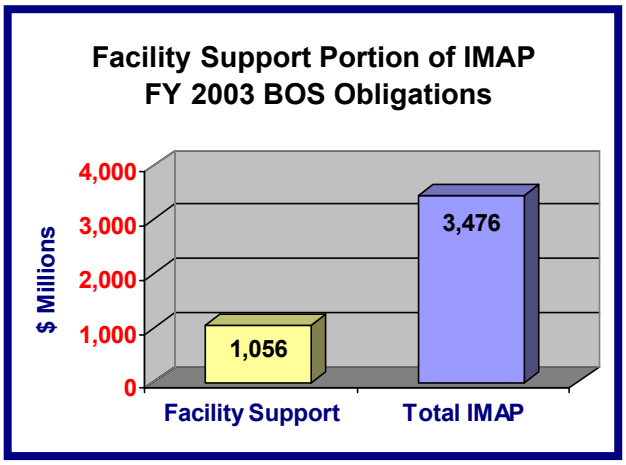
Overview

Within IMAP 2003, the Facility Support Core Business Area provides the largest percentage of the overall SIM support to the Navy. Functions and activities under the Facility Support Core Business Area are addressed separately within this report, but they truly complete the full picture of costs for other Core Business Areas that are dependent on facilities and utilities by providing direct or indirect support to the Navy operating forces. For example, the Port Operations Core Business Area requires sufficient piers and wharves to support the Fleet, but the planning, construction, and facility maintenance requisite to provide these facilities are not resident in the Port Operations Core Business Area, but rather in the Facility Support Core Business Area.

Facility Support covers a very broad scope of functions and activities as a part of overall Base Support to the Navy. These activities are present in all of the Navy's Regions and cut across everything from facilities planning to transportation. MILCON execution data is not captured in IMAP. Facility Support includes the five basic functions of Utilities, Facility Services, Facility Management, Base Support Vehicle and Equipment, and Sustainment, Restoration & Modernization (SRM) Facility Investment.



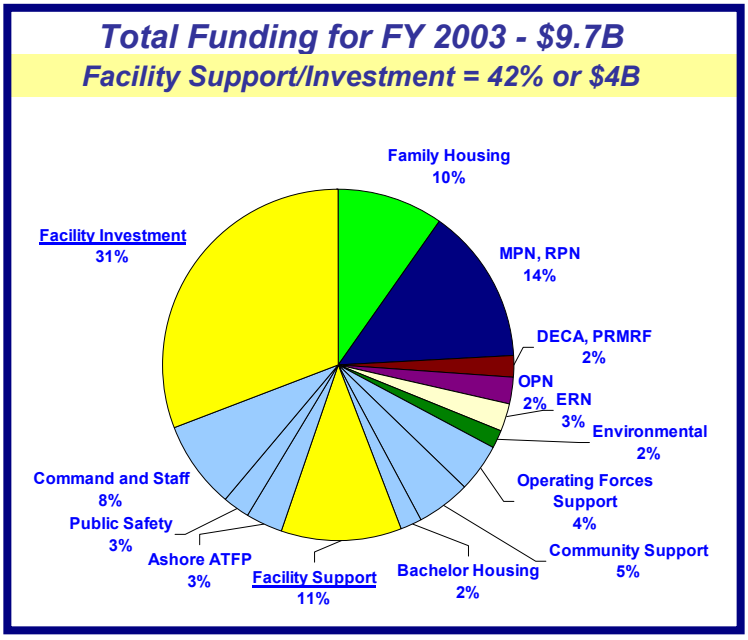
In last year's report, the Facility Investment aspects of Facility Support were covered in a separate chapter. In this year's report these important activities are more appropriately placed here in the Facility Support Core Business Area.



The overall contribution provided by the Facility Support Core Business Area is significant when compared to the rest of the SIM funding depicted within IMAP. The accompanying chart shows the Facility Support portion of the total direct IMAP BOS obligations for FY 2003. This chart is used to compare Facility Support funding with the other Core Business Areas addressed in the other Chapters 1 though 9. These obligations represent some 30% of the total IMAP FY 2003 BOS obligations. This total is $1,045M in BOS funding, but does not include FHN, MILCON, or SRM funding also covered in IMAP.

The accompanying pie chart addresses the total impact of the Facility Support funding across the full spectrum of the SIM business in FY 2003. In examining the complete $9.7B in total SIM funding for FY 2003, the Facility Support portion is a remarkable 42% or roughly $4B of that total. This 42% includes the Facility Support IMAP BOS funding, the SRM funding and the Navy's MILCON funding for FY 2003. Clearly, these major contributions dwarf any other portion of the SIM funding pie chart including Family Housing and MPN/RPN funding.

During the course of FY 2003, significant progress was made in refining the standards and metrics for many of the functions within the Facility Support Core Business Area. These improvements have allowed for the development of more detailed requirements associated with specific Capability Levels commencing with the PR-05 Capabilities Plan submission in January 2003 for FY 2005 and beyond. Further, Navy leadership has approved the Capability Levels, standards and metrics for the Facility Support functions. In FY 2003, separate Special Interest Item (SII) codes were approved for each of the functions within the Facility Support Core Business Area. These new SII codes will help to highlight each of these functions during the programming, budgeting and execution stages of the SIM process, allowing for better management of the Navy's funds across the broad scope of Facility Support functions and activities.



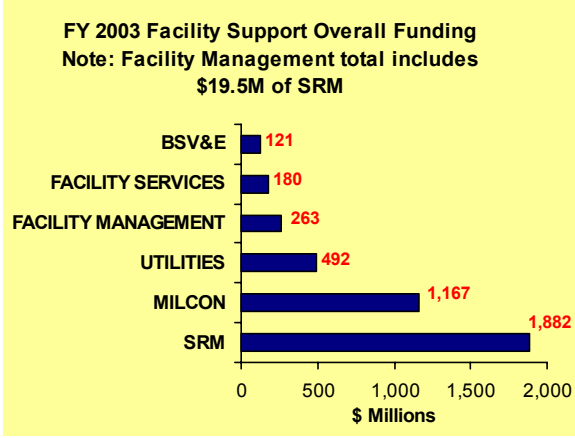
The majority of the Facility Support funding in FY 2003 went for SRM and MILCON. The SRM program saw a significant increase in funding at the end of FY 2003 by the divesting Claimants to ensure a successful turnover of the installations to CNI. This resulted in an increase in SRM funding in FY 2003 to $1,882M, up from the $1,292M in FY 2002. The MILCON funding saw a sizeable Congressional addition to the DoD budget request for MILCON funding in FY 2003. In sum, the SRM and MILCON programs accounted for

nearly 75% of the overall Facility Support and Facility Investment program in FY 2003, with the Utilities program the next largest at 12% of the total and the other functions at much smaller percentages.

The Navy's Program Managers within the Facility Support Core Business Area conducted a series of performance data calls in FY 2003 to cover the basic facility functions across the Navy for SIM. The Utilities function scored a very high Capability Level 1 and saw an overall increase in funding from $442.8M in FY 2002 to a total of $491.6M in FY 2003. This performance was above the Navy's target of Capability Level 2, but represents the realities of funding to pay the utilities bills. The other functions of Facility Services, Facility Management and Base Support Vehicle and Equipment, all performed at Capability Level 3, with Facility Services very close to Capability Level 2. Total obligations for these three functions saw an increase in funding by over $36M in FY 2003.

Sustainment was programmed by the Navy at 84% in FY 2003. Navy programmed for a 116-year recapitalization rate and attained a recapitalization rate of 75 years through congressional additions. The SRM funding was again not efficiently spread across the year with 46% of funding in 4th quarter. The SRM obligations exceeded the plan by over $180M with a total increase of over $560M over FY 2002.

The FY 2003 MILCON program had a total funding line of $1,167M, with Congressional adds of $205M and $195M in DERF. This MILCON funding covered 95 MCON projects for the active Navy and 13 MCNR projects for the Navy Reserves.



Product of the Plan

Facility Support Summary

Utilities:

- Funded at C-2 readiness rating.
- Performed at Capability Level 1 in FY 2003.
- Obligations increased by over $48M.
- $38M migrated to pay utility costs.

Facility Services:

- Funded at C-3 readiness rating.
- Performed at a high Capability Level 3.
- Obligations increased by nearly $20M.
- $47.5M migrated to Facility Services.

Facility Management:

- Funded at C-3 readiness rating.
- Performed at a Capability Level 3 in FY 2003.
- Obligations increased by over $11M.

BSV&E:

- Funded at C-3 readiness rating.
- Performed at a high Capability Level 3.
- High Capability Level 3 achieved with only 82% of the stated requirement in funding.

SRM:

- Programmed for a 84% sustainment rate.
- Programmed for a 116-year recap rate in FY 2003, achieved 75-year recap rate (includes funding from MILCON, NWCF, and MPN).
- SRM funding remained inefficient with 46% of the funding in the 4th quarter.
- FY 2003 funding increased by over $560M.

MILCON:

- Program execution at $1,167M (with DERF and Congressional adds), $331M more than FY 2002.
- BRAC:
- FY 2003 obligations total $314.44M for Navy BRAC.

Utilities

Scope of Program

Within the Facility Support Core Business Area of the IMAP, the Utilities function consists of sub-functions and activities that provide installation utilities, to include, where applicable, the operation of water, steam, electrical and other utility distribution systems. Both maintenance and operations occur in providing these sub-functions (commodities) and activities to the other Core Business Areas. The maintenance portion is covered under SRM for non-NWCF funded activities, while the operations portion is covered under this Utilities function itself and the appropriate sub-functions (electric, sewage, etc.). The operations portion provides for the purchase, production, and distribution of utilities to the other sub-functions of the installation.

Utilities
➢ Chiller Plant
➢ Electrical
➢ Gas
➢ Other
➢ Sewage
➢ Steam
➢ Water

When the installation does not provide its own utility services, the Utilities sub-functions act as cost centers for resources expended to provide utilities.

Chiller Plant: The Chiller Plant sub-function includes activities that provide Chiller Plant and Air Conditioning services. It includes:

- air conditioning plants or equipment with a capacity of 5 to over 100 tons and related distribution systems, either as a plant serving one building or several buildings;
- the cost of operating air conditioning plants and external air conditioning distribution systems for plants of 25 to 100 ton and over capacity;
- cost of air conditioning purchased from commercial sources or another naval activity.

Electrical: The Electrical sub-function consists of activities that provide electricity. It includes:

- all buildings, installed generating equipment, and switching stations used in producing and controlling electric current at the source. This includes the cost of operating all equipment in the steam electric generating plant which is used to generate and control electric current, including the operation of turbine generators, switchboards, circulating water, and condensate pumps. The cost of operating all equipment used in the generation of electricity at internal combustion electricity plants, including the cost of operation of both diesel generator and gas turbine generators and all auxiliaries;
- all operating costs incidental to the exterior distribution of electricity, including transmission lines, sub-stations and switching operations, up to and including the users' meter or similar point of count;
- all operating costs of Energy Monitoring and Control Systems incidental to electricity savings;
- cost of electricity purchased from commercial sources, including municipalities, or from another naval activity.

Gas: The Gas sub-function addresses activities that provide gas for heating or as a fuel for a central power plant. It includes:

- buildings and installed generating equipment, storage tanks, and connected fuel

storage for generation and storage of gas for direct heating or as a fuel for a central plant;
- the cost of operating gas plants to be used as fuel for heating purposes and the cost of operating gas distribution and transmission systems including gas pipes, mains, and other appurtenances;
- cost of gas purchased from commercial sources or another naval activity to be used as fuel.

Other: The "Other" sub-function consists of activities that provide other utility services not otherwise addressed in the Core Business Model. It includes:
- the operation of miscellaneous central plants, systems, and buildings including: maintenance of acetylene and oxygen generating plants; operation of installed ice manufacturing equipment which, for inventory purposes, is a part of the maintenance and production building in which it is housed; operation of installed cooling or refrigeration equipment which, for inventory purposes, is a part of the cold storage building in which housed; and the cost of gas, fuel, oil, and solid fuels consumed for heating including cooking and hot water;
- the costs of operating all other utility distribution systems;
- the costs for operation and distribution of pneumatic power systems;
- costs of utility privatization studies;
- costs of financed energy conservation projects.

Sewage: This sub-function includes activities that provide sewage services. It includes:
- buildings and facilities for the treatment and disposal of sewage and industrial waste including treatment plants, septic tanks, drain fields, outfall sewers and storm drainage systems;
- operating costs of sewage and liquid waste treatment pumping plants and equipment, treatment and purification facilities and disposal;
- operating costs incidental to the exterior distribution system including sewers, lift stations, and other appurtenances for domestic waste and for combined storm water and sanitary systems up to the 5-foot building lines and other appurtenances;
- cost of sewage treatment purchased from commercial sources, including municipalities, or from another naval activity.

Steam: The Steam sub-function consists of activities that provide steam for power and heating and hot water for heating. It includes:
- buildings, installed generating and boiler equipment with a capacity from .75 to over 3.5 MBTU/HR, and connected fuel storage used in producing and controlling hot water and low and high pressure steam at the source for heat and processing. This includes the cost of operation (including fuel costs) of equipment used to generate steam and hot water, including plants providing steam for both power and heat as well as for power only;
- all operating costs incidental to the exterior distribution (transmission and distribution lines and mains) of steam or hot water plants up to and including the users' meter or similar point of count. Includes operating costs of Energy Monitoring and Control Systems incidental to steam and hot water savings;
- cost of steam and hot water purchased from commercial sources or from another naval activity.

Water: The Water sub-function includes activities that provide water. It includes:
- buildings and facilities used in the supply, storage (including storage tanks, wells and

reservoirs), treatment and distribution (including pumping stations, valve sheds and distribution lines) of potable and non-potable water. It also includes filtration plants and pretreatment supply mains but excludes nuclear reactor water treatment facilities;

- facilities for the desalinization of water and the cost of operating all equipment in the desalinization process;
- the operating costs of potable and non-potable supply sources, collection facilities, pumping and purification, plant equipment, and incidentals to the exterior water distribution systems including laterals and pipes, up to and including the users' meter or similar points of count;
- cost of potable water purchased from commercial sources and municipalities or from another naval activity.

Progress in FY 2003

During the course of FY 2003, progress was continued toward Utilities Privatization. This mandated program directed the Navy (and other Services) to develop plans for privatizing utility systems. Utilities Privatization (UP) continues to receive significant Navy and DoD attention. DoN has 654 systems available to privatize with the requirement to reach Source Selection Authority (SSA) decisions on all by September 2005. Systems include Electrical (190), Waste Water (183), Water (190), Gas (78), and Other (13). At the end of FY 2003, 554 systems (85%) had closed Requests For Proposals and were under SSA processing and 56 systems (8%) had SSA decisions (41 received exemptions). Funding SSA processes remains a considerable challenge. Program Budget Decision 721 provided funding through FY 2003. Requirements beyond FY 2003 are programmed under the Utilities function in the Other sub-function.

The Shore Energy Program continues to progress towards achieving its goals. DoN energy consumption per square foot (SF) was reduced by 26% in FY 2003. The Department's goal for FY03 was a 27% reduction relative to the 1985 baseline. The primary reason for missing the target was the elimination of higher than average efficiency BRAC installations from the database. The Energy Program is still on track to meet Executive Order 13123's energy reduction goals of reducing energy consumption/SF by 35% by 2010 as compared to a FY 1985 baseline. Also, $215.1M in energy projects were awarded (includes investments in the Energy Conservation Investment Program, Utility Energy Savings Contracts, and Energy Savings Performance Contracts) and are expected to provide an annual savings of 1.54MBtu in energy with a cost avoidance of over $28M. However, this cost avoidance cannot be considered Navy money as the savings are already taken into account and used elsewhere in the PPBS cycle.

CNI and the Regional Commanders are faced with the prospects of increased energy costs over the next several years. These cost increases are largely regionally dependent, with some regions facing significant steam rate increases, while others have massive water and sewage increases. In the Northeast Region for example, gas rates increased by some 30% as the local power companies converted to domestic natural gas from foreign sources.

A separate Special Interest Item code (SII) for the Utilities function (UT) was approved in FY 2003 for use commencing on 1 October 2003. This new SII will assist to highlight these important Utilities activities throughout the budget process and on into their execution under CNI. OPNAV N46 already increased the visibility of the Utilities function during the development of both the POM-04 and PR-05 inputs with detailed requirements submissions covering all of the Utilities sub-functions.

Assessment and Performance

Utilities BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Chiller Plant	$3.560M	$4.081M
Electrical	$229.162M	$246.787M
Gas	$31.957M	$34.675M
Other	$57.716M	$66.073M
Sewage	$34.723M	$36.713M
Steam	$54.765M	$67.184M
Water	$30.946M	$36.068M
TOTAL Utilities	$442.83M	$491.582M

The Utilities program was included as one line item in the PR-03 BAM submission. The details on the seven sub-functions within the Utilities function were not addressed. For the POM-04 BAM and the PR-05 Capabilities Plan, the OPNAV N46 submissions included well articulated details on each of these seven sub-functions. The overall requirements submitted for FY 2003 for the Utilities function were set at $460.509M. This represented a C-2 readiness rating and was 95% of the total requirement from the IMCs. For FY 2003, the total direct IMAP BOS obligations recorded for the Utilities function were $491.582M or over $31M more than the submitted requirement. The FY 2003 obligations for Utilities were also over $48M more than the obligations in FY 2002. Of note, the POM-04 total requirements submitted in early 2002 for FY 2004 for the Utilities function were at $489.155M. The improved submission in January 2003 for the PR-05 Capabilities plan had the total requirements for the Utilities function at $506.53M for Capability Level 1 and at $485.013M for Capability Level 2.

In FY 2003, the performance in the Utilities function was reported at a Capability Level 1 with an overall score of 9.66 out of 10. This performance exceeded the expectations for FY 2003 of a Capability Level 2. Significantly, Navy leadership determined during FY 2003 that the correct Capability Level for the Utilities function for programming and execution purposes is at a Capability Level 2.

Chiller Plant: The Chiller Plant sub-function was not detailed in PR-03. It was included as part of the Utilities function. The approved macro metric is Cost per MBTU (Millions of British Thermal Units) times the MBTU required. The total direct IMAP obligations in FY 2003 for the Chiller Plant sub-function were $4.081M. This total was slightly more than the obligations in FY 2002 at $3.360M. In the detailed requirements submitted in the POM-04 BAM and the PR-05 Capabilities Plan submission, the Chiller Plant requirements for FY 2004 were $5.517M and for FY 2005 at Capability Level 2 the requirements were $6.563M (Capability Level 1 = $6.8M). The overall performance for the Chiller Plant sub-function in FY 2003 was at Capability Level 1 with a score of 9.48 out of 10.

Electrical: The Electrical sub-function was not detailed in PR-03. It was included as part of the Utilities function. The approved macro metric is Cost per MWH (Mega Watt Hours) times the MWH required. The FY 2003 total direct IMAP BOS obligations for the Electrical sub-function were recorded at $246.787M or over $17.5M more than in FY 2002. The detailed Electrical sub-function requirements submitted in POM-04 for FY 2004 were at $272.348M. However, the requirements submitted in January 2003 as part of PR-05 showed the Electrical sub-function at $242.061M for Capability Level 1 and $230.053M for Capability Level 2. The overall performance for the Electrical sub-function in FY 2003 was at Capability Level 1 with a score of 9.72 out of 10, an improvement over the Capability Level 2 reported in FY 2002.

Gas: The Gas sub-function was not detailed in PR-03. It was included as part of the Utilities function. The approved macro metric is Cost per MBTU (Millions of British Thermal Units) times the MBTU required. The total direct IMAP BOS obligations in FY 2003 for the Gas sub-function were reported at $34.675M as compared to $31.957M in FY 2002. With the improved metrics in place for

POM-04, the FY 2004 requirements for the Gas sub-function were submitted at $30.097M. However, the requirements submitted in January 2003 as part of PR-05 showed the Gas sub-function at $26.414M for Capability Level 1 and $24.852M for Capability Level 2. The overall performance for the Gas sub-function in FY 2003 was at Capability Level 1 with a score of 9.64 out of 10, an improvement over the Capability Level 2 reported in FY 2002.

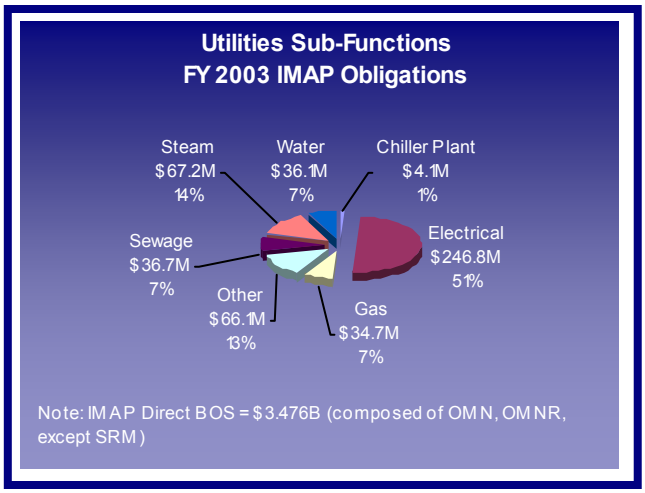
Other: The "Other" sub-function was not detailed in PR-03 but was included as part of the Utilities function. The total direct IMAP BOS obligations in FY 2003 for the "Other" sub-function were reported at $66.073M as compared to $57.716M in FY 2002, an overall increase of over $8M. With the improved metrics in place for POM-04, the FY 2004 requirements for the "Other" sub-function were submitted at $22.887M. The requirements submitted in January 2003 as part of PR-05 showed the "Other" sub-function at $66.194M for Capability Level 1 and $264.787M for Capability Level 2. The overall performance for the "Other" sub-function in FY 2003 was at Capability Level 1 with a score of 9.48 out of 10.

Sewage: The Sewage sub-function was not detailed in PR-03. It was included as part of the Utilities function. The approved macro metric is Cost per Kgal (Thousands of Gallons) times the Kgal required. The total direct IMAP obligations in FY 2003 for the Sewage sub-function were $36.713M. This total was nearly $2M more than the obligations in FY 2002 at $34.724M. With the improved metrics in place for POM-04, the FY 2004 requirements for the Sewage sub-function were submitted at $35.494M. The requirements submitted in January 2003 for the Sewage sub-function as a part of PR-05 for FY 2005 showed the Capability Level 1 requirements at $39.002M. For the Sewage sub-function there is only one Capability Level. The overall performance for the Sewage sub-function in FY 2003 was at Capability Level 1 with a score of 9.71 out of 10.

Steam: The Steam sub-function was not detailed in PR-03. It was included as part of the Utilities function. The approved macro metric is Cost per MBTU (Millions of British Thermal Units) times the MBTU required. The FY 2003 total direct IMAP BOS obligations for the Steam sub-function were recorded at $67.184M or over $12M more than the obligations reported for FY 2002 at $54.766M. The POM-04 BAM submission for FY 2004 had the requirements for the Steam sub-function at $80.299M. The improved submission for FY 2005 in the PR-05 Capabilities Plan showed the Steam sub-function requirements at $84.513M for Capability Level 1 and $79.916M for Capability Level 2. The overall performance for the Steam sub-function in FY 2003 was at Capability Level 1 with a score of 9.43 out of 10, an improvement over the Capability Level 2 reported in FY 2002.

Water: The Water sub-function was not detailed in PR-03. It was included as part of the Utilities function. The approved macro metric is Cost per Kgal (Thousands of Gallons) times the Kgal required. The total direct IMAP obligations in FY 2003 for the Water sub-function were $36.068M. This total was over $5M more than the obligations in FY 2002 at $30.946M. In the detailed requirements submitted in the POM-04 BAM and the PR-05 Capabilities Plan submission, the Water requirements for FY 2004 were $42.52M and for FY 2005 at Capability Level 2 the requirements were $39.84M (Capability Level 1 = $41.546M). The overall performance for the Water sub-function in FY 2003 was at Capability Level 1 with a score of 9.85 out of 10, an improvement over the Capability Level 2 performance reported in FY 2002.

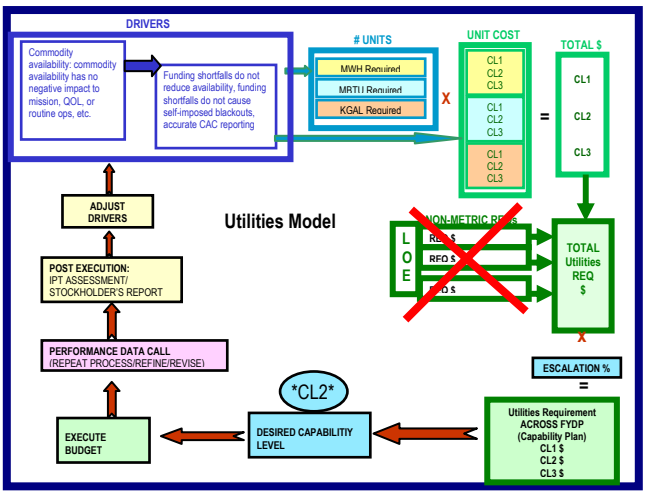
Utilities Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "OB" (For FY 2004, SII = "UT")	IMAP Obligations
$484.746M	$460.509M		$491.582M



Utilities Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	9.8	CL 1
NDW	9.5	CL 1
Mid-Atlantic	10	CL 1
Southeast	9.8	CL 1
Northwest	9.5	CL 1
Southwest	9.7	CL 1
Midwest	9.9	CL 1
Gulf Coast	10	CL 1
South	9.3	CL 1
Hawaii	9.3	CL 1
Japan	9.7	CL 1
Korea	8.7	CL 2
Guam	9.5	CL 1
Europe	9.6	CL 1
Southwest Asia	9.9	CL 1
Overall Performance	9.66	CL 1

Utilities Overall Performance By Sub-Function			
Sub-Function	FY 2002 Perfor-mance: Capability Level	FY 2003 Perfor-mance: Score	FY 2003 Performance: Capability Level
Chiller Plant	CL 1	9.48	CL 1
Electrical	CL 2	9.72	CL 1
Gas	CL 2	9.64	CL 1
Other	CL 1	9.48	CL 1
Sewage	CL 1	9.71	CL 1
Steam	CL 2	9.43	CL 1
Water	CL 2	9.85	CL 1
Overall Performance	CL 2	9.66	CL 1

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 Utilities function is below.



Utilities:

- Funded at C-2 readiness rating.
- Performed at Capability Level 1 in FY 2003, exceeding expectations; all sub-functions at Capability Level 1.
- Obligations increased by over $48M.
- Based on the requirements submitted for FY 2003, over $38M migrated to this function to pay utility costs.

Facility Services

Scope of Program

The Facility Services function includes sub-functions and activities that provide building services and other miscellaneous services for the installation, exclusive of family housing areas. It includes refuse collection, recycling, janitorial, pest control, grounds maintenance, and other miscellaneous installation services.

Facility Services
➢ Janitorial
➢ Pest Control
➢ Refuse Collection/Recycling
➢ Other
➢ Grounds Maintenance
➢ Street Sweeping/Snow Removal

When the installation does not provide its own services, the building services sub-functions act as cost centers for resources expended to provide these services.

Janitorial: The Janitorial sub-function consists of activities that provide janitorial services. It includes the costs of labor and material or contract services for general cleaning.

Pest Control: This sub-function includes activities that provide pest/weed control services. It includes the cost of labor and material or contract services for the control or elimination of insects and rodents or other pests; also includes the cost of weed control.

Refuse Collection/Recycling: The Refuse Collection/Recycling sub-function consists of activities that provide refuse collection and recycling services, including the transfer of marketable items to the servicing Defense Reutilization Management Office (DRMO).

Other: The "Other" Sub-function includes those activities that provide other Facility Support-related services not otherwise defined under this function. These activities include items under Cost Account Codes (CACs) for the following:

- Emergency Service Work (non RPM)
- Facility Services Intra-station Moves
- Other Maintenance and Service
- Maintenance and Repair of Dehumidification Equipment
- Maintenance and Repair of Refrigeration and Water-Cooling Equipment Over Five Tons
- Elevator Operation
- Maintenance and Repair of Fleet Moorings

Grounds Maintenance: The Grounds Maintenance sub-function consists of activities that landscape and maintain the installation grounds. Maintenance and repair of drainage structures is also included. This sub-function was previously a part of the old RPM function within the Facility Support Core Business Area.

Street Sweeping/Snow Removal: This sub-function addresses activities that include removal, hauling, and disposing of snow, ice, and sand; street sweeping; grounds cleanup; and erecting/removing snow fences.

Progress in FY 2003

A separate Special Interest Item code (SII) for the Facility Services function (FX) was approved in FY 2003 for use commencing on 1 October 2003. This new SII will assist to highlight these Facility Services activities throughout the budget process and on into the execution under CNI. OPNAV N46 already increased the visibility of the Facility Services function during the development of both the POM-04 and PR-05 inputs with detailed requirements submissions covering all of the Facility Services activities.

Assessment and Performance

Facility Services BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Janitorial	$55.863M	$58.967M
Pest Control	$8.268M	$6.865M
Refuse Collection/ Recycling	$27.463M	$30.476M
Other	$20.695M	$26.294M
Grounds Maintenance	$43.473M	$47.269M
Street Sweeping/ Snow Removal	$4.772M	$10.486M
TOTAL Facility Services	$160.534M	$180.357M

The sub-functions within the Facility Services program were included under the functions of "Building Services" and "Grounds Maintenance" in the PR-03 BAM submission. For the POM-04 BAM and the PR-05 Capabilities Plan, the OPNAV N46 submissions included well articulated details on each of these six sub-functions. The overall requirements submitted for FY 2003 for the Facility Services function were set at $132.809M. This represented a C-3 readiness rating and was 90% of the total requirement from the IMCs. For FY 2003, the total direct IMAP BOS obligations recorded for the Facilities Services function were $180.357M or over $47M more than the submitted requirement. The FY 2003 obligations for Facility Services were over $19M more than the obligations in FY 2002. Of note, the POM-04 total requirements submitted in

early 2002 for FY 2004 for the Facility Services function were at $295.05M. The improved submission in January 2003 for the PR-05 Capabilities plan had the total requirements for the Facility Services function at $241.26M for Capability Level 1, at $210.99M for Capability Level 2, and at $186.752M for Capability Level 3 in FY 2005.

In FY 2003, the performance in the Facility Services function was reported at a high Capability Level 3 with an overall score of 6.9 out of 10. This performance was in line with the expectations for FY 2003. However, to achieve this high Capability Level 3 performance a total of over $47.5M migrated into the Facility Services program. This amount was considerably less than the total migration in FY 2002 of some $85M.

Janitorial: The Janitorial sub-function was addressed as a separate sub-function in the PR-03 BAM submission. The approved macro metric is Cost per Square Foot Cleaned times the Square Feet required to be cleaned. The total requirements for FY 2003 for the Janitorial sub-function were set at $68.954M or 90% of the full requirement submitted by the IMCs. The FY 2003 total direct IMAP BOS obligations for the Janitorial sub-function were recorded at $58.967M or over $3M more than in FY 2002 ($55.863M). Significant here is the overall obligations in FY 2003 were some 85% of the submitted requirements. Without further information, it would appear that some $10M was migrated out of the Janitorial sub-function to cover other requirements. The POM-04 BAM submission for FY 2004 had the requirements for the Janitorial sub-function at $130.231M. The improved submission for FY 2005 in the PR-05 Capabilities Plan showed the Janitorial sub-function requirements at $94.687M for Capability Level 1 and $74.909M for Capability Level 2. The overall performance for the Janitorial sub-function in FY 2003 was at a high Capability Level 3 with a score of 6.88 out of 10.

Pest Control: The Pest Control sub-function was also covered as a separate sub-function in the PR-03 BAM submission. The approved macro metric is Cost per Square Foot times the Square Feet required to be controlled. The submitted requirements for FY 2003 for the Pest Control sub-function were set at $10.958M. The overall total direct IMAP BOS obligations in FY 2003 for the Pest Control sub-function were reported as $6.865M or nearly $1.4M less than the recorded obligations for FY 2002 ($8.268M). The FY 2003 executed obligations were over $4M less than the submitted requirements for Pest Control. With the improved metrics in place for POM-04, the FY 2004 requirements for the Pest Control sub-function were submitted at $9.919M. The requirements submitted in January 2003 as part of PR-05 showed the Pest Control sub-function at $9.951M for Capability Level 1. The overall performance for the Pest Control sub-function in FY 2003 was at Capability Level 2 with a score of 7.98 out of 10.

Refuse Collection/Recycling: The Refuse Collection/Recycling sub-function was likewise included as a separate sub-function in the PR-03 BAM submission. The approved macro metric is Cost per Gross Square Foot times the Gross Square Feet required. The FY 2003 requirement submitted for this sub-function was set at $36.536M. The FY 2003 total direct IMAP BOS obligations for the Refuse Collection/Recycling sub-function were recorded at $30.476M or slightly more than $3M greater than the FY 2002 obligations of $27.463M. The continued development of the metrics for this sub-function resulted in the POM-04 submission of requirements at $30.064M. The January 2003 PR-05 Capabilities Plan submission for the Refuse Collection/Recycling sub-function was $36.134 for Capability Level 1. The reported overall performance in FY 2003 for the Refuse Collection/Recycling sub-function was at a solid Capability Level 2 with a score of 8.79 out of 10.

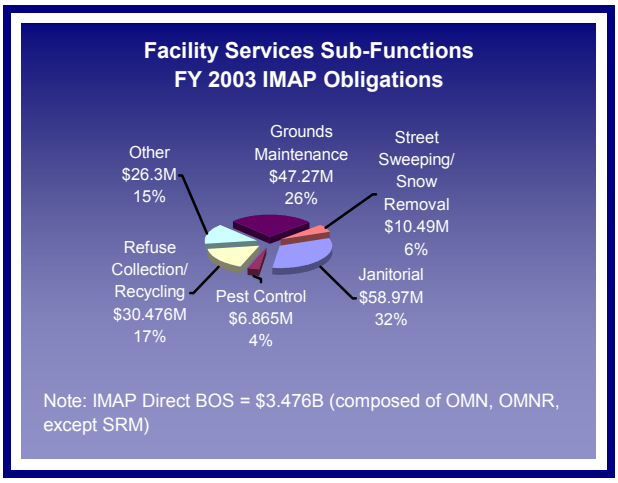
Other: This sub-function within the Facility Services function was not shown as a separate line item in the PR-03 BAM submission. There is also no approved macro metric for the "Other" sub-function. For FY 2003, the total direct IMAP BOS obligations for the "Other" sub-function were $26.294M. This total was over $5.5M more than the recorded obligations for FY 2002. The POM-04 BAM submission for FY 2004 had the requirements for the "Other"

sub-function at $31.749M. The improved submission in January 2003 for FY 2005 in the PR-05 Capabilities Plan showed the "Other" sub-function requirements at $19.267M for Capability Level 1. The overall performance for the "Other" sub-function within the Facility Services function in FY 2003 was not measured.

Grounds Maintenance: The Grounds Maintenance sub-function was included in the PR-03 BAM submission. The approved macro metric is the Cost per Acre maintained times the Acres to be maintained. The FY 2003 requirement submitted for the Grounds Maintenance sub-function was set at $8.809M. The FY 2003 total direct IMAP BOS obligations for the Grounds Maintenance sub-function were $47.269M or nearly $3.8M more than the FY 2002 obligations. This sub-function has seen considerable improvements in the development of the requirements for Grounds Maintenance activities. With the improved metrics in place for POM-04, the FY 2004 requirements for the Grounds Maintenance sub-function were submitted at $83.904M. The requirements submitted in January 2003 for the Grounds Maintenance sub-function as a part of PR-05 for FY 2005 showed the Capability Level 1 requirements at $66.512M and the Capability Level 2 requirements were at $58.961M. The overall performance for the Grounds Maintenance sub-function in FY 2003 was at Capability Level 2 with a score of 7.25 out of 10.

Street Sweeping/Snow Removal: This sub-function within the Facility Services function was included as a separate line item in the PR-03 BAM submission by OPNAV N46. The approved macro metric is the Cost per Square Yard time the Square Yardage required to be swept or cleared. The PR-03 requirement submitted for FY 2003 for this sub-function was set at 7.552M. For FY 2003, the overall reported direct IMAP BOS obligations for the Street Sweeping/Snow Removal sub-function came to $10.486M or over double the obligations in FY 2002 of $4.772M. The source of these increased obligations in FY 2003 was in the regions along the East Coast of the U.S., and in Europe at NAS Keflavik. The largest increases were in the Mid-Atlantic Region (increase of over $3.1M) and in the Northeast Region (increase of over $1M). The performance data call reported two separate scores for this sub-function overall. The Street Sweeping activity has an overall performance at a Capability Level 3 with a score of 6.07 out of 10, while the Snow Removal activity was at a high Capability Level 3 at 6.94 out of 10.

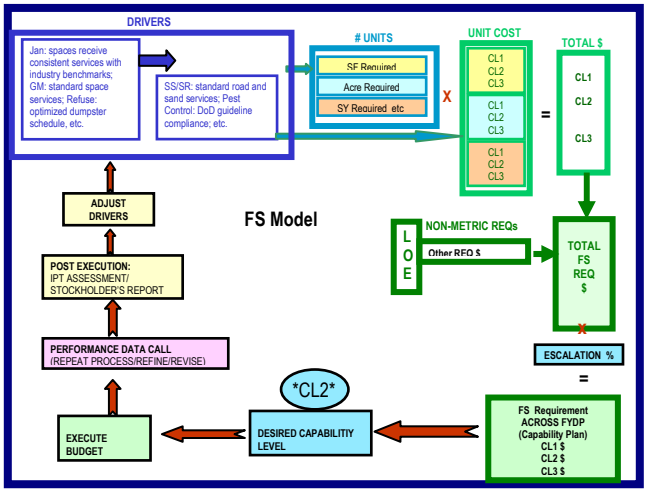
Facility Services Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "OB" (For FY 2004, SII = "FX")	IMAP Obligations
$147.56M	$132.809M		$180.357M



Facility Services Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	7.1	CL 2
NDW	7.4	CL 2
Mid-Atlantic	6	CL 3
Southeast	6.6	CL 3
Northwest	7.2	CL 2
Southwest	7.2	CL 2
Midwest	7.5	CL 2
Gulf Coast	7.0	CL 2
South	6.9	CL 3
Hawaii	6.7	CL 3
Japan	6.6	CL 3
Korea	6.5	CL 3
Guam	7.7	CL 2
Europe	7.0	CL 2
Southwest Asia	7.7	CL 2
Overall Performance	6.9	CL 3

Facility Services Overall Performance By Sub-Function		
Sub-Function	**FY 2003 Performance: Score**	**FY 2003 Performance: Capability Level**
Janitorial	**6.88**	**CL 3**
Pest Control	**7.98**	**CL 2**
Refuse Collection/Recycling	**8.79**	**CL 2**
Other	**N/A**	**N/A**
Grounds Maintenance	**7.25**	**CL 2**
Street Sweeping	**6.07**	**CL 3**
Snow Removal	**6.94**	**CL 3**
Overall Performance	**6.9**	**CL 3**

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 Facility Services function is shown in the top right.



Facility Services:

- Funded at C-3 readiness rating.
- Performed at a high Capability Level 3 in FY 2003.
- Obligations increased by nearly $20M.
- $47.5M migrated to Facility Services to achieve the Capability Level 3 performance.
- Improved metrics resulted in better articulated requirements for FY 2004 and beyond.

Facility Management

Scope of Program

The Facility Management function within the Facility Support Core Business Area of the IMAP includes sub-functions and activities that provide facilities planning and engineering, public works administrative and management services, and fund real-estate leases and collateral equipment for MILCON projects.

Facility Management
➢ **Management and Administration**
➢ **Installation Plans and Engineering**
➢ **Collateral Equipment**
➢ **Real Estate**

Management and Administration: This sub-function includes activities that provide overall management and administrative support for the entire Facility Support Business area, except transportation. It provides:

- office services and administrative support,
- technical and sensitive information control,
- tracking of capital assets,
- resource tracking and preparation of PW budgets,
- management of human resources,
- current technical reference materials,
- development of inspections standards,
- inspection of facilities,
- management studies,
- validation of capital asset records through physical inventories.

Installation Plans and Engineering: The Installation and Plans sub-function consists of activities that provide current and long-range planning for the use and layout of the installation's land, facilities, and other capital assets. It also includes activities that provide engineering design and planning for the

acquisition, maintenance, repair, and disposal of facilities and equipment. This includes utilities systems, housing units, buildings and structures, airfields, roads, grounds, waterfront structures, and equipment.

Collateral Equipment: This sub-function addresses the costs identified with equipment and minor property to initially outfit a new facility financed by the Military Construction, Navy Program.

Real Estate: The Real Estate sub-function includes the costs of rentals, leases, and easements of Class 1 and Class 2 Real Property.

Progress in FY 2003

A separate Special Interest Item code (SII) for the Facility Management function (FP) was approved in FY 2003 for use commencing on 1 October 2003. This new SII will assist to highlight these management activities throughout the budget process and on into their execution under CNI. OPNAV N46 already increased the visibility of the Facility Management function during the development of both the POM-04 and PR-05 inputs with detailed requirements submissions covering all of the Facility Management activities.

Assessment and Performance

Facility Management BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Management and Administration	$124.547M (includes $50.746M SRM)	$93.452M (includes $3.350M SRM)
Installation Plans and Engineering	$64.424M (includes $2.638M SRM)	$90.452M (includes $16.198M SRM)
Collateral Equipment	$26.039M	$32.272M
Real Estate	$36.943M	$46.801M
TOTAL Facility Management	$251.953M (includes $53.383M SRM)	$263.347M (includes $19.548M SRM)

The sub-functions within the Facility Management function were included under the "PW Management" function in the PR-03 BAM submission, although the Collateral Equipment sub-function was not detailed. For the POM-04 BAM and the PR-05 Capabilities Plan, the OPNAV N46 submissions included well articulated details on each of these four sub-functions. The overall requirements submitted for FY 2003 for the Facility Management function were set at $261.793M. This represented a C-3 readiness rating and was 90% of the total requirement from the IMCs. For FY 2003, the total direct IMAP BOS obligations recorded for the Facilities Management function were $263.347M (Note: this total includes $19.548M of IMAP SRM obligations that were migrated to the Facility Management function). The FY 2003 obligations for Facility Management were over $11M more than the obligations in FY 2002. Of note, the POM-04 total requirements submitted in early 2002 for FY 2004 for the Facility Management function were at $260.158M. The improved submission in January 2003 for the PR-05 Capabilities plan had the total requirements for the Facility Management function at $301.35M for Capability Level 1, at $264.71M for Capability Level 2, and at $239.646M for Capability Level 3 for FY 2005.

In FY 2003, the performance in the Facility Management function was reported at a Capability Level 3 with an overall score of 6.5 out of 10. This performance was in line with the expectations for FY 2003. The Capability Level 3 performance was achieved with the full (over 100%) submitted as the FY 2003 requirement for the Facility Management function.

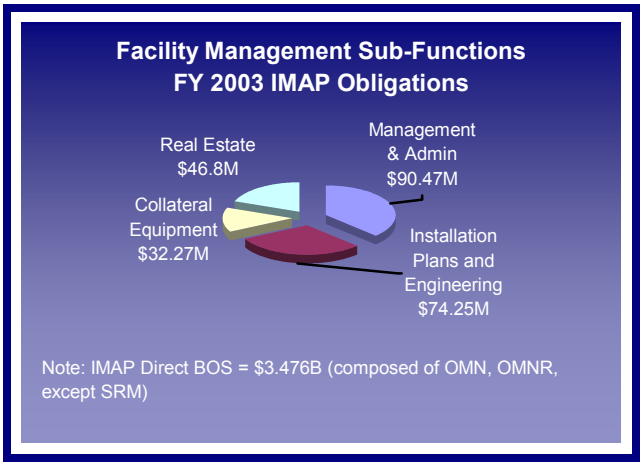
Management and Administration: The Management and Administration sub-function within the Facility Management function is the largest in terms of overall obligations. In the PR-03 BAM submission for FY 2003, this sub-function was shown as a separate line item with requirements of $115.29M. The FY 2003 total direct IMAP BOS obligations for the Management and Administration sub-function were at $93.821M (Note: this total includes $3.350M of IMAP SRM obligations that were migrated to this sub-function). The reported FY 2003 performance for the Management and Administration sub-function was at Capability Level 2 with a score of 7.28 out of 10. This is consistent with the large increase in funding for this sub-function in FY 2003.

Installation Plans and Engineering: The Installation Plans and Engineering is the second largest sub-function within the Facility Management function. The PR-03 BAM submission for FY 2003 included requirements of $82.847M for this sub-function. The recorded FY2003 direct IMAP BOS obligations for the Installation Plans and Engineering sub-function were $90.452 (Note: this total includes $16.198M of IMAP SRM obligations that were migrated to this sub-function). These FY 2003 obligations were over $26M more than the reported FY 2002 obligations. The primary locations for these increases were at NDW (up over $5.7M) and in the Gulf Coast Region (up over $2.5M). The PR-05 Capabilities Plan submission in January 2003 for FY 2005 showed a major step forward in articulating the requirements for this sub-function. The FY 2003 performance reported for the Installation Plans and Engineering sub-function was at Capability Level 3 with a score of 6.15 out of 10. This performance met the FY 2003 expectations.

Collateral Equipment: The Collateral Equipment sub-function was not detailed as a separate line item in the PR-03 BAM submission. The reported direct IMAP BOS obligations in FY 2003 were $32.272M for the Collateral Equipment sub-function, an increase of $6M over the FY 2002 obligations of $26.039M. With the establishment of CNI, the decision has been made to manage these funds for the Collateral Equipment sub-function centrally at CNI to ensure they are in concert with the MILCON funding process. The FY 2003 performance in this sub-function was not measured.

Real Estate: The Real Estate sub-function was also detailed in the PR-03 BAM submission with FY 2003 requirements at $63.656M, representing 90% of the overall requirement from the IMCs. The FY 2003 recorded direct IMAP BOS obligations for the Real Estate sub-function were $46.801M or less than 74% of the submitted requirement. By comparison, the FY 2002 obligations were more than $9.8M less at $36.943M. The PR-05 Capabilities Plan submission in January 2003 provided for adjustments in real estate leases and a Capability Level 1 requirement for FY 2005 of $47.6M. The FY 2003 performance in this sub-function was not measured.

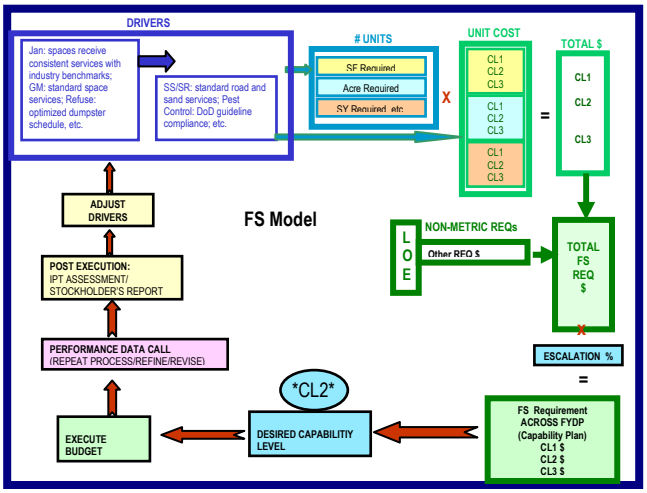
Facility Management Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "OB" (For FY 2004, SII = "FP")	IMAP Obligations* (includes $19.5M of SRM IMAP obligations for Facility Management)
$290.881M	$261.793M		$263.347M*



Facility Management Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	7.1	CL 2
NDW	6.4	CL 3
Mid-Atlantic	6.3	CL 3
Southeast	6.8	CL 3
Northwest	8.0	CL 2
Southwest	6.3	CL 3
Midwest	6.5	CL 3
Gulf Coast	7.3	CL 2
South	6.2	CL 3
Hawaii	6.8	CL 3
Japan	6.2	CL 3
Korea	5.6	CL 3
Guam	6.9	CL 3
Europe	5.9	CL 3
Southwest Asia	6.4	CL 3
Overall Performance	6.5	CL 3

Facility Management Overall Performance By Sub-Function		
Sub-Function	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Management & Admin	7.28	CL 2
Installation Plans & Engineering	6.15	CL 3
Collateral Equipment	N/A	N/A
Real Estate	N/A	N/A
Overall Performance	6.5	CL 3

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 Facility Management function is shown below. Note that Service Levels were changed to Capability Levels effective FY 2004.



Facility Management:

- Funded at C-3 readiness rating.
- Performed at a Capability Level 3 in FY 2003.
- Obligations increased by over $45M.

Base Support Vehicle and Equipment

Scope of Program

The Base Support Vehicle and Equipment function, commonly referred to as the Transportation function, includes sub-functions and activities that provide transportation services for the installation. It includes vehicle, crane, GSE/MHE, railroad, and other installation centrally managed transportation services.

Base Support Vehicle and Equipment
➢ Management and Administration
➢ Railroads
➢ Cranes
➢ Vehicles
➢ GSE/MHE
➢ Construction
➢ Other

When the installation does not provide its own transportation services, the Transportation sub-functions act as cost centers for resources expended to provide transportation services.

Management and Administration: This sub-function consists of activities that provide management and administrative support for the entire Base Support Vehicle & Equipment function.

Railroads: The Railroads sub-function includes activities involved with operation and maintenance of railroads in support of installation railroad services.

Cranes: This sub-function includes activities involved with operation and maintenance of cranes in support of installation crane services.

Vehicles: The Vehicles sub-function consists of activities involved with operation and maintenance of vehicles for the installation; including cars, buses, and trucks plus towing service for the entire transportation fleet. Within this sub-function there are 57 Cost Account Codes (CACs) to cover in detail the large number of vehicles and activities in the overall transportation fleet.

GSE/MHE: The GSE/MHE (Ground Handling Equipment/Materiel Handling Equipment) sub-function addresses activities involved with operation and maintenance of ground support equipment and material handling equipment in support of installation services.

Construction: The Construction sub-function covers activities involved with operation and maintenance of construction equipment for installation provided construction support services.

Other: The "Other" sub-function consists of activities involved with other transportation equipment support services. It includes Cost Account Codes (CACs) for all of the following:

- Fire Fighting Equipment (FFE) – Maintenance, Direct Labor/Material
- Miscellaneous Equipment – Maintenance, Direct Labor/Material
- Non Activity-owned (customer-owned) Equipment – Maintenance, Labor/Material
- Vehicle Accidents (ALPHA Codes O-Z only) – Maintenance, Direct Labor/ Material
- Trailers – Maintenance, Direct Labor/ Material
- Grounds Maintenance Equipment – Maintenance, Direct Labor/Material
- Fire Fighting Equipment – Fuel, Oils, and Lubricants
- Miscellaneous Equipment – Fuel, Oils, and Lubricants
- Non Activity-owned (customer-owned) Equipment – Fuel, Oils, & Lubricants
- Grounds Maintenance Equipment – Fuel, Oils, and Lubricants
- Equipment Operators/Riggers – Direct Labor

Progress in FY 2003

A separate Special Interest Item code (SII) for the Base Support Vehicle and Equipment function (TR) was approved in FY 2003 for use commencing on 1 October 2003. This new SII will assist to highlight the transportation activities throughout the budget process and on into their execution under CNI. OPNAV N46 already increased the visibility of the Base Support Vehicle and Equipment area during the development of both the POM-04 and PR-05 inputs with detailed requirements submissions covering all of the transportation activities.

Assessment and Performance

Base Support Vehicle and Equipment BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Management and Administration	$20.397M	$23.194M
Railroads	$0.937M	$0.601M
Cranes	$3.994M	$4.562M
Vehicles	$76.448M	$80.439M
GSE/MHE	$3.147M	$2.987M
Construction	$1.367M	$1.501M
Other	$8.628M	$8.010M
TOTAL Base Support Vehicle and Equipment	$114.918M	$121.294M

The Base Support Vehicle and Equipment program was included in the PR-03 BAM submission as the Transportation function. The details on the seven sub-functions were addressed. For the POM-04 BAM and the PR-05 Capabilities Plan, the OPNAV N46 submissions included well articulated details on each

of these seven sub-functions. The overall requirements submitted for FY 2003 for this function were set at $148.681M. This represented a C-3 readiness rating and was 90% of the total requirement from the IMCs. For FY 2003, the total direct IMAP BOS obligations recorded for the Base Support Vehicle and Equipment function were $121.294M or less than 82% of the submitted requirement. The FY 2003 obligations for this function were over $6M more than the obligations in FY 2002. Of note, the POM-04 total requirements submitted in early 2002 for FY 2004 for the Base Support Vehicle and Equipment function were at $186.138M. The improved submission in January 2003 for the PR-05 Capabilities plan had the total requirements for this function at $128.563M for Capability Level 1, at $119.05M for Capability Level 2, and at $117.209M for Capability Level 3. It should be noted here that there were also additional OPN requirements submitted in PR-05 with $100.012M for Capability Level 1, $63.681M for Capability Level 2, and $37.008M for Capability Level 3.

In FY 2003, the performance in the Base Support Vehicle and Equipment function was reported as high Capability Level 3 with an overall score of 6.9 out of 10. This performance met the expectations for FY 2003 of a Capability Level 3. The high Capability Level 3 performance was achieved with 82% of the funding submitted as the FY 2003 requirement for the Base Support Vehicle and equipment function. CNI must, however, address the overall OPN requirements for this function as an urgent action. The OPN requirements have been stated, but they need to go forward to FMB for consideration.

Management and Administration: The Management and Administration sub-function was addressed specifically in the PR-03 BAM submission. The FY 2003 requirement submitted was set at $14.109M. For FY 2003, the total direct IMAP BOS obligations for the Management and Administration sub-function were recorded at $23.194M or some $9M more than the stated requirement and nearly $3M more than the FY 2002 obligations. The POM-04 requirements submitted for FY 2004 for this sub-function were at $21.843M. The January 2003 PR-05 Capabilities Plan submission for the Management and Administration sub-function was $20.183M for Capability Level 1. The overall performance in FY 2003 was not reported for the Management and Administration sub-function.

Railroads: The Railroads sub-function was also detailed in the PR-03 BAM submission with the FY 2003 requirement at $390K. The total direct IMAP BOS obligations for the Railroads sub-function in FY 2003 were $601K or over $300K less than in FY 2002. Of note, two-thirds of the FY 2003 obligations were recorded at SUBASE Kings Bay at SWFLANT as an SSP Claimant. CNI will want to ensure these activities are included as BOS functions for transfer to CNI and not held as Mission funding. The overall performance in FY 2003 for the Railroads sub-function was at a low Capability Level 3 with a score of 5.05 out of 10.

Cranes: The Cranes sub-function was included in PR-03 with a requirement for FY 2003 at $14.841M. The total direct IMAP BOS obligations for FY 2003 for the Cranes sub-function were $4.562M or just 30% of the requirement. The FY 2002 obligations for the Crane sub-function were $3.994M. Improved metrics resulted in a POM-04 requirements submission of $7.499M for the Cranes sub-function in FY 2004 and in PR-05 the requirements were $6.769M for FY 2005. The overall performance in FY 2003 recorded for the Cranes sub-function was at Capability Level 3 with a score of 5.29 out of 10.

Vehicles: The Vehicles sub-function addresses the majority of the requirements within the Base Support Vehicle and Equipment function. It was detailed in the PR-03 BAM submission with FY 2003 requirements at $87.092M. The total direct IMAP obligations for FY 2003 were $80.439M or some $6.5M less than the stated requirement and nearly $4M more than the FY 2002 obligations ($76.448M). These obligations in FY 2003 represent 66% of the total obligations in the Base Support Vehicle and Equipment function. A major improvement during FY 2003 was in the PR-05 Capabilities Plan submission with the detailed Capability Level requirements for Vehicles (A-N), Aircraft Refuelers, and Fire Fighting Equipment (FFE). This January 2003 submission also detailed the OPN requirements (which are significant) for Vehicles (A-N), Aircraft Refuelers, and for FFE – each at Capability Levels 1, 2, and 3.

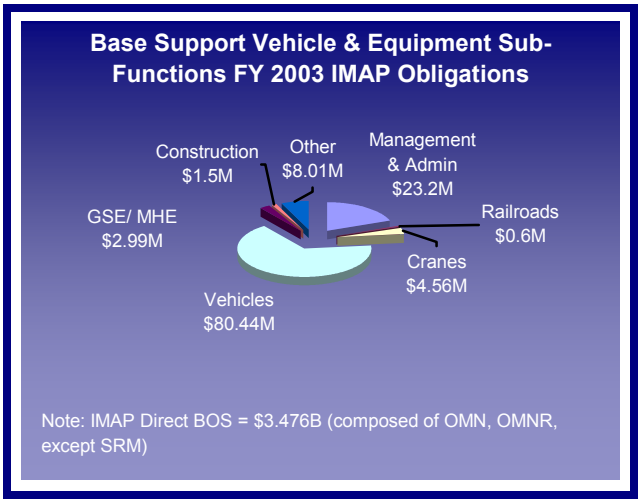
The reported FY 2003 performance was at Capability Level 2 with a score of 8.26 out of 10. Separate performance reporting for FY 2003 for Fire Fighting Equipment at Capability Level 2 performance (7.42 out of 10) and for Aircraft Refuelers at Capability Level 2 (7.52 out of 10).

GSE/MHE: The GSE/MHE sub-function was addressed as a separate sub-function in the PR-03 BAM submission and included $7.613M in requirements. The recorded FY 2003 total direct IMAP BOS obligations for the GSE/MHE sub-function were $2.987M or slightly less than the FY 2002 obligations at $3.147M. The reported performance for FY 2003 was at Capability Level 3 with a score of 5.53 out of 10.

Construction: The Construction sub-function was also included in the PR-03 submission. The Construction sub-function had FY 2003 requirements at $5.28M. The FY 2003 total direct IMAP BOS obligations for the Construction sub-function were 1.501M or less than 30% of the stated requirements. These obligations were similar to the FY 2002 obligations at $1.367M. The overall reported FY 2003 performance for the Construction sub-function was at Capability Level 3 with a score of 6.1 out of 10.

Other: The "Other" sub-function was included as a separate line item under the Transportation function in PR-03. The stated requirements for FY 2003 for the "Other" sub-function were $19.356M. The FY 2003 reported direct IMAP BOS obligations for the "Other" sub-function were $8.01M or less than 42% of the stated requirements. The FY 2003 obligations were $600K less than the FY 2002 obligations ($8.628M). For FY 2003, the recorded performance for the "Other" sub-function was at Capability Level 3 with a score of 5.74 out of 10.

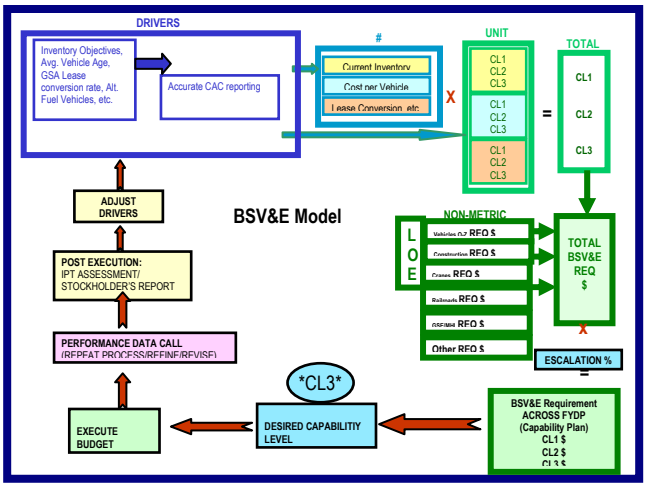
Base Support Vehicle and Equipment Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N46 BAM Requirement	Special Interest Item for "OB" (For FY 2004, SII = "TR")	IMAP Obligations
$165.2M	$148.681 M		$121.294M



Base Support Vehicle and Equipment Overall Performance By Region		
Region	FY 2003 Performance: Scores	FY 2003 Performance: Capability Level
Northeast	7.6	CL 2
NDW	7.7	CL 2
Mid-Atlantic	5.9	CL 3
Southeast	6.7	CL 3
Northwest	5.9	CL 3
Southwest	7.2	CL 2
Midwest	8.7	CL 2
Gulf Coast	6.4	CL 3
South	7.1	CL 2
Hawaii	8.2	CL 2
Japan	7.4	CL 2
Korea	8.7	CL 2
Guam	5.6	CL 3
Europe	6.8	CL 3
Southwest Asia	8.0	CL 2
Overall Performance	6.9	CL 3

Base Support Vehicle and Equipment Performance By Sub-Function		
Sub-Function	**FY 2003 Performance: Score**	**FY 2003 Performance: Capability Level**
Management & Administration	**N/A**	**N/A**
Railroads	**5.05**	**CL 3**
Cranes	**5.29**	**CL 3**
Vehicles	**8.26**	**CL 2**
FFE	**7.42**	**CL 2**
Refuelers	**7.52**	**CL 2**
GSE/MHE	**5.53**	**CL 3**
Construction	**6.1**	**CL 3**
Other	**5.74**	**CL 3**
Overall Performance	**6.9**	**CL 3**

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 Base Support Vehicle and Equipment function is shown below.



Base Support Vehicle and Equipment:

- Funded at C-3 readiness rating.
- Performed at a high Capability Level 3 in FY 2003.
- Obligations increased by $6M.
- High Capability Level 3 performance achieved with only 82% of the stated requirement in funding.

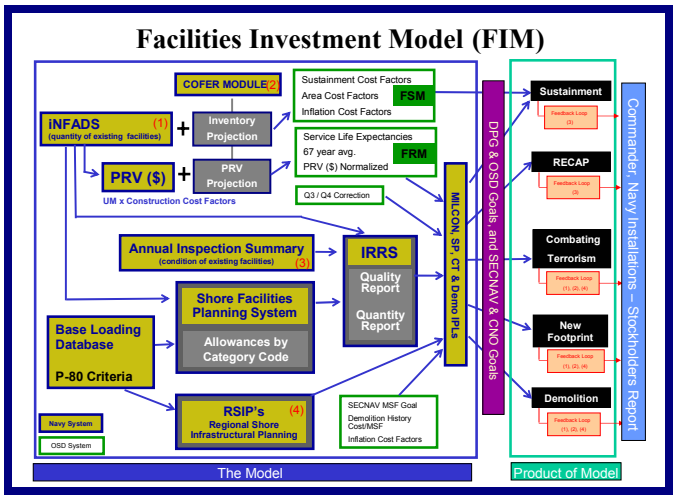
SRM

Scope of Program

Within the Core Business Area of Facility Support, the SRM function consists of sub-functions and activities that provide facility sustainment, restoration and modernization, new footprint, demolition, and combating terrorism for all Class 1 and Class 2 real property assets. To ensure total cost collection, all funding retained and managed by either the echelon II Commander or Regional Commander (e.g. Special Project funding) is also reflected in the IMAP reports.

SRM
➢ **Sustainment**
➢ **Restoration and Modernization**
➢ **New Footprint**
➢ **Demolition**
➢ **Combating Terrorism**

The following chart represents the Facility Investment Model.



The SRM sub-functions (special interest items) act as cost centers for resources expended to provide these services.

Sustainment (ST): The Sustainment sub-function provides resources for maintenance and repair activities necessary to keep an inventory of facilities in good working order. It includes regularly scheduled adjustments and inspections (not facility condition assessment program (FCAP) or annual condition assessments (AIS)), preventive maintenance tasks, and emergency response and service calls for minor repairs. The Sustainment sub-function also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, and similar types of work. It does not include certain restoration, modernization, and environmental compliance costs that are funded elsewhere. Other tasks associated with facilities operations (such as custodial services, grass cutting, landscaping, waste disposal, and the provision of central utilities) are also not included. The 40+ Cost Account Codes (CACs) within this sub-function allow for greater visibility as to the true total costs of other functional areas. For example, there is a CAC for Port Operational Facilities Sustainment and another for Maintenance Dredging Sustainment.

Restoration & Modernization (RM): Restoration includes repair and replacement work to restore damaged facilities due to failure attributable to inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members). This sub-function does not include recurring sustainment tasks or certain environmental measures (such as removal of asbestos and lead paint) which are funded elsewhere. Restoration and Modernization is also referred to as Recapitalization (RECAP). Other tasks associated with facilities operations (services) such as custodial services and grass cutting and the provision of central utilities are also not included. Cost collection under this sub-function includes non-MILCON funds only. As with Sustainment, the 40+ Cost Account Codes (CACs) within this sub-function allow for greater visibility as to the true total costs of other functional areas. For example, there is a CAC for Air Operational Facilities Restoration and Modernization and another for Aviation Maintenance Facilities Restoration and Modernization.

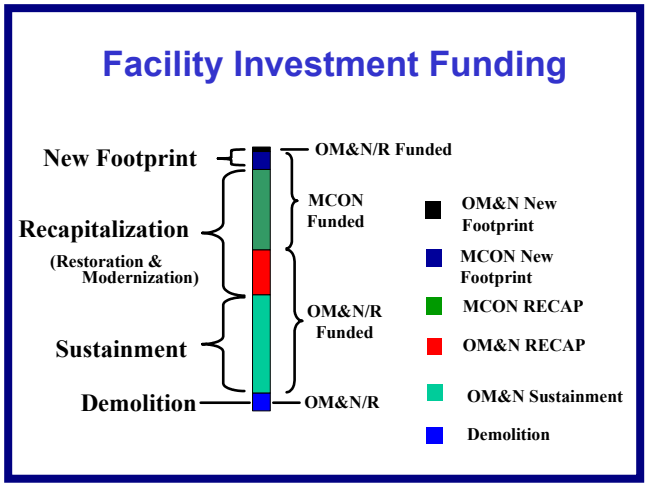
New Footprint (NF): The New Footprint sub-function includes the erection, installation, or assembly of a new real property facility or the addition, expansion, or extension of an existing real property facility. New footprint construction does not restore or modernize the existing facilities inventory – it adds to the inventory. Cost collection under this sub-function includes non-MILCON funds only. The 14 Cost Account Codes (CACs) within this sub-function allow for greater visibility as to the true total costs of other functional areas. For example, there is a CAC for Communication Facilities New Footprint and another for Training Facilities New Footprint.

Demolition (DE): The Demolition sub-function covers the dismantling and removal of a real property facility and associated costs to close openings and secure utilities. Cost collection under this sub-function includes non-MILCON funds only. The 14 Cost Account Codes (CACs) within this sub-function allow for greater visibility as to the true total costs of other functional areas. For example, there is a CAC for Supply Facilities Demolition and another for BQ Facilities Demolition.

Combating Terrorism (CT): This sub-function includes the cost of any facility Restoration and Modernization or New Footprint work that is for the purpose of the physical protection of assets, personnel or information, to include walls, fences, barricades or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility. It includes: special structural improvements to walls, doors, windows, ceilings, interior barriers, etc., and any land acquisition for stand-off distances. This sub-function also includes the costs of facility modification/features such as site improvements in fencing, perimeter/area lighting, blast mitigation barriers, vehicle barriers, and special landscaping. It also includes safe havens, evacuation facilities and surveillance platforms.

Assessment and Performance

The overall Facility Investment funding program for the Navy cuts across a number of programs and appropriations as shown on the accompanying slide.



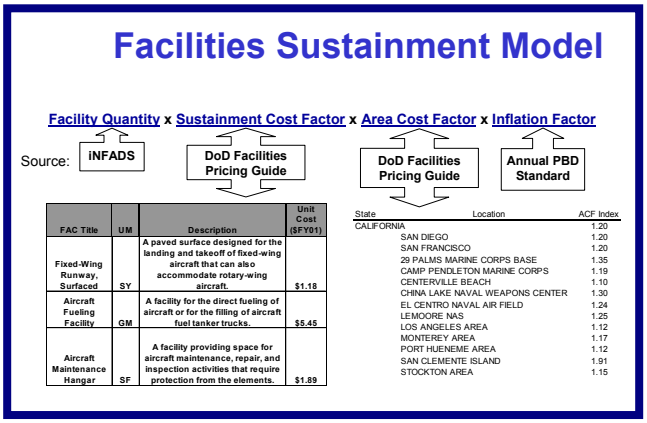
Sustainment: The Sustainment sub-function provides for the maintenance and repair activities to keep a typical facilities inventory in good working order over a 50-year life cycle. The DPG stated goal is to fund 100% of the benchmarks defined by the Facilities Sustainment Model. The approved Special Interest Item (SII) code for Sustainment is "ST". All sustainment is O&M,N/O&M,NR funded.

The Sustainment sub-function funds activities to keep facilities in good condition and to allow those facilities to realize their intended useful life. Sustainment includes:

- Regularly scheduled adjustments and inspections (PM inspections, not Facilities Condition Assessment Program (FCAP)/ Annual Inspection Summary (AIS)), pre-ventative maintenance, or minor repairs
- Major repair or replacement of facility components expected to occur periodically throughout the facility life cycle
  - ➢ Roof skin replacement; refinishing of wall surfaces; repairing and replacing electrical, heating and cooling systems; replacing tile and carpeting.

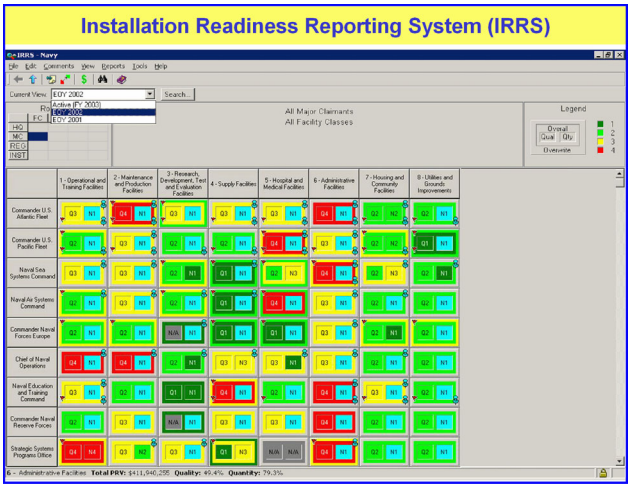
Sustainment funding will not correct Q3 and Q4 conditions. Failure to adequately sustain will allow facility condition to degrade more quickly.

OSD has an approved Facility Sustainment Model (FSM). Navy subject matter experts participate on an OSD Working Group for the FSM. DoD published the most recent DoD Facilities Pricing Guide in March 2003 and anticipates the FY 2004 edition in March 2004.



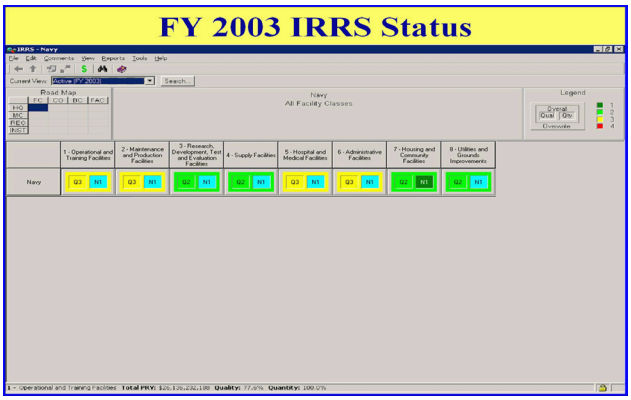
The Navy programmed for an overall sustainment rate of 84% in FY 2003 .

The Installation Readiness Reporting System (IRRS) provides a rational, auditable methodology for quantifying the quality deficiencies (Q-ratings) and quantity deficiencies (N-ratings). The goal of IRRS is to provide a standardized methodology across the Navy for tracking these deficiencies.



The IRRS reporting will shift from the IMCs to the Regions in FY 2004. Also in FY 2004, the name will change from IRRS to Facility Readiness Evaluation System (FRES).

The internal total Navy IRRS status was as shown below. The final IRRS reporting remains in staffing.

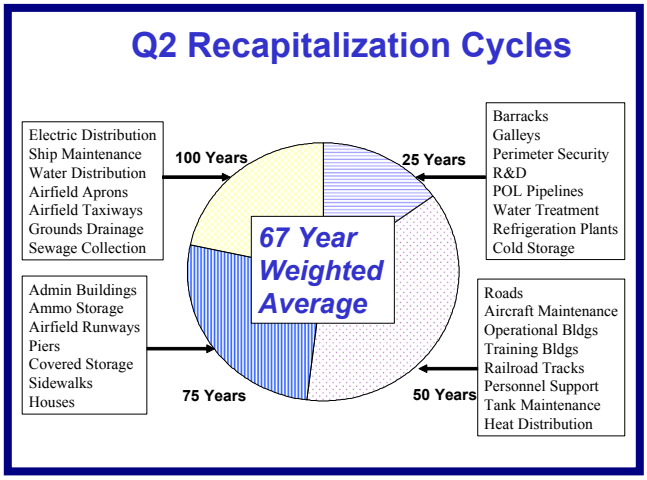


Restoration & Modernization: The Restoration and Modernization sub-function provides the major renovation and/or reconstruction activities (including facility replacements) needed to keep existing facilities modern and relevant in an environment of changing standards and missions. This is the Recapitalization piece of the Facility Investment Funding total program.

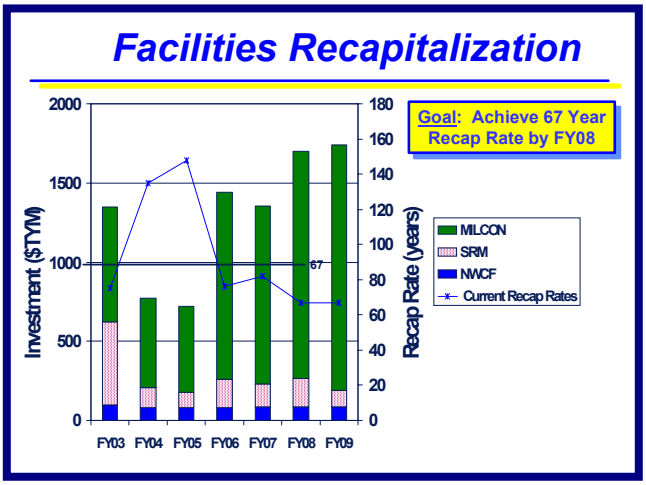
Recapitalization = Restoration & Modernization

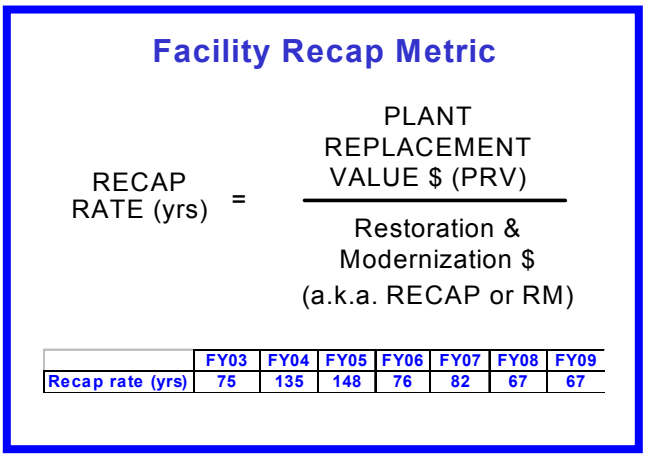
- Restoration = Activities necessary to return facilities to good condition
- Modernization = Activities necessary to improve facilities beyond original conditions or capabilities

The approved Special Interest Item (SII) code for Restoration and Modernization is "RM". The overall Recapitalization cycles are different for various types of facilities as shown and average out at a 67-year weighted average.



The OSD goal for Recapitalization is a 67-year Recapitalization rate by FY 2008. The Restoration and Modernization (Recapitalization) funding line includes both O&M,N/O&M,NR and MCON/MCN funding. For FY 2003, the Navy was at a 75-year Recapitalization rate, programmed to improve to meet the OSD goal by FY 2008. The determination of the Facility Recapitalization rate is as shown in the accompanying chart.





	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Recap rate (yrs)	75	135	148	76	82	67	67

New Footprint: The New Footprint sub-function here records non-MILCON funding. As recorded in IMAP, the FY 2003 direct SRM IMAP obligations for New Footprint were reported at $25.87M. This total compared to the FY 2002 SRM obligations for New Footprint of $15.029M. The approved Special Interest Item (SII) code for New Footprint is "NF".

Demolition: The Navy's Centralized Demolition Program remains a success story. Eliminating excess infrastructure avoids recurring annual costs for

operations and maintenance as well as one-time costs of eliminating maintenance backlogs.

The final FY 2003 Centralized Demolition Program statistics are as follows:

- FY 2003 Appropriation: $41.7M
- FY 2003 Execution: $38M
  ($3.7M taken through congressional cuts)
- Projects: 56
- SF Demolished: 2.38M SF
- O&M,N/NR Savings: $7.8M
- Payback: 4.8 years

The Centralized Demolition Program remains an important element in the Navy's effort to drive down infrastructure costs. Funding remains healthy in the out years and may increase as requirement definition improves.

Combating Terrorism: The Combating Terrorism sub-function was a major growth area in FY 2003. As recorded in IMAP, the FY 2003 direct SRM IMAP obligations for Combating Terrorism were reported at $311.432M. This total compared to the FY 2002 SRM obligations for Combating Terrorism of $11.721M. Additionally, the IMAP web-site also showed another $433.6K of direct BOS funding under Combating Terrorism as compared to $1.568M in FY 2002.

SRM Funding: The transfer of SRM funds to other programs during execution continued as a major concern. As noted in last year's report, the SRM funds (and their controls) are transferred to other functional areas to make up for deficiencies and funding shortfalls during the budget year and then sometimes return to SRM in the final weeks of the fiscal year. As was true in FY 2002, the FY 2003 phasing of SRM funding by quarter indicates inefficiencies. These inefficiencies are such that the phasing of the funds forces a "backloading" of execution vice executing in accordance with the original plan for SRM projects. Indicative of this "backloading" is the following table of SRM quarterly obligations from IMAP FY 2003 for SRM direct obligations:

SRM Quarterly FY 2003 IMAP Obligations			
1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
$245M	$288M	$477M	$870M

This common practice of funds migration has continued to negatively affect the SRM program.

The overall IMAP obligations reporting within the SRM function lacks the consistency across the activities that are seen in most of the other Core Business Areas. This is in part due to centralized funding in some activities. The establishment of CNI should provide a major improvement to this overall reporting.

The IMAP reporting does show considerable improvement in the FY 2003 reporting over that of FY 2002. For FY 2003, 99.6% of the SRM obligations are recorded properly in the Facility Support Core Business Area compared to 98% in FY 2002. This SRM total is further diluted as some of the SRM obligations have been recorded in functions other that SRM under Facility Support. For FY 2003, 98.7% of the SRM obligations are recorded properly in the SRM function as compared to 92% in FY 2002.

SRM Funding (SRM)			
FY 2003	FY 2003	FY 2003	FY 2003
Full Capability (BAM)	OPNAV N46 PR 03 Program	Special Interest Item for "OB" (For FY 2004, SII = "RM, ST, DE, and NF")	IMAP Obligations
$1,900M	$1,700M		$1,882M

SRM:

- Programmed for a 84% sustainment rate.
- Programmed for a 116-year recap rate in FY 2003, achieved 75-year recap rate.
- SRM funding remained inefficient with 46% of the funding in the 4th quarter.
- FY 2003 SRM funding increased by over $560M compared to FY 2002.
- SRM reported funding exceeded the BAM requirement by over $180M.
- CNI oversight will improve reporting within the SRM function.

MILCON

Scope of Program

The Military Construction (MILCON) program provides facility investment funding for construction projects in excess of $750K for active (MCON) and reserve (MCNR) installations. Planning and Design (P&D) and Unspecified Minor Construction (UMC – urgent projects between $750K and $1.5M) are also funded by MILCON. It does not include requirements for Family Housing projects.

The MILCON program performs two basic functions:

- The replacement or modernization of existing facilities that are inadequate, unable to appropriately perform their function and/or inefficient and uneconomical to operate and maintain.
- The construction of new capital investment for installations that have insufficient quantity to meet existing mission, require facilities for new missions, or require new/upgraded facilities to meet new regulations or legal requirements.

Both the MCON and the MCNR appropriations have three elements:

- Funding for individual projects;
- Funding for project design;
- Funding for Unspecified Minor Construction (UMC)

For FY 2003, the PR-03 BAM submission supported an overall validated MILCON project requirement of $8.3B across the FY 2003 – FY 2007 FYDP. The specific MCON/MCNR PR-03 BAM requirement for FY 2003 was set at $1,595M. Of that total, $1,530M was MCON. This MILCON requirement supported the following CNO priorities:

- Current Readiness: The entire MILCON requirement was to improve C3/C4 BASEREP mission categories to at least C2 condition.
- Quality of Service: The program also provided improvement to workplaces or living conditions.

The MILCON PR-03 BAM submission also supported the following programmatic objectives:

- Waterfront and Airfield Revitalization
- New Mission Support
- Compliance
- Bachelor Quarters
- Other Replacement and Modernization
- Existing Mission Support
- Single Sailor/Family Support Facilities
- Special Initiatives

For the FY 2003 – FY 2007 FYDP, the $8.3B total validated requirement was spread across these objectives as follows:

	$Millions	Percentage
Waterfront and Airfield Revitalization	1,438	17
New Mission Support	49	1
Compliance	242	3
Bachelor Quarters	2,006	24
Replacement/ Modernization	2,005	24
Existing Mission Support	1,343	16
Single Sailor/Family Support Facilities	438	5
RTC Great Lakes	286	3
NAS Lemoore	93	1
Design/UMC	422	5

As this MILCON program progressed through the budget cycle, numerous changes were implemented to reflect funding constraints and leadership initiatives. The specifics of the FY 2003 MILCON program and its development are summarized as follows:

CNO Budget: The PR-03 BAM submission in February 2001 identified a $1,595M requirement for FY 2003. The CNO's budget was submitted to SECNAV in July 2001 at a reduced amount of $835M for FY 2003. Defense Emergency Response Funding (DERF) was not included in this amount.

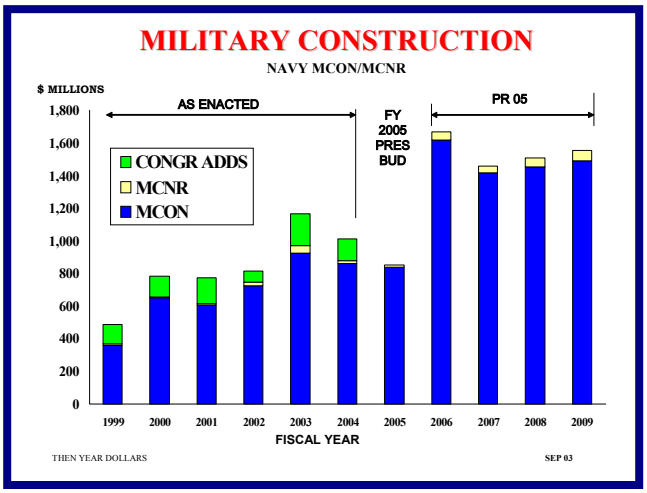
SECNAV Budget: The SECNAV budget submitted to OSD in September 2001 included a MILCON program of $834M. Changes to the CNO budget included addition of several ATFP projects. A number of other projects were deleted, including RDTE facilities and aviation support facilities.

OSD Budget: The OSD budget for FY 2003 submitted to the Congress in February 2002 included 43 MCON projects for the active Navy and 6 MCNR projects for the Navy Reserves totaling $743M (this total does not include DERF funding). This program emphasized the following projects:

- ATFP projects
- Aircraft hangar recapitalization
- Pier replacements
- Dredging
- New enlisted barracks at RTC Great Lakes;
- BQs to bring sailors ashore;
- Quality of service facilities

Congressionally Enacted Budget: Congress appropriated the FY 2003 budget in November 2002 and authorized the MILCON projects in December 2002 for a total of $1,167M. Of that total, the MCON amount was $1,105M, and the MCNR amount was $56M. These totals include Congressional additions at $205M and $195M in DERF.

Program Outcome: The final enacted Congressional program for MILCON was 70% (58% without DERF funding) of the PR-03 BAM requirement submitted, but considerably more (40%) than the OSD budget submit.



Specific accomplishments in the final MILCON program for FY 2003 included the following:

Waterfront:

- Replace Pier at NALF San Clemente Island
- Ammunition Wharf Improvements at NAVMAG Indian Island
- Waterfront Revitalization at NAVSTA Bremerton
- Recapitalize Bravo Docks at NAVSTA Pearl Harbor
- Pier 2 Electrical Upgrade at NAVSTA San Diego
- Waterfront Ops Support Facility at NAVSUPPFAC Diego Garcia
- Construct New Navy Channel at NS Pascagoula

Airfields:

- RATC Facility/Tower at NAS Brunswick
- Runway/Taxiway Extension at NAS JRB New Orleans
- Upgrade Airfield Lighting/Controls at NAS Kingsville
- Aircraft Parking Apron at NAS Lemoore
- Control Tower & Beacon Tower at NAS Meridian
- Airfield Approach Lighting at NAS Oceana
- Runway Approach Lights at NAS Pensacola
- Aircraft Direct Refueling Facility at NAS Whidbey Island

- Extend Aircraft Parking Apron at NAVAIRWARCENWPNDIV Pt Mugu
- Airfield Recapitalization at NAVSTA Norfolk
- Aircraft Maintenance Facilities at NAVSTA Norfolk
- Upgrade Electrical Distribution at NAVSTA Norfolk

Barracks:

- Bachelor Enlisted Quarters at NAS Atlanta
- Bachelor Enlisted Quarters Homeport Ashore Inc I at NAVSTA Norfolk
- Bachelor Enlisted Quarters - Homeport Ashore at NAVSTA Bremerton
- Bachelor Enlisted Quarters - Homeport Ashore at NS Pascagoula
- BEQ And Support Facilities at NAVSPTACTJNTHQCMD Socentral
- Bachelor Enlisted Quarters Replacement at LANTORDCOM Yorktown
- Bachelor Enlisted Quarters Replacement at COMNAVMARIANAS Guam
- Bachelor Enlisted Quarters Replacement at NAF Washington
- Recruit Barracks at NSTC Great Lakes
- Recruit Barracks at NSTC Great Lakes

Other items of interest:

Congress provided $195M in additional funds to improve the Navy's force protection posture. 38 projects (33 MCON and 5 MCNR) were added under DERF with a focus on perimeter and operational area security. Specifically:

- 32 were improvements to access control points, perimeter security, waterfront/ airfield security or security facilities.
- 3 projects added ATFP features to facilities under construction
- 2 projects provided additional ATFP related training facilities
- 1 project provided an Information Assurance Operations Center:

21 Congressional additions to the program (19 MCON and 2 MCNR) included the following projects:

- Combined Structural/Aircraft Fire Station at NAES Lakehurst
- RATC Facility/Tower at NAS Brunswick
- Public Safety Facility at NAS Corpus Christi
- Aviation Support Equipment Maintenance Training Facility at NAS Jacksonville
- AIMD Power Plant Shop at as NAS JRB Ft Worth
- AFRC (Phase III) at NAS JRB New Orleans
- Control Tower & Beacon Tower at NAS Meridian
- Propellant/Explosives Lab at NAVAIRWARCENWPNDIV China Lake
- Academic Facility at Naval Postgraduate School
- Fire/Police & Security Consolidation at Naval Station Newport
- Child Development Center at Naval Station Newport
- Seabee Training Facility at NAVBASE Ventura County Pt Mugu
- Bravo Pier Waterfront at NAVSHIPYD Pearl Harbor
- Mine Warfare Training Center Addition at NAVSTA Ingleside
- Electrical System Upgrade at NAVSTA Pearl Harbor
- Technology Info Center at NAVSURFWARCEN Carderock
- Special Operations Facility at NAVSURFWARCEN COASTSYSTA FL
- Electrochemistry Engineering Facility at NAVSURFWARCENDIV Crane
- Bachelor Enlisted Quarters – Homeport Ashore at NS Pascagoula
- Ship Components Service Facility at NSY Norfolk
- Mitscher Hall Expansion at USNA Annapolis

Execution status: 96 % of the Navy MCON/MCNR program was awarded in FY 2003. One of the 2 remaining projects from the FY 2002 MILCON program was also awarded in FY 2003; the second was awarded in NOV 2003. Unlike O&M funding,

Military Construction Data Table ($ in M's)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Rqmnt*	963	1,020	1,595	1,665	1,725	1,784	1,844
POM*	709	448	835**	819	893	1,733	2,111
PresBud	617	746	743**				
Approp	798	828	971**				

* Requirement and CNO POM for FY 2002 is PB-02, FY 2003 is PB-03, and FY 2004–2007 is POM-04.
** Does not include DERF.

the MCON/MCNR funds do not expire annually. The funds are authorized for three years (project must be initiated) and appropriated for five years (funds must be obligated).

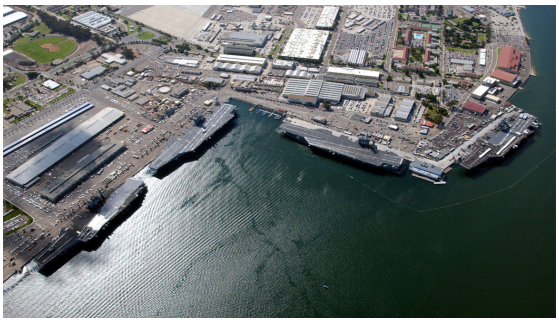
Congress recently approved the FY 2004 budget and the FY 2005 budget is under review by OSD. Major issues for the FY 2004/2005 timeframe for the MILCON program include the following:

Homeport Ashore: There was a major BQ project at San Diego (P-501) that was approved in FY 2004. San Diego is being looked at as a location for the use of Public Private Venture (PPV) for Bachelor Quarters. P-501 is on hold pending this study. The second increment of appropriations for P-293 BQ Norfolk was approved ($46.7M). This project is also on hold pending PPV studies. FY 2005 includes the request for full authorization for P-305 NS Bremerton BQ ($74.1M) and the first increment of appropriations ($34.1M). The final increment for P-305 will be requested in FY 2006.

Recruit Training Center Great Lakes Recapitalization: Two additional Recruit Barracks ($65.7M) and the first increment of the Battlestations project ($71.4M authorized and $13.2M appropriated) were approved in FY 2004. The FY 2005 request includes two more RTC Barracks projects ($78.4M) and the final increment of the Battle Stations appropriations.

Joint Strike Fighter Support: A major test and support project for the development of the Joint Strike Fighter at NATC Patuxent River was approved in FY 2004 ($24.4M).

Pier Replacements: NWS Earle New Jersey: A project to replace two ammunition piers was authorized in FY 2004 ($123.7M). The first increment of appropriations ($26.7M) was approved. At NAVSTA Norfolk a project to replace Pier 11 was authorized in FY 2004 ($145.8M). The increment of appropriations ($27.6M) was approved. Follow-on increments of appropriations will be requested for both projects in FY 2005 and FY 2006.



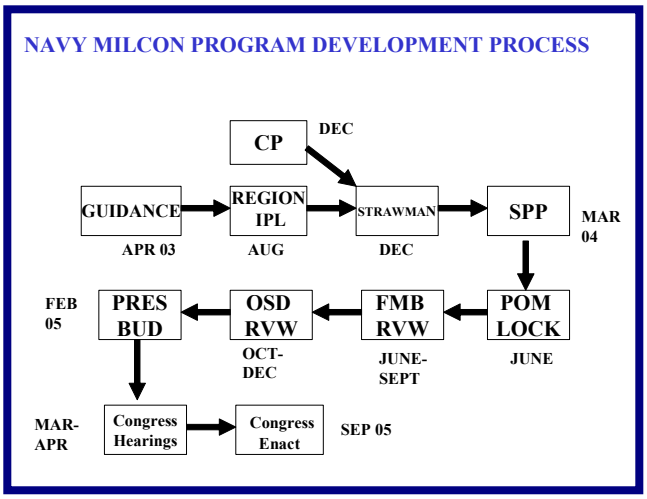
Outlying Field Washington County NC: The first of two large projects for the procurement of property and the construction on a new outlying landing field was approved in FY 2004 (P-689: $56.4M authorized and $27.6M appropriated for the first increment). The FY 2005 request includes the final increment of P-689 and the request for full authorization ($133.9M) and the first increment of appropriations for the second project (P-691).

Navy encountered significant challenges with the PR05 MILCON program, but has met directed recapitalization goals and major initiatives such as Great Lakes Recapitalization, Homeport Ashore and elimination of inadequate bachelor housing. Navy will have to significantly increase its annual MILCON investment compared to historical enacted levels to achieve the directed recap rate of 67 years by FY 2008. The facilities requirements driven by the deployment of new platforms and weapons systems will also present additional challenges in the future.

The CNI staff has already commenced work on the MILCON program for the POM-06 Capabilities Plan submission. The staff is working with the Regional Program Managers and using the process depicted at the right:

MILCON:

- Enacted program at 73% of the BAM requirement, much higher than the CNO submission which was 52% of the BAM.
- 96% of program awarded in FY 2003 with the remaining 8 projects scheduled for FY 2004 award.
- Program execution at $1,167M (with DERF), $330M more than FY 2002.



Base Realignment and Closure (BRAC)

The Navy's BRAC efforts are resourced from multiple Budget Activities, but the program has been generating significant savings through reductions in domestic base infrastructure. Future operational readiness is enhanced through savings generated by eliminating unnecessary infrastructure.

In FY 2003, the Navy's BRAC funding efforts were primarily designed to address environmental costs (cleanup and closure related compliance), and real estate and caretaker functions prior to property disposal. The key aspects to the Navy's BRAC program in FY 2003 included the following:

- Comply with Defense Environmental Restoration Program (DERP) management guidance.
- Accelerate property disposals wherever possible thereby avoiding additional costs to Navy.
- Comply with the legal requirements of controlling statutes and regulations.

The BRAC account provides funding for management, environmental cleanup, and disposal actions where appropriate at 135 former U.S. Navy and Marine Corps activities identified for closure by the 1988, 1991, 1993, and 1995 BRAC Reports. BRAC closures were directed for 91 U.S. Navy and Marine Corps activities with one base (SRF Guam) subsequently being retained by Navy. Overall, Navy will invest some $10B to implement the four rounds of BRAC closures that are projected to yield continuing savings of about $2.5B per year.

The overall funding requirements addressed by OPNAV N4 in the BAM submission for PR-03 included requirements by Budget Activity (BA) as follows:

- **Operations and Maintenance (BA05):** Provides funding for program management, real estate services, utilities, and minimum maintenance. These costs are tied to Navy ownership of BRAC installations.
- **Environmental Planning (BA07):** Includes funding for implementing actions associated with the provisions of NEPA.
- **Cleanup/Compliance (BA08):** Provides funding required to cleanup recently contaminated BRAC properties and remove hazardous materials to comply with Public Law. This cleanup is accomplished primarily through contracts.
- **Environmental Restoration (BA10):** Provides funding required to cleanup BRAC properties contaminated in the past and to remove hazardous materials to comply with Public Law. This Environmental cleanup is also accomplished through contracts.

The requirement for the Navy's BRAC program is to reach regulatory closure on the environmental cleanup of the remaining 113 parcels with 278 cleanup sites by FY 2005 and to facilitate the transfer of the remaining 28 BRAC Navy bases to local communities. In FY 2003, the total Navy BRAC requirements included in PR-03 were $155.8M detailed by BA as follows: BA05 = $12.8M; BA07 = None; BA08 = $30.0M; and BA10 = $113.0M. The Congressionally approved FY03 Total Budget Authority was $270.415M detailed by BA as follows: BA05 = $12.269M; BA07 = None; BA08 = $12.725M; BA10 = $245.421M.

In addition to the appropriated dollars, the Department of the Navy received two increments of funding from the sale of Marine Corps Air Station (MCAS) Tustin. The first increment was $45.9M received in June 2003 and the second increment was $150.796M received in late August 2003.

The Navy has obligated $314.44M in FY 2003 BRAC funds (appropriations and first increment of Tustin land sales revenues). The second increment of the Tustin land sales revenues is being used to accelerate clean up at selected activities in FY 2004.

At the start of FY 2003, Navy had 28 bases remaining to be disposed, most with sizable portions of the property previously disposed. During FY 2003, the Navy made the following progress toward meeting the FY 2005 OSD goal:

Completed:

- During FY 2003, the Navy conveyed over 5,000-acres at 18 bases.
- Final parcels at five bases were disposed during FY 2003, completing disposal actions at:
  - NSWC Annapolis, MD
  - NUSC New London, CT
  - FISC Charleston, SC
  - NS Charleston, SC
  - NAS Glenview, IL

Notable FY 2003 Disposal Accomplishments:

- On 24 June 2003, 150 acres of the former Naval Station Charleston were transferred to the U.S. Border Patrol under an initiative sponsored by Senator Fritz Hollins.

Future issues that must be addressed for FY 2004 and beyond include:

- Realizing revenues from the land sales to support BRAC requirements;
- Retaining the realized revenues for DON BRAC requirements;
- Meeting DERP management guidance of achieving RIP/RC by 2005 with present budget;
- Taking advantage of future acceleration opportunities without additional funds;
- Obtaining timely regulatory approvals to expedite disposals;
- Developing innovative strategies for accelerating disposals of "long term hold" bases.

BRAC 05

The CNI staff has commenced its work in preparation for Base Realignment and Closure 2005 – BRAC 05. The Secretary of Defense has noted that at a minimum, BRAC 05 must eliminate excess physical capacity. It can also make an even more profound contribution by rationalizing the infrastructure with defense strategy. A primary objective is to examine and implement opportunities for greater joint activity.

Several key deadlines over the next two years will form the BRAC 05 timeline as follows:

- 31 December 2003**:** DoD publishes new selection criteria.
- February 2004: DoD submits 20-year force structure plan, worldwide infrastructure inventory, and report of infrastructure requirements and excess capacity. SECDEF certifies need for BRAC round.
- March 2005: President nominates Commissioners
- 15 May 2005: SECDEF recommendations due to Commission and Congress.
- 8 September 2005: Commission report due to President.
- 7 November 2005: Last date President may send recommendations to Congress.

The CNI and OPNAV N46 staff will focus on the following functions in support of BRAC 05 efforts:

- Data call processing/BRAC analysis
- BRAC enabling (IEC, ISG and IEG)
- Information Dissemination (to mission claimants/regional commander)
- Global Basing
- Congressional interaction
- GIS (IVT) coordination
- BRAC 05 execution/POM Processing

BRAC:

- The Navy's obligations for FY 2003 came to a total of $314.44M for Navy BRAC.
- Continued progress toward meeting the FY 2005 goal for remaining cleanup and base transfers to local communities.
- Established CNI organization for oversight of BRAC 05 activities.

Navy Region Northwest Oil Spill Response Program Reduces Costs

The amount of oil spilled during the past year is at a 5 year low resulting in thousands of dollars in savings over previous years in both response costs and regulatory cleanup fees.

NAVSTA Mayport BH Protects Endangered Sea Turtles

The sun is setting and the lights are going down at Naval Station Mayport, Florida, where conservation efforts are underway to protect sea turtles nesting on the beaches. The entire base is involved in the effort.

Florida beaches account for one third of the world's total population of loggerheads, a threatened species. It nests on the shore and is easily frightened away by lights, movement and loud noises. Only three out of 1,000 hatchlings survive to adulthood.

NASWI has twice captured the award for Pollution Prevention

Aircraft Intermediate Maintenance Detachment has reduced the hazardous waste stream by 24,000 gallons and has saved NRNW $76,000 in hazardous waste disposal costs.

NAVSTA EVERETT SAVES $720K PER YEAR

According to the initial NFESC study, the total cost of treating the compensating water through the plant including labor, power, and treatment chemicals, is $0.26/Gallon. The cost of treatment with the new barge-mounted system is $0.02/Gallon.

Recycling, Reuse and Solid Waste Reduction

NASWI recycled 65 percent of the station's solid waste, diverting 13,096 tons of recycled materials from landfill disposal in FY03, generating revenue of over $153,000.

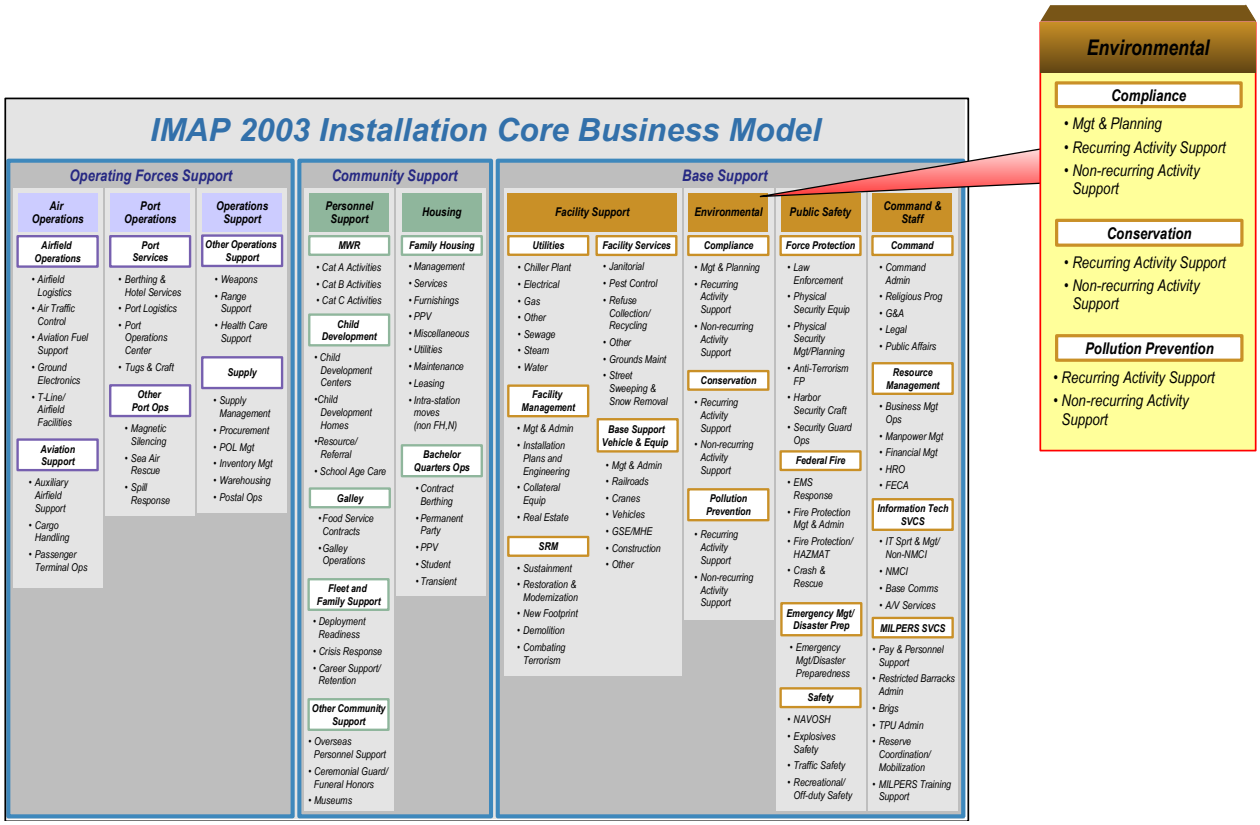
Chapter 7 – Environmental

Overview

In IMAP 2003, the Environmental Core Business Area is one of four Core Business Areas within the overall Base Support portion of the Installation Core Business Model. Unlike last year, the FY 2003 Stockholders' Report has a separate chapter for each of the nine Core Business Areas, which allows for a more complete review of the Navy's environmental activities ashore. This chapter addresses the functions, sub-functions, activities, funding trends, and general performance of the environmental program, as executed within the Navy Regions under CNI as of the end of FY 2003.

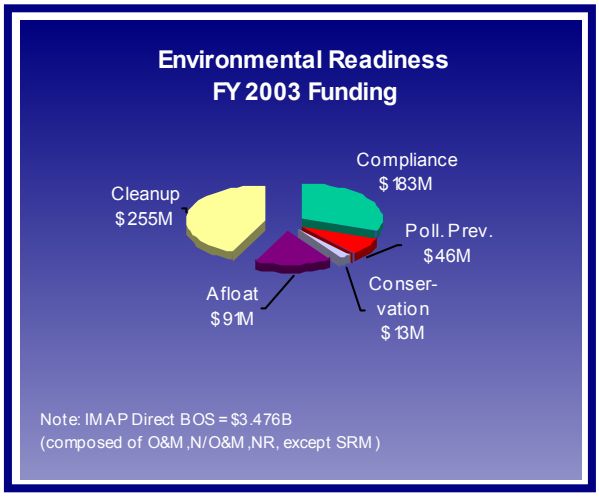
The Environmental Readiness Program protects Navy operations and training by supporting full compliance with federal, state, tribal, and local laws and regulations, executive orders, and applicable international requirements. The Navy Environmental Readiness program includes environmental training, environmental planning, pollution prevention (P2), environmental compliance in all operations ashore and afloat, protection of marine mammals, compliance with the Endangered Species Act, cleanup of contaminated sites, stewardship of natural resources, and proactive efforts to protect operations and training.

The Chief of Naval Operations, Fleet Readiness and Logistics Directorate, Environmental Readiness Division, OPNAV N45, serves as the Resource Sponsor for the Environmental Readiness Program.

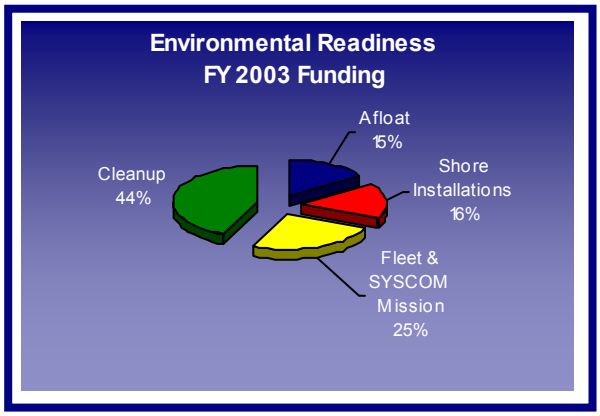


In FY 2003, the Environmental Readiness Program included funding from five appropriations and three established special interest (SI) codes; CN for Conservation, EC for Environmental Compliance, and PP for Pollution Prevention. The total environmental readiness ERN, O&MN, O&MNR, OPN and RDT&E Fiscal Year (FY) 2003 budget was $588M. A total of $242M was programmed to meet shore environmental requirements. These requirements were intended to achieve 100% legal compliance for the Environmental programs ashore. The total requirement submitted for FY 2003 came to $242.8M. This requirement included funding details as follows:

- O&M, N = $200.4M
- O&M, NR = $6.4M
- OPN = $20.8M
- RDT&E,N = $15.3M

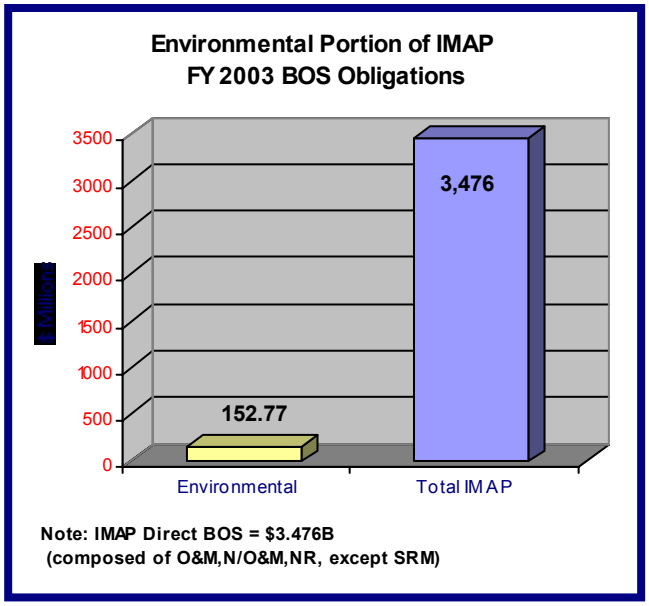


Of that, $183M was for compliance, $46M was spent on pollution prevention and $13M was for conservation. An additional $255M went toward cleanup of past contamination, including UXO, and was budgeted separately in the ER,N account. Compliance requirements afloat totaled $91M in FY 2003.



In FY 2003, Environmental Readiness funding was divided between ashore and afloat readiness. Funding for installations, mission support and cleanup were included in ashore readiness in FY2003.

The overall direct IMAP BOS obligations for FY 2003 for the Environmental Core Business Area came to $152.77M. These obligations include the O&M,N and O&M,NR obligations reported by the regions as direct obligations for FY 2003. For FY 2003, within the Environmental Core Business Area most of the recorded obligations are in the Compliance function. The Compliance obligations for FY 2003 were at $131.4M (86% of the Environmental total). The other two Environmental functions recorded obligations at a much smaller level with Conservation obligations at $10.1M (7%) and Pollution Prevention at $11.2M (7%).



FY 2003 saw considerable effort across the Navy with the establishment of CNI. Nowhere was this effort more prominent than in the Environmental Core Business Area. A major portion of this effort concentrated on seeking agreement on two key definitions associated with the SIM Environmental responsibilities and the Mission Environmental responsibilities. The agreement of senior leadership

(the CNI Stand-Up Executive Oversight Group or EOG) on these two definitions allowed for the alignment of funding and staff for the two functional responsibilities. During the summer of 2003, an initial organizational and manning structure for the CNI Environmental Directorate was approved, later stood up in October 2003 coincident with the stand up of Commander Navy Installations Command. This structure assumed the following key points:

- Environmental Mission stays with the IMCs;
- IMCs retain Mission funding and FTE/MPN;
- Mission funds flow through the IMCs; and
- SIM funds flow through CNI.

Several additional key policy issues were addressed during this process. One of these was the role of the Regional Environmental Coordinators (REC) and how they report for either Mission Environmental issues (through CFFC/Naval Forces Commands) or for SIM Environmental issues (through CNI). Another area of review was the issue of permits and permit owners and how these are covered by either Mission or SIM responsibilities. The OPNAV N45 and CNI staffs agreed on a policy change in the NEPA process with regard to the delegation of FONSI (Finding of No Significance Impact) authority to the Navy Regions, under certain conditions.

To assist with the process of establishing CNI and the requisite environmental staffing and process review, a CNI-Regions Environmental Weekly (CREW) conference call was initiated. This forum, initiated in August 2003, was used to identify and resolve issues and ensure good communication across all regions and CNI. The Environmental IPT was also re-instituted during FY 2003 and initial work started on development of standards, metrics, and service level descriptors. The CNI and OPNAV N45 staffs worked to establish the ground rules and Charter for the future efforts of the revised IPT. An initial draft of the Environmental Service Level Descriptors is in review.

The Navy's environmental program also includes ER,N funding for the Environmental Restoration Account and requirements. Navy's total for ER,N for FY 2003 was $255.5M. This funding is for a centrally managed transfer account that funds analysis and cleanup of past contamination from toxic and hazardous substances, low-level radioactive materials and petroleum, oil and lubricants at DoD installations.

Future environmental resourcing and performance in FY 2004 and beyond will remain areas of significant interest in concert with legal, policy and mission customer requirements.

Product of the Plan

Environmental Summary

Compliance:

- Funding set to ensure 100% compliance.
- CL Performance not measured.
- Met legal requirements.
- Total funding increased to $131.419M.

Conservation:

- Funding set to ensure 100% compliance.
- CL Performance not measured.
- Met legal requirements.
- Total funding decreased to $10.140M.

Pollution Prevention:

- Funding set to ensure 100% compliance.
- CL Performance not measured.
- Met legal requirements.
- Total funding increased to $11.209M.

Overall Environmental Program:

- Established split between SIM and Mission Environmental programs/funding.
- Organized for CNI Environmental at CNI and at Regions.
- Reintroduced the Environmental IPT.

Environmental

Scope of Program

The Environmental Core Business Area includes all functions and sub-functions that provide environmental services for the installation. It includes Environmental Quality Program activities required to meet federal, state, tribal, and local laws and regulations. It also includes compliance, conservation, pollution prevention, planning, and other installation environmental activities. The Environmental Core Business Area has three functions: Compliance; Conservation; and Pollution Prevention. All management and planning costs associated with the Environmental program are captured under the Compliance function in a sub-function titled "Management and Planning." When the installation does not provide its own environmental services, the environmental functions and sub-functions act as cost centers for installation resources expended in supporting environmental services.

Environmental
➢ Compliance
➢ Conservation
➢ Pollution Prevention

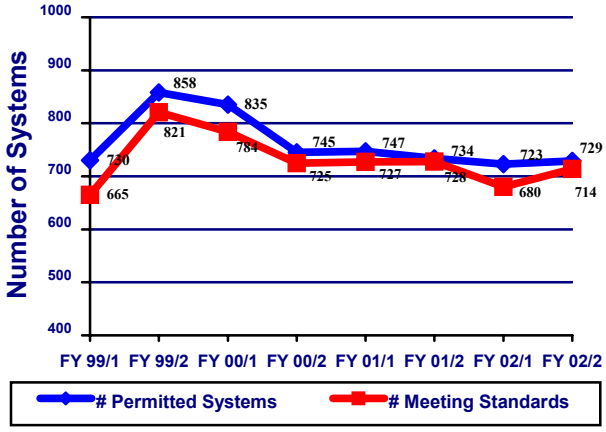
Compliance: The Compliance component of the environmental program ensures that the Navy can implement its mission in an uninterrupted and cost-effective manner, while complying with all federal, state and local environmental laws and regulations. The preferred method to achieve environmental compliance is through pollution prevention. The Compliance program addresses the full spectrum of the compliance lifecycle, from legislative and regulatory development through implementation of regulations.

Ensuring water quality is critical to the Navy and the success of its mission to provide the highest quality drinking water to personnel, their families, and visitors. Each state adopts water quality standards approved by the U.S. Environmental Protection Agency (EPA) that describe the way a particular body of water may be used and establish the water quality criteria to protect designated uses.

The Clean Water Act (CWA) is the principal law governing pollution control and the water quality of the nation's waterways. The objective of the CWA is to restore and maintain the chemical, physical, and biological integrity of the nation's waters. The Navy is working to achieve 100 percent compliance with the CWA, which includes the National Pollutant Discharge Elimination System (NPDES) permit system.

NPDES permits regulate point (identifiable, stationary) sources that discharge pollutants into waters of the United States. Industrial, municipal, and other facilities must obtain NPDES permits if their discharges directly enter surface waters. For each of the past five years, the Navy has achieved greater than 90 percent compliance with its NPDES permits. In FY 2002, 97.9 percent of the Navy's wastewater systems were in compliance with their NPDES permits.

NPDES Permit Compliance



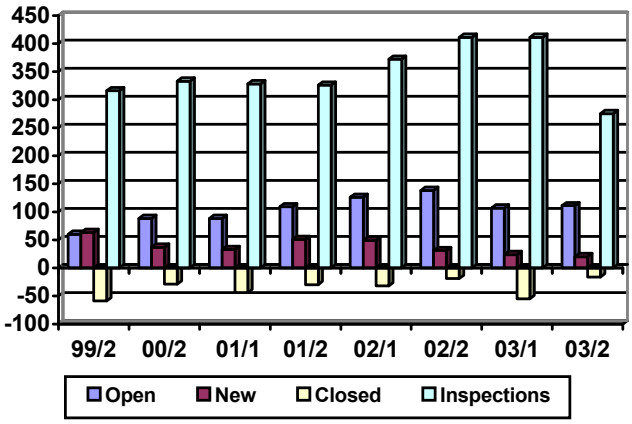
The Safe Drinking Water Act (SDWA) was enacted to protect the population by maintaining drinking water and groundwater standards. EPA has set national drinking water standards for public water systems, including the Navy's drinking water systems. These standards apply to water contaminants including physical, chemical, biological, and radiological constituents and properties. Any operator of a community water system, including the Navy, is required by the SDWA to publish annual Consumer Confidence Reports (CCR) to promote public awareness of drinking water quality. Operators send reports to all households for which they provide drinking water. CCRs are published on July 1 each year and detail the quality of drinking water provided throughout the previous calendar year.

The Clean Air Act (CAA) regulates air emissions from shore facilities, aircraft, and vessels, and phases out the manufacture of ozone depleting substances. The Navy was asked to chair the Services Steering Committee (SSC) that implements the CAA Amendments of 1990. The committee reviews proposed regulatory requirements, develops coordinated DoD positions on rules, drafts guidance, and shares information and resources. The SSC addresses all aspects of the CAA including, Title V Operating Permits, New Source Review, NESHAPs, Title II Mobile Sources, Ozone Depleting Substances, Climate Change, Fuels, General Conformity, Risk Management Plans, Ozone and PM, NAAQs, Enforcement, Alternative Fuel Vehicles, and Emission Credits. The EPA is proposing 26 new CAA standards known as the National Emissions Standards for Hazardous Air Pollutants (NESHAPs). Each NESHAP will regulate one kind of industrial activity. Of these 26 new standards, seven will affect DoD operations between FY 2002 and FY 2005. The two most significant NESHAPs will be for Miscellaneous Metal Parts and Products (MMPP) and Plastic Parts and Products (PPP).

The MMPP and the PPP NESHAPs will impact coating operations for tactical ground vehicles, equipment, munitions, regulated coating materials such as topcoats, primers, cleaning solvents, surface preparations, rubber to metal bonding adhesives, and de-painting chemicals. Together, these new standards will affect operations on almost every Navy installation. It is difficult to meet one standard for metal parts painting and a different standard for the painting of plastic parts when many of the DoD's tactical vehicles include both. The SSC was able to persuade the EPA that a special military surface coating standard to replace the numerous other standards was necessary and formed a subcommittee to work with EPA to write the new standard.

The Navy also chairs the Range Sustainability Subcommittee of the CAA SSC. That subcommittee developed the Air Quality Range Sustainability Action Plan for the Senior Readiness Oversight Council and is working to implement the Action Plan. The Plan identified encroachment issues related to air quality and steps necessary to mitigate those impacts.

Compliance Enforcement Actions



The enforcement actions document the success of the Navy's compliance efforts. The number of new compliance enforcement actions is at the lowest level since DoD began tracking compliance in FY 1989, even as the number of state and federal inspections remains steady. Since FY 2000, new enforcement actions have declined 56 percent. The number of open compliance enforcement actions has risen slightly since its lowest level in FY 1999.

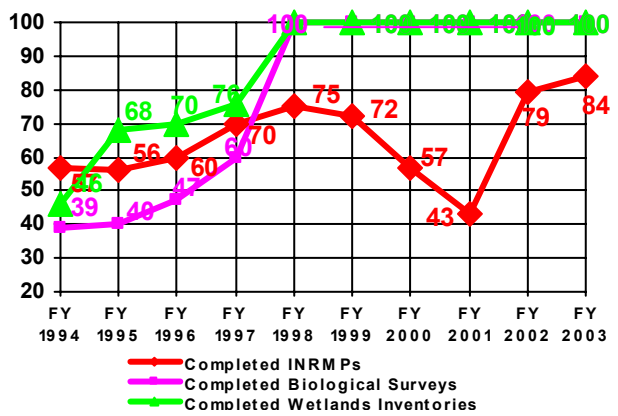
Installations have completed the corrections for many of the open enforcement actions; but are prevented from closing out the action due to legal issues related to federal sovereign immunity. Progress is being made to settle the legal disputes and allow the actions to be closed.

Conservation: Management of natural resources is critical to maintaining military readiness. The Navy must test new equipment and train in environments

it holds in the public trust and prevent impacts to the environment wherever possible. Conservation efforts ensure that these training environments are not degraded over time and that the Navy has continued access to these areas to train and maintain readiness.

Navy installations are often rich in natural resources. These resources include both nonliving resources – such as soil, minerals, fossils, air and water, and living (biological) resources – such as threatened and endangered species, marine mammals, and wetlands.

Natural Resources Conservation



As of FY2003 (the last year for which data are available) the Navy has completed approximately 100 percent of biological and wetlands resource inventories and 84 percent of installations had approved Integrated Natural Resource Management Plans (INRMP). As the Navy reviews data each year, it is not unusual to discover additional installations that require natural resource inventories. This may be because an installation discovered new resources, acquired land containing biological resources or wetlands, or the condition or classification of these resources changed.

Congress passed the Endangered Species Act (ESA) in 1973 to protect endangered and threatened species and to conserve the habitats where they live, nest, and migrate. Under the ESA, federal agencies, including DoD, must protect threatened and endangered species and preserve their habitats by making sure their activities do not jeopardize the survival of these species. In support of the ESA, Navy installations have developed programs to monitor and protect endangered and threatened species.

Pollution Prevention: The Pollution Prevention (P2) component of the environmental program strives to prevent environmental pollution by reducing sources of pollution, eliminating the use of ozone-depleting substances (ODSs), purchasing environmentally preferable products, reducing the use of hazardous materials and developing safer alternatives, recycling, ensuring that Navy activities do not adversely impact the nation's air, water, and land resources. Hazardous waste streams and materials that cannot be eliminated or reduced through recycling are managed through the Consolidated Hazardous Material Reutilization and Inventory Management Program (CHRIMP), Hazardous Substances Management System (HSMS), and Qualified Recycling Program (QRP), as well as regulatory permitting programs.

Executive Orders (EO) 13148 and 13101 set targets for and defined the objectives of the P2 program.

- **EO 13148** sets targets for environmental management systems, pollution prevention to achieve compliance, community right to know reporting, toxic releases reporting and reduction, hazardous material use reduction, phase out of Class 1 ODS and utilization of environmentally beneficial landscaping.
- **EO 13101** requires that waste prevention, recycling, use of environmentally preferable products and services, and life cycle cost decision making be incorporated into daily operations and acquisition programs.

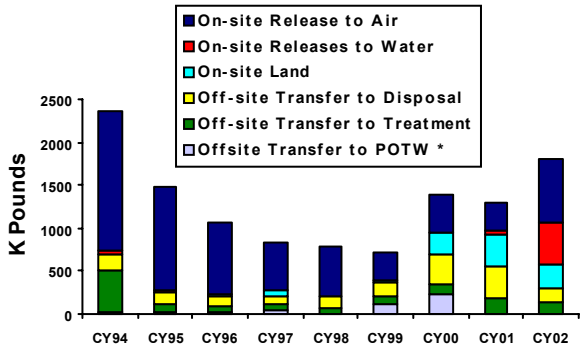
The Navy has implemented the Environmental Quality Initiative (EQI) as a means of maximizing pollution prevention to achieve and maintain compliance at the lowest cost. In addition to supporting the requirements of EO 13148 and 13101, EQI supports a transition from P2 planning to more comprehensive environmental quality

planning focused on lowest life cycle cost and sustainable compliance. This new approach is designed to allow activities to make the best possible use of the assets already available such as activity P2 plans, the Pollution Prevention Equipment Program (PPEP), and the P2 Technical Library.

The Navy continues to improve its implementation of EO 13101. As noted above, Navy's program to divert solid waste from disposal in landfills to recycling or composting continues to be very successful. In addition, Navy activities continue to purchase products that are recyclable, renewable, reusable, and are made from recycled materials. Products made from recycled materials minimize natural resource use, solid waste disposal, and energy requirements. Products that are renewable and reusable reduce life-cycle costs and have fewer environmental impacts. The Navy ensures that personnel at all levels are committed to and trained in procuring and using these products.

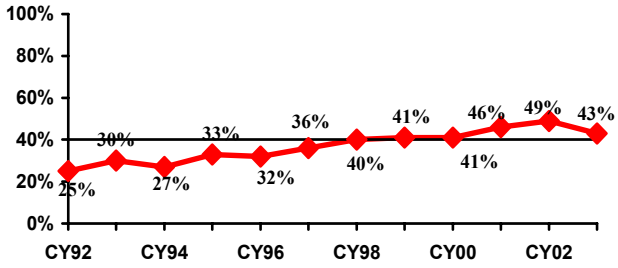
Progress in the P2 program is measured primarily through the DoD Measures of Merit (MoM) metrics including those for Toxics Release Inventory (TRI) reporting under the Emergency Planning and Community Right-to-Know Act (EPCRA), Solid Waste Diversion, and Hazardous Waste Disposal.

Toxics Release Inventory



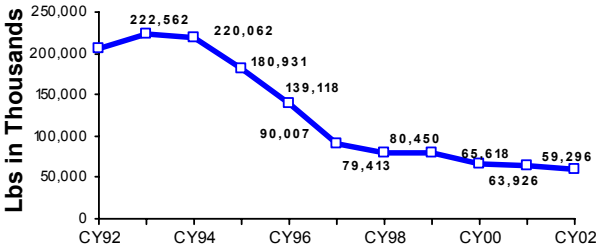
Navy exceeded the federal agency goals established under EO 12856 by reducing Navy toxic releases 74% (CY94-99). Under EO 13148, a new goal has been established calling for a 40% reduction from CY 2001 to CY2006.

NON-Hazardous Solid Waste Diversion



In addition to surpassing the DoD diversion rate goal, Navy's overall non-hazardous waste disposed declined by 21 percent (CY1992-2003). Solid waste diversion programs have also saved Navy installations over $152M dollars (CY 1997-2003) in disposal fees and associated costs. The success of the Navy P2 program can also be seen in the significant reduction in the disposal of hazardous waste, which declined by 72 percent in CY2002 compared to the DoD baseline year of CY 1992.

Hazardous Waste Disposal



Range Sustainment

RRPI

As our nation has grown so has urban development around our ranges. Urban growth and habitat encroachment restrictions for federally listed species are limiting preparations for combat and creating unrealistic training options. Modern warfare requires specialized ranges where military personnel can learn the skills necessary to ensure victory and to survive in combat through practical hands-on experience.

DoD developed the RRPI in response to encroachment issues affecting training ranges and test areas. The Navy briefed Congressional staff and aided in the development of Congressional testimonies detailing concerns regarding the MMPA and ESA, Superfund law, CWA and CAA. Congress approved 2 of the 5 RRPI proposals in the NDAA for Fiscal Year 2004. Specifically, the authorization amends the ESA and MMPA, the two proposals of greatest interest to the Navy. The proposals regarding the Superfund law, CWA, and CAA were not included.

The revisions to the ESA prohibit the Secretary of the Interior from designating critical habitat on any geographical areas owned, controlled, or designated for use by DoD that is subject to an approved INRMP prepared in accordance with the Sikes Act. The amendments to the MMPA create a new definition of "harassment" and modify the requirements for incidental take permits for military readiness activities. Currently, if the Secretary of the Interior decides to grant an incidental take or harassment permit, he must issue regulations describing permissible methods of "taking" and "other means of affecting the least practicable adverse impact". Now, for military readiness activities, a determination of the "least practicable adverse impact" must consider personnel safety, practicality of implementation, and the impact of the effectiveness of the military readiness activity.

The granted provisions eliminate unnecessary obstacles to the Navy's ability to conduct realistic operations and training required to prepare for combat. Flexibility in selected aspects of environmental statutes offers the Navy a way to balance both military needs and environmental protection. The Navy implementation of these changes will be monitored and reported in the next Stockholders Report.

TAP

The Navy developed the Tactical Training Theater Assessment Planning (TAP) initiative to sustain navy training assets and enhance mission readiness by:

- Documenting compliance with environmental laws
- Identifying and mitigating encroachment issues
- Finding and eliminating off-range contamination
- Clearing ranges of expended ordnance and UXO
- Identify capabilities required to sustain, upgrade and modernize naval training ranges

TAP initiative integrates a systematic strategy to balance the dual goals of national security and environmental stewardship at our training ranges and exercise areas. This approach combines Range Complex Management Plan, Range Sustainability Environmental Program Assessment (RSEPA), Operational Range Clearance (ORC) and National Environmental Policy Act (NEPA) guidelines to develop Navy wide guidance for Navy range management, environmental compliance and investment planning.

Cleanup

The Navy's cleanup program identifies, studies, and restores past hazardous waste disposal sites on Navy and Marine Corps installations within the United States and its territories. The Navy began the Installation Restoration (IR) Program in the early 1980s based on the requirements found in the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act. The IR Program has several goals:

- Act immediately to eliminate human exposure to the contamination that poses imminent threats.
- First cleanup those sites that pose the greatest relative risk to human health and the environment.
- Develop partnerships with federal, state, and local regulatory agencies.
- Encourage stakeholder participation by making information available in a timely manner, provide for public comment, and consider all comments in the decision-making process.

Funding for environmental restoration activities is not considered a direct part of the total SIM but is funded under appropriations for Environmental Restoration, Navy (ERN). The total Navy ERN

funding for FY 2003 was set at $256M. During FY 2003, ERN funds were used to complete restoration activities at 139 sites. Restoration activities have been completed at six installations and the program is now 70 percent complete. The IR program is on track to meet the program completion date of 2014. A new program to clean up military munitions and contaminants at non-operational ranges/sites is being initiated and could become a $50M to $80M per year requirement in the next few years.

Progress in FY 2003

During FY 2003, one of the key actions associated with the establishment of CNI was the agreement on two key definitions associated with the SIM Environmental responsibilities and the Mission Environmental responsibilities. Senior leadership's (CNI Stand Up Executive Oversight Group or EOG) agreement on these two definitions allowed for the initial alignment of resources for the two functional responsibilities.

- **Shore Installation Management Environmental Definition:** Shore Installation Management Environmental is defined as actions necessary to ensure compliance with applicable federal, state and local environmental laws and regulations, overseas requirements, host-nation environmental regulations and Executive Orders in order to support Navy's Shore Installation's mission and promote environmental stewardship.
- **Mission Environmental Definition:** Mission environmental is defined as those environmental functions required to ensure compliance with applicable federal, state and local environmental laws and regulations, overseas requirements, host-nation environmental regulations and Executive Orders in the execution of mission responsibilities integral to Fleet operations and training; and other claimant mission responsibilities. These environmental functions support and sustain core processes and capabilities integral to Fleet operations and training; to shipboard process; and to the research, development, acquisition, testing, operation, maintenance, overhaul and disposal of Navy platforms, weapon systems and ordnance.

The EOG also agreed to working definitions for both the CNI and Regional Environmental Mission Statements.

- CNI Environmental Mission Statement: CNI's environmental mission is to ensure compliance with applicable federal, state and local environmental laws and regulations, overseas requirements, host-nation environmental regulations and Executive Orders by Navy Shore Installations. CNI will also support Fleets, SYSCOMS and Claimants regarding mission related environmental functions. As an echelon II command reporting to CNO, CNI is the single overall Program Manager for SIM related environmental programs (compliance, environmental planning, and natural resources) for installations and regions in the Navy and serves as Budget Submitting Officer for SIM environmental programs.
- Regional Environmental Mission: Deliver effective and efficient SIM and mission environmental services and support to sustain and improve Fleet readiness and mission execution. As an echelon III command reporting to CNI/Fleets, the Region is the single Program Manager for all SIM and delegated mission environmental programs in the region. The Environmental Program Manager performs the REC and NOSC duties for the Regional Commander. The Program Manager coordinates with mission tenants, service providers, and afloat units to ensure proper mission support, compliance, and execution of services.

Assessment and Performance

Environmental BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Compliance	$126.941M	$131.419M
Conservation	$11.821M	$10.140M
Pollution Prevention	$10.241M	$11.209M
TOTAL Environmental	$149.003M	$152.768M

Environmental Funding			
FY 2003	FY 2003	FY 2003	FY 2003
Full Mission Requirement from IMCs	OPNAV N4 BAM Requirement	Special Interest Item for "EC, CN, PP"	IMAP Obligations
$270M	$242.8M	$159.495M	$152.768M

Compliance: The Compliance function was not specifically detailed in the PR-03 BAM submission. The stated full requirement identified the minimum funding required to ensure 100% compliance with all environmental laws and all regulatory standards prescribed in their implementation. For installations in the fifty U.S. States and the U.S. Territories, the requirements were based on federal, state, and local laws and the appropriate Presidential Executive Orders. For overseas installations, the requirements were based on host nation law and the final governing standards implemented in accordance with the DoD Overseas Environmental Baseline Guidance document. Navy policy is to fund fully all legally-driven, non-recurring environmental project requirements "just-in-time" to meet applicable regulatory deadlines. Funding must be provided to sustain those "core" environmental quality program functions essential to the execution of recurring legal requirements.

The total direct IMAP BOS obligations recorded for FY 2003 for the Compliance function totaled $131.419M. This total was more than $4.4M greater than the FY 2002 obligations of $126.941M. The reimbursable obligations in FY 2003 for the Compliance function came to a total of $8.551M or roughly the same amount as in FY 2002.

Conservation: The Conservation function was also not specifically detailed in the PR-03 BAM submission. For FY 2003, the total direct IMAP BOS obligations came to $10.140M. This total was over $1.6M less than the total for FY 2002 of $11.821M.

Pollution Prevention: The Pollution Prevention function was also not specifically detailed in the PR-03 BAM submission. The total direct IMAP BOS obligations recorded for FY 2003 were set at $11.209M or roughly $1M more than the obligations reported for FY 2002.

Cleanup: The DoN Environmental Restoration requirements are budgeted in the ER,N appropriation. The Environmental Restoration Account is a centrally managed transfer account that funds analysis and cleanup of past contamination from toxic and hazardous substances, low-level radioactive materials and petroleum, oil and lubricants at DoD installations. The total DoN ER,N funding for FY 2003 was set at $255.5M with all $255.5M designated for the Navy. Eight installations are completed. This program is on track to meet the program completion date of 2014.

Accomplishments

The Navy's environmental readiness efforts yielded many successes in FY 2003. Examples include:

- Supported the Range Readiness Preservation Initiative (RRPI) with over 30 briefings to Congressional staff and development of cogent congressional testimonies regarding Navy concerns with the Marine Mammal Protection Act (MMPA) and Endangered Species Act (ESA). This led to revisions to the MMPA and ESA in the FY04 National Defense Authorization Act (NDAA) that allow greater flexibility for Sailors and Marines to participate in realistic training, testing and deployment of critical technologies, and maintain high standards of environmental stewardship.
- Developed the Tactical Training Theater Assessment Planning (TAP) initiative, a fully integrated, systematic strategy that balances the dual goals of national security and environmental stewardship at our training ranges and exercise areas and began implementation efforts in FY03. This comprehensive approach will sustain access to our military training ranges and allow our forces to train in a controlled, realistic, and safe environment.
- Reduced the number of compliance enforcement actions received by Navy installations in FY03 to its lowest total since the establishment of the metric in 1989.
- Exceeded the Hazardous Waste Measures of Merit goal for the sixth consecutive year, 1997-2002. In CY2002, the Navy reduced the amount of hazardous waste shipped offsite by 73.5% using CY1992 data as the baseline.

- For the fifth consecutive year, exceeded the Solid Waste Measures of Merit goal with a 49% diversion rate. The economic benefit for 2002 also meets the goal with an integrated waste management cost avoidance of $25.5M.
- Completed 59 percent of the high relative risk site cleanups, exceeding DoD goals by almost 10 percent. Exceeded FY 2003 Installation Restoration execution plan by 25 percent.
- Standardized Navy-wide consultation procedures and drafted the NOAA Fisheries/Navy Interagency Agreement (IA) to streamline regulatory processes for consultation under the ESA and MMPA.
- Standardized the Navy-wide criteria and reporting procedures for Marine Mammal Stranding events.
- Developed and distributed guidance to ensure consistent, accurate reporting of Toxics Release Inventory (TRI) releases for Navy ranges.
- Created tools and templates to support implementation of Environmental Management Systems at all appropriate Navy facilities to meet the December 2005 goal required by Executive Order (EO) 13148.
- Reorganized Chief of Naval Operations organization to further enhance our ability to successfully address and resolve issues related to operational readiness, while establishing an organizational element dedicated to decreasing environmental program costs through innovation, implementation of best practices and adoption of enterprise solutions.
- Supported the stand-up of the CNI organization to ensure a smooth transition of Shore Installation Management (SIM) to CNI.

SUCCESS STORIES

A sampling of the many success stories from Navy Installations around the world is included here.

In keeping with its goals and objectives, the Commander, Navy Region Hawaii (CNRH) continues to have a strong working partnership with the government in Hawaii, and with the community and regulatory agencies. Despite reductions in funding and resources, and an increase in regulatory inspections, the Regional Environmental Department has continued to ensure that activities within COMNAVREG HI comply with environmental rules and regulations. CNRH has used all current environmental information, processes, and an intranet website to organize their Environmental Management System (EMS). CNRH is continuing to use this practical intranet approach to communicate, organize its process documents, identify gaps, and focus on its EMS goals. The most important link is the Internal Assessment Plan (IAP) that contains critical environmental inventories for all regionalized activities that was consolidated, analyzed for impacts and prioritized. CNRH continues to improve and expand its established programs such as CHRIMP managing ships hazmat, improving the discharge system for treated sewage effluent, and the biosolids treatment facility composting horse manure. New programs include our vehicles using biodiesel, a study to use wastewater digester gas for fuel in sludge heaters. CNRH continues to strive to improve business practices and implement process improvements that reduce cost and improve customer service.

Naval Station Mayport is steering a new course in environmental excellence through proactive leadership, they "Sustain and Enhance Warfighter Readiness." NAS Mayport successfully completed the Extended Service Repair Availability (ESRA) of the USS KENNEDY over a 10-month period with no environmental violations. The ESRA consisted of more than 50 contractors and thousands of Sailors working side-by-side to perform mid-level maintenance on the conventional carrier. The work conducted shipboard and pier-side had potential for significant impacts to major environmental media of air, water, hazardous waste, and natural resources. During the final weeks of repair, the Northeast Florida Environmental Compliance Partnering Team consisting of three local and state regulatory agencies took a tour of the ship and was very impressed with the enormity of the work and the Navy teamwork required to ensure environmental compliance. MAYPORT had a record year for sea turtle nesting and hatching due primarily to improvements made in beachside lighting and beach management. The 14 loggerhead nests on their 1.5 mile beach yielded a total of 1,486 hatchings that were released. Construction was completed on their $660,000 Model SIMA Paint/depaint facility and they began installation of $350,000 worth of state-of-the-art powder-coating process equipment, procured in conjunction with PPEP. Through a joint effort between

MAYPORT, NAVAIR and PPEP, a state-of-the-art helicopter painting/depainting facility was completed. The facility is capable of handling an entire aircraft and is more cost effective and operationally efficient than previous hand painting.

U.S. Naval Support Activity (NAVSUPPACT), Naples, Italy, implemented a comprehensive Environmental Management System reflecting the command's commitment to sound management of all environmental programs, recognizing that responsible environmental management is one of the Base's highest priorities. Most notably, NAVSUPPACT Naples received many laudatory comments at the conclusion of the first overseas major claimant EMS/Compliance External Assessment. The command continues to develop environmental strategies that use pollution prevention as a primary means of achieving and maintaining environmental compliance. They are proud of their record of providing environmental excellence in sustaining fleet and shore operations in the Mediterranean region. The base in Naples, Italy, continues to create successful environmental programs and is aggressively developing an exemplary Environmental Management System (EMS) that will sustain those programs for years to come.

NAVWPNSTA Seal Beach is the premier ordnance facility on the west coast that supports the Pacific Fleet and Marine Corps. The station enjoys a symbiotic relationship with nearby seaside communities that are joined in the Navy's efforts to protect our coastal wetlands. The "crown jewel" in the area's ecosystem is the station's 1000-acre Seal Beach National Wildlife Refuge, which is one of the last undisturbed wetlands remaining in the greater Los Angeles/Orange County megalopolis. The Refuge is managed in a unique partnership with the U. S. Fish and Wildlife Service, which maintains a Refuge Manager on station. The Environmental Quality Programs are centered around protection and enhancement of this priceless resource. A fully integrated approach ensures that regulatory compliance, pollution prevention, Installation Restoration and conservation are synergistically managed to best achieve environmental excellence while fully supporting the military mission. Through command leadership, a dove-tailing of environmental quality with mission accomplishment has been achieved. In 2002, having won the recent Commercial Activities study, a new Most Efficient Organization was established that has advanced the Environmental Management System and revised several program areas to further achieve the station's vision of environmental and mission excellence.

Despite the political turbulence in this part of the world and the huge increase of US and coalition forces presence in the region, NSA Bahrain environmental program continued to provide outstanding environmental services to the forces present in the Arabian Gulf in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). NSA Bahrain has developed and promoted waste reduction and management programs enhancing our long lasting relationship with the supporting nations. During the past two years, NSA Environmental Program recycled and reused over 1,500 tons of HAZMATs resulting in a reduction in hazardous waste disposal cost by over $3.0M.

During the three-year period from 2001-2003, the Environmental Program at Naval Air Station Pensacola (NASP) continued to set the standard for leadership in environmental quality. The dedication of staff at all levels, from the Commanding Officer to field support personnel, has been recognized by federal, state and private organizations as an example of unequaled environmental stewardship. The development of the Environmental Compliance Assessment and Training System (ECAT) has significantly increased the compliance of contracted construction projects on base. ECAT is being considered by numerous military bases world-wide for use in educating staff in environmental compliance issues. NASP's involvement in Project GreenShores has been recognized for providing the project with dedicated personnel, expertise and material. Working with 60 other community organizations, NASP has been a leader in the development and implementation of this project that provides environmental awareness, education and habitat restoration. The Environmental Programs partnering with the Florida Department of Environmental Protection (FDEP) has received national recognition for their joint commitment to protecting Florida's natural resources. In recognition of a successful compliance partnership agreement, NASP and FDEP received a 2003 Gulf Guardian Award at the Southern States Environmental Conference. "Pensacola is the cradle of naval aviation. Now it is gaining the reputation as the cradle of environmental protection," said FDEP Secretary Davis B. Struhs. "Our compliance partnership (NASP and FDEP) serves as a model for military bases around the nation. Its unparalleled success is proof that by working together we can achieve both national security and environmental objectives."

Naval Station Bremerton's environmental quality challenges increased in FY 2003 when they assumed the day-to-day management of several environmental programs integral to Environmental Management System success. NSB has formed a cohesive environmental program that ensures compliance, integrates environmental analysis into the NEPA planning and decision-making process, and emphasizes pollution prevention. Planning and accountability are the key to Naval Station Bremerton's cost saving initiatives: fiscal year savings of $78,000 were accrued in the solid waste and recycling program alone; effecting program management in-house reduced annual costs by over $100,000; utilizing a web-based Environmental Project Record system resulted in a $9,000 decrease in fees; partnering with regulators led to a reduction in P2 Planning fees by almost $9,000. The ESA- listed Pacific salmon will benefit from the Charleston Beach construction project developed in consultation with the community and regulatory agencies. It is the first project to successfully restore a forage fish beach.

Naval Air Station Joint Reserve Base Willow Grove is at the forefront of the Navy's environmental program. They have taken the lead for Commander, Naval Reserve Force Command in developing an Environmental Management System and comprehensive database; they have reduced hazardous materials usage, leading to a 45% reduction in total hazardous waste disposed. The Base's recycling program has been reclaiming 163 tons of metal, 120 tons of paper, and 17.6 tons of other materials netting $19,000 used to support the recycling program and the MWR programs while avoiding an estimated $32,000 in solid waste disposal costs. The air station actively participates in off-station community environmental organizations to ensure mission and environmental sustainability. The active education program on environmental stewardship and general environmental awareness at both the air station and the local community is helping to build trust with their stakeholders and to ensure that they will maintain excellence in the environmental field for years to come.

CNFJ Firefighter Saves Lives

Firefighters of Commander, U.S. Naval Forces, Japan (CNFJ) Regional Fire Department have in their ranks a genuine hero in Akihito Sato, a 17-year veteran firefighter who happened to be in the right place at the right time.

Reduced Vibration Tools Prevent Injuries at North Island

Replacing the existing hand tools with reduced-vibration powered hand tools provided the ergonomic solution to tool vibration in the Door Three Shop. The mechanics can use the reduced-vibration hand tools for up to eight hours a day without risking overexposure to excessive vibration.

NAS SIGONELLA'S CUSTOMS OFFICE REDUCES RISK OF INJURIES

PWD installed grounded electric outlets and telephones and provided computer hook-ups at each workstation to minimize the need for extension cords. They upgraded general lighting and installed task lighting to prevent eyestrain.

NASSIG Dog and Handler Shine in the Spotlight

NAS Sigonella is home to the largest MWD unit in Europe. The base's MWDs include German shepherds and Belgian Malinois trained in patrol, explosives detection or narcotics detection. Some are certified in both patrol and detection.

Pearl Harbor's SMART Center Returns the fleet to Readiness

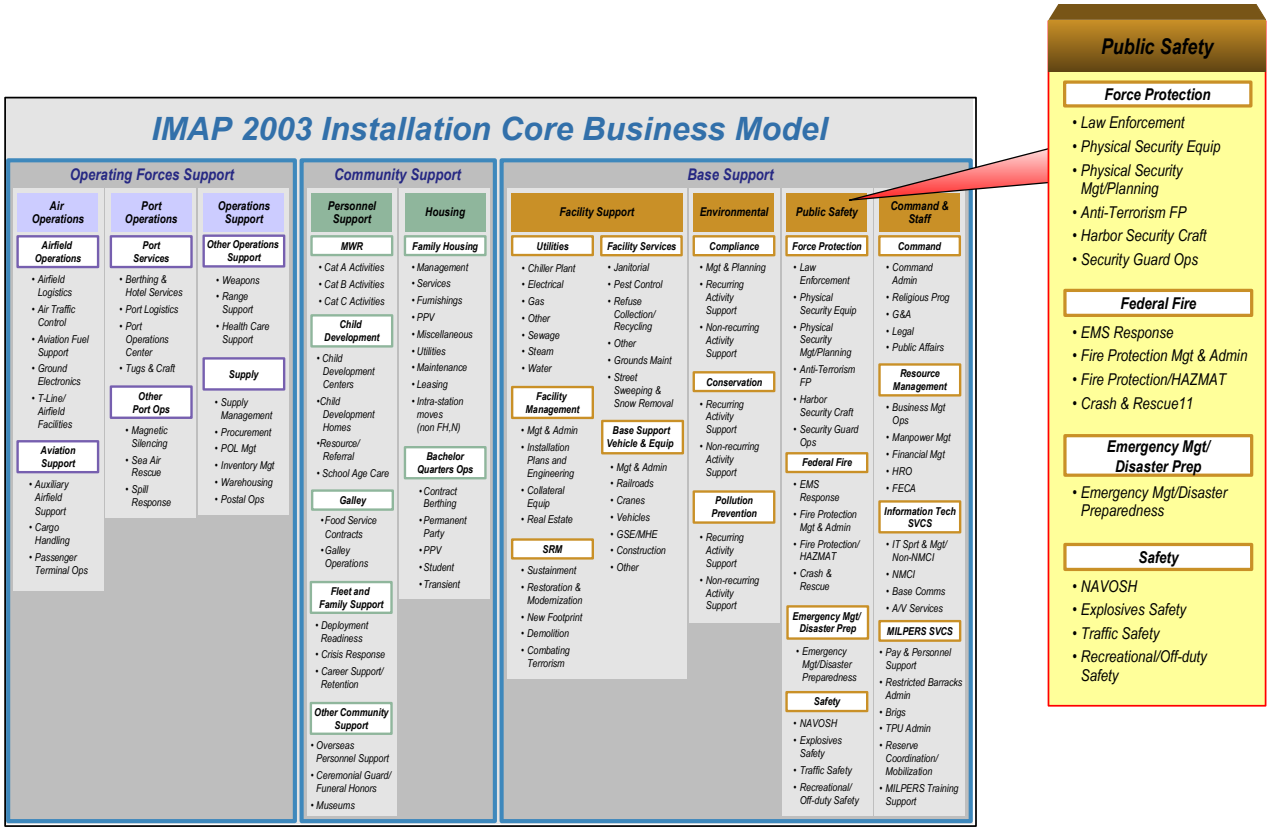
Musculoskeletal injuries account for up to 40% of all sick call visits. Treating military personnel for musculoskeletal injuries is comparable to treating professional athletes, so military medicine instituted the Sports Medicine and Rehabilitation Therapy (SMART) concept, establishing centers committed to Return to Readiness Programs.

Chapter 8 – Public Safety

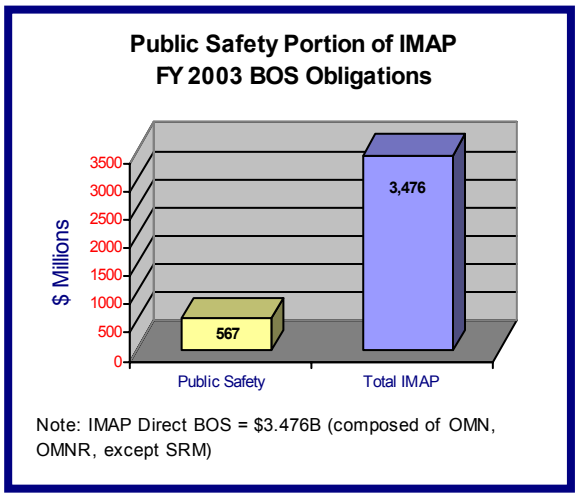
Overview

Within IMAP 2003, the Public Safety Core Business Area covers the functions and sub-functions that provide for the general safety, security and protection of personnel and property at the Navy's installations. The overall focus on these activities has increased since September 11, 2001, and the Navy's emphasis on and funding for anti-terrorism/ force protection increased during FY 2003, with an additional $135M in obligations as compared to FY 2002.

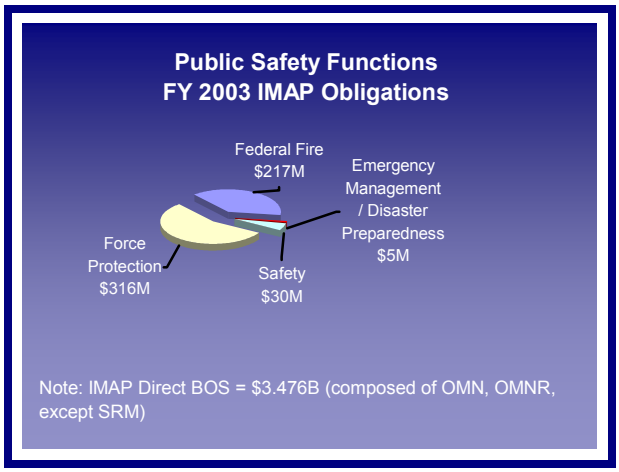
The four functions within Public Safety are in various stages of maturity with respect to IPT development and Standards/Metrics. The Force Protection IPT was started in late FY 2003 and will have Capability Levels and Metrics ready to support PR-07. To date there has not been a review of performance through a data call for the Force Protection function. The Federal Fire IPT has been in operation for over two years and has approved Capability Levels and Metrics. In addition, the Federal Fire function has completed two years of performance data evaluations. The Emergency Management IPT commenced in late FY 2003 and is preparing Capability Levels and Metrics for PR-07. The Safety IPT was initiated in FY 2001 and reactivated in FY 2003. The Safety function has approved Capability Levels and Metrics. Safety completed its first performance data call for FY 2003.



Based on the direct BOS obligations reported in IMAP, the Public Safety Core Business Area covers over 16% of the total IMAP obligations in FY 2003. These obligations do not include the significant supplemental funding for Force Protection provided under the Special Interest Item (SII) code "CT" for FY 2003. This additional funding of $285.5M increases the total for the Public Safety Core Business Area up to nearly $850M for the year. As shown in the Executive Summary, this represents a total for Public Safety (to include ATFP) of 9% of the entire SIM funding of $9.7B for FY 2003.



Considering only the IMAP obligations reported for FY 2003, the distribution of obligations within the Public Safety Core Business demonstrated that the preponderance of the obligations were within the Force Protection ($315.7M or 56.1% of the Public Safety total) and the Federal Fire ($216.8M or 38.5% of Public Safety) functions. There was limited funding for the Safety ($29.8M or 5.3% of Public Safety) and Emergency Management/Disaster Preparedness ($5.1M or 0.1% of Public Safety) functions. For FY 2003, the PR-03 readiness rating for Force Protection was set at a C-2 level with the other three functions all set at a C-3 readiness rating for the year. No performance data call was conducted for either the Force Protection or the Emergency Management/Disaster Preparedness functions. For the Federal Fire function, the performance data call reported the function at an overall Capability Level 3 for FY 2003 (6.5 out of 10). This level of performance corresponded with the level of funding and with the reported performance for FY 2002. Within the Safety program, the FY 2003 performance data call resulted in a Capability Level 3 overall score (5.5 out of 10). This was consistent with the expected performance based on the funding allocated.



During FY 2003, the Navy made significant progress in aligning its overall Public Safety posture—particularly for the Force Protection function. For Anti-Terrorism Force Protection, CFFC has been designated the Navy's Executive Agent and has established the following as primary capabilities: Critical Infrastructure Protection (CIP); Physical Security; CBR-Defense; Consequence Management; and Afloat Force Protection. OPNAV N46, and then CNI, have played major roles in the development of policy to support these capability requirements. In the future, CNI will also play a significant role working with the regions to align Force Protection in concert with FFC, OPNAV N34, and NAVFAC. Most important is that for Force

Protection, an unlimited budget is not available. CNI and the regions must accept and manage a calculated level of risk for the installations, while recognizing Navy cannot afford to do everything at every location.

OPNAV N46 and CNI have likewise assumed major responsibilities for the other functions within Public Safety. CNI developed an overall CNI Public Safety Architecture to serve as a guide for future work and alignment. CNI Public Safety is excited about opportunities to continue to align, standardize, and organize their program and is looking forward to FY 2004.

Product of the Plan

Public Safety Summary

Force Protection:

- Funded at C-2 readiness rating.
- FY 2003 capability levels not measured due to lack of model development.
- OPNAV N46/CNI established strong links to CFFC/ N34/SYSCOMS on ATFP issues.
- Established an IPT for this sub-function with initial meetings completed.

Federal Fire:

- Funded at C-3 readiness rating.
- Overall performance in FY 2003 remained at Capability Level 3.
- Federal Fire overall obligations increased by $15M (7%) over FY 2002.
- Integrated Readiness Capabilities Assessment (IRCA) directed changes will result in significant future changes for the program.
- Staffing shortages result in increased overtime expenses.
- CNI must progress on the EMS issues with BUMED ashore.

Emergency Management/Disaster Preparedness:

- Funded at C-3 readiness rating.
- FY 2003 capability levels not measured due to lack of model development.
- Developing Emergency Management Program that will outline and standardize Emergency Management functions.
- Established an IPT for this business function with initial meetings completed.

Safety:

- Funded at C-3 readiness rating.
- Overall performance in FY 2003 at Capability Level 3.
- Overall obligations corresponded with the PR-03 requirements.
- Reactivated the Safety IPT in FY 2003.
- Developing a plan to achieve the DOD 50% mishap reduction goal in the next two years.
- There were 8 Ashore Operational Navy Military fatalities in FY 2003.
- There were 86 Off-Duty Navy Military fatalities in FY 2003.
- Regional Safety and Occupational Health (SOH) offices are not standardized organizationally and functionally.
- Increased CNI customer base absorbed by hosts without functional transfer agreement or budget based resource transfer.

Force Protection

Scope of Program

Within the Public Safety Core Business Area, the Force Protection function covers the sub-functions and activities that constitute the commander's installation security program. Force Protection processes are designed to protect military members, civilian employees, family members, facilities, and equipment. This is accomplished through planned and integrated application of law enforcement, anti-terrorism activities, physical security, and operations security. It is described by the elements shown in the following chart:

Force Protection
➢ **Law Enforcement**
➢ **Physical Security Equipment**
➢ **Physical Security Management & Planning**
➢ **Anti-Terrorism Force Protection**
➢ **Harbor Security Craft**
➢ **Security Guard Operations**

Law Enforcement: The Law Enforcement sub-function includes all processes intended to preserve the principles of law through various strategies. Among these are crime prevention, crime detection, investigation and apprehension of persons who commit crimes, and assistance in prosecution of offenders. It includes promotion of public safety through awareness programs. It also includes all personnel and operating costs associated with law enforcement, to

include: personnel (MILPERS, CIVPERS and contractor) salaries, overtime, and benefits; material and supplies; equipment; operation and maintenance of vehicles; training; and communications equipment. Law enforcement programs support the function of command by preserving good order and discipline.

Physical Security Equipment: The Physical Security Equipment sub-function includes activities and costs incurred to provide physical security equipment (other than personal equipment) including any item, device or system that is used primarily for the protection of assets, personnel, and facilities. It includes alarms, sensors and their control systems and the assessment of the reliability, accuracy, timeliness, and effectiveness of those systems. This sub-function includes the following equipment systems: exterior surveillance and/or intrusion detection systems, access control and alarm systems, residential security equipment, equipment for executive protection, personal body armor, and detection devices. This sub-function also includes procurement of chemical, biological, and radiological defense equipment.

Physical Security Management & Planning: This sub-function consists of activities and costs for management and planning of Force Protection operations. It includes costs of personnel who manage physical security programs, resources, and assets and administrative costs. It also includes pay and benefits of headquarters staff, FFC and Fleet staff, Regional ACOS/Force Protection Officer and installation Security Officer/Department Heads.

Anti-Terrorism/Force Protection: The Anti-Terrorism/Force Protection sub-function includes activities of defense criminal investigative activities, security and intelligence activities, and any cross-discipline security activities, which do not easily fit into other Force Protection sub-functions. This sub-function also includes activities such as:

- Headquarters level terrorism investigations
- Executive anti-terrorism training (Levels II, III, IV or MTTs, school houses and their students)
- Surveillance and counter-surveillance teams
- Anti-terrorism awareness programs and training policy development

Harbor Security Craft: This sub-function includes activities conducted to operate and maintain harbor security craft for patrolling Navy water areas. It includes all operations and maintenance costs of harbor security craft including station labor, supplies, materials and other services.

Security Guard Operations: The Security Guard Operations sub-function includes activities primarily concerned with physical measures designed to safeguard personnel; to prevent unauthorized access to equipment, installations, material and documents; and to safeguard them against espionage, sabotage, damage and theft. It includes all personnel and operating costs (up through supervisors) such as salaries, overtime, and benefits. It includes all personnel (MILPERS, CIVPERS, and contractor) primarily involved in security guard operations. It includes trainers, protective services, response forces, waterborne security activities, military working dog programs/related personnel and armory activities. It also includes training involved with chemical, biological, and radiological defensive operations. It does not include Law Enforcement activity, Department Head (and above management), and personnel performing maintenance on buildings and equipment that are not assigned to Force Protection.

Progress in FY 2003

FY 2003 was a turning point for the Force Protection program. On 1 October 2003, CNI stood up and began work on standardizing Force Protection equipment and the proper allocation of funds. Public Safety's mandate is to reduce cost through risk-based investment strategy which will become the foundation for the future Force Protection Model being developed for CNI Regions/Installations. This risk-based investment model will focus on the allocation of limited resources in a more cost efficient manner. CNI provides the risk-based investment strategy tools and methodology, FFC/FLTs provide broadly stated requirements in terms of capabilities for investments and the SYSCOMs implement the Programs across Navy Regions. The establishment of CNI will transform shore business into program-centric (vs. installation-centric) functions, Fleets will be seen as a mission customer instead of a support manager, and the efficiencies of shore installation functions (N4) and effectiveness of war fighting/defense functions (N7) will be balanced within CNI Public Safety. Increased efficiency in BOS capability levels are anticipated as well. CNI is working with SYSCOMs, through the SYSCOM AT/FP Leadership Team (SALT) Process, to develop a comprehensive program for the sustainment of force protection equipment.

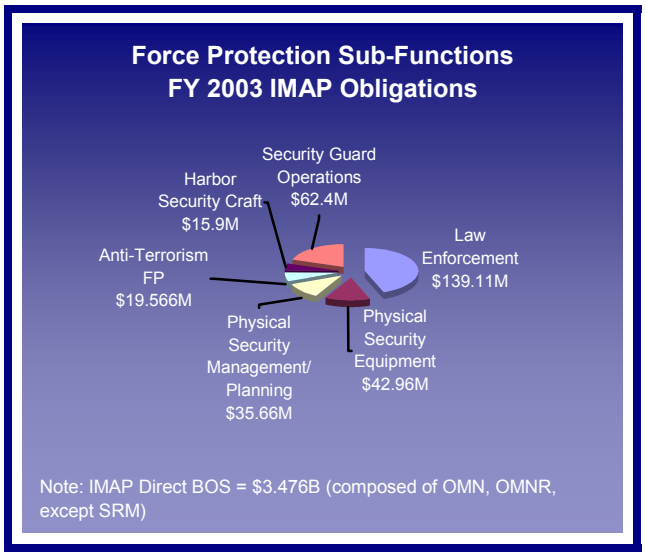
CNI Public Safety realized that Force Protection did not model performance and execution. Force Protection appears to be funded at C-2 readiness rating. Force Protection performance was not measured in FY 2003. OPNAV N46/CNI established strong links to CFFC/N34/SYSCOMs on ATFP issues. An IPT was established for this sub-function and the initial meetings completed.

Assessment and Performance

Force Protection BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Law Enforcement	$117.771M	$139.110M
Physical Security Equipment	$6.118M	$42.962M
Physical Security Management & Planning	$10.666M	$35.656M
Anti-Terrorism Force Protection	$8.563M	$19.566M
Harbor Security Craft	$0	$15.947M
Security Guard Operations	$51.672M	$62.427M
TOTAL Force Protection	$194.79M	$315.668M

The table above shows that there was an overall 62% increase in BOS Direct Funding from FY 2002 to FY 2003. The Harbor Security Craft sub-function is new and was not included within the requirements submitted for FY 2003 in PR-03. The Physical Security Equipment sub-function saw the biggest increase in IMAP BOS obligations in FY 2003 over the previous year, and was up 602%. This large increase was due in part to the increased awareness of requirements for equipment associated with the protection of assets, personnel, and facilities. This includes float lines and anti small craft barriers, as well as other physical security equipment for surveillance and detection. The Law Enforcement sub-function saw the smallest increase. The Law Enforcement sub-function was previously addressed in the PR-03 BAM submission under the sub-function of "Law Enforcement/Crime Prevention". The new Law Enforcement sub-function had total reported direct IMAP BOS obligations of $139.11M in FY 2003. These two sub-functions do not correspond directly and a useful comparison of obligations to program is difficult. Yet, the FY 2002 obligations for the Law Enforcement sub-function were over $20M less than those reported for FY 2003. The Security Guard Operations sub-function showed the most balanced and reasonable growth rate of 20%.

Force Protection 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 = "CT")	IMAP Obligations
$300M	$285M		$315.668M



Force Protection:

- Funded at C-2 readiness rating.
- FY 2003 capability levels not measured due to lack of model development.
- OPNAV N46/CNI established strong links to CFFC/N34/NAVFAC on ATFP issues.
- Established an IPT for this sub-function with initial meetings completed.

Federal Fire

Scope of Program

The Federal Fire function under the Public Safety Core Business Area addresses the sub-functions and activities that provide fire prevention and protection, hazardous material and incident response, and emergency medical service response. It is described by the elements shown in the chart below:

Federal Fire
➢ **EMS Response**
➢ **Fire Protection/HAZMAT**
➢ **Fire Protection Management and Admin**
➢ **Crash and Rescue**

Emergency Medical Service (EMS) Response: The EMS Response sub-function includes all activities that are principally involved with providing emergency medical service response services to the installations. It includes the cost of labor, supplies and services that are primarily used to provide an emergency medical service response capability.

Fire Protection/HAZMAT: This sub-function consists of fire prevention, fire fighting, and hazardous material incident response activities. It also includes Fire Prevention Training.

Fire Protection Management and Admin: This sub-function includes management and administrative activities required by federal fire department operations.

Crash and Rescue: The Crash and Rescue sub-function includes activities involved in providing aviation crash and rescue support for airfield operations. It also encompasses labor and material used in the operation of crash and rescue vehicles (including operator-performed maintenance), and special photographic services in connection with air crashes, fires, investigations, and technical or service information.

Progress in FY 2003

FY 2003 was an outstanding year in terms of fire losses. No lives were lost, injuries were rare and Navy wide ashore fire losses amounted to less than $11 million. Navy fire activity, deaths, injuries and property losses were statistically far below comparable civilian exposure. This very low incident rate is indicative of potential excess fire protection capacity, which will be evaluated in 2004.

FY 2003 saw the Federal Fire function across SIM continue to meet mission requirements and expectations in terms of obligations and overall performance. The Federal Fire IPT continued its work to refine the performance metrics for the function and to develop further the performance data call for FY 2003. The results of these efforts are shown below in the next section. Overall, Federal Fire reported out at a Capability Level 3 (score of 6.5 out of 10) in FY 2003. During the preparation of PR-05, the Integrated Readiness Capabilities Assessment (IRCA) review provided for the following efficiencies for the Federal Fire function:

- Conduct a detailed review of labor policy and extent of fire protection onboard Navy installations utilizing contractor support:
  - Gather cost/performance data – compare Navy Federal Fire operations against municipal fire fighting
  - Leverage technology and upgraded construction standards
  - Explore use of municipal assets in areas where concurrent jurisdiction exists
- Conducted program management assessments at select installations and locations to verify that at least one staffed fire company may be eliminated:
  - Assessments were completed for NAS Brunswick, USNA Annapolis, NSGA Sugar Grove, NSWC Carderock, Bethesda, NAVSESS Philadelphia, CSS Panama City and NAS Pensacola.
  - Other areas identified for assessment are NRL Chesapeake Beach Detachment, Hampton Roads Regional Fire Department, and NSWC Indian Head.
- Approximately $5 million of potential savings identified by end of FY03.

These efficiencies were envisioned to provide significant savings commencing in FY 2005.

Within the Federal Fire program, efficiency improvements during FY 2003 include:

- Streamlined management
- Established cooperative agreements with municipal fire departments
- Realized technology advancements
- Regionalized and standardized Fire and Emergency Service (F&ES) and reduced costly redundancies
- Contractor selected for a wide-ranging study of Navy F&ES
- Initiated reclassification requests to reassess/ revalidate the need for fire protection at selected installations
- Produced significant Federal Fire reductions with Public-Private housing ventures
- Introduced risk management into Federal Fire
- Realized an extremely low Navy fire loss rate due to proactive fire prevention programs

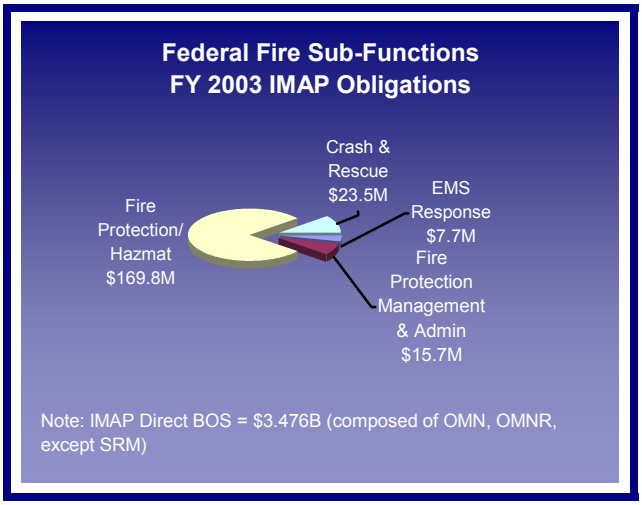
Additionally, the Installation Claimant Consolidation on 1 October 2003 has regionalized many fire departments Navy-wide that were previously "stand-alone". This second phase of regionalization of Federal Fire in the Navy will likely result in additional savings in the out years.

Assessment and Performance

Federal Fire BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
EMS Response	$2.835M	$7.708M
Fire Protection/HAZMAT	$162.827M	$169.854M
Fire Protection Management and Admin	$13.174M	$15.704M
Crash and Rescue	$22.504M	$23.550M
TOTAL Federal Fire	$201.340M	$216.816M

The table above shows that there was an overall 7.7% increase in BOS Direct Funding from FY 2002 to 2003. The EMS Response sub-function saw the biggest increase in IMAP BOS obligations in FY 2003 over the previous year, and was up approximately 172%. The total IMAP BOS direct obligations for FY 2003 were $7.7M, which compares to the FY 2002 $2.8M obligations for the EMS Response sub-function. The bulk of the obligations recorded for the EMS Response sub-function in FY 2003 came from the Northwest Region at $4.1M. In FY 2002, the Northwest Region had only $142,000 in this sub-function. The large relative variances from year to year and from requirements to actual obligations highlight an issue of concern. The Navy's Regional Fire Departments are required to respond to installation medical emergencies. Typically, the first responder to an incident is from the fire department. With the gradual withdrawal of BUMED services to provide some EMS capacity across the Regions, the bulk of this requirement is falling to the fire organizations. CNI will need to closely review the requirements development process for this portion of the overall Federal Fire function. The Fire Protection/ HAZMAT sub-function saw the smallest increase at approximately 4%, although the Fire Protection/ HAZMAT sub-function accounts for the majority of the obligations within the Federal Fire function. In the OPNAV/N46 Baseline Assessment Memorandum submission for PR-03, the FY 2003 requirements for this sub-function were submitted as $189.3M. As recorded in IMAP, the total FY 2003 direct BOS obligations for the Fire Protection/HAZMAT sub-function are $169.854M. The difference between the requirements and the actual obligations is accounted for by adding in the obligations for the Fire Protection Management and Admin sub-function ($15.2M for FY 2003), since the two were still combined during the requirements development. The Crash and Rescue sub-function was accounted for under the Airfield Support Core Business Area in PR-03. The OPNAV N46 submission stated the Crash and Rescue sub-function for FY 2003 was $41.8M. The actual FY 2003 IMAP BOS direct obligations for this sub-function were recorded as $23.5M. This sum is similar to the obligations for Crash and Rescue in FY 2002, which were $22.5M.

Federal Fire 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 = "FI")	IMAP Obligations
$261.69M	$235.520M		$216.816M



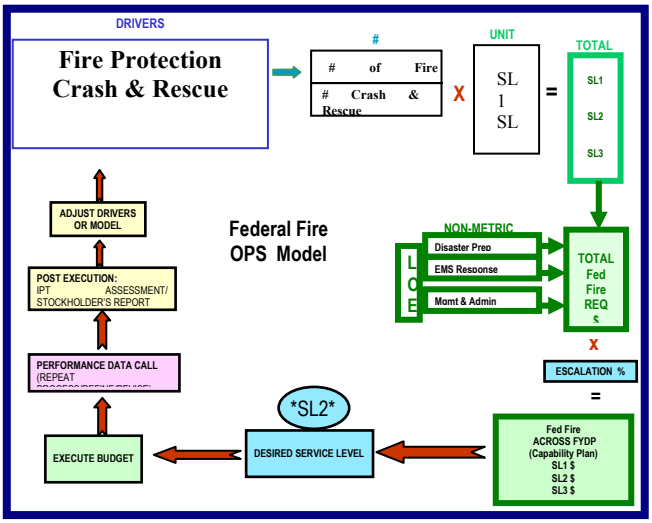
Federal Fire Overall Performance By Sub-Function		
Sub-Function	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
EMS Response	N/A	CL3
Fire Protection/ HAZMAT	N/A	CL 3
Fire Protection Management and Admin	N/A	CL 3
Crash and Rescue	N/A	CL 3
Overall Performance	6.5	CL 3

The overall performance level as shown in the chart on the next page is Capability Level 3 as programmed. Sub-function performance was not measured, but will be in the PR07 build.

Federal Fire Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance Capability Level
Northeast	6.70	CL 3
NDW	6.53	CL 3
Mid-Atlantic	6.30	CL 3
Southeast	6.62	CL 3
Northwest	7.36	CL 2
Southwest	6.08	CL 3
Midwest	6.28	CL 3
Gulf Coast	6.51	CL 3
South	6.73	CL 3
Hawaii	5.27	CL 3
Japan	5.89	CL 3
Korea	6.83	CL 3
Guam	7.25	CL2
Europe	6.49	CL 3
Southwest Asia	7.22	CL 2
Overall Performance	6.50	CL 3

The Navy's Federal Fire performance by region is presented in the chart above. Overall, the 15 regions in the FY 2003 Performance Data Call reported an average performance of Capability Level 3. Three regions performed at Capability Level 2. Variations in the performance levels between regions could be caused by a variety of factors including: deficiencies in the data call, lack of direct link between funding Capability Levels and certain performance parameters, actual levels of funding, local conditions, historical investments and Federal Fire management. Planned improvements to the performance metrics used in the data call will drive more in-depth analysis which will, in turn, drive programming and budgeting decisions.

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 Federal Fire function of the Public Safety Core Business Area is shown below. Note Service Levels changed to Capability Levels effective FY 2004.



Federal Fire:

- Funded at C-3 readiness rating.
- Overall performance in FY 2003 remained at Capability Level 3.
- Federal Fire overall obligations increased by $15M (approximately 7%) over FY 2002.
- IRCA directed changes will result in significant future changes for the program.
- Staffing shortages continue as a concern and result in increased overtime expenses.
- CNI must resolve the EMS issue with BUMED.

Emergency Management/ Disaster Preparedness

Scope of Program

Within the Core Business Area of Public Safety, the Emergency Management/Disaster Preparedness function was separated from the Federal Fire function to provide for better overall visibility to this key area of responsibility of shore activities. It is described by the Emergency Management/Disaster Preparedness element, as indicated in the chart below.

Emergency Management/Disaster Preparedness
➢ Emergency Management/Disaster Preparedness

Emergency Management/Disaster Preparedness: The Emergency Management/Disaster Preparedness sub-function includes activities conducted principally to plan, equip and train the installation to react to large-scale disasters that threaten the installation or surrounding community.

Progress in FY 2003

The Emergency Management/Disaster Preparedness function was separated from the Federal Fire function to provide for better overall guidance in this key area of shore activities. In FY 2003 OPNAV N46/ CNI Public Safety began the work of standing up the Emergency Management (EM) Integrated Product Team (IPT), develop EM guidelines and standards, and coordinate with Joint Service Installation Protection Programs (IPP).

In FY 2003 Emergency Management Integrated Process Team (IPT) was stood up and began the development of capability levels and sub-functions to the Emergency Management/Disaster Preparedness function. The eventual goal is to have a fully developed Emergency Management/Disaster Preparedness core business area with well defined sub-functions. An IMAP Core Business Model change with additional sub-function detail is being worked and will be submitted in early 2004.

Assessment and Performance

Emergency Management/Disaster Preparedness BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Emergency Management/Disaster Preparedness	$6.428M	$5.094M
TOTAL Emergency Management/Disaster Preparedness	$6.428M	$5.094M

The table above details the savings expected from the standardization of the Emergency Management/ Disaster Preparedness area. To fill the void in EM standards and guidelines, OPNAV N46 rose to meet that challenge. OPNAV N46 directed NAVFAC, which serves as the Navy's Director of Fire & Emergency Services, to develop a single Navy concept of operations for Chemical, Biological, Radiological, Nuclear and High-yield Explosive (CBRNE) event response onboard Navy installations worldwide. NAVFAC formed a team with Battelle Memorial Institute to develop this crucial foundation for forthcoming myriad of installation preparedness initiatives from the Joint Staff programs. This development team worked closely with Navy subject matter experts worldwide, including all of the Navy's Regional Emergency Managers, to develop what became known as the Navy Shore Installation Emergency Management Program (EMP).

With the development of the EMP the Navy saw that implementation of an all-hazard emergency management program, will provide the capability to effectively manage all types of natural and technological hazards including terrorism. EMP should also facilitate the safe employment and improve the effectiveness of the Navy's streamlined emergency services. These services include the Federal Fire Department, Naval Security Forces, Explosive Ordnance Disposal shore detachments, and medical treatment facilities. Therefore, the EMP development team is forging ahead to expand the current program to address not only CBRNE, but all hazards that may be encountered by Regional and Installation Commanders.

One of the first Joint Service IPPs is the Joint Staff Installation Pilot Program (JSIPP). The Joint Staff in FY 2002 began JSIPP, which was initiated to develop concepts of operations related to the deployment of Chemical/Biological detectors and enhanced emergency management responses ashore. The information derived from this program will be used to assist in the outfitting of DoD installations in the out years. The Navy has two sites in this pilot program. The first is Navy Region San Diego and the second is Naval Station Dahlgren (Dahlgren is part of Naval District Washington as of 1 October 2003). CNI Public Safety Program is currently overseeing this program. Some of the findings from JSIPP will be incorporated by the Joint Program Manager (PM) Guardian into the IPP program described below.

In FY 2003 the Joint Staff created the Joint PM Guardian to implement the Joint Service IPP. The purpose of this program is to provide an integrated CBRN protection and response capability to protect personnel, maintain critical military operations, and restore critical operations as quickly as possible. This program will be executed by the Joint Program Executive Office (JPEO), which (starting this fiscal year) will provide detection capabilities matched with increased response and recovery capabilities in a financially sustainable environment. In FY 2004, the PM Guardian will field IPP equipment at four Navy installations. A total of 59 Navy installations will receive CB protection packages between FY 2004 and 2009. The services will be responsible for the sustainment of the equipment they receive from PM Guardian. PDM-I identified $500M for the Joint Service IPP, of which, $168M will be used to sustain the equipment.

Emergency Management/Disaster Preparedness 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 = "EM")	IMAP Obligations
$18.476M	$16.628M		$5.094M

Emergency Management/Disaster Preparedness:

- Funded at C-3 readiness rating.
- FY 2003 capability levels not measured due to lack of model development.
- Developing Emergency Management Program that will outline and standardize Emergency Management functions.
- Established an IPT for this business function with initial meetings completed.

Safety

Scope of Program

Within the Public Safety Core Business Area, the Safety function includes the sub-functions and activities that provide command managed safety programs. It is described by the elements shown in the chart below:

Safety
➢ NAVOSH
➢ Explosives Safety
➢ Traffic Safety
➢ Recreational/Off-Duty Safety

Navy Occupational Safety and Health (NAVOSH): The NAVOSH sub-function includes activities that provide and manage occupational safety and health programs (OPNAVINST 5100.23 Series) for the installation. It consists of management, inspection, evaluation, education, training, accident investigation, reporting and other activities involved with the operation of the NAVOSH program. It includes costs associated with personnel, training, travel/per diem, supplies, equipment, and other operational expenses. It does not include specific safety programs in other Safety sub-functions.

Explosives Safety: The Explosives Safety sub-function consists of activities that provide, manage and coordinate the base-wide Explosive Safety program. It includes costs associated with management, inspection, evaluation, education and training. It also includes safety accident preventive programs, accident investigation, safety instruction preparation and issue, safety inspections, safety evaluations, safety education and training. It does not include specific safety programs in other Safety sub-functions.

Traffic Safety: The Traffic Safety sub-function includes activities that provide, manage and coordinate the base-wide Traffic Safety program. It includes costs associated with management, inspection, evaluation, education and training. It also includes safety accident preventive programs, accident investigation, safety instruction preparation and issue, safety inspections, safety evaluations, safety education and training. It does not include specific safety programs in other Safety sub-functions.

Recreational/Off-Duty Safety: This sub-function includes activities that provide, manage and coordinate the base-wide Recreation and Off-Duty Safety (RODS) program. It includes costs associated with management, inspection, evaluation, education and training. It also includes safety accident preventive programs, accident investigation, safety instruction preparation and issue, safety inspections, safety evaluations, safety education and training. It does not include specific safety programs in other Safety sub-functions.

Progress in FY 2003

DoD has mandated a 50% Mishap Reduction effort by the end of FY 2005 starting with a FY 2002 baseline. In ALNAV 057/03, SECNAV requested CNO and CMC develop an aggressive and enterprising plan to accomplish the DoD 50% mishap reduction goal by the end of FY 2005. As a result, CNI is assisting CNO in developing guidance detailing specific actions to support these programs. Navy is focusing on Traffic Safety and Recreation and Off-Duty Safety (RODS) programs, which are the two highest fatality areas based on NAVSAFECEN statistics. Dramatically reducing mishaps in these areas alone will result in the Navy significantly decreasing overall mishaps.

The Safety IPT was reactivated in mid-2003 after staying in a hold status for 1.5 years. The Safety IPT's efforts in 2003 focused on establishing CNI-wide performance metrics and capability levels. An Objective Matrix detailing a concise set of performance Metrics and their relative weights was developed and approved. Additionally, Capability Level descriptors were developed and approved by Regional Commanders Conference (RCC) in 2003.

NAS Atlanta and NAS Keflavik have demonstrated superior performance in the Navy Occupational Safety and Health (NAVOSH) Program with strong Commanding Officer support and managers dedicated to their safety goals. Noteworthy accomplishments for FY 2003 include:

- NAS Atlanta was selected as the winner of the FY 2003 CNO Award for Achievement in Safety Ashore – Non-Industrial Medium Category
  - Reduced Lost Time Case Rate by 87%
  - Reduced overall mishap rate by 68% in last five years
  - Created Hazardous Material Authorized User List and reduced HAZMAT inventory by 55%
  - Established Job Hazard Analyses for industrial processes
  - Obtained additional funding for the hazard abatement projects
  - Conducted web-based Ergonomics training and baseline surveys for all departments
  - Reduced traffic safety mishaps to zero in FY 2003 and only 2 motor vehicle mishaps in 7 years
  - Increased attendance (92%) at Command Safety Council
  - Developed numerous safety articles in base newsletter
- NAS Keflavik was selected as the winner of the FY 2003 CNO Award for Achievement in Safety Ashore – Non-Industrial, OCONUS Category
  - Reduced On duty mishap rate by 43% from FY 1998
  - Reduced Off duty mishap rate by 52% from FY 1998
  - Reduced time for processing on-hand hazardous material by 90%
  - Reduced hazardous material disposal costs by $410,000 through re-utilization efforts
  - Maintained an active ergonomics program from FY 1998
  - Reduced frequency of government motor vehicle accidents by 35%
  - Reduced frequency of privately owned motor vehicle accidents by 30%

- Recognized 230 personnel with safety awards for no lost time mishaps in FY 2003
- Experienced zero compensable injury claims by civilian employees due to mishap prevention program efforts from FY 1986–FY 2003
- Maintain a lost time case rate below DON and Presidential goals from FY 1995–FY 2003

In December 2003, Naval Air Stations at Kingsville and Key West completed respective 2-year employee work safety demonstration projects sponsored by Congress under the National Defense Authorization Act of FY 2001. These projects sought to demonstrate a reduction in job-related civilian injuries and compensation costs by adopting private sector safety models for use at the Naval Air Stations representative of industry best practices. Key West adopted an Integrated Safety Model (ISM) and Kingsville adopted an OSHA Voluntary Protection Program (VPP) model. Noteworthy accomplishments by the installations included in the report to congress include:

- Reduced number of cases by 38%
- Reduced total number of injury cases by 31%
- Reduced total number of lost time cases by 45% or more
- Reduced lost time case rate (per 100 workers) by 39%

In anticipation of continued Navy program success for FY 2003, Congress has already approved a 1-year expansion of the ISM model for 7 additional Navy installations for FY 2004.

Assessment and Performance

Safety BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
NAVOSH	$22.864M	$27.147M
Explosives Safety	$1.928M	$2.524M
Traffic Safety	$0.059M	$125K
Recreational/Off-Duty Safety	$0	$74
TOTAL Safety	$24.851M	$29.795M

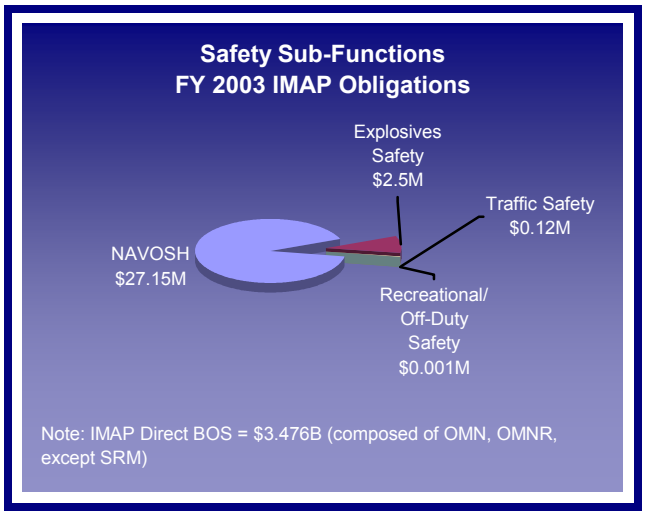
The NAVOSH, Traffic Safety, RODS, and Explosives Safety funding for FY 2003 in the PR-03 BAM submission were not submitted as separate sub-functions. The NAVOSH sub-function represents the majority of the funding within the Safety function of the Public Safety Core Business Area. The funding for this sub-function is up approximately 18% or $5M from FY 2002. This increase is due to the customer-based growth with and without functional transfer agreement or budget based resource transfer. Traffic Safety and RODS are not currently funded programs. However, these programs are sometimes partially supported by major claimants with specially designated NAVOSH funding or from other programs (Security, MWR, etc). In prior years, the NAVOSH organization was using resources out of hide to maintain Safety and Health programs. Historically, Safety has been under-funded.

The Naval Safety Center reported the ashore Class A Operational Mishaps at eight in FY 2003 with eight Navy military fatalities. Based on Naval Safety Center records, the Navy private motor vehicle mishaps in FY 2003 resulted in 65 Navy military fatalities, down from the reported 75 fatalities in FY 2002. Over one-third of the FY 2003 fatalities were in alcohol-related mishaps (24 fatalities). The total Navy shore fatalities in this area during FY 2003 were 21, the same number reported in FY 2002. Recreational fatalities went up from 10 to 13, while other off-duty fatalities decreased from 11 to 8. The Naval Safety Center reports that the top three causes

of recreational deaths are drowning, falls, and alcohol poisoning/drug overdose.

The preliminary results of the FY 2003 performance data call for Safety function reported an overall Capability Level 3, with performance score 5.5 out of 10. The performance data call for FY 2003 for NAVOSH sub-function reported the overall capability level with performance score of 5.4 out of 10. The performance data call for FY 2003 for Traffic Safety sub-function reported the overall capability level with performance score 5.0 out of 10. The performance data call for FY 2003 for RODS sub-function reported the overall capability level with performance score of 5.8 out of 10. The performance data call for FY 2003 for Explosives Safety sub-function reported the overall capability level with performance score of 6.3 out of 10. The Safety IPT participated for the first time in the 2003 Performance Data Call in the fall of 2003 and based on the results the capability level descriptors and performance metrics may be refined.

Safety 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 = "SA")	IMAP Obligations
$34.738M	$31.264M		$29.795M



Safety Overall Performance By Sub-Function		
Sub-Function	FY 2003 Performance: Scores	FY 2003 Performance: Capability Level
NAVOSH	5.4	CL 3
Explosives Safety	6.3	CL 3
Traffic Safety	5.0	CL 3
Recreational/Off-Duty Safety	5.8	CL 3
Overall Performance	5.5	CL 3

Safety Overall Performance By Region		
Region	FY 2003 Performance: Scores	FY 2003 Performance: Capability Level
Northeast	5.4	CL 3
NDW	5.6	CL 3
Mid-Atlantic	5.7	CL 3
Southeast	5.9	CL 3
Northwest *	4.9	CL 4
Southwest	5.3	CL 3
Midwest	5.4	CL 3
Gulf Coast	6.1	CL 3
South	5.3	CL 3
Hawaii	5.4	CL 3
Japan	5.8	CL 3
Korea	5.5	CL 3
Guam	5.4	CL 3
Europe	5.7	CL 3
Overall Performance	5.5	CL 3

Northwest Region Safety Program is under CA study; and has developed a plan to upgrade its Safety Program performance from CL 4.

Overall, the 14 regions in the FY 2003 Performance Data Call reported an average performance of low Capability Level 3. CNRSA did not participate in the FY2003 Performance Data Call. One region performed at Capability Level 4 for reasons that cannot be determined from the data. Variations in the performance levels between regions could be caused by a variety of factors including: deficiencies in the data call, lack of direct linkage between funding and

Capability Levels and certain performance parameters, levels (Full support or Partial support) of safety services being provided, unfunded programs (e.g., Traffic Safety and RODS), actual levels of funding, and Safety management. Planned improvements to the performance metrics used in the data call will drive more in-depth analysis which will, in turn, drive programming and budgeting decisions.

Safety:

- Funded at C-3 readiness rating.
- Overall performance in FY 2003 is at Capability Level 3.
- Overall obligations corresponded with the PR-03 requirements.
- Reactivated the Safety IPT in FY 2003.
- Developing a plan to achieve the DOD 50% mishap reduction goal in the next two years.
- There were 8 Ashore Operational Navy Military fatalities in FY 2003.
- There were 86 Off-Duty Navy Military fatalities in FY 2003.
- Regional SOH offices are not standardized organizationally and functionally.
- Increased CNI customer base absorbed by hosts without functional transfer agreement or budget based resource transfer.

Northeast Navy Medical Reservists Activated

The 111 Medical Reservists from the region will join more than 2,600 Navy and Marine Corps reservists from the Navy Region Northeast who are already on active duty for Operation Enduring Freedom, the war in southwest Asia, and Operation Noble Eagle, which has focused on homeland defense.

First NMCI computer comes online at NAS Brunswick

IT3 Nicole O'Donnell from VP-92's IT Department, became the first Naval Air Station Brunswick (NASB) Sailor to log onto the new Navy Marine Corps Intranet (NMCI) system on Thursday, Sept. 25.

ITs Networking the Future

In today's high tech, network centric work and operational environments, the Navy's Information Systems Technicians (IT) represent the core of a command's ability to get and stay connected.

Marriage Retreat Brings Navy Couples Closer

The marriage enrichment retreat CREDO is a 72-hour trip geared towards active duty, Reserve/guard, retired military and civilians and their spouses. Generally, retreats take place during weekends in wilderness settings that are intended to foster peaceful environments, where couples can relax and enjoy quiet moments together.

Children Dive into Vacation Bible School

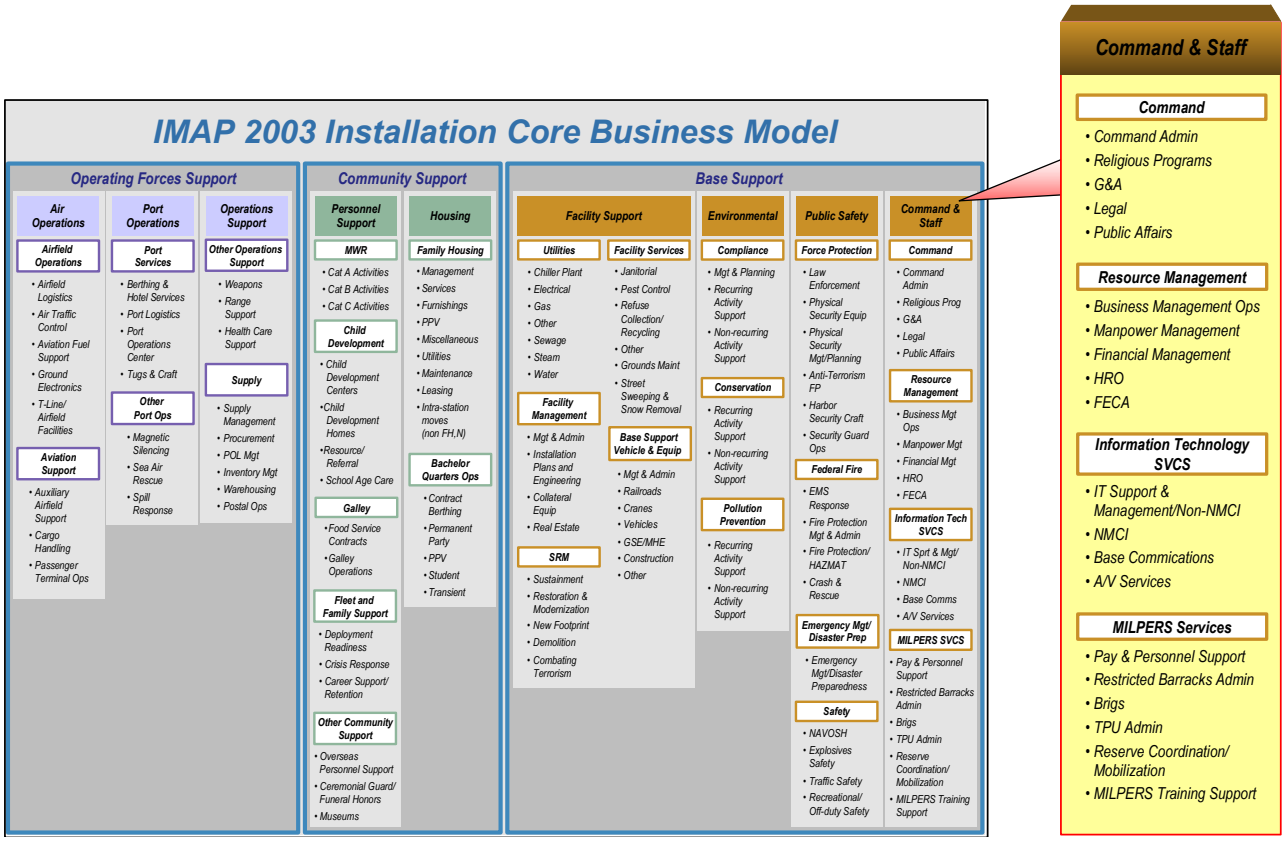
Vacation Bible School at the Base Chapel was a fun-filled week for the 101 children registered for the annual event. The children, ranging from five to 12 years old, participated in arts and crafts projects, musical activities and classroom lessons.

Chapter 9 – Command and Staff

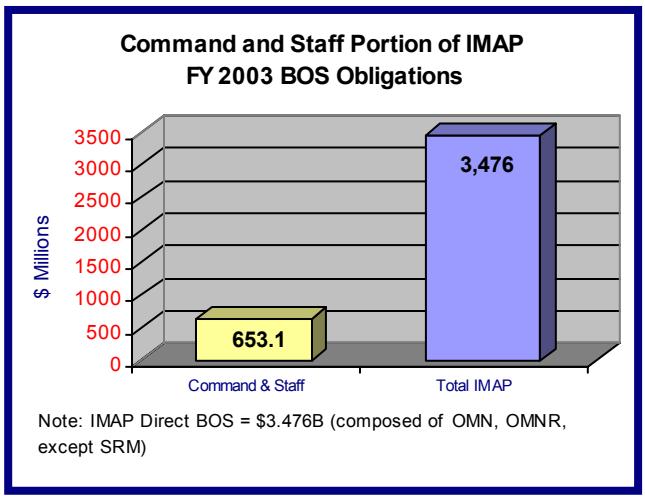
Overview

The Command and Staff Installation Core Business Area provides direction, support, and services primarily to the installation staff, and includes those functions which are not managed as part of another major business area. Command and Staff is a part of the Base Support portion of IMAP. The Command and Staff functions and sub-functions are General and Administrative activities carried out on behalf of the command. The four primary functions within the Command and Staff Core Business Area are Command, Resource Management, Information Technology (IT) Services, and MILPERS Services.

The very nature of the wide range of activities covered within this Core Business Area makes for difficulty in both oversight of the functions and sub-functions as well as the effective evaluation of performance for Command and Staff. With the development and approval of separate Special Interest Item (SII) codes for Command (CA), Resource Management (RN), IT Services (IT), and MILPERS Services (MS), these functions will have improved visibility through the entire budget process commencing in FY 2004. In both the POM-04 BAM and the PR-05 Capabilities Plan submissions from OPNAV N46, the inputs included expanded coverage of the requirements and the capabilities requisite for each of the four functions within the Command and Staff Core Business Area. This effort is significant as any prior emphasis to these activities was lacking prior to POM-04 and was definitely missing during the OPNAV N46 preparation of PR-03 in early 2001 for the FY 2003 requirements.

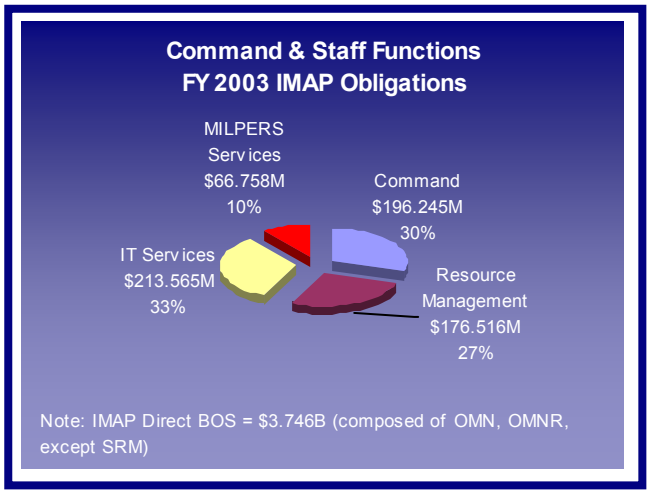


As shown opposite, the Command and Staff Core Business Area represents approximately 20% of the total IMAP direct BOS obligations again in FY 2003. The total obligations of $653.085M reported for the year are significantly more than those of FY 2002 at $594.254M, with the major increase in funding for the Resource Management functions at a plus $24.8M. The other three functions all showed increases of $10M to $13M in obligations for FY 2003. Overall, the more than ten percent increase in obligations for the Command and Staff Core Business Area approaches the stated FY 2003 requirements in the PR-03 BAM submission ($704.59M).



The distribution of obligations amongst the four functions within the Command and Staff Core Business Area is very even with the exception of the MILPERS Services function, which at 10% of the total is the smallest. For all of these activities, the PR-03 readiness rating was set at C-3 for funding for FY 2003. The only programs with sufficient maturity to develop a performance data call for FY 2003 were the IT Services function and the Religious Programs sub-function of the Command function. For FY 2003, the overall performance for IT Services was at Capability Level 3 (score of 6.33 on a scale of 1 to 10), while the Religious Programs came in at a low Capability Level 2 (score of 7.02), albeit with little customer satisfaction input for this initial review of standards implementation. None of the other functions or sub-functions within this Core Business Area was in a position to measure performance in FY 2003. There are IPTs chartered for both the Command Admin sub-function and the Resource Management function.

The Command Admin IPT was re-instituted in FY 2003 and made an initial presentation to the IMWG in September 2003. The IMWG provided additional guidance for the IPT's future work in FY 2004. The IPT for Resource Management did not meet in FY 2003, as the majority of the membership of the IPT was heavily involved with the financial aspects of the CNI establishment. For FY 2003, one of the highlights of the year for this Core Business Area was the success of the Religious Programs IPT in developing standards, metrics, and capability level descriptors for the sub-function and having the SIPB/RCC approve these measures at its late September/early October 2003 meeting.



While progress was made across a number of functional areas within the Command and Staff Core Business Area, the efforts in this area more than most other Core Business Areas were centered on activities related to the establishment of CNI in FY 2003. This work had a significant impact in the Resource Management and the Command and Staff program areas in particular. While the progress toward CNI establishment and the work to assimilate new installations into the regions produced excellent results, the functional oversight of the details of the programming and execution for these areas suffered. For FY 2004, CNI must reactivate the Resource Management IPT and reinvigorate the Command Admin IPT to accelerate the development of standards and metrics for these key functional areas.

Product of the Plan

Command & Staff Summary

Command:

- Funded at C-3 readiness rating.
- Performance not measured, less the Religious Programs sub-function, which performed at Capability Level 2 in FY 2003.
- Religious Programs IPT developed standards, metrics, and Capability Level Descriptors – approved by the SIPB/RCC.
- Command Admin IPT must work all of these sub-functions; currently little oversight for $196M.

Resource Management:

- Funded at C-3 readiness rating.
- Performance not measured.
- Regional Business Managers set to assume a major role within CNI.
- HRO study in progress to address the HR community support to CNI.
- ABC/M requires a CNI decision on a common approach across SIM.
- The Resource Management IPT must be reactivated to work all sub-functional areas.

IT Services:

- Funded at C-3 readiness rating for FY 2003
- Performed at Capability Level 3 in FY 2003, meeting expectations.
- Continued NMCI implementation across CNI.
- Developed overall CNI IT architecture plan.
- Commenced CNI initiatives on server and application portfolio reductions.
- Highlighted concerns with the funding for BLII across OCONUS regions.

MILPERS Services:

- Funded at C-3 readiness rating; Performance not measured; Met mission requirements.
- Over two-thirds of MILPERS obligations were for Pay and Personnel Support sub-function.
- Significant increases in the FY 2003 OM,NR spending by NAVRESFOR to support Operation Iraqi Freedom (OIF).
- Increased visibility for this function required.

Command

Scope of Program

Within the Core Business Area of Command and Staff, the Command function includes sub-functions and activities that support the installation staff or the Commanding Officer.

Command
➢ **Command Admin**
➢ **Religious Programs**
➢ **G&A (General & Administrative)**
➢ **Legal**
➢ **Public Affairs**

Command Admin: The Command Admin sub-function includes all activities providing direct support to the Office of the Commanding Officer.

Command Admin also includes activities in support of the Executive Officer and central command administration office. Specific activities included are Command Master Chief (CMC), DAPA, Command Managed Equal Opportunity (CMEO), Total Quality Leadership, Career Counseling, and Command Evaluation. Also included are Cost Account Codes for 1st LT/Self Help and for the administration of Host Nation Support agreements.

Religious Programs: This sub-function covers all activities that provide religious support to military personnel, dependents, and retirees. It includes religious services, counseling, and other activities conducted by the installation Chaplain and staff. There is one Cost Account Code (CAC) to cover this entire sub-function.

G & A: The G & A sub-function includes general and administrative activities of the command not reasonably chargeable to other sub-functions at this time. This very broad, but varied sub-function has some 27 Cost Account Codes (CACs) covering costs for activities ranging from admin TAD travel to incentive awards to civilian severance pay to costs for bridge, roads, streetcars and ferry tolls.

Legal: This sub-function addresses activities involved in the operation of the installation's legal office in support of the command and installation staff. The Legal sub-function cover two areas each with its own Cost Account Code (CAC): the efforts and costs related to the operations of the legal office; and the costs identified with civilian and military witnesses.

Public Affairs: The Public Affairs sub-function includes strategic communication planning and execution for SIM mission as well as for tactical activities involved in the daily operation of the regional and installation's media relations, internal communications, community outreach, special events and, in many instances, protocol services, within their respective geographic areas.

Progress in FY 2003

During FY 2003, the Command function of the Command and Staff Core Business Area was consumed by the necessary actions related to the stand-up of CNI. Within Command Admin the focus was on setting the requisite staffing for CNI and on establishing the Mission, Functions and Tasks for the various elements of the new command.

One of the highlights within the overall Command function in FY 2003 was the work of the Religious Programs IPT, which is dual-chartered in partnership with the Chief of Chaplains. The new OPNAV instruction for Religious Ministry in the Navy was signed out in May 2003 (OPNAVINST 1730.1D), and the Religious Ministry Tasks implemented in this new instruction were used to form the basis for the standards and metrics. Additionally, the IPT developed a macro metric and detailed Capability Level Descriptors for the program. All of this work was approved by the SIPB/RCC at its 30 September/ 1 October 2003 meeting.

One of the other highlights was the continued strong performance within the Public Affairs sub-function related to the stand-up of CNI. Developed in concert with CHINFO, the CNI Public Affairs Guidance was developed to clearly outline the rationale for why the Navy needed CNI and to outline the establishment schedule, talking points, and questions and answers (Q & A's). The staff also developed a new CNI Web-site at http://cni.navy.mil/. In addition, the new CNI Insights Newsletter has been published.

Assessment and Performance

Command BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Command Admin	$116.407M	$121.444M
Religious Programs	$7.255M	$7.154M
G & A	$44.460M	$47.687M
Legal	$6.328M	$7.597M
Public Affairs	$11.534M	$12.363M
TOTAL Command	$185.984M	$196.245M

Command Admin: The Command Admin sub-function was entitled "CO/XO/Admin" under the Command Support Core Business Area for the PR-03 BAM submission by OPNAV N46. The stated requirement for FY 2003 was set at $72.521M or 90% of the full requirement submitted by the IMCs. The reported direct IMAP BOS obligations for FY 2003 for the Command Admin sub-function

were at $121.444M. These FY 2003 obligations for Command Admin were $7M more than in FY 2002. More importantly, the FY 2003 obligations were nearly $49M more than the stated requirements for Command Admin. There is a need for greater consistency in reporting of obligations under Command Admin sub-function.

For FY 2003, several areas contributed significantly to the total obligations for the Command Admin sub-function. The Command and Executive Offices obligations increased from $27.21M in FY 2002 to $31.31M in FY 2003. The obligations for Command Management Operations were increased by $20.58M to $23.6M in FY 2003. Host Nation Support was recorded under this sub-function in FY 2003 at $20.2M.

The Command Admin IPT will need to take action to bring this sub-function under control and to develop meaningful standards and metrics to cover these activities. There was no evaluation of performance through a performance data call for Command Admin in FY 2003 for a sub-function that had obligations that were over $49M more than the submitted requirements.

Religious Programs: The Religious Programs sub-function was shown as the "Religious Activities" sub-function under the MILPERS function as a part of the Community Support in the PR-03 BAM submission. The six major task areas in Religious Ministry are:

- Command Advisory
- Religious Ministry & Accommodation
- Outreach
- Pastoral Care
- Training & Education
- Supervisory & Management

The stated requirement for FY 2003 was at $7.964M. For FY 2003, the recorded obligations for the Religious Programs sub-function came to a total of $7.154M. These obligations were very close to those of FY 2002 ($7.255M). Clearly, the programming and budgeting processes for the Religious Programs sub-function are providing a requirements statement that is close to the actual observed obligations.

Religious Programs provided significant support to OIF during the fiscal year as sailors and family members faced increased needs for pastoral support in the face of extended and short notice deployments. To respond to the challenge to support the mission, Installation Chaplains worked with their Commands to develop unique and innovative programs to support the needs of families. These included extended services from installation chapels and development of new programs which were facilitated by Regional Chaplains Religious Enrichment Development Operation (CREDO) operations. CREDO provides opportunities to maximize personal growth, strengthen family life, and develop life-skills needed to ensure long-term organizational success. The operation is in direct support of recruiting, readiness, retention, and unit cohesion initiatives and utilizes spiritually based resources. It is available to sea service personnel and their family members regardless of denominational or faith group background.

Reserve Chaplains and Religious Program Specialists were mobilized at several installations to provide support in the face of increased demands. CREDO teams deployed to meet returning ships and provide extensive opportunities for Sailors to prepare for return after stressful deployments using a spiritually based counseling model. These programs complemented the efforts of Fleet and Family Service Centers and were conducted in cooperation with Marine commands when working with amphibious units. The operational CREDO ministry touched the lives of over 90,000 Marines and sailors as they sought to prepare for return to life at home from war time service.

Religious Ministry Teams proved time and again this year that they assist the commander in providing essential service to operational forces during times of peace, war and emergency operations.

During FY 2003, the Religious Programs IPT developed the guidelines for the initial performance data call for this sub-function. The overall results indicate a performance score of a low Capability Level 2 in FY 2003. This result did not include Command and Customer Satisfaction surveys for Religious Programs as they have not yet been fully developed. The full performance results by region are as shown in the accompanying chart.

Religious Programs Overall Performance By Region		
Region	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	6.66	CL 3
NDW	8.09	CL 2
Mid-Atlantic	5.15	CL 3
Southeast	7.52	CL 2
Northwest	6.56	CL 3
Southwest	7.28	CL 2
Midwest	5.03	CL 3
Gulf Coast	8.16	CL 2
South	6.13	CL 3
Hawaii	8.37	CL 2
Japan	7.06	CL 2
Korea	7.96	CL 2
Guam	5.64	CL 3
Europe	7.12	CL 2
Southwest Asia	8.87	CL 2
Overall Performance	7.02	CL 2

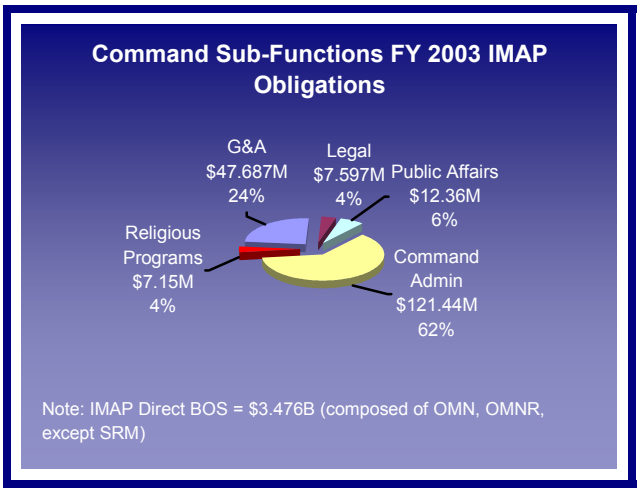
G & A: The G & A (General and Administrative) sub-function was also under the Command function and the Command Support Core Business Area in the development of the PR-03 BAM submission. This sub-function picks up a wide variety of diverse activities in its many Cost Account Codes (CACs), but lacks rigor in terms of how the obligations are accounted for in execution. The G & A requirements developed for FY 2003 and submitted by OPNAV N46 showed a funding level of $86.239M, or 90% of the full requirement. For FY 2003, the total IMAP direct BOS obligations reported for the G & A sub-function were $47.687M or just over 55% of the stated requirement and $3M more than in FY 2002.

The delta between the G & A obligations and the stated requirements remained fairly constant between FY 2002 and FY 2003. However, the entire G & A sub-function and all of its activities require an in-depth review by CNI and the Resource Management IPT.

Legal: The Legal sub-function represents a small portion of the overall Command function. It was also a part of the Command Support Core Business Area in PR-03. The BAM submission from OPNAV N46 detailed a requirement for the Legal sub-function at $7.994M. For the second year in a row, the recorded direct IMAP BOS obligations for the Legal sub-function were very close to the stated requirement. The FY 2003 obligations for Legal were $7.597M or $1M more than in FY 2002. It is noteworthy here that in FY 2003 there were $787K in obligations for witness fees within the Legal sub-function, an increase of over $330K.

Public Affairs: The Public Affairs sub-function was included under the Command Support Core Business Area in the BAM submission for PR-03. The total requirements submitted in PR-03 by OPNAV N46 for Public Affairs for FY 2003 were $12.826M. This was a 25 percent increase over the previous POM-02 submission for FY 2002. For FY 2003, the total IMAP BOS direct obligations were $12.363M. This total reflects close alignment with the previous year's obligations. The total Public Affairs obligations in FY 2003 included $16.5K to support the cost of instrument and accessories for bands. The highest Public Affairs costs were in the larger regions (Southwest, Southeast, and Mid-Atlantic) – all around $1.5M.

Command 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 = "CA")	IMAP Obligations
$205.544M	$187.544M		$196.245M



Command:

- Funded at C-3 readiness rating.
- Performance not measured except for the Religious Programs sub-function, which performed at Capability Level 2 in FY 2003.
- During FY 2003, the Religious Programs IPT developed standards, metrics, and Capability Level Descriptors – approved by the SIPB/RCC.
- The Command Admin IPT reactivated and briefed initial progress to the IMWG.
- Command Admin IPT must actively work all sub-functional areas to develop standards and metrics and to better align requirements with executed obligations.
- There is a need for greater oversight in this area which comprises $196M in obligations.

Resource Management

Scope of Program

The Resource Management function under the Command & Staff Core Business Area includes sub-functions and activities that provide financial and human resource management services for the installation staff.

Resource Management
➢ **Business Management Operations**
➢ **Manpower Management**
➢ **Financial Management**
➢ **HRO**
➢ **FECA**

Business Management Operations: This sub-function includes activities involved with management of the installation or regional business functions. It may include civilian and military personnel. It also includes planning, management and performance of business process improvements and strategic sourcing.

Manpower Management: The Manpower Management sub-function consists of activities involved with manpower management of the installation's civilian and military personnel. It includes planning and management of the command's civilian and military personnel authorizations, billet structure, and related activities.

Financial Management: This sub-function addresses activities that provide installation financial planning, management analysis, budget, accounting and disbursing services. It includes tenant support agreements and the management and administrative activities that support the Financial Management function.

HRO: The HRO (Human Resources Office) sub-function includes activities that provide civilian personnel management and labor relations services for the installation via the supporting HRO. It includes Civilian Personnel Security Clearance support.

FECA: The FECA (Federal Employees Compensation Act) sub-function includes payments to the Department of Labor for Navy civilian employee injury compensation under the Federal Employees' Injury Compensation Act.

Progress in FY 2003

During the course of FY 2003, the emphasis for the managers of the programs and activities within the Resource Management function was on the stand-up of CNI by the beginning of FY 2004. This was true for the Regional Business Managers at the Navy's regions across the globe as they sought to prepare for the challenges of assimilating new installations

from the divesting claimants and the funding realities for the upcoming years of FY 2004 and FY 2005. The Regional Business Managers now form the basis of the new IMWG in support of CNI. RADM Weaver has challenged the Regional Business Managers to help to define the roadmap for the future for CNI. He sees the Business Managers as the ones to lead the resource decisions within CNI – with the Comptrollers providing financial execution of approved programs and financial support to Business and Program Managers. The Regional Business Managers set the framework for CNI's initial Capabilities Based Budgeting (CBB) initiated at the end of FY 2003 through the IMWG. This CBB was a first for CNI and set in motion actions for the future in how best to develop a zero-based review for SIM. The results of the CBB review also allowed CNI to establish further funding guidance for FY 2004.

The Resource Management IPT was tasked in its Charter to develop a resource management knowledge information technology (IT) tool for use by all claimants/regions/installations. The IPT was further tasked to develop an implementation plan once the final prototype is finalized and tested. Through an extensive evaluation process, the IPT made the decision to integrate existing MIS systems into a new system – the Resources Management Knowledge System (RMKS). RMKS is a web-based application that creates execution reports from the data that comes from the STARS-FL system on a daily basis. Using the Installation Core Business Model, these reports provide regional comptrollers with current financial execution data and promote financial communications with regional Program Managers.

The RMKS system is not an execution system. As such, further working groups will attempt to formulate a single system solution for CNI to perform execution, budgeting and management information.

The ultimate system will help reduce data calls, provide value-added services to authoritative STARS-FL financial data, foster a credible baseline for requirements generation, and standardize a management system to track funds from requirements generation, through budgeting, to execution and review. The system chosen will be the authoritative source for the following types of data:

- Financial requirements in support of POM, PR and BAM processes.
- Unfunded requirements in support of budgeting and mid-year review business processes.
- Fund usage data.

The Resource Management IPT was also tasked to develop standards (and metrics) for the sub-functions of Business Management Operations, Manpower Management, and Financial Management. This tasking has not been completed and remains an outstanding action for the IPT under the direction of CNI.

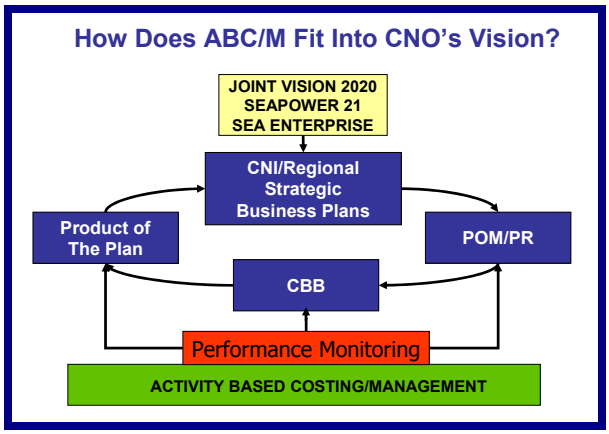
Another responsibility of the Resource Management IPT (per its Charter) was to participate in the process of adopting an ABC/M tool for the SIM community. To date, the process of developing a SIM-wide Activity-Based Costing (ABC) and progressing towards Activity-Based Management (ABM) has been led by the COMPACFLT and COMLANTFLT N46 offices with implementation across the regions on a regional basis.

In the Pacific, all regions have implemented ABC as scheduled and within budget. These regions are developing Key Performance Indicators (KPIs) with the active involvement of local Configuration Management Boards. They have also purchased all of the requisite software and have no ongoing licensing requirements. Applications in these regions include:

- Commander Navy Region Hawaii:
  - Identified resource shortfall – Kings Bay
  - Outsourcing Port Ops – baseline cost of activities
  - Identified resources performing non-core activities
  - PMRF – cost of daily range support
- Commander Naval Forces Japan:
  - Identified significant level of potential reimbursables
  - ISA rates set/adjusted

  - Used to develop Business Case Analysis for Yokosuka tug outsourcing
- Commander Navy Region Northwest:
  - Realigned HR resources to focus on core mission
- Commander Navy Region Southwest
  - Cost of oil spill clean-ups
  - Link to CBB (Legal)
  - Improved visibility of internal resources and processes
- Commander Navy Region Marianas
  - Improved contract oversight

In the regions within the Atlantic AOR, the Southeast Region is fully up and using ABM. The ABC tool has recently been deployed to CNRNE, CNRMA, and to NDW. This "East Coast" model of ABC/M uses IT tools centrally hosted and managed by the Navy. Additional installations can be added without contractor support. All model capabilities are available on the web and the model complies with DON CIO regulations.



These capabilities, for example, also allow for determining costs associated with a reimbursable tenant at an installation or the full costing for operating an outlying field. The following analytical and predictive tools are being developed for East Coast Regional Managers:

- Capability Level readiness model
- Capability Level readiness reinvestment model
- Activity based budgeting model
- Budget to actual comparisons model
- Output based performance costing model
- Macro-metrics cost model

CNI is now considering the following ideas for pulling these two regional approaches together:

- Merge east coast and west coast models into CNI model
- Develop benchmarking methodology
- Discuss 'Best of Breed' methodology and processes
- Apply 'Best of Breed' methodology and processes

Throughout the course of FY 2003, the entire HRO organization of the Navy played a key role in the CNI stand-up. HRO expertise was provided to the leadership involved in the oversight of the CNI implementation on the Executive Oversight Group (EOG), responsible to OPNAV N4 for executing the overall implementation. Throughout the last six months of FY 2003, the Human Resources (HR) community worked to establish guidelines for personnel at the divesting claimants and OPNAV N46 directly impacted by the establishment of CNI. The HR organizations throughout allowed for the expedient personnel actions necessary for the CNI stand-up.

During the CNI establishment, a number of actions were taken to ensure that all appropriate BOS funding was transferred to CNI from the divesting claimants. Decisions were made on what functions and activities remained as "Mission" funded under the divesting claimants and on those that were truly BOS and should be transferred to CNI. Several of these decisions were significant for the HR community and for MILPERS Services Support as well. The CNI vision for HR was:

- One HRO per region
- End-to-end accountability
- Consolidation of HRO service delivery
- Reduction of fragmented HR support

The CNI objectives for an optimum HR organization:

- Responsive to customer's current and future environment
- Best use of diminishing returns
- Elimination of duplicated efforts

At the end of FY 2003, CNI and the Deputy Assistant Secretary of the Navy (Civilian Human Resources) had established guidelines for the development of HR service delivery for CNI. Future

work will include an HR study on service delivery that will address the following factors:

- Passage of time since the HR Functionality Assessment;
- The creation of CNI;
- The potential passage of the National Security Personnel System.

No organizational changes in the HR community are planned until the study is completed in early 2004.

The CNI stand-up did see the transfer of the Personnel Support Activities from the divesting claimants to CNI. This transfer is addressed further under the MILPERS Services function.

Assessment and Performance

Resource Management BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Business Management Operations	$0	$29.093M
Manpower Management	$10.899M	$13.355M
Financial Management	$90.994M	$87.275M
HRO	$42.555M	$45.354M
FECA	$6.881M	$1.368M
TOTAL Resource Management	$151.329M	$176.444M

Business Management Operations: The Business Management sub-function is new and was not a part of the PR-03 BAM submission. The activities under this sub-function were included under the "CIVPERS Management" sub-function for FY 2003. In the POM-04 BAM and the PR-05 Capabilities Plan submissions by OPNAV N46, the total requirements for Business Management Operations were not highlighted at all under the Resource Management function. The total obligations for FY 2003 for the Business Management Operations sub-function were recorded at $29.093M. As the Business Management Operations sub-function matures within IMAP, it is incumbent for the Resource Management IPT and the IMWG to examine closely how this sub-function is funded and to develop standards and metrics for the sub-function.

Manpower Management: The Manpower Management sub-function was included in the PR-03 BAM submission as a part of "MIL/CIV Manpower Management". The total requirement for FY 2003 submitted by OPNAV N46 was $22.386M. In POM-04, the requirement for the Manpower Management sub-function for FY 2004 was $8.988M. The FY 2003 recorded direct IMAP BOS obligations for Manpower Management were at $13.355M. Here is another area with insufficient oversight, requiring additional work by the Resource Management IPT and by CNI.

Financial Management: The Financial Management sub-function was detailed in the PR-03 BAM submission as a sub-function within the Resource Management function. The OPNAV N46 submission for FY 2003 showed a requirement of $93.675M for the Financial Management sub-function. The total obligations from IMAP for FY 2003 are reported at $87.275M. These total obligations for FY 2003 are considerably less than the FY 2002 obligations for the Financial Management sub-function ($90.717M). This is another area for CNI to review. The Financial Management reporting shows little consistency in how regions are reporting under the Cost Account Codes (CACs) of Accounting, Budget, and Comptrollership.

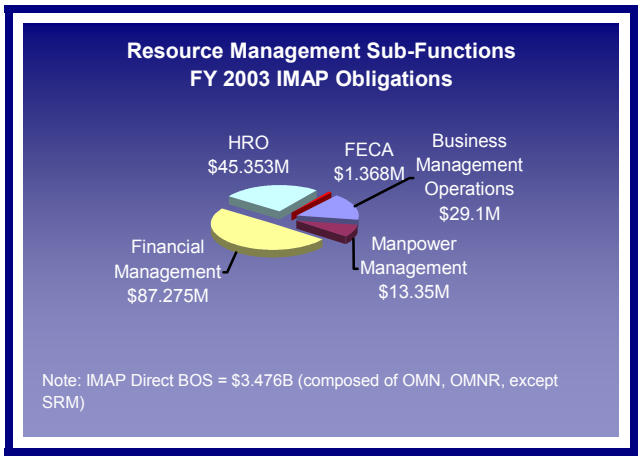
The difficulties within the Financial Management function have helped to highlight the need to reactivate the Resource Management IPT in an effort to resolve the inconsistencies across the entire Resource Management function.

HRO: The HRO sub-function was included within the Resource Management function in the PR-03 BAM submission for FY 2003. However, the HRO activities were under the overall umbrella sub-function of "CIVPERS Management" and were not split out as a separate sub-function. For the POM-04

BAM submission, OPNAV N46 provided a detailed requirements statement for the Resource Management function which included detailed requirements for the HRO sub-function. This was not done in the PR-05 Capabilities Plan submission as the HRO sub-function was lumped together with the other sub-functions in Resource Management less the FECA sub-function. The POM-04 requirement for FY 2004 was stated as $47.74M for the HRO sub-function, which is close to current obligations. For FY 2003, the recorded direct IMAP BOS obligations for the HRO sub-function were $45.353M. This total was nearly $3M more than in FY 2002. Over 60% of the HRO obligations are recorded under the Cost Account Code (CAC) for HRO Administration.

FECA: The FECA sub-function was also not detailed in the PR-03 BAM submission by OPNAV N46. The FECA sub-function was given close scrutiny during the review of BOS and Mission funding for the stand-up of CNI during FY 2003. The decision has been made for CNI to centrally manage the FECA sub-function for all of the regions commencing in FY 2004. The overall FY 2003 direct IMAP BOS obligations for the FECA sub-function were recorded as $1.368M. While this is less than 20% of the total recorded for FY 2002 ($6.881), a large portion in FY 2002 was attributed to NAVAIR ($10M), which did not record any FECA costs in IMAP for FY 2002. The FECA sub-function reported obligations highlighted an issue of poor reporting and imprecise requirements development throughout the Resource Management function. For POM-04, OPNAV N46 submitted a requirement for the FECA sub-function of $92M for FY 2004. The FY 2005 requirement in PR-05 for FECA was $91M. Of note, beginning in FY 2004, the Department of Labor (DOL) will charge each DOD agency a FECA surcharge. This surcharge is designed to offset the administrative costs that DOL has for FECA management.

Resource Management 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 = "RN")	IMAP Obligations
$255.97M	$230.372M		$176.444M



Resource Management:

- Funded at C-3 readiness rating.
- Performance not measured for FY 2003.
- Resource Management staffs at all levels heavily involved with CNI stand-up during the year.
- Regional Business Managers set to assume a major role within CNI.
- HRO study in progress to address the HR community support to CNI.
- CNI is set to make important decisions on ABC/M implementation across all regions.
- The Resource Management IPT must be reactivated to work all sub-functional areas.

Information Technology (IT) Services

Scope of Program

Within the Core Business Area of Command & Staff, the IT Services function includes sub-functions and activities that provide installation-wide information services.

IT Services
➢ IT Support & Management/Non-NMCI
➢ NMCI
➢ Base Communications
➢ A/V Services

IT Support and Management/Non-NMCI: This sub-function covers all activities involved in the management of the Information Technology (IT) Service functions not covered by NMCI. It includes costs of hardware, software, personnel, material and services for all core business areas.

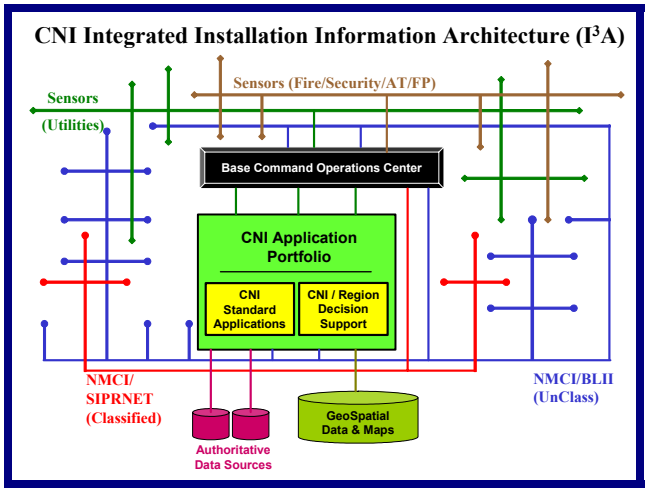
NMCI (Navy Marine Corps Intranet): The NMCI sub-function includes all NMCI contract, contract management and oversight costs.

Base Communications: This sub-function addresses activities that operate, equip, maintain and manage the base communications office (BCO). It includes activities that provide base-level administrative telephone services to Navy and non-Navy customers. The Base Communications sub-function also includes the operation, maintenance, and management of switches and on-base telephone cable plants. The sub-function also covers the operation of "centrally managed" intercommunication systems such as intercoms, walkie-talkies, electronic pagers and other communications devices.

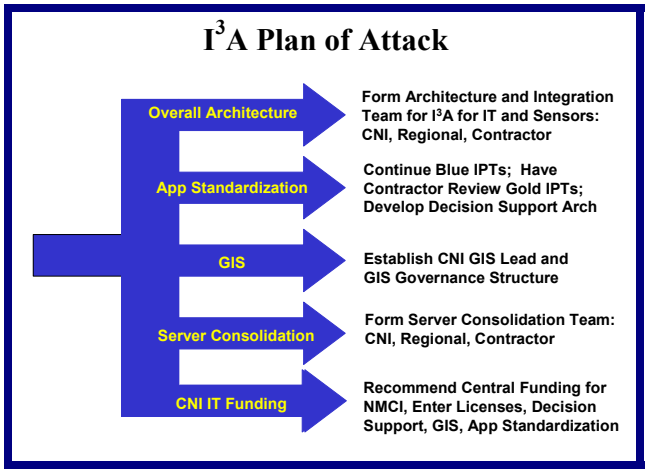
Audio/Visual Services: The A/V services sub-function includes activities that provide CATV, AFRTS, printing, graphics, and audio visual services.

Progress in FY 2003

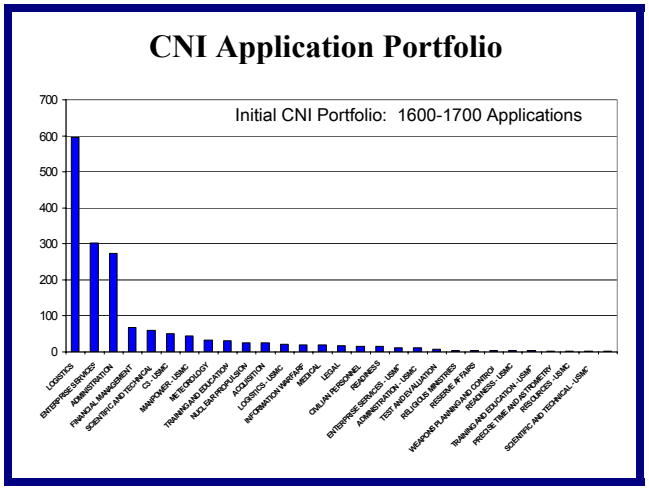
During FY 2003, the Program Managers for SIM and CNI IT Services were developing the overall CNI IT structure and outlining the way ahead for future IT architecture for CNI. One of the stated goals for the CNI IT is the development of the CNI Integrated Installation Information Architecture.



The overall goal is to also get each region within CNI up to the same level of IT capability.



At the same time, CNI will lead the way in reducing the overall number of IT applications within the regions.



The continued introduction of the Navy Marine Corps Intranet (NMCI) across the Navy and in the regions was the major program development within the IT function in FY 2003. Key elements of the NMCI program included:

- Navy Leadership driving NMCI execution.
- NMCI Executive Committee: ASN (RDA) and VCNO.
- VCNO: Senior leaders must get engaged, remove obstacles.
- Emphasis on joint scheduling with NMCI contractor EDS.
- Commands accountable for schedule execution.

- CNI IT Governance Serial 003 on NMCI: Released by CNI.

For the BLII (Base Level Information Infrastructure) at the Navy's OCONUS regions, both COMPACFLT and COMUSNAVEUR have led the way in setting the work in progress.

- COMPACFLT and COMUSNAVEUR have lead for operations & maintenance
- NETWARCOM, and NNSOC to take over operations and maintenance in FY05/ FY06.
- CNI involved due to BOS funded RITSC staff role
- Major funding shortfall for BLII

CNI actions were also initiated to assess the use of Geo-spatial Information Systems (GIS) within the CNI claimancy. The purpose is to:

- Assess how GIS is being utilized within CNI functional areas.
- Develop a CNI standard for GIS technology.
- Develop CNI GIS policy regarding investment in GIS technology & systems.

The issue here is that CNI may be paying for the same GIS map 3 or 4 times due to the stove-piped nature of GIS usage within the various functional areas. CNI wants to maximize its investment by paying for a GIS map once and only once and to enable all functional areas to re-use CNI standards GIS maps. CNI has started to review GIS usage by functional areas and to compare and contrast technology and standards, while determining what the CNI standard should be.

At the end of FY 2003, the CNI CIO priorities were as follows:

- Recruit, hire and stand-up CNI CIO Staff
- Publish initial IT guidance to field on applications
- Develop MOUs with Claimants regarding:
  - NMCI Transition (Seats, Schedule, Costs); NMCI FY04 Orders
  - Claimant applications transitioning to NMCI
  - PACFLT billet issues
- Develop an application funding profile for FY04 execution
- Develop SIM/BOS application portfolio
- Develop SIM IT requirements for POM-06
- Establish standard applications for SIM functional areas
- Migrate PSD/PSAs IT orgs into the regions
- Establish CNI IT Governance council
- Develop CNI GIS strategy
- Establish SIM decision support requirements
- Develop enterprise integration plan for SIM
- Develop server migration plan for CNI
- Develop long term application development/sustainment plan

Assessment and Performance

IT Services BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
IT support and Management/Non-NMCI	$139.443M	$152.835M
NMCI	$0M	$11.598M
Base Communications	$54.398M	$44.972M
A/V Services	$6.031M	$4.160M
TOTAL IT Services	$199.872M	$213.565M

IT Support and Management/Non-NMCI: This sub-function was included under the heading of "ADP" in the PR-03 submission. It was not further detailed at that time and the total requirement for FY 2003 was set at $212.509M. For FY 2003, the IT Support and Management/Non-NMCI obligations were $152.835M or over $13M more than that reported in FY 2002.

NMCI: The NMCI sub-function was not addressed in PR-03. The reported direct IMAP BOS obligations in FY 2003 for NMCI were at $11.598M. For FY 2004, CNI has decided to manage NMCI implementation and crossover centrally.

Base Communications: The Base Communications sub-function was included in the OPNAV N46 PR-03 BAM submission under the Info Services function. The Base Communications requirement for FY 2003 was stated as $64.219M. For FY 2003, the overall obligations for Base Communications were reported as $44.972 M or a decrease of nearly $10 M from FY 2002.

A/V Services: The Audio/Visual (A/V) Service sub-function was addressed in the PR-03 BAM submission as "Audio/Visual/Printing" as a portion of the

Info Services function. The total requirement submitted for FY 2003 was set at $2.911M. The direct IMAP BOS obligations reported for A/V Services in FY 2003 were $4.16M or over $1M more than the stated requirement. These FY 2003 obligations were, however, $2M less than the reported obligations in FY 2002.

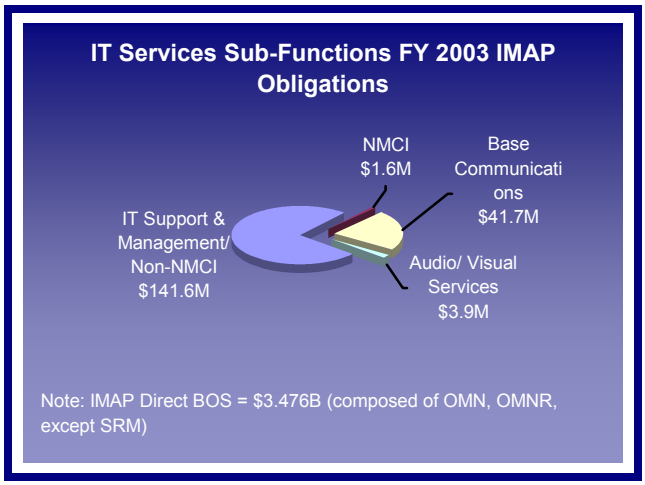
In FY 2003, the IT Services performance for the entire Navy was at a Capability Level 3 (6.33 out of 10). The overall IT Services performance by region in FY 2003 is as shown in the accompanying chart:

IT Services Overall Performance By Region

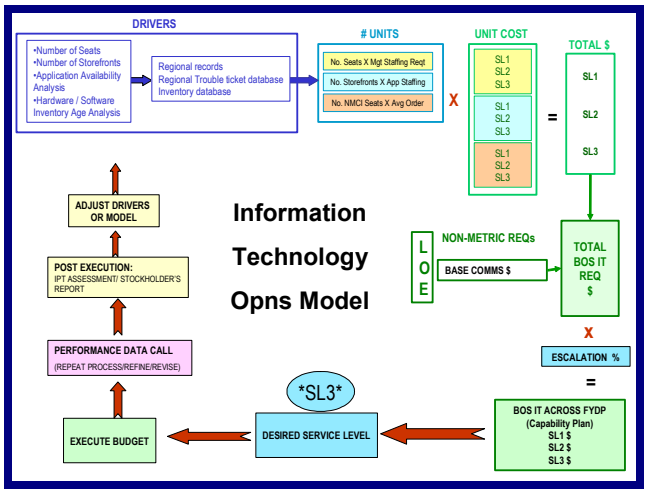
Region	FY 2003 Performance: Score	FY 2003 Performance: Capability Level
Northeast	5.75	CL 3
NDW	10.00	CL 1
Mid-Atlantic	5.50	CL 3
Southeast	5.00	CL 3
Northwest	6.00	CL 3
Southwest	6.50	CL 3
Midwest	8.50	CL 2
Gulf Coast	6.50	CL 3
South	5.50	CL 3
Hawaii	6.50	CL 3
Japan	5.50	CL 3
Korea	N/A	N/A
Guam	5.50	CL 3
Europe	6.00	CL 3
Southwest Asia	N/A	N/A
Overall Performance	6.33	CL 3

Information Technology (IT) Services 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 = "IT")	IMAP Obligations
$310.71M	$279.639M		$213.565M



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 IT Services function is shown below. Note that Service Levels changed to Capability Levels beginning in FY 2004.



IT Services:

- Funded at C-3 readiness rating for FY 2003
- Overall performance in FY 2003 at Capability Level 3.
- Continued NMCI implementation across CNI during FY 2003.
- Developed overall CNI IT architecture plan.
- Commenced CNI initiatives on server and application portfolio reductions.
- Highlighted concerns with the funding for BLII across OCONUS regions.

MILPERS Services

Scope of Program

Within the Core Business Area of Command and Staff, the MILPERS Services function includes the sub-functions and activities providing base-wide military personnel support by the installation. The six sub-functions within MILPERS Services are as follows:

MILPERS Services
➢ Pay and Personnel Support
➢ Restricted Barracks
➢ Brigs
➢ TPU Admin
➢ Reserve/Coordination/Mobilization
➢ MILPERS Training Support

Pay and Personnel Support: This sub-function includes all activities that support pay and personnel services for eligible personnel in the local area. The Pay and Personnel Support sub-function includes the operation of existing Personnel Support Detachments (PSDs) when assigned to the installation. It also includes activities involved in the operation of base-wide alcohol abuse education programs and other similar services provided to military members. The Cost Account Codes (CACs) for this sub-function were expanded and modified for FY 2004.

Restricted Barracks Administration: This sub-function includes activities that use installation BOS funds to provide Restricted Barracks services for the local area. In FY 2003, the only two commands again reporting any obligations for Restricted Barracks Administration were SUBASE New London and NAVST Guantanamo Bay. The same held true in FY 2002.

Brigs: The sub-function for Brigs addresses activities that use installation funds to operate a Brig. The mission of the Brig is to ensure the administration, security, good order, discipline, and safety of male and female prisoners and detained personnel from all military services; to retrain and restore the maximum number of personnel to honorable service; to prepare the remaining prisoners for return to civilian life as productive citizens. Waterfront Brigs/Level I Confinement Facilities are located on operating Navy or Marine Corps installations to service local needs and normally contain a Correctional Custody Unit (CCU) and a short term confinement facility that houses pretrial detainees, prisoners who will return to duty, or prisoners who are being discharged after serving short sentences, usually less than a year. Programs emphasize military discipline, training, work, and skills needed to succeed in the military environment.

TPU Administration: The TPU Administration sub-function includes all BOS resources provided by a region or host command in support of a tenant-operated Transient Personnel Unit (TPU). Navy TPU's expeditiously process Sailors for return to the Fleet or separation. In support of the fleet, TPUs process both non-disciplinary Transient and disciplinary Transient Sailors.

Reserve Coordination/Mobilization: This sub-function covers the installation provided BOS funded activities in support of mobilization and Reserve Coordination activities. During FY 2003, the Cost Account Code (CAC) for this sub-function for FY 2004 was rewritten to include all costs associated with personnel mobilization assignments,

officer and enlisted classification, implementation of mobilization plans, and Reserve Coordination.

MILPERS Training Support: Within this sub-function are the installation provided BOS-funded activities in support of training military personnel.

Progress in FY 2003

During FY 2003, the Command and Staff IPT was reconstituted in an effort to examine the diverse functional areas within this Core Business Area, less the Resource Management and Information Technology Services functions, which already have separate, standing IPTs. Under the Command and Staff IPT, chaired by the CNI staff, the sub-functions within MILPERS Services are addressed as a part of the IPT's work. The IPT Chair briefed the IMWG in September 2003 on progress to date. The IMWG provided additional direction to the Command and Staff IPT to define the outputs for the various sub-functions before moving to the step to develop metrics for each of these sub-functions. Additional work by this IPT is anticipated in FY 2004.

Significantly, during the FY 2003 (January 2003) OPNAV N46 development of its POM-04 Baseline Assessment Memorandum (BAM), the OPNAV N46 staff prepared a separate enclosure to address the specific Navy SIM requirements for MILPERS Services. This provided the initial highlighting of these requirements as separate elements with the overall Base Operating Support requirements for SIM. The POM-04 BAM submission covered the MILPERS Services sub-function requirements for FY 2004 through FY 2009. However, for FY 2003, these requirements had been part of the overall OBOS requirements submitted as a part of the OPNAV N46 PR-03 BAM submission in February 2001. MILPERS Services was included within SII "OB" and partially within the requirement stated under "Command Support." The next appearance of the details of these sub-functions came in the FY 2003 obligations. The majority of the costs associated with this function are civilian labor costs.

During the CNI establishment, decisions were made on what functions and activities remained as "Mission" funded under the divesting claimants and on those there were truly BOS and should be transferred to CNI. Several of these decisions were significant for the MILPERS Services functional area. For FY 2004, PSA Europe, PSA Norfolk, PSA Pacific, and PSA West will all realign under CNI.

Assessment and Performance

MILPERS Services BOS Direct Funding Obligations from IMAP		
	FY 2002 Obligations	FY 2003 Obligations
Pay and Personnel Support	$44.460M	$48.105M
Restricted Barracks	$18.4K	$3.4K
Brigs	$2.385M	$2.174M
TPU Admin	$0.917M	$1.055M
Reserve/Coordination/Mobilization	$5.417M	$7.246M
MILPERS Training Support	$3.459M	$8.175M
TOTAL MILPERS Services	$56.556M	$66.758M

Pay and Personnel Support: This sub-function was included in the OPNAV N46 BAM submission for PR-03 as a part of the MILPERS Services under Community Support and as a portion of SII "OB" in PR-03 as it was previously for POM-02. That requirement for FY 2003 came to a total of $954K, or 33% less than the $1.5M requirement submitted in POM-02. It should be noted that neither of these requirements for FY 2002 or FY 2003 addressed the OPNAV N1 resource sponsored funding. These requirements were included in the subsequent POM-04 BAM submission for FY 2004 and beyond. For FY 2003, the total obligations recorded in IMAP for the Pay and Personnel Support sub-function were $48.105M. The COMLANTFLT Personnel Support Activities (PSA) and Personnel Support Detachments (PSD) accounted for over $37.78M of this total. As with last year's report, there is no apparent consistency in reporting across the Navy in this sub-function.

Restricted Barracks Administration: This sub-function is actually very small in terms of requirements and obligations. There is but one Cost Account Code (CAC) here for Restricted Barracks Administration. This sub-function was also included under MILPERS Services in the OPNAV N46 BAM submission for FY 2003 in PR-03. The requirements for FY 2003 were stated as $32K, or almost double

that for FY 2002 ($18.4K). The actual FY 2003 total IMAP BOS direct obligations are only $3.4K, significantly less than the $18.4K reported in FY 2002.

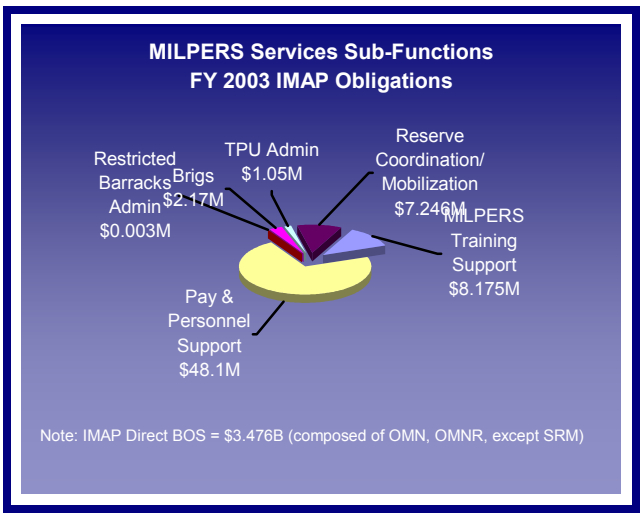
Brigs: The overall requirements for the Brigs sub-function were included within the Force Protection function under Public Safety in the BAM submission for PR-03. For FY 2003, the total requirement submitted for Brig operations was $2.03M, which was nearly twice the requirement stated for FY 2002. The actual FY 2003 obligations for the Brigs are $2.174M, which is slightly less than the FY 2002 expenditures of $2.385M. Thus, for FY 2003 the Brig requirement and obligations were much better aligned than in FY 2002.

MILPERS Services 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 = "MS")	IMAP Obligations
$7.814M	$7.033M		$66.758M

TPU Administration: The requirements for TPU Administration activities in the BAM submission for PR-03 were included in the Command function under Command Support (now Command and Staff). The FY 2003 requirement was submitted as $2.234M or over 100% greater than the FY 2002 requirement of $1M. The actual IMAP direct BOS obligations for FY 2003 are $1.055M or slightly more than the $917K obligations for FY 2002. Thus, the overall requirement submitted for FY 2003 was not in line with overall Navy SIM requirements. Of note, in the POM-04 BAM submission, the OPNAV N46 stated required for FY-04 was back to a more realistic $1.269M.

Reserve Coordination/Mobilization: The Reserve Coordination/Mobilization requirements were submitted under the Other Mission Support Core Business Area in the PR-03 BAM for FY 2003. The total requirements were stated at only $304K, or twice the FY 2002 requirement of $160K. The actual IMAP direct BOS obligations for FY 2003 totaled just over $7.246M with 88% of that total from OM,NR funding within COMNAVRESFOR, primarily in support of Operation Iraqi Freedom.

MILPERS Training Support: The MILPERS Training Support requirements for FY 2003 were included in the PR-03 BAM submission under Other Mission Support. The FY 2003 requirement was stated at $1.48M. The recorded IMAP BOS direct obligations for FY 2003 came to $8.175M with over $6.88M obligated under COMNAVRESFOR with OMN,R funding. These increased obligations were again the direct result of support for Operation Iraqi Freedom.



MILPERS Services:

- Funded at C-3 readiness rating and performance not measured for FY 2003.
- Met mission requirements in another wartime support environment and a period of increased demand.
- Over two-thirds of the MILPERS obligations were for the Pay and Personnel Support sub-function, with most of these requirements not originally accounted for in OPNAV N46 BAM submission.
- Significant increases in the FY 2003 OMNR spending by NAVRESFOR to support Operation Iraqi Freedom.
- Increased visibility for this function required and in progress starting with the POM-04 BAM submission.

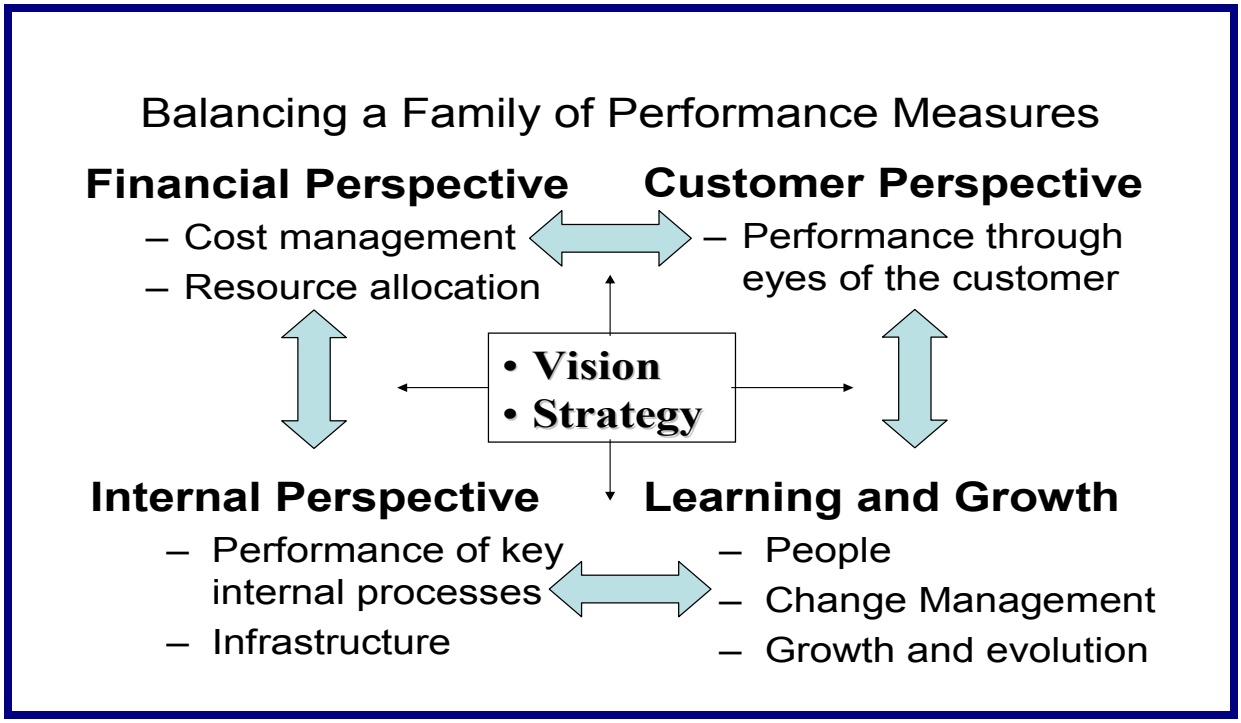
Chapter 10 – SIM Balanced Scorecard

Overview

The Balanced Scorecard is an approach to strategic management that was developed in the early 1990's by Drs. Robert Kaplan (Harvard Business School) and David Norton (Balanced Scorecard Collaborative). The SIM Strategic Planning Working Group (SPWG) customized the basic principles of the Balanced Scorecard (BSC) to invest in those areas that produce long-term benefits to the Fleet. It aligns and focuses organizational efforts and resources, builds on existing performance management elements, and creates long-term value.

The BSC looks at key metrics that go beyond just the pure, traditional "financial" metrics (such as obligations), to better gauge how an organization is performing and delivering its services.

The balanced scorecard is particularly applicable for SIM because it is a ***management system,*** (not only a measurement system), that enables organizations to clarify their vision and strategy and translate them into action by viewing the organization from *four perspectives, developing metrics, collecting data, and analyzing the results relative to each of these perspectives*. Simplified, and as agreed by the Navy's SIM Shore Installation Planning Board (SIPB), it provides an improved methodology to gauge overall performance.



Accordingly, the SIPB, as a key part of the SIM Strategic Plan, agreed to utilize the BSC methodology to assess progress in the four primary areas of planned action and developed seven metrics within the scorecard to assess how the SIM community is performing.

Goals

The overarching goal for each quadrant of our Navy SIM scorecard as stated in the SIM Strategic Plan is as follows:

- **Customer** – provide shore facilities and services that meet or exceed expectations.
- **Investment** – focus shore investments to maximize Fleet readiness.
- **Process** – align our processes, structure and standards, and employ best business practices to provide effective, efficient Navy shore facilities and services.
- **Workforce** – foster a highly skilled, valued and aligned team in an environment where they can succeed.

Metrics

Currently, the capability to populate all seven metrics listed on this scorecard is not available. Measurement has begun on the four metrics checked on page 10-4. Actions have been initiated that will better enable the Navy to deploy the remaining three metrics at a future date. The anticipated year of deployment is annotated within the parenthesis.

It should be noted that while the mission, vision, and strategic goals set the overall direction for SIM, the actions within the Balanced Scorecard address SIM priorities for the day-to-day operations.

The Department of Defense Planning, Programming, and Budgeting System (PPBS) cycle is the major determinant as to when the investment quadrant metrics will be able to be implemented fully. For example, the Planning and Programming phases are completed a full two years in advance of the budget execution year. As noted earlier in this report, PR-05 is the first POM cycle for which we will have programmed many, but not all, of our SIM requirements based on our newly developed, capabilities-based Capability Level programming methodology. Therefore, beginning in FY 2003, we have data in some functional SIM areas to populate the "Program to Requirements Ratio," but it will be FY 2004 before data is available to populate the "Budget to Program Ratio," and FY 2006 before we can populate the "Budget to Execution Ratio." Therefore, owing to the above PPBS consideration, FY 2006 will be the first year that we can assess fully (apples to apples comparison) programming actions that were based on the newly developed Navy-wide standards and Capability Level methodology.

Product of the Plan

SIM Balanced Scorecard

- BSC views results in four perspectives: Customers, Processes, Investment, and Workforce.
- BSC is a management system and not just a measurement tool.
- There are 7 key ratios/metrics approved by the SIPB.
- Currently SIM is comparing C-Level Readiness Ratings to Capabilities.
- In the future, SIM will be able to compare programmed Capabilities versus actual Capability performance.

The following table provides in more detail the seven metric measures of the SIM Strategic Plan:

Program to Requirements Ratio	$\left\{ \frac{C_{CL}\ (\text{Programmed})}{C_{CL}\ (1)} \right\}$ SII	Requirements accuracy and program credibility
Budget to Program Ratio	$\left\{ \frac{C_{CL}\ (\text{Budgeted})}{C_{CL}\ (\text{Programmed})} \right\}$ SII	Program credibility and budgeting accuracy
Execution to Budget Ratio	$\frac{C_{CL}\ (\text{Executed})}{C_{CL}\ (\text{Budgeted})}$ SII	Budgeting accuracy and execution alignment
Capability Delivery Ratio	$\left\{ \frac{CL\ (\text{Achieved})}{CL\ (\text{Anticipated})} \right\}$ FA	Effectiveness and efficiency of execution
% Functional Areas with Navy-approved Standards	$\left\{ \frac{\text{CFAs with standards (OMN/R only)}}{\text{CSIM (OMN/R only)}} \right\}$	Consistent quality service
Employee Satisfaction and Effectiveness Survey	SIM Employee Survey Tool	Foster a skilled and valued work force
% Customers who are Satisfied with Performance	Customer Survey Tool	Effectiveness of execution

Abbreviations, Definitions and Explanatory Notes:

CL = Capability Level (CL1 is the "standard" capability level that meets fully the requirement)

- CL data can be obtained from the Objectives Matrix index score (e.g. an objectives matrix composite index score of 9 out of 10 equates to CL 1)
- CL1 data will be collected from the POM 04 Data call. CL2-CL4 will be collected from the completed objective matrices.

C = denotes the "Cost of"
SII = Special Interest Item
FA = Functional Area (s)

The accompanying table reflects pertinent metric information for those budget categories (either budget categories or special interest items) for which past programming/budgetary decisions are available and traceable. In some cases, partial information was available: hence partial metric data.

SIM Balanced Scorecard (BSC) Metrics	
Customer • % of Customers Satisfied with performance (by 2005/6)	**Investment** √ Program to Requirements Ratio √ Budget to Program Ratio √ Execution to Budget Ratio
Process √ % of Functional Areas with approved standards • Capability Level Ratio (by 2004)	**Work Force** • Employee Satisfaction and Effectiveness (by 2005/6)

These ratios are a general indicator of the requirements accuracy, program credibility, budgeting accuracy, and execution alignment of the money for each functional area. The target score is 1.00 (100%), meaning that the amount of money requested was, in fact, the same amount received or spent. Functional areas with ratios greater than one indicate that more money was received than requested. Ratios less than one show the opposite. However, these ratios show only the relative amounts of money involved, not the Capability Levels, which is the ultimate aim of the money. As use of these ratios becomes more widespread in the future, these metrics will take on more meaning. It is entirely possible that these metrics may be modified as organizations more closely scrutinize the impact of the different variables.

Functional Area	Program to Requirements		Budget to Program		Execution to Budget	
	FY 2002	FY 2003	FY 2002	FY 2003	FY 2002	FY 2003
MWR	**0.93**	**0.93**	**1.03**	**1.02**	**1.03**	**0.86**
Child Development	**0.99**	**0.99**	**0.97**	**0.97**	**0.99**	**0.84**
Fleet and Family Support	**0.94**	**0.94**	**1.06**	**1.03**	**0.98**	**0.85**
Family Housing	**0.94**	**0.93**	**1.03**	**0.95**	**1.14**	**0.95**
Bachelor Housing	**0.73**	**0.77**	**1.25**	**1.16**	**0.97**	**0.94**

For example, in the table above note the Fleet and Family Support information. The programmed funding for FY 2003 was set at 94% of the total requirement (Program to Requirements = 0.94). This was slightly under-funded with respect to the stated requirements. The Budget to Program ratio (1.03) shows the increase in appropriated funds over the programmed amount, which was provided in support of several high interest programs. The last column (Execution to Budget = 0.85) demonstrates that not every dollar budgeted was executed for the year. The results are that Fleet and Family Support was funded at a C-2 readiness rating in PR-03, and performed at Capability Level 2 in FY 2003 as described in Chapter 4.

Chapter 11 – SIM Priority Actions

Overview

During the June and December 2001 Shore Installation Programming Board (SIPB) meetings, board members and Regional Commanders identified, evaluated, and prioritized more than 60 priority SIM actions. From this initial list, the board members selected 13 actions (shown in the table below) which were considered to possess the highest potential impact. These actions spanned all four Balanced Scorecard quadrants and were deemed the major activities to be pursued in FY 2002 and 2003.

Excellent progress on all 13 priority items was made during this past year. Each action item will be discussed in this chapter. They are presented by quadrant in the order of the chart below.

"BAKER'S DOZEN" ACTIONS

CUSTOMER	INVESTMENT
1) Identify Facility Requirements 2) Identify Standards of Services/Measures 3) Develop Measures of Customer Satisfaction	4) Develop Credible Link to Fleet Readiness (IPTs) 5) Develop Vision and Strategic Imperatives (NAV 2025) 6) Develop Communications Plan
PROCESS	**WORKFORCE**
7) Align Financial Systems 8) Evaluate/Correct Organization Structure 9) Identify BOS Functional Owners 10) Deploy Activity Based Cost Management	11) Determine SIM Work Force Mix 12) Designate N4 as Manager for Ashore Personnel 13) Implement a SIM Work Force Development Program

In addition, there are two initiatives included at the end of the chapter. They are not part of the "Baker's Dozen," but might suggest two other areas of interest. They are: Enterprise Land Mobile Radio System (ELMR) and the Common Access Card (CAC).

Product of the Plan

"Baker's Dozen" Actions

- Over 60 action items were identified, evaluated, and prioritized.
- 13 highest priority SIM action items for FY 2002 and were carried over to FY 2003 as required.
- All 13 actions made excellent progress.
- SIM priority action items need periodic review, with requisite priorities set for FY 00 and beyond (will be part of new CNI Strategic Plan).

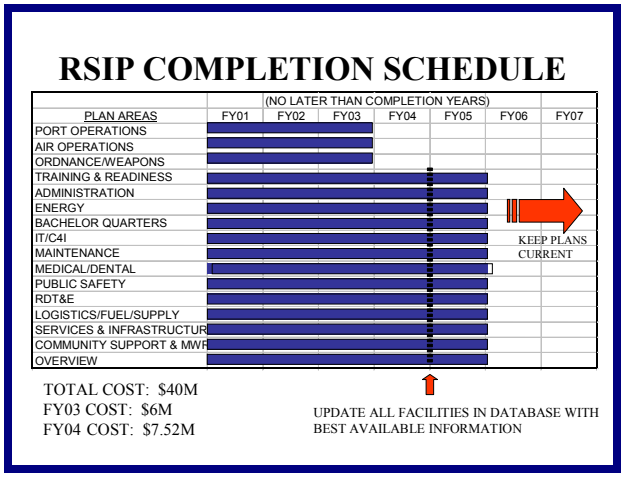
Action Items

Customer Quadrant
"Provide shore facilities and services that meet or exceed expectations."

1. Identify Facility Requirements.

Background

In 1998, Regional Shore Infrastructure Planning (RSIP) replaced Installation Master Planning as the Navy process for conducting long-range facility planning for its regions and stand-alone activities. RSIP has become the mechanism for streamlining shore infrastructure by identifying opportunities to consolidate, realign, and eliminate redundant functions and through performance of functional analyses to determine inherently governmental versus non-governmental functions.



RSIP goals include: maximized use of existing assets; footprint reduction through disposal of excess property; demolition of aging facilities and consolidation of functions; and use of Military Construction appropriations as a last resort for fulfilling facilities requirements. The process supports Navy regionalization and can be either general in scope, evaluating cross-functionality through overview plans, or specific in scope, focusing on specific mission areas through functional plans. A key output of the RSIP process is the Total Facility Requirement (TFR), an RSIP-derived code used to designate whether each specific facility is either essential to the mission, required for surge and mobilization, surplus to a regional function, excess to the Region's needs, or required only until the RSIP solution is implemented. For FY 2004, CNI has proposed a redesign of the TFR structure and new guidance will be forthcoming. Navy continues to promote the RSIP process as its vehicle for establishing valid facilities requirements, the foundation for a credible facilities investment strategy.

Progress to date

Almost all of the RSIPs for the three major functional areas, Port Operations, Air Operations, and Ordnance, which represent 25% of the Navy Plant Replacement Value (PRV), were completed in FY 2003.

Next steps

$6.00M has been funded for the FY 2004 RSIP program. The focus for FY 2004 will be maintenance, command and staff, and training functional plans.

Impact/potential impact on SIM

The RSIP process offers advantages over the traditional long-range facility planning:

- Regional vice installation focus identifies economy of scale opportunities.
- Footprint reduction emphasis results in lower facility sustainment costs.
- Comprehensive planning vice capital improvement (MILCON) focus.
- Ashore requirements validated against operational requirements.
- Use of non-traditional solutions (e.g. joint basing, local government partnerships, public-private partnerships, and leasing) to resolve facilities excess/shortfall.
- Ease of transformation to web-based applications.

2. Identify Standards of Services/Measures.

Background

The intent of this action is to establish standards of service and metrics to evaluate the Navy's performance against those standards. The original intent of these standards and metrics were to help ensure consistent delivery of service across the Navy.

Progress to date

Early in FY 2003, SECNAV issued guidance directing the use of "Performance Models" for development of resource requirements. OPNAV N46 efforts in the SIM arena with capability levels and metrics fit the Performance Modeling criteria very well. In March of 2003, the CNO was briefed and approved the concept of standards, capability levels, and metrics for 12 key SIM functions commanding more than 80% of SIM fiscal resources. Additionally, these products were used for the PR05 Capabilities Plan build.

As FY 2003 progressed, and the focus of our efforts shifted more and more towards the establishment of Commander, Navy Installations, the 12 IPTs with established Performance Models were asked to continue to refine their model while six other IPTs were re-energized with the task of completing their Performance Model work. Three of these IPTs briefed the Regional Commanders' Conference in September, 2003 and received approval for their standards, capability levels and metrics, with the remaining three IPTs making headway on their respective Performance Models.

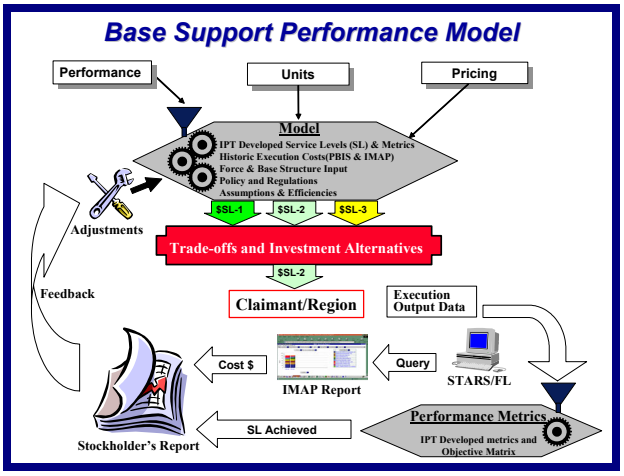
Next steps

Continue the use of all approved standards, capability levels, and metrics for POM-06. Issue CNI guidance to IPTs to re-energize efforts. Maintain current IPTs. Review all SIM functional areas for IPT applicability and establish IPTs and complete Performance Models for appropriate remaining SIM functions.

Impact/potential impact on SIM

- Better definition and credibility of true resource requirements in terms of dollars as well as capabilities (capability levels).
- Establishment of linkage between resources and capabilities for better utilization of resources.
- Ability to provide options to leadership regarding desired service delivery.
- Ability to measure results after the financial plan is executed by way of the annual SIM Stockholders' Report.

3. Develop Measures of Customer Satisfaction.

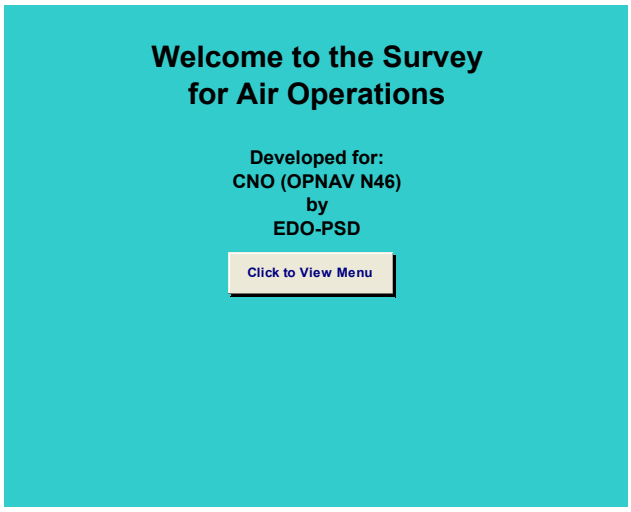


Note: Service Levels changed to Capability Levels effective FY 2004.

Background

Measuring customer satisfaction is essential for SIM. It is a key metric for the "Customer" quadrant of the Balanced Scorecard, one of the Baker's Dozen action items, and most of the IPTs have included measuring customer satisfaction as one of their metrics. This measurement of customer satisfaction is not a one-time measurement, but rather a continuing requirement to measure changes in the delivery of service on an annual basis. To successfully accomplish this, SIM must:

- Develop appropriate metrics and a system capable of measuring customer satisfaction.
- Collect data via a scientific customer satisfaction survey.
- Establish a mechanism to interpret results. The timeframe is 2–3 years.



Progress to date

OPNAV N46 had planned to utilize specialized contractor support to provide a common, standardized and scientific approach to collecting customer satisfaction data for all SIM business areas. FY 2003 funding was reduced in view of other SIM priorities and this initiative was not pursued. It is CNI's intent, if funding is available when balanced against other CNI priorities, to commence this initiative in FY 2004.

Several functional areas, particularly in Community Support, have customer satisfaction survey mechanisms already in place. The goal of the SIM survey is not to replace these surveys, rather, the emphasis will be to analyze how specific programs affect readiness, and develop an objective measure of readiness – a readiness index.

Next steps

Funding priorities must be analyzed relative to this initiative. Rather than building a new survey from the ground up, we will pursue more readily adaptable mechanisms. The focus of our efforts in this area is:

- Limit the number of customer satisfaction surveys in order to not overwhelm the personnel being surveyed.
- Ensure the survey tools provide specific assistance to the needs of the individual IPTs in order to provide each functional area with good, timely customer satisfaction data.
- Provide initial results and feedback for use in developing performance metric evaluations.
- Develop meaningful statistics to support IPT efforts to measure their linkage to readiness and support to the warfighter.
- Provide customer satisfaction data down to the individual base level.

Impact/potential impact on SIM

The measurement of customer satisfaction is a key metric or metric contributor in the overall perfor-

MWR CUSTOMER SATISFACTION SURVEY

•MWR is very interested in how satisfied you are with the _____ program.
•Below are statements that may reflect your satisfaction with this program.
•Please indicate your level of satisfaction by circling your response to each item.
•Circle "0" in the "Not applicable" column for items you believe do not apply to this program. Thanks for your feedback!

	ITEM	NOT APPLICABLE	STRONGLY DISAGREE	DISAGREE	NEITHER DISAGREE OR AGREE	AGREE	STRONGLY AGREE
1.	Equipment provided is up-to-date	0	1	2	3	4	5
2.	Programs start on time	0	1	2	3	4	5
3.	Staff is willing to go an extra step	0	1	2	3	4	5
4.	Programs are offered at convenient times	0	1	2	3	4	5
5.	Staff is dependable	0	1	2	3	4	5
6.	Staff has enthusiasm	0	1	2	3	4	5
7.	Staff gives individual attention to you	0	1	2	3	4	5
8.	Staff responds to requests quickly	0	1	2	3	4	5
9.	Information provided is accurate	0	1	2	3	4	5
10.	Facility is aesthetically attractive	0	1	2	3	4	5
11.	Staff is well dressed and appears neat	0	1	2	3	4	5
12.	Staff understands your needs	0	1	2	3	4	5
13.	Staff is competent	0	1	2	3	4	5
14.	Staff acts on participants' suggestions	0	1	2	3	4	5
15.	Staff makes you feel as though you belong	0	1	2	3	4	5
16.	Facility is comfortable	0	1	2	3	4	5
17.	Staff is friendly	0	1	2	3	4	5
18.	What is promised is delivered	0	1	2	3	4	5
19.	Staff is knowledgeable	0	1	2	3	4	5
20.	The organization is concerned with quality control	0	1	2	3	4	5
21.	Program/facility is at a convenient location	0	1	2	3	4	5
22.	Other participants are not bothersome	0	1	2	3	4	5
23.	Problems are quickly solved	0	1	2	3	4	5
24.	Staff takes time with the participants	0	1	2	3	4	5
25.	Staff performs duties consistently well	0	1	2	3	4	5

mance assessment for almost all SIM functions. While local surveys provide a means to solve an immediate issue at the base level, a Navy-wide approach would provide common data collection in support of CNI and will enable each SIM IPT to refine their standards, metrics and capability levels, to ensure that each function is focusing on what the customer really needs vice assumed levels of service and standards.

Investment Quadrant
"Focus shore investments to maximize Fleet Readiness."

4. Develop Credible Link to Fleet Readiness (IPTs).

Background

The intent of this action is to incorporate a rigorous requirements determination and validation process that enables optimum allocation of resources that best support the warfighter for maximum readiness. This action will benefit the resource providers and assessment process.

Progress to date

The various IPTs have continued to refine the standards, capability levels and metrics. Eleven IPTs (representing over 80% of SIM resources) have been approved to-date by the SIPB. OSD's Defense Readiness Reporting System (DRRS) continues to be developed and refined with an anticipated IOC of FY 2004 and FOC in FY 2007. OSD recently initiated an all-service effort aimed at developing a Defense Readiness Reporting System (DRRS). Navy is developing its link to DRRS through DRRS-N. Fleet Forces Command has been designated the lead agency for its development. Future versions of DRRS-N will capture combatant support organization data and will provide the link to Fleet Readiness.

Next steps

A key aspect of the IPT institutionalization process and charter will include a specific task to develop readiness links for use in the Capabilities Based Budget (CBB) and POM process for use in CBB-05. Participate in OSD effort to develop DRRS.

Impact/potential impact on SIM

This action with regard to BOS funding will help identify return on investment from a readiness perspective. It will also enable SIM funding decisions to be viewed with improved credibility within the Navy, OSD and Congress. This action will provide a means by which Navy leadership has the requisite information to make optimal funding trade-offs within SIM.

5. Develop Vision and Strategic Imperatives necessary for meeting Navy installations force structure requirements in the year 2025.

Background

This action is a progression of the Navy global basing plan. The intent is to establish a framework for development of an operationally-focused, future-oriented concept for meeting the SIM requirements of the Navy through 2025. The construct of this framework will be communicated through Navy Ashore Vision (NAV) 2025, a CNO-approved publication intended to effectively identify facility

requirements; align infrastructure with the future Fleet; and sustain and recapitalize that infrastructure efficiently and economically while providing the overarching guidance for development of SIM investment strategies. NAV 2025 will assist in aligning SIM strategies to current and future force structure requirements.

Progress to date

OPNAV N46 is currently developing NAV 2025 with input from IMCs, N3/N5, and HQMC.

Next steps

OPNAV N46, with NAVFAC's technical assistance, continues to incorporate comments into NAV 2025, get comments/concurrence from the SIPB, and brief up the chain to the CNO.

Impact/potential impact on SIM

This action will establish the baseline for future Navy installation requirements worldwide. It will also provide a useful tool and baseline for any future BRAC efforts.

6. Develop Communications Plan.

Background

The previous SIM Strategic Plan was completed, approved, and promulgated in 1997. This initial Plan was primarily a Headquarters-focused document that over-emphasized efficiency at the expense of addressing customer and effectiveness issues. It did not have a process to evaluate progress towards the stated goals and had not been used to coordinate the efforts of the entire SIM team. There was general agreement among Navy's SIM leadership and chain of command that this Plan needed revision to provide a vision and a plan to move forward; and it needed to be revised on a more collaborative basis with the SIM chain of command.

OPNAV N46, with support from each of the eight IMCs, initiated a process to revise the Plan beginning in February 2001. This process was a collaborative one and was completed in October 2001 and has resulted in buy-in from key stake-holders including all IMCs, MCPON's office, OPNAV N40, N41, N44 (now merged with N46), N45, N46, N81, NAVSUP, NAVFAC, SECNAV, various Navy Regions, and NAVY IG.

This revised Plan articulates the SIM Mission, Vision, Goals, Strategies, Performance Measures, and Actions to support the Goals. Follow-on efforts are already initiated, focusing on execution actions that are reported in this report. The revised Strategic Plan has been reviewed and approved by the Navy's SIPB, briefed to the VCNO (Oct 2001), disseminated through posting on the Navy SIM Clearinghouse, and is in the process of being executed by all in the SIM chain of command.

Progress to date

OPNAV N46 and the SIM chain of command have moved ahead on all fronts to publicize SIM requirements, needs, and results as detailed below:

- Three ALNAVs have been published in the past two years on strategy and claimant/ regional consolidation actions.
- OPNAV N46 briefs every Shore Station Command Seminar.
- A SIM Clearinghouse web site was created and populated as a SIM Knowledge Warehouse that includes expense policy documents, conference data/reports, directives, and PPBS-related information.
- OPNAV N46 participates as a part of N8 staff resource programming evolutions and working groups (IWARS, etc) as well as OPNAV/Navy and OSD Secretariat studies and working groups dealing with base support, ashore readiness, and shore installation management.

Next steps

Publish and disseminate 2003 SIM Stockholders Report in early 2004 which will report on the "Product of the Plan," i.e., the execution results of earlier FY 2003 programming and budgeting efforts in terms of funding and outputs/capability levels.

Impact/potential impact on SIM

- Greater credibility with regard to SIM funding requirements with N8/FMB/CNO in POM-04.
- Stronger defense of SIM requirements by chain of command and at highest decision levels in Navy.
- Better understanding by warfighters of importance of SIM support as a factor in fleet readiness.

Process Quadrant
"Align our processes, structure, and standards and employ best business practices to provide effective, efficient Navy shore facilities and services."

7. Align Financial Systems.

Background

The intent of this action is to help streamline and improve the fidelity and granularity of the processes for BAM/Capability Plans and other data calls. This action will go in the business plans of OPNAV N46, Claimants, and the Regions. It is still to be determined how it will be accomplished, what resources will be required, and how success will be measured.

Progress to date

The POM-04 BAM was the first to define OBOS requirements by functional components in accordance with the Installation Core Business Model. For the first time, programming decisions were made by functional area. However, it continues to be difficult to track financial decisions by function from programming through execution because the financial database is not aligned with the CBM functional areas.

Significant progress was made in FY 2002 by creating Program Elements (PEs) for POM-04 allowing visibility to OBOS programming decisions in the financial database.

Effective 1 October 2003, CNO directed the standup of Commander Navy Installations Command (CNI) as the single Installation Management Claimant for Base Operations Support programs. This move provides the opportunity to achieve capability levels, based on customer requirements, through standardized cost collection methodologies and reporting.

During FY 2003, CNO N46 working in conjunction with Finance, Management and Budget (FMB), established special interest codes (SICs) to track 31 program areas of the Core Business Model (IMAP CBM). Each SIC is tied to a unique set of cost account codes. CNI is in the process of developing financial statements and reports that show, by type of expense, what it costs in each business area.

Next steps

Identify one standard financial management system to track and manage all BOS funds. Currently, all 16 Regions and 4 PSA's use a variety of memorandum accounting systems to execute their programs and report management information data. By directing all activities to use the same system, efficiencies and savings will be achieved within financial management, as well as, across CNI. Furthermore, by implementing standard business practices, CNI will be able to implement standards in financial management and reporting, achieving improved consistency throughout CNI for management comparison and analysis.

Continue refining financial management statements and costing reports to provide program managers real time financial data by program to assist them in making effective and efficient business decisions.

Continue developing standard business practices that will enhance the validity of costs per unit output, or other defined metric.

Impact/potential impact on SIM

- Better identification of resource requirements by function.
- Enhanced visibility and tracking of programming decisions by function in the financial database.
- Improved ability to track financial events by function and measure results after execution.
- Development of cost ratios to performance metrics and capability levels.

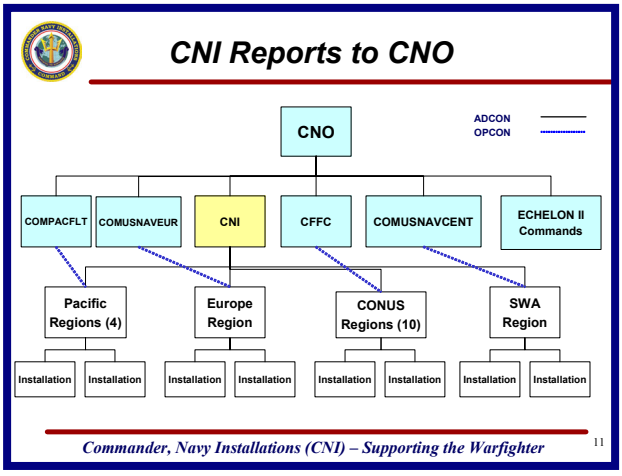
8. Evaluate/Correct Organization Structure.

Background

The intent of this action is to validate the current organizational structure(s) for the purpose of ensuing optimal staff alignment in order to provide SIM support as efficiently and effectively as possible, and then determine if changes are required. This process will help to identify organizational misalignment, as well as determine the steps needed to correct this misalignment.

Progress to date

In May 2002, OPNAV N44 was successfully merged into OPNAV N46 and the overall N46 organizational structure was realigned more in consonance with parallel Fleet organizational structure. In accordance with the CNO's 2003 guidance of "Establish Commander, Shore Command…", Commander, Navy Installations was stood up on 1 October 2003. This transformation event is likely the most significant event in Shore Installation Management in the last several decades.



Next steps

CNI will continue to evolve in staff and organization to meet its responsibilities. The command will be relocated to Anacostia and placed in a single facility for best synergy and will continue streamlining processes and have an organization to achieve program-centric objectives.

Impact/potential impact on SIM

- Since 1997, the Navy has embarked on a series of actions to continuously improve ashore services to the Fleet, reduce redundancy, capture savings, and enable management claimants to focus on their primary missions such as training, acquisition, research and development, reserve mobilization/support, and medical support.
- IMC and Regional consolidation initiatives streamline SIM organizations and allow divesting IMCs to concentrate on their primary military missions independent of concerns regarding base operations, facilities management and tenant support.
- IMC and Regional consolidation have produced savings that help the Navy to recapitalize the Fleet.
- Other benefits of these SIM consolidation and regionalization actions include:
  - More coordinated competition for greater economies of scale and increased efficiencies.
  - Facilitates standardization of policies/ procedures and capability levels, which in turn helps ensure the best quality of life for all of our Sailors.
  - One IMC combined with SIM staff consolidation produces greater flexibility in the execution of overall SIM funding and fewer HQ staffs performing the same SIM functions.
- The initial IMC consolidation and regionalization actions in 1998, including competitive sourcing initiatives, allowed the Navy to reduce SIM funding over the FYDP by $8B. Although detailed historical cost

and manpower savings are not available, typical examples of a Navy Fleet Concentration Area at that time include:

- Port Operations realized a $750,000 savings in tug operations and $120,000 in maintenance savings. In addition, a $6M backlog was eliminated.
- The cost per housing unit shrank from $6,500 to $5,400; FTEs were reduced from 138 to 98. Overall savings of $14.2M.
- Food Service utilized a regionalized contracting approach that saved $1M per year.

- In addition to the above $8B in reductions already taken over the FYDP during the initial phase of SIM efficiencies, further FYDP reductions have recently been incorporated into the SIM funding line from both the "Skunkworks" initiative (-2%/$110M per year) and the SECNAV Workload Validation Study (-$153M per year) for a total additional reduction of $1.24B over the PB-04 FYDP.

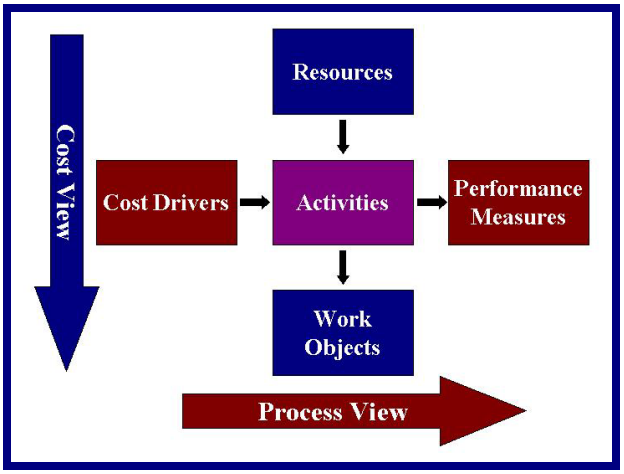
9. Identify BOS Functional Area Owners.

Background

The intent of this action is to identify SIM functional process owners, such as the SIPB, IMWG, or other important SIM stakeholders, to ensure clarity of purpose and accountability throughout SIM. This action will be inculcated as part of the business plans of OPNAV N46, the Claimants and Regions.

Progress to date

This action item is essentially complete. OPNAV N46 had created a permanent SIM "Board of Directors" under OPNAV N4 called the SIPB. It is composed of Flag Officers/Senior Executive Service representatives from each installation claimant. This group meets at least four times per year. Under CNI, this governing body no longer includes the installation claimants and is simply the Regional Commanders. They are supported by an Installation Management Working Group (IMWG), consisting of the Business Managers (O-6 /GS-15) from each Region, which meets roughly six times per year. Other important stakeholders are invited to these regular meetings as necessary (e.g., OPNAV N8 representatives, BRAC representatives, or other Subject Matter Experts). Additionally, CNI is staffed with representatives with assigned cognizance over each SIM function and who affect full internal CNI and external policy coordination as appropriate.



The current SIM Strategic Plan was reviewed and endorsed by the SIPB, OPNAV N4 and the VCNO, and is available electronically via the SIM Clearinghouse web site. This Strategic Plan lays out in detail the SIM mission, vision, and strategic goals for the entire corporate Navy SIM community. This plan will be revised by CNI in FY 2004.

Next steps

CNI is now the single process owner for installation management.

Impact/potential impact on SIM

Identifying process owners provides a more streamlined SIM chain of command with better clarity regarding who is responsible for SIM policy and funding. The desired and likely result will be an improved focus on SIM service delivery.

10. Deploy ABCM to Help Manage the Shore Establishment.

The goal of the SIM Activity Based Cost Management (ABCM) initiative is to develop and implement a common ABCM model across SIM to provide managers the true costs of their services and products. More importantly, ABCM provides an

understanding of the reasons for those costs (what drives the costs) in a format that will allow effective, efficient management decisions in allocating resources and evaluating alternatives. Existing systems focus on traditional cost accounting methods and provide little or no visibility of the causes of service costs. The implementation spans the 16 Navy regions and covers the activities performed in the 29 functional areas of the Installation Core Business Model. The SIM ABCM initiative has the endorsement of the SIPB.

Progress to date

FY 2003 was to be the first year that centralized funding was provided to OPNAV N46 for implementation of ABCM across the SIM community. This funding was cut by Congressional action. However, COMPACFLT and COMLANTFLT funded pilot programs utilizing their own funding and both organizations began model implementations in their respective regions. The SIPB voted in favor of implementing/maintaining ABCM for SIM within available funding.

Next steps

The stand-up of CNI will enable a centralized, common approach to ABCM implementation across SIM. The intent is to analyze the current programs for "best of breed" features and develop/implement a model utilizing these features. We must ascertain if FY 2004 central funding for this initiative will be available and brief the SIPB (now the Regional Commanders' Conference) regarding standardized implementation of ABCM across SIM in 2004.

Impact/potential impact on SIM

- Will know true/fully burdened costs of each SIM function and costs of providing these services to customers, including cost drivers.
- Will be able to compare or benchmark internally as well as with others who have similar cost systems.
- Will enable management (locally, regionally and Navy-wide) to make better management decisions with regard to keeping functions, modifying delivery methods, etc. to produce better services at the same or less cost.

Workforce Quadrant
"Foster a highly skilled, valued, and aligned team in an environment where they can succeed."

11. Determine SIM Workforce Mix.

Background

Determination of the right SIM Workforce configuration (shape, mix and size) is a continuous endeavor, measured cumulatively over an extended period. To date, Navy has employed strategic sourcing techniques as the primary methods of SIM force configuration because Navy policies provide a wide variety of options for strategic sourcing BOS (IMAP) functions, including consolidation, restructuring, re-engineering, privatization, joint ventures, Functionality Assessment (FA), and A-76 studies. CNO and the IMCs have pursued all of these force configuration options in the attempt to achieve optimum efficiency, effectiveness, and recapitalization opportunity.

Progress to date

Since 1997, the IMCs and Regional Commanders have utilized A-76 competitions, FAs, and basic process (re-engineering) improvements to reduce manpower requirements and improve efficiencies totaling more than $2B in recapitalization. While this achievement is significant, these efforts lack congruence and consistent calibration with Navy's future manning projections.

With the formation of CNI and consolidation of SIM Workforce assets in a single claimancy, accountability for SIM Workforce shaping and sizing will be substantially improved. Even so, there is a continuing need for a methodical, corporate SIM human capital planning process that identifies force configuration options (with acceptable inherent performance risk) while accommodating important Navy force management imperatives such as sea-shore rotation. CNI will develop in FY 2004 a human capital/ workforce shaping strategy and plan.

Next steps

Not all opportunities for A-76 competition in BOS functions and sub-functions have been exhausted; however, the remaining opportunities have limited recapitalization potential, requiring refined analysis of alternatives. A-76 studies may have diminishing utility as a force configuration tool, as the temporary moratorium on additional studies in the FY 2004 National Defense Authorization Act could effectively delay use of this strategic sourcing method. In addition, many of the planned FAs in major BOS functions have already been performed. These environmental factors make it necessary to employ increasingly refined management techniques for achieving optimum SIM Workforce shape, mix and size, and to emphasize sub-functional assessment as a key to realizing the Most Efficient and Effective Organization (MEO) in the delivery of BOS services.

The formation of CNI and consolidation of SIM Workforce assets in a single claimancy provides Navy with a long-sought opportunity to conduct a methodical, corporate level assessment of SIM Workforce assets, to align those assets with Navy and national goals, and to identify additional opportunities for recapitalization. Strategic SIM Workforce and human resource (HR) analyses conducted by CNO (N46) during FY 2003 revealed that the development of enhanced capabilities for total force management and human capital planning is a necessary prerequisite for determination of the optimum SIM Workforce mix. SIM stakeholders can expect to see special CNI emphasis on the development of these capabilities in FY 2004 and beyond.

Formation of the CNI Headquarters human resource (HR) organization is a first step in development of enhanced total force management capability, with closely aligned strategic sourcing, military and civilian manpower and HR functional elements. This organizational configuration will substantially improve collaboration and coordination among these typically stove-piped functions. A similar organizational template will be evaluated during the next fiscal year as a standard for regional implementation. In addition, CNI expects to explore the development of a common taxonomy for the comparative analysis of military and civilian mix alternatives, to evaluate the benefits of multi-functional development of military and civilian HR staffs, and to consider the development or acquisition of a total force human capital planning tool. These studies will be for the use of functional managers, military and civilian manpower and HR practitioners in SIM Workforce mix analysis. These incremental steps should lead to further opportunities for savings and recapitalization.

Impact/potential impact on SIM

The next steps toward determination of the optimum SIM Workforce shape, mix and size are expected to improve alignment of CNI efforts with both national goals and key elements of CNO's SIM Strategic Plan. Two key OSD goals are particularly relevant:

- "Integrate the active and reserve military, civilian employees, and support contractors into a diverse, cohesive total force and a rapidly tailorable force structure."
- "Improve the efficiency of and reduce the cost of civilian personnel management by improving and expanding regionalization of personnel management processes to serve multiple agencies."

The multiple SIM Workforce management actions planned for FY 2004 support these national goals and will enable CNI and regional commanders to conduct the integrated analyses necessary to achieve the optimum manning objectives (MEO) envisioned in the SIM Strategic Plan. Combined with actions to improve development of the SIM Workforce, these steps should promote both SIM Workforce effectiveness and increased opportunity for the recapitalization of assets across a wide spectrum of BOS sub-functions.

12. Designate N4 as Manager for Ashore Personnel.

Background

This objective – to ensure that SIM Workforce development requirements are assessed, recognized and adequately resourced – was formulated prior to the CNO decision to consolidate SIM Workforce assets under the CNI claimancy and to establish a comprehensive military and civilian manpower and human resource directorate for SIM Workforce management in CNI Headquarters.

With the formation of CNI and the "double-hatting" of CNI and OPNAV N46, the underlying requirement for this objective has been satisfied.

Progress to date

Over the past three years, OPNAV N46 has taken important steps to lay the foundation for an effective, centralized SIM Workforce development system. The strategy for SIM Workforce development and the primary conceptual and programmatic elements of the comprehensive development system envisioned are described under Priority Item 13 below ("Develop, Resource, and Implement a SIM Workforce-Development Program to Ensure the Workforce has the Right Tools to Serve the Customer").

CNI expects to build on the steps already taken by OPNAV N46 to fulfill SIM strategic objectives for the SIM Workforce and to begin implementation of a robust system of development and community management for SIM governance practitioners at national, regional and installation levels.

Next steps

At the end of FY 2003, N46 and the pre-commissioning staff of CNI were engaged in the process of organizational realignment to effect a smooth transition of responsibility for SIM Workforce management and sponsorship. Execution (implementation) of the strategy for SIM Workforce development, program management for development systems, and the development of SIM Workforce resource requirements will become the primary responsibility of CNI in FY 2004.

Impact/potential impact on SIM

Assimilation of SIM Workforce assets under the single claimancy of CNI and the transition in accountability for SIM Workforce development from OPNAV N4 to CNI/OPNAV N46 are expected to propel implementation of the strategy for workforce development formulated by OPNAV N46. The elements of that strategy are described in the next section.

13. Implement a SIM Work Force Development Program.

Background

A trained and flexible workforce supported by HR policies and programs that enable high performance and reward contributions are major drivers of improved SIM efficiency and effectiveness. Preliminary work accomplished by OPANV N46 to develop a strategy for SIM Workforce development and to formulate supportive HR policies will enable CNI to implement a comprehensive SIM development system that supports workforce preparedness, flexibility and accomplishment.

Workforce development activities must be calibrated with functional performance standards, integrated with all of the relevant elements of military and civilian HR systems, and supported with adequate resources and the appropriate tools to achieve the productivity and adaptability to change required in a dynamic, continuously improving BOS servicing environment.

Progress to date

Over the past several years, OPNAV N46 has pursued several important interventionist objectives

in the formulation of an effective framework for SIM Workforce development:

- Assessment of competencies for the most critical SIM governance positions.
- Improvement in military HR policies.
- Identification of optimum civilian development strategies.

Together these initiatives constitute a basis for CNI implementation of a robust system of development and community management for SIM governance practitioners at national, regional and installation levels.

N46 initiated the inventory of the SIM Program Manager (PM) and Business Manager (BM) competencies important to successful performance in these positions. A rudimentary SIM knowledge management website ("WEBSTER") was developed that contains competency development suggestions (sources of training and development) for SIM practitioners who aspire to PM and BM roles.

N46 initiated several military personnel policy initiatives to promote the preparedness of military members to assume key roles in management of Navy installations:

- A policy recommendation regarding the Additional Qualification Designation (AQD) of military billets in most BOS functions and occupations has been developed and is being evaluated.
- Another policy recommendation regarding the "fleet up" of Executive Officers to command postings was developed and is ready for the review of concerned stakeholders.
- An analysis of options regarding Manning Control Authority for enlisted placements in SIM assignments has been completed and awaits coordination among major military personnel stakeholders.

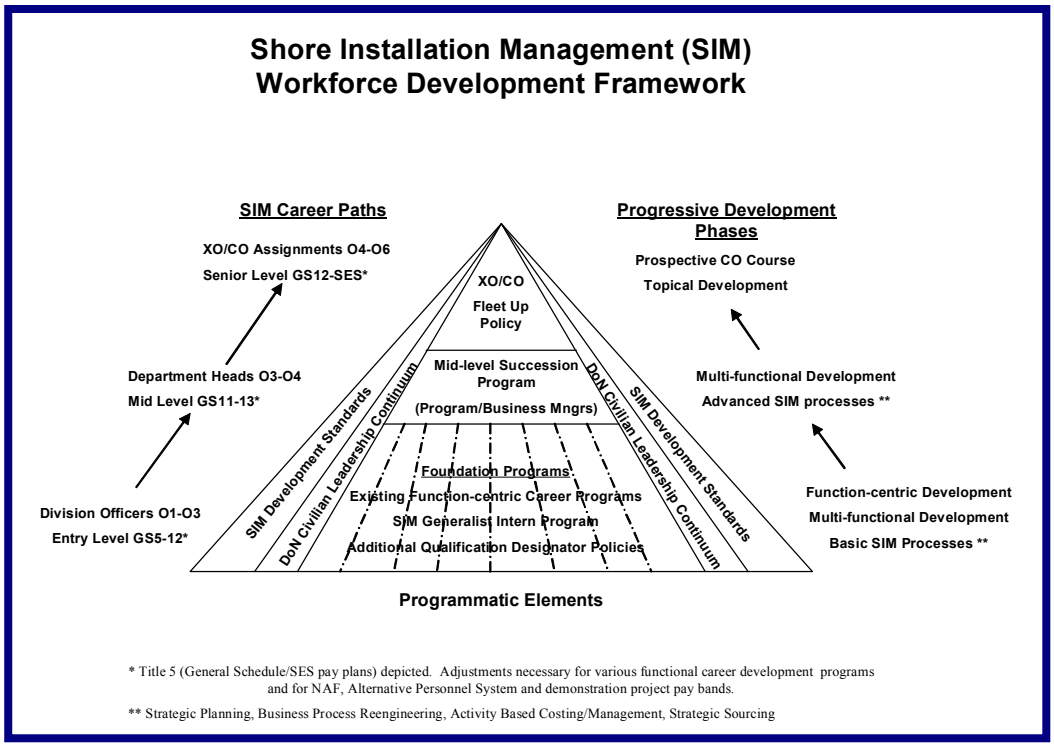
In addition, OPNAV N46 performed a strategic assessment of civilian SIM Workforce development requirements. That assessment focused on the development of candidates for critical SIM governance assignments, namely PM and BM positions found at Navy secretariat, CNO, claimant, region and installation levels. The SIM Workforce development strategy that emerged was based on the multi-functional attributes of the SIM community of practice, the pre-existing, complex federal, DoD and Navy infrastructure for the development of civilians, and the need to leverage established civilian development programs to minimize redundancy and additional investment. This strategy was updated at the end of FY 2003 to integrate military and civilian development components and to reflect the transition of program management accountability for SIM Workforce development from OPNAV N4 to CNI.

Key elements of the total force development strategy include:

- Development and enforcement of education, training and experience standards (policies) for key SIM governance practitioners in critical SIM-centric competencies such as strategic planning, business process engineering, ACBM, and strategic sourcing.
- The development of SIM military and civilian managers and supervisors against a common (universal) leadership model (the Navy's Civilian Leadership Continuum) to ensure that increasingly sophisticated, market-sensitive HR policies (e.g., the National Security Personnel System) are effectively implemented.
- The implementation of key programmatic elements such as an entry level intern program to develop multi-functional SIM practitioners and a mid-level succession program for PM and BM positions.
- The credible branding and marketing of SIM-centric career paths to both internal and external candidates for key SIM governance positions.

The figure on the following page depicts the major programmatic elements of this total force strategy, its professional development phases, and the notional career paths envisioned for military and civilian SIM professionals.

The OPNAV N46 assessment of strategic SIM Workforce development requirements completed in FY 2003 also revealed that a wide range of ancillary development activities are required to realize



optimum workforce performance and customer service. These activities include:

- The multi-functional development (cross training) of select workforce cohorts to ensure resilience to change.
- A comprehensive knowledge management system that enables training on demand, the rapid exchange of ideas, expert assistance, mentoring, and promotes community cohesion.
- Methodical development of teaming skills essential for cross-organizational coordination of strategic sourcing initiatives.
- Acquisition of virtual collaboration tools that support teaming and promote the exchange of best practices among geographically dispersed workforce cohorts.

Next steps

Since the SIM Workforce is unusual in character – more a community of practice than a single, uniform career field – CNI's approach to the implementation of a SIM Workforce development strategy (Human Capital Development Plan) is expected to emphasize investment in those workforce cohorts critical to effective SIM governance, training in core SIM-centric competencies, and the leveraging of existing systems of career development for the wide variety of IMAP functions and sub-functions represented in the workforce.

This strategy will require extensive collaboration with both internal and external stakeholders (including the proponents of existing DoD and Navy career programs) and the inculcation of SIM-centric curricula in established training systems (enlisted Training Centers, for example). During FY 2004, stakeholders can expect CNI to establish a deliberative body for SIM Workforce development with stakeholder representation and a charter to determine those investments that address the highest development needs with greatest potential return on investment.

The development of complimentary workforce recruitment strategies (entry level intern hires from among business school graduates, for instance) will also be developed in FY 2004 and should promote economy in workforce development investments while ensuring a continuing source of SIM governance talent and expertise to meet the changes in the workforce demographic profile that are projected over the next 5–10 years. CNI will develop a human capital/workforce shaping strategy and plan in FY 2004.

Impact/potential impact on SIM

Research has shown that a robust system of workforce development that successfully provides opportunities to perform at high proficiency levels as well as preparation for career growth can provide a substantial return on investment in workforce contribution, diligence, and loyalty. These outcomes are subjective and difficult to measure directly. Accordingly, further progress in SIM Workforce development will be measured in part on the survey(s) of employees and customers originally envisioned in the SIM Strategic Plan. Data provided through functional performance metrics developed in capabilities based budgeting and capability level funding processes will also be used to assure that workforce development initiatives are having desirable effects on BOS customer service.

Additional Initiatives

The following initiatives are not part of the Baker's Dozen, but might suggest two other areas of interest. They are Enterprise Land Mobile Radio System and the Common Access Card.

14. Enterprise Land Mobile Radio System (ELMR)

Purpose/SIM relevance

To provide for an enterprise land mobile radio system to support ashore and in-harbor afloat naval assets as well as other administrative and operational agencies. This will enhance these organizations' efforts to deter, defend against, or defeat terrorist initiatives and provide the ability to coordinate critical activities during homeland security, anti-terrorism force protection, disaster response, consequence management emergencies, and support day to day operations.

Background and key points

This need responds to the Joint Vision 2010 and its successor, Joint Vision 2020, as well as the Quadrennial Defense Review Report of 30 September 2001 that lists the need for the integration of various protection mechanisms in order to successfully combat terrorist activities. This need also responds to objectives identified in Sections II and IV of the Defense Planning Guidance for FY 2003–2007. This guidance establishes critical operational goals to protect the United States and Possessions against those adversaries who rely on surprise, deception, and asymmetric warfare to achieve their objectives. This program also supports the National Telecommunication and Information Administration (NTIA) mandated narrowband directive.

Current status

ELMR Flag review of the Mission Needs Statement (MNS) is currently under way. The Operational Requirements Document (ORD) has been completed and reviewed by the ELMR Integrated IPT working group. The ORD has been submitted via OPNAV N8 staff into the OPNAV Gatekeeper process in order to obtain ACAT III Program of Record status for ELMR. The North West Region has been designated as the lead ELMR pilot site. FY 2004 O&MN funding has been identified for this effort. This program has been briefed to the SIPB, Deputy Operations for Homeland Defense and OSD Command, Computer, Communications and Intelligence (C3I).

Next steps

Initiate and complete site surveys for regions designated to implement ELMR in FY 2005. Gulf Coast Region has completed the site surveys for their region. Establish MOA/MOU's with USMC, USCG, USA, USAF, to realize economies of cost avoidance by capitalizing on common infrastructure and hardware.

15. BOS Applications Supporting the Common Access Card (CAC)

Purpose/SIM relevance

The CAC will provide standard authentication, enabling physical access to buildings and controlled spaces while also providing the hardware token for logical access to the Department's computer networks and systems via the Navy and Marine Corp Intranet (NMCI). The CAC platform also contains DoD-wide and/or DON-specific applications such as food service, manifesting, deployment readiness and medical/dental readiness. These applications support specific standard business processes across the Navy. In addition to the inherent benefits realized by introducing a standard authentication technology, Navy business processes that use this E-Business technology reduce overall cost and increase the accuracy/quality of the work.

Background and key points

The CAC is the standard identification card for active duty military, selected reserve, DoD civilian employees and eligible contractor personnel as directed by OSD (P&R). The technology associated with the CAC provides an opportunity that will allow the services to respond to situations in a more effective manner with respect to mobility readiness, personnel tracking and deployment manifesting. Other applications of this technology are/will be specifically designed to reduce the cost of doing business across the enterprise. Examples are; Property Accountability, Personnel Accountability, MWR Participation Tracking, Deployment Personnel Accountability and Readiness Tool, Dental Information (SDI), Smart Immune, and SAMS Interface.

Current status

We have established a program office at SPAWAR Pensacola to provide Life Cycle Management and support for the following applications:

- Food Service: This application uses smart cards to generate electronic transactions (head count) of all diners and all meal types at any dining facility.
- Deployment Readiness: Used to perform deployment readiness checks. This application is equipped with five setup elements; Command, Personal, Dental, Medical and Training. Deficiencies can be viewed and/or updated as deployment requirements change or are met.
- Asset Issuance: Identifies and controls issuance of things like laptops, equipment, gear, uniforms, rations, weapons, etc. The application maintains a database of inventory items, user information, operator privileges, and historical information of items stored in one or more armories/warehouses.
- Card Maintenance Utility: Update cardholder information on smart cards. As an Administrator or Operator, Card Maintenance is used to update demographic information of a cardholder, change a cardholder's PIN, backup the cardholder's data in the database or move legacy smart card data to the CAC. Creates backup database and custom reports developed from selected query options.
- Manifest Tracking: Efficiently tracks the attendance, embarkation and debarkation (including baggage) of military personnel/civilians in a variety of settings. As personnel arrive at a meeting, training session, embark or debark on a mission, they are registered in the database. Personnel are registered in the database when they present their CAC, or they can be entered into the database manually. The data provides an account of an individual service member or units of deployment activities.

FY 2003:

Joint Program Management Office (PMO): This office was established and provides CAC functional

application management and resource allocation to other Services for the support of the four CAC applications and one utility. This included providing the applications, hardware, training and help support. Intra-Service briefings were also provided and promoted the applications and availability of using our Program Office as a shared resource for CAC applications.

Payroll Deduction: The PMO, Defense Accounting, Cleveland and NAVSUP have been coordinating efforts on the requirements necessary for Payroll Deduction for service members who eat in the galleys. This effort will be piloted in FY 2004. Each year millions of meals are served to service members in Navy galleys. Currently many diners pay cash for their meals, which cause larger galleys to collect and receipt for thousands of dollars daily. With the pending Basic Allowance for Substance Reform, all diners will have the requirement to pay for their galley meals. The Payroll Deduction option is a means to assist active duty diners buy providing an option to pay for their meals by using the CAC and the Defense Finance Accounting Service to automatically deduct (from their payroll) BAS for the meals they eat in the galleys.

Food Service Implementation: Coordinated with LANTFLT galleys and PSDs for the implementation of the Food Service application by developing an MOA, Implementation Plan and schedule.

Demonstrations: Provided demonstrations and discussions of the applications to various Navy activities in addition to Army, Marine Corps, Air Force, and Coast Guard.

Next steps

The main priority for FY 2004 is to roll existing applications out across the SIM community.

- Pilot Payroll Deduction.
- Implement Food Service in LANTFLT.
- Develop and enterprise application solution for physical access security throughout the ashore establishment. The architecture will need to support legacy physical access control and security systems and utilize the current infrastructure while providing a migration path to the use of new technology that will further reduce costs of manpower and technology.
- Southern Command: Coordinate with SOCOM to use Manifest Tracking for their personnel accountability requirements.
- Navy Documentation: Update Navy policy on using the CAC in place of paper meal cards for eating in galleys and define policy for service members using the CAC when going on leave or TDY.
- In December 2003, Terminal Fury, a two part Joint Exercise in Hawaii, was accomplished using Manifest Tracking. The CAC was used to build a roster of over 600 Navy, Army, and Air Force participants. Once the information was captured, reports were generated in a timely manner. The use of the CAC throughout the Terminal Fury Exercise was an enormous success.
- CAC Sustainment/Maintenance: This is an effort to coordinate the transition of activities from initial Mass Issuance of the CAC to steady state sustained CAC. Sustained operations include CAC issuance to new personnel, personal identification number reset, integrated circuit chip in support of public key infrastructure and re-issue due to expiration, lost and mutilated CACs.
- Pilot of PSDs and Pass and Tag: Pilot a Consolidated Pass and ID Office by integrating the PSD and Pass and Tag Office in the Norfolk area. This consolidation opportunity has the potential to provide improved customer service while reducing overall cost of these presently disparate ID operations.
- Pilot a double kiosk turnstile at Great Lakes galley. This kiosk will allow Service members to pass thru the turnstile quickly using their CACs; thereby eliminating the need for point of sale clerks.
- Establish a web page identifying the Program Management Services and the applications.

Chapter 12 – Lessons Learned and the Way Ahead

The ability of shore infrastructure to provide the requisite support to the operational forces and other mission commanders has fundamentally and positively changed in recent years, including those significant initiatives and actions undertaken in FY 2003. This change has been essential in meeting readiness and support requirements in an era of ever-tightening fiscal pressures and Navy's transformation from that of a "rotational Navy" to a "surge Navy that rotates." Under this operating construct, our naval forces will need to be kept more ready, and for longer sustained periods in order to meet the requirements of a rapidly changing world scene. Installation support of the warfighter under the surge concept also means that SIM accelerate its own transformation to support a "surge Navy". Those of us supporting the warfighter in SIM must continuously interact with the operating forces to ensure that we link SIM service delivery to the mission as it evolves. SIM must be flexible and adaptable; adjusting services to the needs of the operating forces as those needs change. Not only must SIM strive to become less resource-intensive through increased effectiveness and efficiency, the SIM enterprise must also do its part in contributing to recapitalization of our Navy. Notwithstanding, the many significant improvements, the status quo, even the "new" status quo of the past five years, will not get the job done. We cannot stay where we are, but rather, continue to move rapidly forward to keep pace with the transformational demands of the Fleet and the Shore Establishment.

With CNI, we are better aligned to meet these challenges, to let mission commanders focus on their core missions while CNI focuses on shore support of those missions. Our job in CNI is to do the best at what we do in managing and operating shore installations, so that our mission customers can be the best at what they have to do: meet the Navy's mission.

Lessons Learned

- A major area of concern in last year's 2002 report was the inability to track the existing 20 components of OBOS from the programming phase all the way through execution. We have fixed this in 2003. During this past year, successful steps were taken towards establishing one seamless system through the creation and use of specific Program Elements for most all of IMAP 2003 functional areas. Specifically, the establishment of individual special interest item (SII) codes for IMAP functional areas should provide more timely execution visibility of program execution information. These changes took place in IMAP in FY 2003, for FY 2003 obligations, and will be used in developing the POM-06 Capability Plans.

- Another challenge is the one of migration of funds from one SIM functional area to another during the execution year. A key concern is the potential masking of other fundamental problems, such as the under-funding of certain "must-pay" functional areas, or "paying back" funds very late in the year of funds "borrowed" earlier in the year, which of course, serves only to exacerbate the problem. This practice is inefficient and greatly reduces a program director's ability to plan and to make optimum program decisions. Migration has typically occurred in the facilities (SRM) area, as well as functional areas with large (often front-end loaded) must-fund contracts. The stand up of CNI as the single installation claimant and process owner in the Navy has already enabled us to address this challenge straight on, with CNI determining the degree of fund reprogramming, if any, that is necessary (based on specific risk analysis of SIM functions), e.g., from SRM to other base operating support functional areas.

- The impact of the IPTs in establishing Capability Levels, Metrics, Objective Matrices, and Navy-wide standards has been significant. The CNO's review and approval of the Capability Levels for the major SIM functions in March 2003, and using them to make decisions in both PR 05 and in the early stages of FY 2004 (used in performing risk analysis) is a considerable achievement. They will be used as well in POM-06 and future POM/PR evolutions to assess risk vs. requirements. Much has been accomplished, and new work remains. New IPTs are being formed for the remaining SIM functions, and the present ones will continue functioning as Subject Matter Experts for Navy-wide issues within their respective business areas. They will continue to focus on benchmarking and best practices to help lower costs. Importantly, at the direction of the CNO in his 2004 guidance, each IPT will work to link the mission/operational capabilities of our installations with the installation services provided on those installations – the linkage of required operational capabilities (ROC) with installation service capability levels (CL). This is an on-going process. The role of the IPTs as institutionalized bodies will remain a key priority to help support this new organization in its mission to support the warfighter and other mission commanders.

- An effort should be considered by each IPT to examine and better understand how areas such as MPN/RPN, OPN, MILCON, and Facilities Investment (SRM) impact and influence the various inter-relationships and cross-over issues among each of the other IPT functional areas.

- The establishment of a consistent methodology (SIM Objective Matrices) for developing Capability Levels, Navy-wide Standards, and associated metrics has been integral to building better credibility and confidence in a robust SIM capabilities-based assessment process. It is imperative that these processes and developed Navy-wide standards be implemented across the Navy for consistency and constancy of purpose.

- Resource sponsors need to possess the capability to track functional area dollars from programming through execution. By FY 2004, however, the new Commander, Navy Installations Command should have full visibility and the necessary steps in place to monitor execution in this manner.

- In consonance with the need to optimize collaboration with the CNI customer, we must work with customers on the front end mission requirements part of the PPBES process; and develop and implement a customer feedback system at each Region to ensure we get timely feedback on how we are doing in delivering SIM services and meeting their needs during and at the end of each fiscal year.

- We shall incorporate productivity data (cost per unit of output) into the Stockholders' Report and other performance measuring systems, including trends, to track the success of effectiveness and effectiveness actions.

Impact on POM-06 and Future Programs

- To effect decisions in the future, the Navy needs to have a quicker data turnaround at all levels to have a more targeted impact on planning and programming. The results of the SIM Performance Data Calls conducted during the fall of 2003, have provided much of the basis for this year's report on performance (outputs). CNI and the IPTs will need to continue to develop these data calls to allow for more rapid evaluation during the course of execution – not just as a once a year snapshot. This ability to see the results of the programming and budgeting cycle in its execution phase will permit CNI leadership to make more informed and timely decisions with respect to execution year adjustments. This ability to evaluate performance in terms of productivity as a function of output divided by cost will also feed directly into the next cycle of the POM process and into CNI's Capability Based Budget (CBB) efforts.

- Recommendations for SIM leadership are contained herein, in each chapter, and summarized in the Executive Summary. In particular, the functions within the Installation Core Business Areas comprising the Operating Forces Support portion of IMAP should be weighed carefully in determining appropriate resource allocations to support the validated Capability Plan requirements.

The Way Ahead

We can and should take great pride in the many improvements made in SIM support of the war fighter and other mission commanders in 2003. Our Regions have done magnificent things, under difficult circumstances, to generate efficiencies while maintaining the highest possible Capability Levels to their customers. And in a real way, they have done this with "a hand tied behind their backs" – with savings projections taken out in advance. Despite this, we recognize that continuous improvement in SIM effectiveness and efficiency is part of our mission every day. The more we've learned about better business practices, and the more that each of us succeed, the more opportunities we have for emulating each other's success in achieving increased effectiveness and decreased expenditures of material, financial and human resources. With the standup of Commander, Navy Installations Command, we have been afforded both the opportunity and challenge of leaping ahead in process, cultural and business change. The CNO has told us that the past is not prologue—that we can and must challenge all the old assumptions and ways of doing business. It is a daunting task, but what an opportunity to retool the SIM business to help meet the overarching needs of the Navy to support the war fighter and other mission commanders.

Commander, Navy Installations Command (CNI), with the support of an aggressive and business-oriented regional command structure, will play a key role in enabling the transformation of our Operating Forces from a tradition of regular rotation to surge ready. We will accomplish this by:

- Implementing/improving standard business processes at all Navy regions for the delivery of SIM support to operating forces and key shore components around the world.
- Reducing the cost of SIM processes by streamlining service delivery models and eliminating duplication of effort and staffing.
- Focusing on metrics-based, output-driven resource investments that maximize return on investment and leverage business relationships between and among 1) Navy-Marine Corps, 2) Navy and other Joint Services and 3) Navy and other federal, state and local agencies.

- Relying on trust, confidence and communication between and among CNI and the Navy's Regional Commands to enable standardization of processes as well as innovation of improving business practices.

Our priorities are to:

- Stand up the new CNI command without losing the forward momentum gained in SIM business process improvement over the past few years. Positive movement in change management is Job 1.
- Get Capability Level resource management into perspective and on track, and get the new customer base onboard and comfortable with Service Delivery Models.
- Achieve "quick hit" savings in the near term by reevaluating existing processes and harvesting savings in execution. Money, manpower and materiel are all fair game for these savings. This search for resources must precede reducing Capability Levels.
- Get a Business Enterprise Architecture in IT into operation.

The stand up of CNI as the single process owner for Navy installations will enable the Navy to take an enterprise wide view of installation management and resources, guiding regions toward top Navy strategic objectives as articulated in the CNO's guidance. This centralized approach will have a focus on regional, national and even global approaches to program delivery versus the past installation-centric model, as well as alignment with other organizations in Navy that have expertise that CNI can leverage off of to support installation services, such as NAVSUP and NAVFAC for supply and contract specialist competencies, as well as leveraging capabilities from the other military services and other governmental agencies. Such partnerships with others will help minimize internal CNI staffing requirements by leveraging

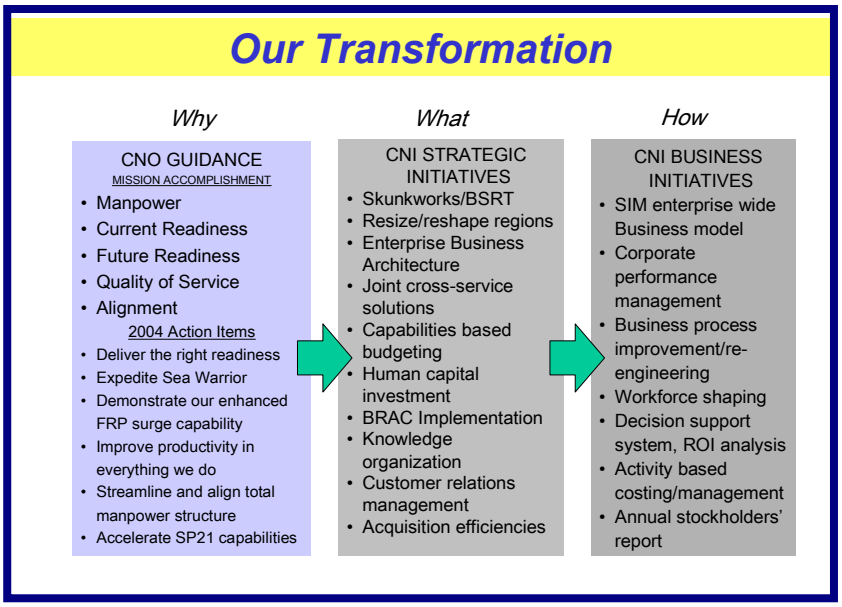
In furtherance of CNO Guidance to better link installation to readiness, CNI is now focusing on aligning its shore installation services directly with its mission customers. In 2004, CNI has embarked on an initiative to identify, in consultation with the mission customers, the required operational capability (ROC) by function for each installation, and then aligning that with the potential installation service performance levels (called capability levels) that enable regions and their installations to deliver the right services to help meet that mission. Four varieties of ROC are being identified for each of the major installation functions (categorizing each installation into its appropriate ROC), and then evaluate the level of service or capability level that the installation can apply to help accomplish this mission within the resources allocated. CNI has called this the installation ROC "4x4" and it is demonstrated in the below notional "4x4" chart:

ROC	CL 1	CL 2	CL 3	CL 4
1	Installation A			
2	Installation B	Installation C Installation D		
3		Installation E	Installation F Installation G	
4			Installation H	

The CNI organizational architecture and philosophy is one of: providing overarching major business principles and resource allocations to Regional Commanders, and for Regional Commanders to consolidate business processes into regional programs and then efficiently execute them in support of operational and non-operational mission tenants.

Our main goal is to maintain a high level of Common Operating Support to our customers while reducing the resource demands!

The chart sums up our priorities and graphically portrays the why, what, and how for our roadmap of the future. CNI has already made an impact on SIM with CBB initiatives.



To summarize, we are at a crossroads in the transformation of the Navy. Our operating forces of the future and the elements ashore that support them and other mission commanders must be able to rely on an agile and transformational shore infrastructure in order to meet the increased demands of a "surge ready" posture. At the same time, the shore establishment that supports the operating forces must also be beneficiaries of improved common support services that accrue from best business practices. *SIM must rapidly adapt itself in responsiveness, process improvement and cost-effectiveness to keep pace with and even lead this change.*

In support of this, CNI will be process driven, program-centric, and output focused. We will be the best at what we do so our mission customers can be the best at what they do!

Appendix A

Commander, Navy Installations Command (CNI)

Mission

Organization

Historical Perspective

Regional Commands

Mission

Navy shore installations support our Navy's ships, aircraft and Sailors. As the single responsible office, advocate, and point of contact for Navy installations, *CNI's mission is to provide consistent, effective and efficient shore installation services and support to sustain and improve current and future Fleet readiness and mission execution.* CNI provides operating forces support, community support, base support and mission support to enhance the Navy's combat power. CNI does this by providing unified and consistent procedures, standards of service, practices and funding to manage and oversee shore installation support to the Fleet. CNI executes delivery of installation services through its regions and installations. This mission will involve the coordination of policy, planning, budgeting, execution and reporting for all regions and shore installations. CNI is process driven, program-centric, and output focused.

Overarching Principles:

- Program-Centric
- Readiness Based Capability Levels
- Integrated Facilities Recap
- Regional HQ Staff Center for Legal, Chaplains, PAO, etc
- Elimination of "layering" and duplication
- Maximize leverage with USMC, Joint/Combined/Interagency initiatives
- Accelerate transformation to support a "surge" Navy
- Maintain covenant with people!

Commander's Assessment:

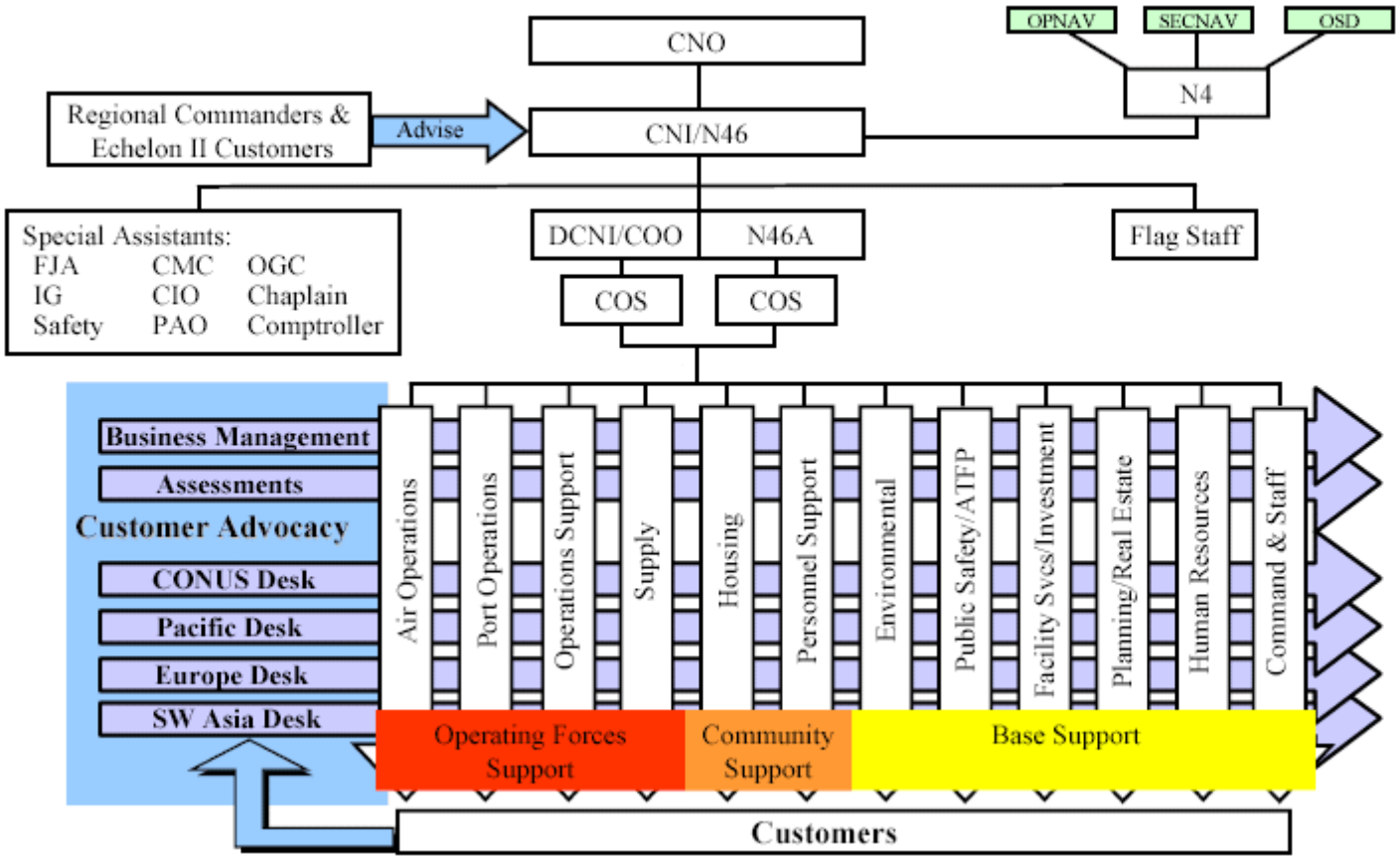
- SIM Enterprise evolving
- Transformational change in progress
- Clearer connections between installation support and Fleet readiness: "End to End Readiness"
- Process of long term investment has improved
- "Rotational Navy" to "surge Navy that rotates"
- Fleet Response Plan (FRP) shift occurring
- Status quo will not get the job done
- Opportunities for increased efficiencies and decreased expenditures = greater effectiveness
- CNO challenge: Process, culture and business change

Commander's Intent:

- Implement/Improve standard business processes
- Reduce cost by streamlining delivery models and eliminating duplication
- Focus on metrics-based, output-driven resource investments
- Trust, Confidence and Communications
- Priorities:
  - Standup CNI – Positive Movement in Change Management
  - Capability Level Resource Mgmt into perspective
  - "Quick Hit" savings in near term

Further information can be found on the CNI website at: www.cni.navy.mil

CNI Organizational Structure



Historical Perspective

One of the CNO's top five priorities is a commitment to improve Navy-wide alignment. Since 1997, the Navy has addressed improved shore installation effectiveness by regionalizing and reducing the number of installation management claimants from 18 to 8. By 2000, the Navy began to assess the value of further installation management claimant reductions while using integrated process teams to identify best business practices, set Navy-wide standards of service, develop metrics and link these standards and metrics to requirements and fleet readiness.

CNI was officially created as an organization on 1 Oct 2003. This event was the culmination of the Navy's efforts to regionalize, consolidate and streamline its shore infrastructure that was started in 1994 with the stand-up of the first Navy headquarters organization in June 1994 (OPNAV N46), that was dedicated to shore installation management. An organizational concept had now been implemented that facilitated the assignment of installation management professionals to regions and installations. This allowed them to focus their energies on installation management and the mission commander's energies on their respective mission accomplishment.

An immediate benefit was realized with the stand-up of CNI. The number of claimants responsible for planning, programming, budgeting and executing resources went from eight to one. Through this consolidating and streamlining event, the Navy could now have an enterprise-wide view of installation management and resources. Resources could now effectively be allocated between functional programs, regions and installations to better support the overall Navy.

Many benefits of this organizational model had been envisioned and are now becoming apparent. CNI has the ability to guide all regional/installations towards top Navy strategic objectives, achieving CNO's guidance. This centralized approach allows for the application of best business practices across all regions/installations, achieving a more effective/efficient infrastructure. The ability to identify costs and measure outputs across all regions/installations is improving the capability based budgeting process. Managing from a program-centric knowledge base allows for top level assessment of capabilities and risks. CNI is ensuring that standards are developed and maintained by regions/installations to consistently meet the requirements and expectations of the operating forces and other mission commanders. Additionally, the central focus facilitates leveraging capabilities between Services/Agencies to reduce duplication of investment and creating surge capacity through joint service use opportunities. CNI has developed strategic partnerships with Naval Supply Systems Command and Naval Facilities Engineering Command. These partnerships have minimized CNI staffing requirements by leveraging the expertise of contract specialist and supply competencies in these Systems Commands.

The Navy is already realizing savings associated with CNI initiatives. Typical efficiency actions completed or underway include those identified in Appendix H and summarized below:

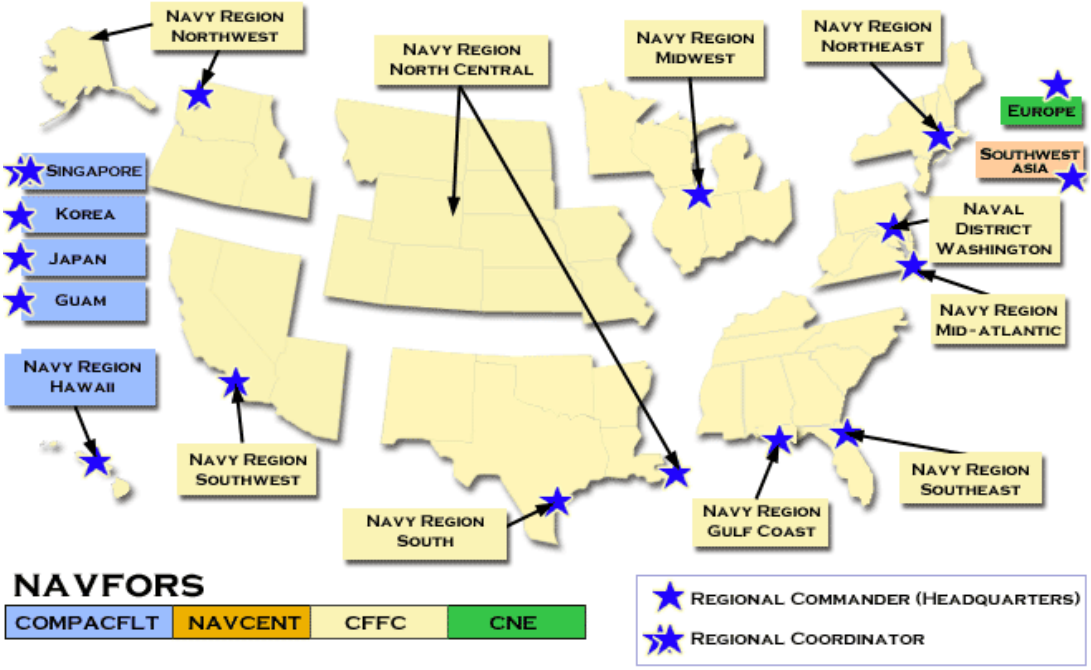
- Singling-up of installation function/programs at the regional level vice installation level (e.g., housing management, administrative functions, contracting, supply, comptroller/business manager, maintenance, warehousing).
- Combining command staffs (e.g., NAB Coronado and NAS North Island; CBC Port Hueneme and NAS Point Mugu).
- Consolidation/reduction of installation contracts (e.g., tug and pilot contracts, custodial/grounds maintenance, negotiation of area wide utility rates).
- Shift of installation level supply and contracting functions to NAVSUP and NAVFAC (which will eliminate duplication and layers at the installation and regional levels). Initiated in FY 2004.

- Starting in 2004 the merger with CNI of additional, overlapping installation type functions e.g., from BUPERS (personnel support programs such as MWR, Fleet and Family Support Programs, Child Care), with the goal of removing layers/duplication, identifying additional savings, and improving services delivery.

The way ahead for CNI will be to implement long, mid and short term plans to achieve strategic objectives and business initiatives. These initiatives involve delayering organizations, eliminating duplication and excess outlays, centralizing functions, implementing best business practices, and creating the surge infrastructure for Sea Power 21. CNI will measure itself by what its customers say, matching capability levels achieved to the capability levels required, and actions taken to streamline, consolidate and realign the infrastructure to provide the required capability at less cost.

Current Regional Commands

(10 CONUS - 6 OCONUS)



Appendix B

Special Interest Codes

IMAP Core Business Model	Special Interest Codes 2003	Special Interest Codes 2004
Operating Forces		
Air Operations Support		
Airfield Operations	OB	AO
Aviation Support	OB	AO
Port Operations		
Port Services	OB	PR
Other Port Operations	OB	PR
Operations Support		
Supply	OB	OO, SP
Other Operations Support	OB	OO
Community Support		
Personnel Support		
MWR	MW	MW
Child Development	CD	CD
Fleet and Family Support	FS	FS
Other Community Support	OB	OC
Galley	OB	GL
Housing		
Family Housing	FHN, OB	FHN, IM
Bachelor Quarters Operations	QO	QO
Base Support		
Facility Support		
Utilities	OB	UT
Facility Management	OB	FP
SRM	DE, PM, QM	DE, RM, NF
Facility Services	OB	FX
Base Support Vehicle & Equipment	OB	TR
Environmental		
Compliance	EC	EC
Conservation	CN	CN
Pollution Prevention	PP	PP
Public Safety		
Force Protection	CT	CT
Federal Fire	OB	FI
Safety	OB	SA
Disaster Preparedness	OB	EM
Command and Staff		
Command	OB	CA
Resource Management	OB, DC	RN
Information Tech Services	OB, BC	IT
MILPERS Services	OB	MS

Appendix C

Process for Determining Capability Level Performance

Process for Determining Capability Level Performance

Example: Bachelor Housing Analysis Structure

Example: Performance Data Call Questionnaire

Example: Visitor's Quarters Objectives Matrix

Process for Determining Capability Level Performance

The process for determining, validating, and applying capability level performance for each business function is as follows:

1. Collect existing/establish relevant standards
   - Research current government standards/metric sources (e.g., statutes, policies, regulations, instructions)
   - Research and review industry standards and benchmarks
   - Contact industry leaders
     - Determine applicability to the Navy
     - Identify relevant standards and metrics

2. Develop prototype Objective Matrix(OM) criteria, metrics, weights, capability levels, and scoring schema
   - Determine and execute standards evaluation method
   - In most cases use OM and Analytical Hierarchy Process (AHP) to evaluate standards:
     - Complex business area
     - Can standards be broken down for further evaluation?
     - Process assigns a weight to each standard that gives its relative importance in relation to other standards
     - Build OM using AHP or otherwise developed weights
   - In some cases, consider using a Capability Level Determination Table:
     - Is there a large number of standards/metrics?
     - Do all of the standards/metrics carry roughly equal weight?
     - Is this a specialized or simple business area?
     - Build a flat spreadsheet with standards, metrics, linkages to capability levels and weighting as appropriate

3. Populate prototype model with representative data, i.e., collect data against standards/metrics

4. Re-adjust criteria, metrics, weights, scoring schema
   - Validate, analyze, and assess standards/metrics and associated capability levels
   - Were the metrics measurable?
   - Were performance standards set at appropriate levels?
   - Modify performance standards as appropriate

5. Populate OM with Navy-wide data.
   - Collect data against standards/metrics
   - Conduct statistically meaningful data
   - Implement in coordination with OPNAV
   - Consider web-enabled approach

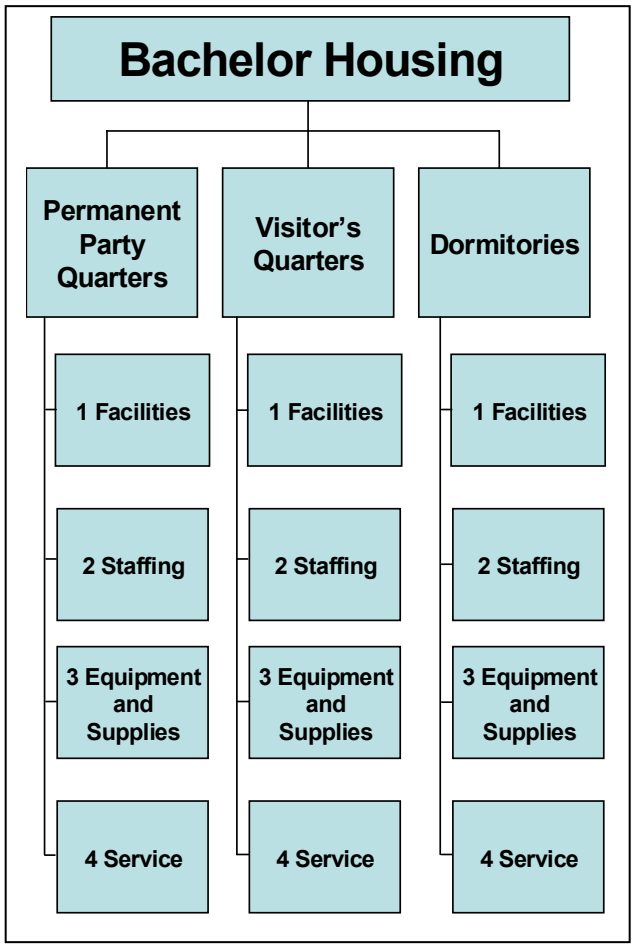
6. Define and cost Capability Levels 1, 2, 3, and 4.
   - Define Capability Level verbiage and breakpoints
   - Costs from OM are directly related to macro metric(s) unit cost
   - Cost out options:
     - Use macro metrics to determine costs
     - Evaluate costing data call
     - Internal IPT cost benchmarking to check cost data collected
   - Compare "as-is" data to CL 1 (delta cost, delta performance)
     - Determine the driver-metric(s) in the 4 OM or tables
     - From the analysis of the data call, determine how to move to a higher capability level using the driver-metric(s)
     - Determine associated costs

7. Obtain approval for implementation
   - Approve standards/metrics: obtain SIPB/NRB/CEB approval as appropriate
   - Provide recommendations for revision business area instructions
   - Recommend methods for disseminating/deploying standards
   - Recommend methods for establishing monitoring capabilities

The following charts illustrate the results of the above process for the Bachelor Housing Function.

- The first three levels of the resource breakdown structure for the three elements of Bachelor Housing (Permanent Party, Visitor's Quarters, and Dormitories) are shown on the right. Additional levels are displayed in the Objectives Matrix
- Performance Data Call Questionnaire for Visitor's Quarters*
- Performance Data Call Instructions for Visitor's Quarters*
- Objectives Matrix for Visitor's Quarters.*

* Respondents were asked to measure performance in the Equipment and Supplies area of Visitor's Quarters against draft standard P-935 in FY 2003.
P-935 was rescinded in FY 2004.



An Example of an Analytical Structure

VISITORS QUARTERS PERFORMANCE DATA CALL QUESTIONNAIRE		
PERFORMANCE METRICS		
QUESTIONS	RESPONSE	UNITS
Facilities:		
1a. Deficit Reduction		**Percent (%)**
1b. CNA Reduction		**Score (A-E)**
2a. Percent of Assignable Rooms		**Percent (%)**
2b. Transient: Percent of Rooms Utilized		**Percent (%)**
3a. Distance to 24/7 Front Desk		**Miles**
3b. Percent Transient Parking Availability		**Percent (%)**
3c. Number of Laundry Facilities/Building or Complex		**Score (A-D)**
3d. Are there Adequate Lounges/Training Rooms Available		**A (Yes)/B (No)**
4a. Percent Repeat Routine Trouble Calls		**Percent (%)**
4b. Percent Repeat Emergency Trouble Calls		**Percent (%)**
4c. Percent Transient Facilities with Gangheads		**Percent (%)**
4d. Percent FCI		**Percent (%)**
4e. Percent API		**Percent (%)**
5a. Emergency Trouble Call Response Time		**Minutes**
5b. Routine Trouble Call Response Time		**Days**
5c. Major System Down Time (Any Outage)		**Hours**
5d. Washer/Dryer Availability		**Percent (%)**
6a. External Appearance of Facility		**A (Excel), B (Good), C (Fair) or (D) Poor**
6b. Interior Appearance Facility		**A (Excel), B (Good), C (Fair) or (D) Poor**
6c. Percent BMAR Covered by Special Projects		**Percent (%)**
7a. FF&E (Case Goods) Age		**Years**
7b. Age of Soft Goods		**Years**
7c. Percent Rooms Furnished (Whole Room)		**Percent (%)**
8a. Percent of Facilities that Meet AICUZ Requirements		**Percent (%)**
8b. Percent of Facilities That Meet ESQD Requirements		**Percent (%)**
8c. Percent of Facilities That Meet Seismic Requirements		**Percent (%)**
8d. Percent of Facilities That Meet ATFP Requirements		**Percent (%)**

Staffing:		
1a. Percent Staffing Compliance		**Percent (%)**
1b.Time Since Last AMD		**Months**
2a. Time to Recruit Staff Members		**Weeks**
2b. Percent Overall Staff Turnover		**Percent (%)**
3a. Percent Staff Certification		**Percent (%)**
3b. Percent Required Staff Course Completion		**Percent (%)**
3c. Pineapple Attainment Level		**Letter**
3d. Customer Service Training Frequency		**Score (A-D)**
4a. Percent Staff Billeted by NEC		**Percent (%)**
4b. Percent of Military Staffing not Permanently Assigned		**Percent (%)**
Equipment & Supplies:		
1a. Percent Rooms with Minimum Furnishings IAW P-935		**Percent (%)**
1b. Lounges/Common areas: Percent with Minimum Furnishings IAW P-935*		**Percent (%)**
2a. Percent VQ Rooms with Telephone Lines		**Percent (%)**
2b. Percent Rooms with Minimum Amenities IAW P-935*		**Percent (%)**
2c. Lounges/Common Areas: Percent with Minimum Amenities IAW P-935*		**Percent (%)**
3a. Percent Rooms with Minimum Equip IAW P-935*		**Percent (%)**
3b. Are the Number Washer & Dryers available IAW UFC 4_721 of JUL 02		**A (Yes)/B (No)**

* Respondents were asked to measure performance in the Equipment and Supplies area of Visitor's Quarters against draft standard P-935 in FY 2003. P-935 was rescinded in FY 2004.

Service:		
1a. Accreditation Program		**Score (A-F) (Note 5)**
1b. Percent of DoD Lodging Standards Met		**Percent (%)**
2a. Percent of Visiting Quarters Surveys Received		**Percent (%)**
2b. Percent of Guest Comments submitted as Good or Better		**Percent (%)**
2c. Percent Resident Comments Overall submitted as Good or Better		**Percent (%)**
3a. Transient Room Check Frequency		**Days**
3b. Percent of VQ Rooms available and Ready to Occupy		**Percent (%)**

Visitor's Quarters Objective Matrix

Note 1: All of the cells on this spreadsheet are directly linked to cells in the Objective Matrices contained in this workbook. Any changes made on this spreadsheet will automatically change Corresponding Objective Matrix Spreadsheet Cells.

Note 2: To enter Scores into the Objective Matrices go to the appropriate Matrix spreadsheet and enter the data in the Blue cell of the appropriate Sub-Function (All other cells on the spreadsheet are locked to prevent overwriting them. These locked cells contain links to other portions of the spreadsheet, formulas or other links that must not be changed). The score will be automatically rolled up to the next higher Function and tallied on the Objectives Matrices Spreadsheet.

Wgt(%)	Function	Wgt(%)	Sub-Function	Wgt(%)	Metrics	Wgt(%)	Sub-Metrics
30%	1. Facilities	30%	1. Facility Capacity	40%	Requirements	60%	% Deficit Reduction (Note 1)
						40%	CNA Reduction (Score A-D)
				40%	Available Assets	50%	% of Assignable Rooms
						50%	Transient: % of Rooms Utilized
				20%	Direct Support	30%	Distance to 24/7 Front Desk (mi.)
						30%	% Transient Parking Availability
						20%	Number of Laundry Facilities/Building (Score A-D)
						20%	Adequate Housing/Lounges/Training Rooms (Y or N)
		20%	2. Facility Maintenance	60%	Maintenance Quantity	20%	% Repeat Routine Trouble Calls
						25%	% Repeat Emergency Trouble Calls
						25%	% Transient Facilities with Gangheads
						15%	% FCI
						15%	% API
				40%	Maintenance Quality	35%	Emergency Trouble Call Response Time (Mins)
						30%	Routine Trouble Call Response Time (Days)
						25%	Major System Down Time (Any Outage) (Hrs.)
						10%	Washer/Dryer Availability (%)
		30%	3. Facility Condition	100%	Condition	33%	External Appearance
						33%	Interior Appearance
						34%	% BMAR Covered by Special Projects
						35%	Age of Soft Goods (years)
						25%	% Rooms Furnished by Whole Room
		20%	4. Health & Safety	100%	Health & Safety	10%	% of Facilities that Meet AICUZ Requirements
						10%	% of Facilities That Meet ESQD Requirements
						30%	% of Facilities That Meet Seismic Requirements
						50%	% of Facilities That Meet ATFP Requirements

Wgt(%)	Function	Wgt(%)	Sub-Function	Wgt(%)	Metrics	Wgt(%)	Sub-Metrics
30%	2. Staffing	30%	1. Staffing Compliance	75%	% Staffing Compliance		
				25%	Time Since Last AMD (Months)		
		25%	2. Recruiting	50%	Time to Recruit Staff Members (wks)		
				50%	% Overall Staff Turnover		
		20%	3. Training	20%	% Staff Certification		
				10%	% Required Course Completion		
				40%	Pineapple Attainment Level (Platinum, Gold, etc.)		
				30%	Customer Service Training Frequency (Score A-D)		
		25%	4. Military Staffing	25%	% Billeted by NEC		
				75%	% of Military Staffing not Permanently Assigned		
20%	3. Equipment & Supplies	30%	1. Furnishings	25%	% Rooms with min Furnishings per P-935*		
				25%	Lounges.Com areas: % with min Furnishings per P-935		
				50%	FF&E	40%	FF&E (Case Goods) Age (years)
						35%	Age of Soft Goods (years)
						25%	% Rooms Furnished by Whole Room
		30%	2. Amenities	50%	% Rooms with min Amenities per P-935*		
				50%	Lounges/Com Areas: % with min Amenities per P-935*		
		20%	3. Equipment	50%	% Rooms with min Equip per P-935*		
				50%	Are the Number Washer & Dryers IAW UFC 4_721 (Y or N)		
		20%	4. Staff Support	50%	Fax, Copier, Computer Automation Available (Y or N)		
20%	4. Service	40%	1. Adequate Service	70%	Accreditation Program (Score A-F)		
				30%	% of DoD Lodging Standards Met		
		30%	2. Customer Satisfaction	50%	% of VQ Surveys Received (Transients)		
				50%	% Guest Comments Overall Good or Better		
		30%	3. Quality Checks	50%	Transient Room Check Frequency (days)		
				50%	% of VQ Rooms Ready to Occupy		

* Respondents were asked to measure performance in the Equipment and Supplies area of Visitor's Quarters against draft standard P-935 in FY 2003. P-935 was rescinded in FY 2004.

Appendix D

Operating Forces Support

Air Operations
Port Operations
Operations Support

Supporting Integrated Process Teams (IPTs)

Macro Metrics

Capability Level Descriptors

Air Operations

Supporting Integrated Process Teams (IPT)

Air Operations IPT

Macro Metrics

Air Operations

- **Airfield Hours of Operation**: Cost/Hour of Operation X Required Number of Field Operating Hours

"Macro Metrics" were created as a means to determine POM/PR resource requirements for each major SIM program. Prior to the development of Macro Metrics, pricing of program components was based largely on prior year and historical execution data that was then adjusted for known programmatic changes and/or inflation.

The Macro Metric identifies the required number of units to be provided and the cost per unit. The Macro Metric has two elements:

The first element is an expression for the requirement in terms of units of output.

The second element of the Macro Metric provides the cost per unit of output for each Capability Level (CL1/2/3/4).

REQUIREMENT (UNITS)	X	COST per UNIT of OUTPUT (at CL1/2/3/4)

Air Operations

Airfield Operations Capability Level Descriptors			
	CL 1	**CL 2**	**CL 3**
Air Field Logistics and Transient Line	Full Support to tenants and transients provided during established field hours with capability to flex to 24 hour ops. T-Line airfield support equipment available and fully operational. Full service available for short-term operations during extended field hours.	Full Support to tenant and transients during established field hours; limited ability to flex to 24 hour ops. Full service logistics operations outside normal field hours not normally provided. Minor delays to transient aircraft support requirements. Redundant airfield support equipment not always available. Limited capability to provide airfield logistics support during extended field hours.	Full services to tenants available only during established field hours and with routine delays. No ability to flex to 24 hour ops. Logistics service normally not provided outside normal field hours. Limited transient aircraft directing and servicing with routine delays during normal working hours. Limited airfield support equipment available.
Aviation Fuel Support	Timely full aviation refueling/defueling support provided. Adequate fuels supply maintained for aircraft to accomplish station's mission.	Full aviation refueling/defueling support provided during normal field hours. Possible delays during peak usage. Limited fuel support outside established field hours with priority given to tenant commands.	Full aviation refueling/defueling support provided with delays during normal field hours. Routine delays during peak usage. Limited fuel support outside established field hours only for tenant commands for emergencies and urgent operational requirements.
Air Traffic Control	Full service ATC operations provided only during normal field hours. No capability to flex to 24 hour ops.	Full service ATC operations normally not provided outside normal field hours. Limited capability to flex to 24 hour ops.	Full service ATC operations provided only during normal field hours. No capability to flex to 24 hour ops.
Ground Electronics	All required (primary and redundant) ground electronics equipment fully operational during established field hours. Enroute NAVAIDs and emergency equipment available 24 hours. Capability to support extended operational hours when required.	All primary ground electronics equipment are available during established field hours. Backup and redundant systems may not be available. Equipment outages may be required outside established field hours to facilitate maintenance. In the event of system failure mission degradation may occur due to lack of redundancy or back up systems.	All primary ground electronics equipment generally available during established field hours. Backup and redundant systems will frequently not be available. In the event of system failure mission degradation will likely occur due to lack of redundancy or back up systems. Equipment outages may be required during established working hours to facilitate maintenance.

Air Operations

Aviation Support Capability Level Descriptors			
	CL 1	**CL 2**	**CL 3**
Auxiliary Airfield Support	Operating hours at Outlying Landing Fields meet mission requirements. Tenant activities are fully supported.	Operating hours at Outlying Landing Fields meet mission requirements with some delays and minimal schedule impact. Support for tenant activities adequate to meet most requirements. Limited capability to provide auxiliary airfield support during extended field hours.	Operating hours at Outlying Landing Fields meet mission requirements with routine delays and significant schedule impact. Support for transient activities is minimal as services are focused on tenant activities.
Cargo Handling	Able to meet all aircraft cargo handling requirements during established field hours. Cargo handling capability supported during extended field hours for essential operational commitments.	Able to meet all aircraft cargo handling requirements during established field hours with some delays. Limited capability to provide cargo handling during extended field hours.	Able to meet most aircraft cargo handling requirements during established field hours with routine delays. Extended hours of operations for cargo handling is not supported.
Passenger Terminal Operations	Able to meet all aircraft passenger processing requirements during established field hours. Passenger terminal operations supported during extended field hours for essential operational commitments.	Able to meet all aircraft passenger processing requirements during established field hours with some delays. Limited capability to provide passenger terminal operations during extended field hours.	Able to meet all aircraft passenger processing requirements during established field hours with routine delays. Extended field hours for passenger terminal operations is not supported.
		IMPACT: Squadron/Aircraft Commanders can expect minor degradation to full service during established airfield hours. Aircraft operations outside normal working hours only support to meet tenant (non-transient) activities. Staffed, trained, equipped and maintained to safely and securely meet fleet requirements for the number of aircraft operations supported. Typically, full service aircraft operations outside normal field hours will not be provided. Services may be degraded with delays possible during normal hours.	IMPACT: Squadron/Aircraft Commanders can expect degraded service(s) during normal working hours. Arrivals and departures permitted outside normal working hours for emergencies and urgent operational requirements only. Staffed, trained, equipped and maintained to support reduced operations (arrivals and departures) during normal airfield operating hours.

Port Operations

Supporting Integrated Process Teams (IPT)

Port Operations IPT

Macro Metrics

Port Operations

- **Ship Movements:** Cost/Ship Movement X Moves Required
- **Berth Days:** Cost/Berth Day X Days Required
- **Magnetic Silencing Operation:** Cost/Hour Operation X Hours Required
- **Spill Response:** Cost/Facility Response Team X Teams Required

"Macro Metrics" were created as a means to determine POM/PR resource requirements for each major SIM program. Prior to the development of Macro Metrics, pricing of program components was based largely on prior year and historical execution data that was then adjusted for known programmatic changes and/or inflation.

The Macro Metric identifies the required number of units to be provided and the cost per unit. The Macro Metric has two elements:

The first element is an expression for the requirement in terms of units of output.

The second element of the Macro Metric provides the cost per unit of output for each Capability Level (CL1/2/3/4).

REQUIREMENT (UNITS)	X	COST per UNIT of OUTPUT (at CL1/2/3/4)

Port Operations

Port Services Capability Level Descriptors			
	CL 1	**CL 2**	**CL 3**
Ship Movements	Full Service to Commanding Officers in Navy Homeports and Non-Homeports provided during established work hours with capability to provide service 24 hours per day/7 days a week. Support includes pilots, tugs, mooring gear, brows, brow stands, utilities (hookup/disconnect), line handlers, crane services, etc. On-time phased replacement and procurement will be at Capability Level 1 allowance.	Full Service to Commanding Officers in Navy Homeports and Non-Homeports provided during established work hours and within Capability Level 2 budgeted overtime hours. On-time phased replacement and procurement will be at Capability Level 2 allowances. IMPACT: Limited quantity (dependent on CL 2 overtime threshold) of ship movements outside established working hours. Capability Level 1 allowances is neither provided nor maintained. Impact on Fleet is reduced availability of support assets and reliability of services	Full Service to Commanding Officers in Navy Homeports during established working hours and within Capability Level 3 budgeted overtime hours thresholds. Partial Service to Commanding Officers in Navy non-Homeports during established working hours and no overtime hours. On-time phased replacement and procurement will be at Capability Level 3 allowances. IMPACT: Limited quantity (dependent on CL 3 overtime threshold) of ship movements outside established working hours. Capability Level 1 and 2 allowances is neither provided nor maintained. Impact on Fleet is reduced availability of support assets and reliability of services.
Berth Days	Full Service Berths for 67% of homeported ships at full port loading to Commanding Officers in Navy Homeports, with the other ships nested or at partial service berths. Provide Commanding Officers in Navy Non-Homeports with Full Service Berths as defined in the Region's RSIP and the Fleet Guide for that Port. Provide berths for ships in maintenance availabilities to the fullest extent possible. Support provided 24 hours per day/7 days per week. Full Service Berth in Navy Homeports in accordance with Capability Level 1 allowances. This includes fenders, CHT, H2O, phones, IT connection, shore power, steam, oily waste, cable, security (water area), dumpsters, equipment support as required by class (brows/stands, conveyors, cranes, paint floats, etc.), and all floating assets (to include camels) as requested for as long as desired. Full Service Berths in Non-Homeport Navy Ports will be defined in the Region's Waterfront Regional Shore Infrastructure Plan, (RSIP) and the Fleet Guide for the Port.	Full Service Berths for 67% of homeported ships at full port loading to Commanding Officers in Navy Homeports, with the other ships nested or at partial service berths. Reduced berths for pier side ship maintenance requirements. Provide Commanding Officers in Navy Non-Homeports with Full Service Berths as defined in the Region's RSIP and the Fleet Guide for that Port. Support provided outside established work hours authorized by higher authority. Full Service Berth in Navy Homeports in accordance with Capability Level 1 allowances. This includes fenders, CHT, H2O, phones, IT connection, shore power, steam, oily waste, cable, security (water area), dumpsters, equipment support as required by class (brows/stands, conveyors, cranes, paint floats, etc.), and all floating assets (to include camels) as requested for as long as desired. Full Service Berths in Non-Homeport Navy Ports will be defined in the Region's Waterfront Regional Shore Infrastructure Plan, (RSIP) and the Fleet Guide for the Port. IMPACT: Reduced availability of services and floating assets outside established working hours n accordance with Capability Level 2 budgeted overtime hours. Capability Level 1 allowance is neither provided nor maintained. Impact on Fleet is reduced availability of support assets and reliability of services.	Provide partial service berths for 67% of homeported ships at full port loading to Commanding Officers in Navy Homeports, with all other ships nested and receiving partial services. Provide partial service berths as defined in the Region's RSIP and the Fleet Guide for that Port to Commanding Officers in Navy non- Homeports. Support provided for emergencies and urgent operational requirements only. IMPACT: Reduced availability of services and floating assets outside established working hours in accordance with Capability Level 3 budgeted overtime hours. Capability Level 1 and 2 allowance is neither provided nor maintained. Impact on Fleet is reduced availability of support assets and reliability of services.

Other Port Operations Capability Level Descriptors			
Magnetic Silencing	All ship periodicity requirements supported. Tech assists provided for all deployed ships and the next deploying battle group. Some surge capacity for meeting tech assist requirements for additional deploying ships.	70–90% of ship periodicity requirements supported. Tech assists provided for all deployed ships and the next deploying battle group. No surge capacity. Magnetic Silencing facilities must prioritize ships receiving service, with deploying ships first and all other ships waiting until service becomes available. No surge capacity for meeting tech assist requirements for additional deploying ships.	50–70% of ship periodicity requirements supported. Tech assists provided for all deployed ships and the next deploying battle group. No surge capacity. Magnetic Silencing facilities must prioritize ships receiving service, with deploying ships first and all other ships waiting until service becomes available. No surge capacity for meeting tech assist requirements for additional deploying ships.
Spill Response	Facility Response Team (FRT) is capable of responding to the installation's average most probable spill within 15 minutes (CFR title 33 & OPNAVINST 5090 require an immediate response to an oil spill accident).	Facility Response Team (FRT) is capable of responding to the installation's average most probable spill within 30 minutes of the spill being reported. IMPACT: The Facility meets the legal response time requirement, but may not be able to contain certain spills in a cost effective manner due to the slower response time.	Facility Response Team (FRT) is capable of responding to the installation's average most probable spill within 1 hour of the spill being reported. IMPACT: The Facility meets the legal response time requirement, but may not be able to contain certain spills in a cost effective manner due to the slower response time.

Operations Support

Supporting Integrated Process Teams (IPT)

Supply IPT

Macro Metrics

Other Operations Support

- The budget was not sufficient to warrant IPT evaluation in FY 2003

Supply

- **Transactions**: Cost/Transaction X Required Number of Transactions

"Macro Metrics" were created as a means to determine POM/PR resource requirements for each major SIM program. Prior to the development of Macro Metrics, pricing of program components was based largely on prior year and historical execution data that was then adjusted for known programmatic changes and/or inflation.

The Macro Metric identifies the required number of units to be provided and the cost per unit. The Macro Metric has two elements:

The first element is an expression for the requirement in terms of units of output.

The second element of the Macro Metric provides the cost per unit of output for each Capability Level (CL1/2/3/4).

REQUIREMENT (UNITS)	X	COST per UNIT of OUTPUT (at CL1/2/3/4)

OPERATIONS SUPPORT

Supply Capability Level Descriptors

	CL 1	CL 2	CL 3
Procurement	Possesses required resources and expertise to execute the full mission. 90–100% of procurement actions result in deliveries meeting RDD. The government Purchase Card Program is fully implemented and properly administered. All contract performance meets the desired capability levels or product specifications.	Possesses minimum resources and expertise to execute the mission at reduced standards. 80-89% of procurement actions result in deliveries meeting RDD. The government Purchase Card Program is partially implemented. Contract performance oversight is at a reduced level. Personnel shortages cause mission degradation.	Possesses minimum resources and expertise to execute the mission at significantly reduced standards. 55–79% of procurement actions result in deliveries meeting RDD. The government Purchase Card Program is not implemented and contract performance oversight is not provided. Personnel shortages cause severe mission degradation.
POL Management	Possesses required resources and expertise to execute the full mission. 90% or greater maintenance actions are completed within periodicity requirements. POL resources are controlled and issued accurately with a 90–100% availability rate.	Possesses minimum resources and expertise to execute the mission at reduced standards. 80–89% of maintenance actions are completed within periodicity requirements. POL resources are controlled and issued accurately with an 80–89% availability rate.	Possesses minimum resources and expertise to execute the mission at significantly reduced standards. 55–79% of maintenance actions are completed within periodicity requirements. POL resources are controlled and issued accurately with a 55–79% availability rate.
Postal Operations	Possesses required resources and expertise to execute the full mission. 100% of official mail is processed 5 days a week at normal operating hours.	Possesses minimum resources and expertise to execute the mission at reduced standards. 100% of official mail is processed 5 days a week at reduced time slots and reduced operating hours.	Possesses minimum resources and expertise to execute the mission at significantly reduced standards. 100% of official mail is processed 3 days a week at reduced time slots and reduced operating hours.
Inventory Management	Possesses required resources and expertise to execute the full mission and meet or exceed 80% of Net Effectiveness. This performance level will achieve a Warehouse Refusal Rate of 1% or lower and a Bounceback rate of less than 3% of referrals.	Possesses minimum resources and expertise to execute the mission at reduced standards and meet or exceed 70% of Net Effectiveness. This performance level will achieve a Warehouse Refusal Rate of 3% or lower and a Bounceback rate of less than 8% of referrals.	Possesses minimum resources and expertise to execute the mission at significantly reduced standards and meet or exceed 55% of Net Effectiveness. This performance level will achieve a Warehouse Refusal Rate of 5% or lower and a Bounceback rate of less than 15% of referrals.
Warehousing	Possesses required resources and expertise to execute the full mission and meet or exceed standards for material receipt and issue processing. Issues processing – requisition input to proof of shipment/delivery • NAMP – 99% within 1 hour for issue priority group (IPG) I, 2 hours for IPG II, and 24 hours for IPG III • UMMIPS – 99% within 2 days for IPG I, 3 days for IPG II, and 11 days for IPG III Receipt Processing – regular receipts (receipt to stow) and direct turnover (DTO) (receipt to delivery) • Regular receipts – 95% within 7days (NAVSUP P-485 6-46) • DTO receipts – 95% within 1 hour for IPG I, 2 hours for IPG II, and 24 hours for IPG III (NAMP)	Possesses minimum resources and expertise to execute the mission at reduced standards for material receipt and issue processing. Issues processing – requisition input to proof of shipment/delivery • NAMP – 95% within 1 hour for IPG I, 2 hours for IPG II, and 24 hours for IPG III • UMMIPS – 95% within 2 days for IPG I, 3 days for IPG II, and 11 days for IPG III Receipt Processing – regular receipts (receipt to stow) and direct turnover (DTO) (receipt to delivery) • Regular receipts – 90% within 7days (NAVSUP P-485 6-46) • DTO – 90% within 1 hour for IPG I, 2 hours for IPG II, and 24 hours for IPG III (NAMP)	Possesses minimum resources and expertise to execute the mission at significantly reduced standards for material receipt and issue processing. Issues processing – requisition input to proof of shipment/delivery • NAMP – 90% within 1 hour for IPG I, 2 hours for IPG II, and 24 hours for IPG III • UMMIPS – 90% within 2 days for IPG I, 3 days for IPG II, and 11 days for IPG III Receipt Processing – regular receipts (receipt to stow) and direct turnover (DTO) (receipt to delivery) • Regular receipts – 80% within 7days (NAVSUP P-485 6-46) • DTO – 80% within 1 hour for IPG I, 2 hours for IPG II, and 24 hours for IPG III (NAMP)

	CL 1	CL 2	CL 3
Supply Management	Possesses required resources and expertise to execute the full mission and meet or exceed standards for processing Household Goods (HHG) actions and executing the Hazardous Material Reduction Program (CHRIMP). • HHG: 90–100% of HHG actions are completed IAW established NAVSUP criteria. ○ 90–100% of HHG claims are processed within standards. Less than 10% of ○ total HHG actions result in customer complaints. • CHRIMP: Sufficient HAZMAT supplies are maintained for all station needs, accounting for all HAZMAT from receipt to disposal.	Possesses minimum resources and expertise to execute the mission at reduced standards for processing Household Goods (HHG) actions and executing the Hazardous Material Reduction Program (CHRIMP). • HHG: 80–89% of HHG actions are completed IAW established NAVSUP criteria. ○ 80–89% of HHG claims are processed within standards. 11-20% of total HHG ○ actions result in customer complaints. • CHRIMP: Maintain reduced operating hours while accounting for all station needs.	Possesses minimum resources and expertise to execute the mission at significantly reduced standards for processing Household Goods (HHG) actions and executing the Hazardous Material Reduction Program (CHRIMP). • HHG: 55–79% of HHG actions are completed IAW established NAVSUP criteria. ○ 55–79% of HHG claims are processed within standards. 21-45% of total HHG ○ actions result in customer complaints. • CHRIMP: Maintain minimum operating hours while accounting for only partial station needs.

Appendix E

Community Support

Personnel Support
Housing

Supporting Integrated Process Teams (IPTs)

Macro Metrics

Capability Level Descriptors

Personnel Support

Supporting IPTs

Morale, Welfare, and Recreation IPT

Galley IPT

Fleet and Family Support IPT

Macro Metrics

Morale, Welfare and Recreation

- **Active Duty Personnel Served**: Cost/(Active Duty Person) X Number of Active Duty Personnel

Child Development Program

- Not Applicable – CDP functions outside the IPT process

Galley

- Cost/Ration X Number of Rations Fed

Fleet and Family Support Program

- **Active Duty Personnel Served**: Cost/(Active Duty Person) X Number of Active Duty Personnel

Other Community Support

- To Be Developed

"Macro Metrics" were created as a means to determine POM/PR resource requirements for each major SIM program. Prior to the development of Macro Metrics, pricing of program components was based largely on prior year and historical execution data that was then adjusted for known programmatic changes and/or inflation.

The Macro Metric identifies the required number of units to be provided and the cost per unit. The Macro Metric has two elements:
The first element is an expression for the requirement in terms of units of output.
The second element of the Macro Metric provides the cost per unit of output for each Capability Level (CL1/2/3/4).

REQUIREMENT (UNITS)	X	COST per UNIT of OUTPUT (at CL1/2/3/4)

Personnel Support

Morale, Welfare and Recreation Capability Level Descriptors			
	CL 1	**CL 2**	**CL 3**
Fitness, Sports, Aquatics	• Programs provided at 90% or greater than navy-wide MWR goals • Replacement of fitness equipment exceeds 20% of total value per year • Cardiovascular equipment uptime exceeds 94%.	• Programs reduced by 10 to 20% • Replacement of fitness equipment reduced to 14 to 18% of total value per year • Cardiovascular equipment uptime reduced to 93%	• Programs reduced by 20 to 40% • Replacement of fitness equipment reduced to 10 to 14% of total value per year • Cardiovascular equipment uptime reduced to 91 to 93%
Outdoor Recreation	• Outdoor recreation programs offered at 90% or greater of the navy-wide goals • Outdoor recreation marketing at 90% or greater of requirement • Replacement of outdoor recreation equipment above 20% of total value per year	• Outdoor recreation programs offered reduced in scope and quality by 10% to 20% • Outdoor recreation marketing reduced in scope by 10 to 20% • Replacement of outdoor recreation equipment reduced by to 14 to 18% of total value per year	• Outdoor recreation programs reduced in scope and quality by 20 to 40% • Outdoor recreation marketing reduced in scope by 20 to 40% • Replacement of outdoor recreation equipment reduced to 10 to 14% of total value per year
Single Sailor Program	• Program provided at 90% or greater than navy-wide goals • liberty center hours at 90 hours per week or greater • replacement of liberty center equipment is above 20% of total value per year	• Program reduced in scope by 10 to 20% • Liberty center hours reduced to 70 to 90 hours per week • Replacement of liberty center equipment reduced to 14 to 18% of total value per year	• Program reduced in scope by 20 to 40% • Liberty center hours reduced to 50 to 70 hours per week • Replacement of liberty center equipment reduced to 10 to 14% of total value per year
Libraries	• Main library hours at bases with over 3,000 served at greater than 60 hours per week with more than 30% of those hours during evenings/weekends • replacement of library equipment above 20% total value per year • compliance with required library materials collections above 90%	• main library hours at bases with over 3,000 served reduced to less than 60 hours per week with less than 30% of those hours during evenings/weekends (less than 40 hours for small bases) • replacement of library equipment reduced to 14 to 18% of total value per year • compliance with required library materials collections reduced to 70 to 90%	• main library hours at bases with over 3,000 served reduced to less than 60 hours per week with less than 30% of those hours during evenings/weekends (less than 40 hours for small bases) • no permanent staff member on duty on weekends • replacement of library equipment reduced to 10 to 14% of total value per year • compliance with required library materials collections reduced to 70 to 90%
MOPIX (Afloat Movies)	• New movie releases shipped per month above 90% of program goal • Monthly shipments greater than 90% of program goal • Replacement of cinema at sea initiative (CASI) equipment is greater than 22.5% off total value per year	• New movie releases shipped per month reduced to 70 to 90% of program goal • Monthly shipments reduced to 70 to 90% of program goal • Replacement of cinema at sea initiative (CASI) equipment reduced to 17.5 to 22.5% of total value per year	• New movie releases shipped per month reduced to 50 to 70% of program goal • Monthly shipments reduced to 50 to 70% of program goal. • Replacement of cinema at sea initiative (CASI) equipment reduced to 12.5 to 17.5% off total value per year

Personnel Support

Morale, Welfare and Recreation Capability Level Descriptors (Continued)			
	CL 1	**CL 2**	**CL 3**
Information Tickets and Tours (ITT)	• Tour programs above 90% of program scope • ITT marketing elements above 90% of program scope • Replacement of ITT equipment greater than 20% of total value per year	• Tour programs reduced in scope by 10 to 20% • ITT marketing elements reduced in scope by 10 to 20% • Replacement of ITT equipment reduced to 14 to 18% of total value per year	• Tour programs reduced in scope by 20 to 40% • ITT marketing elements reduced in scope by 20 to 40% • Replacement of ITT equipment reduced to 10 to 14% of total value per year
Youth/School Age Care	• Youth/SAC programs for ages 6 to 12, pre-teens, and for teens actively use boys and girls club programs as required in standards including a written strategy • Replacement of Youth/SAC equipment above 20% of total value per year	• Youth/SAC programs for ages 6 to 12, pre-teens, and for teens actively use boys and girls club programs as required in standards, but without a written strategy • Replacement of Youth/SAC equipment reduced to 14 to 18% of total value per year	• Youth/SAC programs for ages 6 to 12, pre-teens, and for teens use boys and girls club programs as required in standards, but only sporadically • Replacement of Youth/SAC equipment reduced to 10 to 14% of total value per year
Galley Capability Level Descriptors			
Galley	Galleys are mission ready, can deliver the number of required meals at excellent quality, efficiency and customer satisfaction levels and provide expanded services. • Average wait time to reach the serving line per meal is less than 8 minutes. • % RIK eligible enlisted personnel utilizing the galley is greater than 50%. • Menu net effectiveness is greater than 90%. • Sanitation Rating – Pass. • All customer service survey components (Hospitality, Dining Environment, Convenience/Efficiency, and Food Quality) are greater than 3.5 on a 4 point scale.	Galleys are mission ready, can deliver the number of required meals at good quality, efficiency and customer satisfaction levels. • Average wait time to reach the serving line per meal is 8–10 minutes. • % RIK eligible enlisted personnel utilizing the galley is 30%–50%. • Menu net effectiveness is 80%–90%. • Sanitation Rating – Pass. • All customer service survey components (Hospitality, Dining Environment, Convenience/Efficiency, and Food Quality) are 2.6–3.5 on a 4 point scale.	Galleys are mission ready, can deliver the number of required meals at fair levels of quality, efficiency and customer satisfaction • Average wait time to reach the serving line per meal is 10–12 minutes. • % RIK eligible enlisted personnel utilizing the galley is 10%–30%. • Menu net effectiveness is 70%–79%. • Sanitation Rating – Pass. • All customer service survey components (Hospitality, Dining Environment, Convenience/Efficiency, and Food Quality) are 1.9–2.5 on a 4 point scale.

Fleet and Family Support Capability Levels			
Fleet and Family Support Center (FFSC)	Staffed, trained, qualified and equipped to provide all (90–100%) deployment readiness, crisis response, and career support and retention programs and services in a timely manner to all eligible beneficiaries and in accordance with Public Law and DOD directives.	Staffed, trained, qualified and equipped to provide most (80–90%) deployment readiness, crisis response, and career support and retention programs and services to most eligible beneficiaries and in accordance with Public Law and DOD directives. Impact: • Reduced flexibility in the delivery and timeliness of programs and services. • Reduction in available material, equipment and supplies for program delivery. • Priority for active duty, with limited services to family members and other beneficiaries. • Limited surge capability. • Limited employee training opportunities needed to maintain current licensure, update practices, meet new legal requirements	Staffed, trained, qualified and equipped to provide some (70–80%) deployment readiness, crisis response and career support and retention programs and services to some eligible beneficiaries and in accordance with Public Law, and limited prevention education, spouse employment, personal financial management, mobilization, routine clinical or casualty/disaster response programs. Continue to meet minimum requirements of Public Law and DOD directives. Impact: • Increased risk of critical incidents – suicides, homicides, fatalities. • Delayed response to command needs. • No individual assistance for personal financial management and spouse employment. • Return and reunion available only at command expense. • Mobilization and casualty/disaster response provided at expense of other programs. • No routine clinical counseling; active duty only. • Classes and services offered less frequently. • Contracted services in jeopardy. • Continued degradation in the quality of the service provided. • Minimum surge capability. • Limited employee training opportunities needed to maintain current licensure, update practices, meet new legal requirements

Housing

Supporting Integrated Process Teams (IPT)

Family Housing IPT

Bachelor Housing IPT

Macro Metrics

Family Housing

- **Navy-owned Housing O&M**:

$$\frac{\text{Navy-owned and Operated O\&M Costs}}{\text{Total Gross SF}} \text{ X Required SF}$$

- **Leased Housing Costs**:

$$\frac{\text{Leasing Costs}}{\text{Current \# Leased Homes}} \text{ X Required SF}$$

- **Local Moves** (Non-Family Housing Funded – O&MN):

$$\frac{\text{Cost of Intra-station Moves}}{\text{Total \# of Local Moves}} \text{ X Required \# of Moves}$$

Bachelor Housing

- **Permanent Party**: Cost per Month Stay
- **Transients**: Cost per Night Stay
- **Students** (Including Recruits): Cost per Training Day

"Macro Metrics" were created as a means to determine POM/PR resource requirements for each major SIM program. Prior to the development of Macro Metrics, pricing of program components was based largely on prior year and historical execution data that was then adjusted for known programmatic changes and/or inflation.

The Macro Metric identifies the required number of units to be provided and the cost per unit. The Macro Metric has two elements:
The first element is an expression for the requirement in terms of units of output.
The second element of the Macro Metric provides the cost per unit of output for each Capability Level (CL1/2/3/4).

REQUIREMENT (UNITS)	X	COST per UNIT of OUTPUT (at CL1/2/3/4)

Housing Capability Level Definitions

	CL 1	CL 2	CL 3
Family Housing	Dwellings and supporting neighborhood infrastructure are in very good condition. Housing support services are adequately staffed and contribute to high customer satisfaction ratings. Maintenance funding is sufficient to keep up with all requirements necessary to sustain the facilities. Appliances are attractive and in good condition. Occupancy rates are high. Virtually all required leases are funded. All authorized local moves are funded.	Dwellings and supporting neighborhood infrastructure show some signs of neglect. Reduced staffing in the housing office begins to affect the quality of customer service measured by decreased customer satisfaction. Some required maintenance is deferred. A shortfall of available leases for families creates a hardship for some families. Some needed overseas leases go unfunded. Appliances are typically older. Vacancy rates exceed 10%. Local move funding is scarce. **Impact:** • Dwellings and infrastructure show poorly due to incomplete maintenance and repairs as paint peels, window screens are damaged, and roofs are patched. • Appliances are older and less reliable generating more service calls and occupant dissatisfaction. • The wait time for Service in the housing office is longer and less information is available. Customer surveys reveal increasing dissatisfaction by residents. • The wait for a lease overseas is longer and in more and more cases there are not enough leases for everyone that needs one. Vacancy rates increase as the facilities and service decline. Local move requests are scrutinized as funding tightens.	Dwellings and supporting neighborhood infrastructure is unattractive and unappealing. Housing support services to families are minimal. Families reveal significant frustration with the quality of service and condition of the homes. The backlog of housing service calls for maintenance is growing. Appliances are unattractive and many are beginning to fail without replacements on hand. Vacancy rates are growing past 15% due to management and maintenance shortfalls. Leasing shortfalls create hardships for families overseas. Some local moves are deferred. **Impact:** • Deficiencies in housing facilities degrade the appearance of housing and the interior functionality and safety. • Customer Services are limited resulting in increased frustration of families in need. • Unreliable appliances. • A shortage of leases creates hardships for Navy families overseas. • Some local moves are delayed due to funding shortfall.
Bachelor Housing	• At least 95% of eligible personnel are housed at or above assignment standards. No more than 10% of trouble calls are repeats. The front desk is within easy walking distance of the furthest billeting facility (<1/4 mile). • 100% of rooms furnished using "Whole Room Concept"*. Age of case goods (desks, dressers, nightstands, etc.) between 5 and 6 years. Age of soft goods (carpeting, draperies, mattresses, and bedspreads) between 2 ½ and 3 years. • Bachelor Quarters (BQ) waiting list time < 2 months. 80% to 100% of customer comments are favorable. Routine trouble calls resolved within 24 hours. Navy 5 Star-Zumwalt Award. * "Whole Room Concept" – All furnishings match and all carpeting, wall coverings, and window treatments are complimentary in color and style.	• 90% to 95% of eligible personnel are housed at or above assignment standards. 10% to 20% of trouble calls are repeats. The front desk is between ¼ and ½ mile from the furthest billeting facility. • More than 80% of rooms furnished using "Whole Room Concept"*. Age of case goods between 6 and 7 years. Age of soft goods between 3 and 4 years. • BQ waiting list time between 2 and 4 months. 75% to 80% of customer comments are favorable. Routine trouble calls handled in 24 to 48 hours. Navy 4 Star. * "Whole Room Concept" – All furnishings match and all carpeting, wall coverings, and window treatments are complimentary in color and style.	• 85% to 90% of eligible personnel are housed at or above assignment standards. 20% to 30% of trouble calls are repeats. The front desk is between ½ and 1 mile from the furthest billeting facility. • Between 50% and 80% of rooms furnished using "Whole Room Concept"*. Age of case goods between 6 and 7 years. Age of soft goods between 4 and 5 years. • BQ waiting list time between 4 and 6 months. 70% to 75% of customer comments are favorable. Routine trouble calls handled within 3 days. Navy 3 Star. * "Whole Room Concept" – All furnishings match and all carpeting, wall coverings, and window treatments are complimentary in color and style.

Appendix F

Base Support

Facility Support

Public Safety

Command & Staff

Supporting Integrated Process Teams (IPTs)

Macro Metrics

Services Level Descriptors

(Macro Metrics and Capability Level Descriptors for Environmental Core Business Area not yet developed)

Facility Support

Supporting Integrated Process Teams (IPT)

Facility Support/SRM IPT

Base Support Vehicle and Equipment IPT

Macro Metrics (definition on page F-7)

Utilities

- **Electricity**: Cost/MWH X MWH required
- **Steam/Gas/Chiller Plant**: Cost/MBTU X MBTU Required
- **Water/Sewage**: Cost/KGAL X KGAL Required

Facility Services

- **Janitorial**: Cost/SF Cleaned X SF Required to be Cleaned
- **Grounds**: Cost/Acre Maintained X Acres Required to be Maintained
- **Refuse**: Cost/Gross SF X Gross SF Required

Facility Management

- **Installation Plans and Engineering (P&E)**: Cost/SRM X Total SRM
- **Management and Administration (M&A)**: Cost/PRV X Total PRV (PRV = Plant Replacement Value)

Base Support Vehicles and Equipment

- **Number of Vehicles**: Cost/Vehicle X Number of Vehicles Required (Inventory objective for each activity determined by Transportation Equipment Management Center (TEMC))

Sustainment, Restoration, and Modernization (SRM)

- The SRM business function uses the DoD Facility Sustainment Model (FSM) and the NAVFAC Installation Readiness Reporting System (IRRS) for developing resource requirements.

Facility Support

Utilities Capability Level Descriptors			
	CL 1	**CL 2**	**CL 3**
Electricity	Electricity is available to meet all mission requirements. Commodity availability has no negative impact to mission, quality of life, or routine station operations. Energy conservation and awareness are utilized and no forced conservation is required.	Electricity is available to substantially meet mission requirements with minor difficulty. Minor mission adjustments required due to lack of utilities funding. Minimal forced conservation is required due to funding shortfalls: • Heating and Air Conditioning delayed/interrupted no more than two weeks; • Thermostats adjusted lower than 70 degrees in Winter and/or higher than 76 degrees in the summer; • 5% or less reduction required in discretionary electricity usage (e.g. ball field and decorative lighting).	Electricity is available to marginally meet mission requirements with major difficulty. Significant mission adjustments short of CASREPS, due to lack of funding. Forced conservation is required due to funding shortfalls: • Heating and Air Conditioning availability delayed/interrupted no more than four weeks; • Thermostats adjusted lower than 68 degrees in Winter and/or higher than 78 degrees in the Summer; • 10% or less (but greater than 5%) reduction required in discretionary electricity usage; • Reduction in PWC planned system maintenance due to claimant/region imposed reductions in rates; • Had to impose no more than one brief rolling blackout.
Natural Gas	Natural Gas is available to meet all mission requirements. Commodity availability has no negative impact to mission, quality of life, or routine station operations. Energy conservation and awareness are utilized and no forced conservation is required.	Natural Gas is available to substantially meet mission requirements with minor difficulty. Minor mission adjustments required due to lack of utilities funding. Minimal forced conservation is required due to funding shortfalls: • Heating availability delayed/interrupted no more than two weeks; • Thermostats adjusted lower than 70 degrees in winter.	Natural Gas is available to marginally meet mission requirements with major difficulty. Significant mission adjustments short of CASREPS due to lack of funding. Forced conservation is required due to funding shortfalls: • Heating availability delayed/interrupted no more than four weeks; • Thermostats adjusted lower than 68 degrees in winter.
Steam	Steam is available to meet all mission requirements. Commodity availability has no negative impact to mission, quality of life, or routine station operations. Energy conservation and awareness are utilized and no forced conservation is required.	Steam is available to substantially meet mission requirements with minor difficulty. Minor mission adjustments required due to lack of utilities funding. Minimal forced conservation is required due to funding shortfalls: • - Heating availability delayed/interrupted no more than two weeks; • - Thermostats adjusted lower than 70 degrees in Winter; • - 5% or less reduction required in discretionary steam usage (e.g., warehouses and gymnasiums).	Steam is available to marginally meet mission requirements with major difficulty. Significant mission adjustments short of CASREPS due to lack of funding. Forced conservation is required due to funding shortfalls: • Heating availability delayed/interrupted no more than four weeks; • Thermostats adjusted lower than 68 degrees in Winter; • 10% or less (but greater than 5%) reduction required in discretionary steam usage; • Reduction in PWC planned system maintenance due to claimant/region imposed reductions in rates.

Water	Water is available to meet all mission requirements. Commodity availability has no negative impact to mission, quality of life, or routine station operations. Energy and Water conservation and awareness are utilized and no forced conservation is required.	Water is available to substantially meet mission requirements with minor difficulty. Minimal forced conservation is required due to funding shortfalls: • Water rationing for no more than seven days; • 5% or less reduction required in discretionary water usage (e.g. irrigation, car washes).	Water is available to marginally meet mission requirements with major difficulty. Forced conservation is required due to funding shortfalls: • Water rationing for no more than two weeks; • 10% or less (but greater than 5%) reduction required in discretionary Water usage; Reduction in PWC planned system maintenance due to claimant/region imposed reductions in rates.
Sewage	Sewage services are available to meet minimum requirements: mission, environmental, health, safety, etc.	Sewage services are available to meet minimum requirements: mission, environmental, health, safety, etc.	Sewage services are available to meet minimum requirements: mission, environmental, health, safety, etc.
Chiller Plant	Chiller Plant services are available to meet all mission requirements. Commodity availability has no negative impact to mission, quality of life, or routine station operations. Energy conservation and awareness are utilized and no forced conservation is required.	Chiller Plant services are available to substantially meet mission requirements with minor difficulty. Minor mission adjustments required due to lack of utilities funding. Minimal forced conservation is required due to funding shortfalls: • Air Conditioning delayed/interrupted no more than two weeks; • Thermostats adjusted higher than 76 degrees in summer.	Chiller Plant services are available to marginally meet mission requirements with major difficulty. Significant mission adjustments short of CASREPS due to lack of funding. Forced conservation is required due to funding shortfalls: • Air Conditioning availability delayed/interrupted no more than four weeks; • Thermostats adjusted higher than 78 degrees in Summer; • Reduction in PWC planned system maintenance due to claimant/region imposed reductions in rates.
Other	Other services are available to meet all mission requirements. Utilities Privatization process is at or above 95% planned schedule. Commodity availability has no negative impact to mission, quality of life, or routine station operations. Energy conservation and awareness are utilized and no forced conservation is required.	Other services are available to substantially meet mission requirements with minor difficulty. Minor mission adjustments required due to lack of utilities funding. Utilities Privatization process is at or above 80% planned schedule.	Other services are available to marginally meet mission requirements with major difficulty. Significant mission adjustments short of CASREPS due to lack of funding. Utilities Privatization process is at or above 60% planned schedule.
Facility Services Capability Level Descriptors			
Janitorial	All spaces receive services consistent with industry benchmarks for similar type spaces. Generally all spaces are cleaned daily except for operational or industrial activities (Port Ops facility). Floors are shampooed or re-waxed and windows are cleaned four times per year.	Janitorial: Child Development Centers, patient treatment areas in medical facilities, classrooms, locker rooms and restrooms are cleaned daily. Other spaces are cleaned and trash removed twice weekly vice daily. Floors are shampooed or re-waxed and windows are cleaned two times per year vice four times.	Child Development Centers, patient treatment areas in medical facilities, classrooms, locker rooms and restrooms are cleaned daily. Other spaces are cleaned and trash removed weekly vice daily. Floors are shampooed or re-waxed and windows are cleaned yearly vice four times yearly. Service life of flooring is degraded. Some MILPERS & CIVPERS effort required to maintain minimal cleanliness standards.

Grounds Maintenance	Vegetation height does not exceed 4-5" in improved areas. Undesired vegetation is controlled, litter is removed and edged appearance is maintained. Thatching, aerating, fertilizing, top dressing and over seeding are performed in prestige areas. Shrubs and hedges trimmed to maintain a neat appearance.	Vegetation height does not exceed 6-7" in improved areas other than prestige areas, which remain 4-5". Grass cuttings will remove 2/3 of the blade height adversely affecting the health and longevity of the grass. Restoration costs ultimately result when turf re-establishment becomes necessary.	Edging eliminated from non-prestige areas. Thatching, aerating, fertilizing, top dressing and over seeding are eliminated from prestige areas. Some MILPERS costs result from maintenance of critical areas. Base appearance significantly impacted.
Refuse Collection/ Recycling Note: Only one capability level for Refuse Collection/Recycling. This is the minimum capability required to meet mission, environmental, health and safety requirements.	All dumpsters are emptied on an optimized schedule. Pickups are scheduled at the minimum number that will prevent dumpster overflow. Recycling performed to reduce solid waste volume.	All dumpsters are emptied on an optimized schedule. Pickups are scheduled at the minimum number that will prevent dumpster overflow. Recycling performed to reduce solid waste volume.	All dumpsters are emptied on an optimized schedule. Pickups are scheduled at the minimum number that will prevent dumpster overflow. Recycling performed to reduce solid waste volume.
Street Sweeping/Snow Removal	Primary roads are swept every two weeks, secondary roads and parking lots are swept monthly. Primary roads sanded and salt trucks staged prior to expected events. All roads cleared within 12 hours of snow event.	Primary roads, secondary roads and parking lots are swept monthly. Primary roads sanded and salt trucks staged prior to expected events. All primary roads cleared within 12 hours of event. Secondary roads cleared within 36 hours of snow event.	Primary roads are swept monthly, secondary roads and parking lots are swept every two months. Sanding or salting commences after start of event. All primary roads cleared within 24 hours of event. Secondary roads cleared within 48 hours of snow event.
Pest Control	Perform all surveillance and treatment IAW DoD guidelines	Pest Control: Perform all surveillance and treatment IAW DoD guidelines but delete weed control.	Perform all surveillance and treatment IAW DoD guidelines but delete weed control, and turf and ornamental pest control.
Facility Management Capability Level Descriptors			
Installations Plans and Engineering * Inspections required per MO-322 and NAVFACINST 11014.53A	SRM 1391s are complete for 3 years of projects. 150% of next year's SRM Special Projects program are designed. 90% of required* inspection schedules are complete and 90% of functional RSIPs have been updated within the last 12 months.	SRM 1391s are complete for 2 or more years of projects. 100% or more of next year's SRM Special Projects program are designed. 80% or more of required* inspection schedules are complete and 80% or more of functional RSIPs have been updated within the last 12 months. Mission critical projects are occasionally delayed as other projects are funded based on executability.	SRM 1391s are complete for 1 or more years of projects. 75% or more of next year's SRM Special Projects program are designed. 70% or more of required* inspection schedules are complete and 70% or more of functional RSIPs have been updated within the last 12 months. Mission critical projects are frequently delayed as other projects are funded based on executability. Unable to obligate any additional funding in accordance with IPL which becomes available during the year of execution.

Management and Administration *Highly qualified personnel have necessary education and training, appropriate experience and required certifications (PE, DAWIA, Facility Manager certification, etc.)	Property Record Cards noted in INFADS are 98% accurate. All BFRs have been updated in the last five years. Facility data calls are responded to on time and 90% of managers, supervisors, etc. are highly qualified* for their positions.	Property Record Cards noted in INFADS are greater than 95% accurate. 75% or more of BFRs have been updated in the last five years. 75% or more of facility data calls are responded to on time and 80% or more of managers, supervisors, etc. are highly qualified* for their positions. Inconsistent data supporting existing programming tools (FSM, IRRS, FDM) occasionally results in inefficient allocation of resources	Property Record Cards noted in INFADS are greater than 90% accurate. 50% or more of BFRs have been updated in the last five years. 50% or more of facility data calls are responded to on time and 70% or more of managers, supervisors, etc. are highly qualified* for their positions. Inconsistent data supporting existing programming tools (FSM, IRRS, FDM) frequently results in inefficient allocation of resources and impacts on credibility of budget submissions.
Base Support Vehicles and Equipment Capability Level Descriptors			
	CL 1	**CL 2**	**CL 3**
BSV&E	Overall condition of the fleet is "Excellent" (1). Vehicles are in excellent mechanical condition and need no reconditioning. Bodies and interiors are free of visible defects and there is no rust. The vehicle fleet meets 90% of full requirements that considers inventory objective (2), age, availability, annual utilization, and cumulative mileage. • Vehicles A-N: have an average age of 3 years, an average odometer reading of 36,000 miles, utilization of 12,000 miles a year or more, 95% or greater Availability and a 96% or greater Inventory to Inventory Objective ratio (Inventory Ratio). • FFE and Refuelers: have an average age of 5 years or less, an average of less than 3,000 total hours, utilization of 500 hours a year or greater, 95% or greater Availability and an Inventory Ratio of 99%.	Overall condition of the fleet is "Good" (1). Vehicles are free of any major defects and mechanical problems. Bodies and interiors have only minor blemishes and need minimal reconditioning. The vehicle fleet meets 70% of full requirements that considers inventory objective (2), age, availability, annual utilization, and cumulative mileage. • Vehicles A-N: have an average age of 6 years, an average odometer reading of 72,000 miles, utilization of 6,000 miles a year or more, 90% Availability and an Inventory Ratio of 90%. • FFE and Refuelers: have an average age of 8 years, an average of 5,000 total hours, utilization of 400 hours a year or greater, 90% Availability and an Inventory Ratio of 97%	Overall condition of the fleet is "Fair" (1). Vehicles have some mechanical and/or cosmetic defects, but are in safe running condition. The vehicle fleet meets 50% of full requirements that considers inventory objective (2), age, availability, annual utilization, and cumulative mileage. • Vehicles A-N: have an average age of 8 years, an average odometer reading of 96,000 miles, utilization of 4,000 miles a year or more, 84% Availability and an Inventory Ratio of 80%. • FFE and Refuelers: have an average age of 14 years, an average of 7,000 total hours, utilization of 200 hours a year or greater, 84% availability and an Inventory Ratio of 85%.

Public Safety

Supporting Integrated Process Teams (IPT)

Force Protection IPT

Federal Fire IPT

Emergency Mangement/Disaster Preparedness IPT

Safety IPT

Macro Metrics

Force Protection

- To Be Developed

Federal Fire

Fire Companies: Cost/Staffed Company X Number of Required Companies

Emergency Management/Disaster Preparedness

- To Be Developed

Safety

- Safety Cost X Number of Covered Employees
- Explosives Safety has no macro metric. Historic Data will be used.

"Macro metrics" were created as a means to determine POM/PR resource requirements for each major SIM program. Prior to the development of Macro Metrics, pricing of program components was based largely on prior year and historical execution data that was then adjusted for known programmatic changes and/or inflation.

The Macro Metric identifies the required number of units to be provided and the cost per unit. The Macro Metric has two elements:

The first element is an expression for the requirement in terms of units of output.

The second element of the Macro Metric provides the cost per unit of output for each Capability Level (CL1/2/3/4).

REQUIREMENT (UNITS)	X	COST per UNIT of OUTPUT (at CL1/2/3/4)

Public Safety Capability Level Descriptors

	CL 1	CL 2	CL 3
Federal Fire	Full capability to prevent, control and extinguish the types of fires as required by individual installation mission and environment. All Navy Fire programs (incl. preventive maintenance, training, public education, prevention, EMS Support* and WMD/HAZMAT) are in accordance with applicable standards, instructions and laws. Performance Indicators: • % Down time - front line vehicles <1% • % Authorized billets DoD certified 90% • Time to respond to structures 5 min/90% • Time to respond to announced crash < 60 sec • % of alarms processed within 60 seconds 100% • % of building inspections conducted 100%	Degradation of overall fire program and potential for negative impact on Navy mission. Reductions in service include: required building inspections not completed, equipment replacement not in accordance with life cycle replacement program, some vehicle preventive maintenance deferred. Performance Indicators: • % Down time - front line vehicles 6% • % Authorized billets DoD certified 80% • Time to respond to structures 6 min/90% • Time to respond to announced crash 60–75 sec • % of alarms processed within 60 seconds 95% • % of building inspections conducted 90% Impacts: • Reduced inspections – increased fire risk • Equipment replacement – safety and reliability	Significant degradation of overall fire program with negative impact on Navy mission. Reduction/ elimination of: preventive maintenance, training, public education, prevention, EMS Support and WMD/HAZMAT. Basic structural, shipboard, crash, and munitions response largely intact. Performance Indicators: • % Down time - front line vehicles 15% • % Authorized billets DoD certified 70% • Time to respond to structures 7 min/90% • Time to respond to announced crash 76–120 sec • % of alarms processed within 60 seconds 90% • % of building inspections conducted 80% Impacts: • Increased risk and liability • Significant overtime expenditures – QOL, service quality, labor relations
Safety	Meet Navy's Occupational Safety and Health (NAVOSH) Requirements per OPNAVINST 5100.23 series. Support for management, coordination of region-wide program, including but not limited to management, inspections, evaluations, surveys, education, training, instructions, Mishap prevention, Accident investigation and reporting, and other activities involved with the operation of the NAVOSH program. Performance Indicators: • 0% injuries/illnesses directly related to work process • 95–100% of customers are identified and/or have ISSA/MOA's • 90–100% of training is performed • 98–100% of workplace inspections are conducted • 95–100% of corrective actions are implemented	Meet most of the NAVOSH Requirements per OPNAVINST 5100.23 series. Support for management, coordination of region-wide program, including but not limited to management, inspectins, evaluations, surveys, education, training, instructions, Mishap prevention, Accident investigation and reporting, and other activities involved with the operation of the NAVOSH program. Performance Indicators: • 1–6% injuries/illnesses directly related to work process • 75–94% of customers are identified and/or have ISSA/MOA's • 75–89% of training is performed • 75–97% of workplace inspections are conducted • 80–94% of corrective actions are implemented	Meet some of the NAVOSH Requirements per OPNAVINST 5100.23 series. Support for management, coordination of region-wide program, including but not limited to management, inspections, evaluations, surveys, education, training, instructions, Mishap prevention, Accident investigation and reporting, and other activities involved with the operation of the NAVOSH program. Performance Indicators: • 7–26% injuries/illnesses directly related to work process • 26–74% of customers are identified and/or have ISSA/MOA's • 51–74% of training is performed • 61–74% of workplace inspections are conducted • 75–79% of corrective actions are implemented

Command & Staff

Supporting Integrated Process Teams (IPT)

Command and Administration IPT

Religious Ministries IPT

Resource Management IPT

Information Technology Services IPT

Macro Metrics (definition on page F-7)

Command

- To Be Developed

Religious Ministry

- Religious Ministry Cost/Authorized Personnel X Number of Authorized Personnel*

  * CONUS – Authorized personnel to include all military personnel assigned to the geographic area served. OCONUS – All authorized personnel to include US Civilian employees, family members and contract personnel in the geographic area served.

Resource Management

- To Be Developed

Information Technology

- **NMCI and Legacy Seats**: Cost/Seat X Required Number of Seats

MILPERS Services and SIM Training

- To Be Developed

Command and Staff Capability Level Descriptors

	CL 1	CL 2	CL 3
Information Technology	99.9998% of customer critical requirements are met Consistent with NMCI capability level standards	99.8–99.997% of critical requirements met and greater than 90% non-critical requirements are met Legacy Applications down 37 minutes to 2.1 days Note: Legacy applications include STARS-FL, PortMaster, SLDCADA, TFMMS, etc.	98.0–99.79% of critical requirements met and 80 – 89% non-critical requirements met Legacy Applications down 2.1 days to 7.3 days
Religious Ministries	Meets Navy's Religious Ministry requirements in accordance with OPNAVINST 1730.1D; RMTs able to respond to command issues and deliver appropriate/accurate assessments; provide worship experiences; offer specific outreach programs/services directed at newly reporting Sailors and family members within 30 days of reporting; provide pastoral care to authorized personnel to include marriage and family counseling; provide command-wide religious education and training courses; and provide supervision for all religious program management requirements. Performance indicators: • Customer and command satisfaction at or above 90% • A minimum of 80% RMTs qualified for Command Advisory Functions • Worship experiences provided for at least 80% of the authorized personnel • At a minimum, 80% newly reporting Sailors and family members contacted within 30 days of reporting • Minimum of 80% RMTs trained to provide pastoral care response • Provide at least 90% of command-wide religious education and training courses with a minimum of 80% of the RMTs professional trained and certified • Authorized staffing is at or above 90% • Funded to purchase at least 90% of logistical resources to supervise and manage the Command Religious Programs	Meets most of the Navy's Religious Ministry requirements in accordance with OPNAVINST 1730.1D; RMTs able to respond to command issues and deliver appropriate/accurate assessments; provide major religious faith group services and curtailed lay leader services; intake surveys provided to new Sailors; only select religious ministry programs offered; provide core pastoral care programs with pastoral care limited to established hours; RMTs provide most command-wide training; nursery staff filled by volunteers; and RMTs staffed to provide some professional training courses. Performance indicators: • Customer and command satisfaction at or above 70% • At a minimum, 60% of RMTs qualified for Command Advisory Functions • Worship experiences provided for a minimum of 60% of the authorized personnel • At a minimum, 60% of newly reporting Sailors and family members contacted within 30 days of reporting • Minimum of 60% of RMTs trained to provide pastoral care response • Provide at least 70% of command-wide religious education and training courses with a minimum of 60% of the RMTs professionally trained and certified • Authorized staffing is at or above 70% • Funded to purchase at least 70% logistical resources to supervise and manage the Command Religious Programs	Meets some of the Navy's Religious Ministry requirements in accordance with OPNAVINST 1730.1D; RMTs able to respond to command issues and deliver appropriate/accurate assessments; consolidation of multiple worship services; Intake surveys provided to some newly reporting Sailors; pastoral care response at reduced levels, with counseling referrals made to local community organizations; and volunteers, RMTs staffed to provide required core programs, staff all requirements for training and education; faith communities share funded Director of Religious Education. Performance indicators: • Customer and command satisfaction at or above 50% • At a minimum, 50% of RMTs qualified for Command Advisory Functions • Worship experiences provided for a minimum of 50% of authorized personnel • At a minimum, 50% of newly reporting Sailors/family members contacted within 30 days of reporting • Minimum of 50% RMTs trained to provide pastoral care response • Provide at least 50% of command-wide religious education and training courses with at least 50% of RMTs professional trained and certified • Authorized staffing is at least 50% • Funded to purchase at least 50% logistical resources to supervise and manage the Command Religious Programs

Appendix G

SIM Glossary

Activity-Based Costing (ABC)
This is a methodology that measures the cost and performance of process-related activities, resources and cost objects. Resources are assigned to activities, and then activities are assigned to cost objects, such as products or customers, based on their use of activities. Activity-based costing recognizes the causal relationships of cost drivers to activities.

Activity-Based Management (ABM)
This is a discipline that focuses on the management of activities as the route to continuously improving both the value received by the customer and the profit achieved by providing this value. It includes cost-driver analysis, activity analysis, and performance measurement. Activity-based management draws on activity-based costing as its major source of data and information.

Activity Based Cost Management (ABCM)
Management and coordination of the Region's Activity-Based Costing and Activity-Based Management efforts.

Base Operating Support (BOS)
BOS includes all of the functions and sub-functions of the following Installation Management core business areas: Air Operations, Port Operations, Operations Support, Personnel Support, Housing, Facility Support, Environmental, Public Safety, and Command and Staff. Installations, or bases, are the collective property, structures, processes, and personnel which provide the physical plant that houses the force structure and allow a significant portion of the infrastructure to function. Installation management defines how the physical plant is managed and services and support are provided to the activities residing on or about the installations.

Benchmark
A standard by which something (i.e. similar activities) can be measured or judged.
Benchmarks should be established after metrics have been defined and/or identified.
They could be based on historical "good periods," the performance at the best installations, or where comparable measures can be made with private sector performance.

Capability Level (CL)
A categorization of the quantity and quality of work done and provided to others for the purposes of describing its overall value to a customer, frequently compared to a set of standards. There are four Capability Levels (CL 1, 2, 3, and 4) used in SIM based on a ten point scale. See Chapter 1 and Appendix B for more information.

Claimant
Full title of second echelon command responsible for supporting budget, e.g. Commander, U.S. Pacific Fleet.

Commander, Navy Installations (CNI)

The Commander, Navy Installations (CNI) is an Echelon II Command under the Chief of Naval Operations (CNO) and is responsible for Navy-wide shore installation management (SIM). Per the CNO Guidance for 2003, the stand up of CNI is the latest effort in the continuation of fleet and regional SIM organizational alignment that began in 1997 with the reduction of IMCs from 18 to 8. The intent of CNI is to establish a single SIM organization that will focus on installation effectiveness and improve the SIM community's ability to support the fleet.

C-Readiness Rating

A classification system that usually consists of four levels, used by the military to describe the state of a military unit with respect to its capability to accomplish its mission. See Chapter 1 for more information.

Installation Claimant Consolidation (ICC)

This CNO initiative realigns BOS resources into one major claimant for each region.

Installation Core Business Model (ICBM)

The ICBM was developed by the Installation Management Accounting Project (IMAP) to provide more accurate and consistent accounting at the installation level within the Standard Accounting and Reporting System/Field Level (STARS/FL). The Model addresses only business areas, functions, and sub-functions that are managed at the installation level and that consume BOS resources.

Navy Working Capital Fund (NWCF)

The NWCF is a separate and different financial structure from the "mission funded" financial structure of the Navy. The NWCF is a revolving fund that establishes a rate structure charged to customers which recovers the cost of operations and capitalization required to deliver the needed service.

Other Base Operations Support (OBOS)

A budget "sub-activity group" category (OB) that includes funding for twenty different functional areas under various Core Business Areas.

Regionalization

CNO initiative that is one facet of the overall push to reduce the Navy shore infrastructure cost down to reinvest funds in fleet re-capitalization. Elements include efficient use of resources, streamlined organizations, single service providers in concentration areas, and use of best business practices.

Shore Installation Management (SIM)

Shore installation management is the exercise of executive, administrative and supervisory direction and oversight over subordinate organizational layers (in the case of CNI, over regions and installations) for the delivery/provision of day to day installation services to the warfighter and other mission commanders. Installation services are those defined in the Navy's installation core business model (IMAP model), which is composed of 3 major business areas: operating forces support, community support, and base support services.

Strategic Plan

A business management tool developed by senior management to identify where the organization should be headed — a road map towards an organizational vision. The strategic plan provides the long-range perspectives that enable managers to make intelligent short and mid-term decisions that are consistent with the strategic vision.

Acronyms

ABCM	Activity Based Cost Management
ADCON	Administrative Control
AIS	Annual Inspection Summary
APCO	Association of Public-Safety Communications Officials
APF	Appropriated Funds
ATAC	Anti-Terrorism Alert Center
AT/FP	Anti-Terrorism Force Protection
BAM	Baseline Assessment Memorandum
BASH	Bird/Wildlife Aircraft Strike Hazard
BCA	Business Case Analysis
BES	Budget Estimate Submission
BOS	Base Operating Support
BRAC	Base Realignment and Closure
BSC	Balanced Scorecard
BSO	Budget Submitting Office
BSV&E	Base Support Vehicle & Equipment
CAA	Clean Air Act
CAC	Cost Account Code or Common Access Card
CAD	Computer Aided Dispatch
CBB	Capabilities Based Budget
CBM	Core Business Model
CBRNE	Chemical, Biological, Radiological, Nuclear and High-Yield Explosive
CBY	Charge Back Year
CCR	Consumer Confidence Reports
CCU	Correctional Custody Unit
CD	Child Development
CDH	Child Development Homes
CDP	Child Development Program
CFFC	Commander Fleet Forces Command
CHRIMP	Household Goods and Hazardous Material
CL	Capability Level
CMC	Command Master Chief
CMEO	Command Managed Equal Opportunity
CNATRA	Chief of Naval Air Training
CNI	Commander, Navy Installations
CNO	Chief of Naval Operations
CNRMA	Commander, Navy Region Mid-Atlantic
CNRNW	Commander, Navy Region Northwest
CNRSW	Commander, Navy Region Southwest
COB	Commissary Operating Board
CONUS	Contiguous United States

CP	Capability Plan
CREDO	Chaplains Religious Enrichment Development Operation
CREW	CNI-Regions Environmental Weekly
CT	Combating Terrorism
CWA	Clean Water Act
CYMS	Child and Youth Management System
DeCA	Defense Commissary Agency
DERF	Defense Emergency Response Fund
DERP	Defense Environmental Restoration Program
DFAR	Defense Federal Acquisition Regulation
DoD	Department of Defense
DoN	Department of the Navy
DRID	Defense Reform Initiative Directive
DRRS	Defense Readiness Reporting System
EFD	Engineering Field Division
ELMR	Enterprise Land Mobile Radio System
EMS	Environmental Management System
EOD	Explosive Ordinance Disposal
EPA	Environmental Protection Agency
EPCRA	Emergency Planning and Community Right to Know Act
EQI	Environmental Quality Initiative
ERN	Environmental Restoration, Navy
ESA	Endangered Species Act
FA	Functionality Assessment
FAC	Family Assistance Center
FAP	Family Advocacy Program
F&ES	Fire and Emergency Services
FCAP	Facilities Condition Assessment Program
FECA	Federal Employees Compensation Act
FFE	Fire Fighting Equipment
FFSC	Fleet and Family Service Center
FFSMIS	Fleet and Family support Management Information System
FFSP	Fleet and Family Support Program
FHN	Family Housing, Navy
FISC	Fleet Industrial Supply Center
FM	Facility Management
FMB	Finance, Management, and Budget
FPCON	Force Protection Conditions
FRES	Facility Readiness Evaluation System
FRM	Facility Recapitalization Metric
FRP	Fleet Response Plan
FS	Facility Services
FSM	Facility Sustainment Model
FTE	Full Time Equivalent

FYDP	Future Year Defense Plan
FY	Fiscal Year
GMH	General Mess Hybrid
GSE/MHE	Ground Support Equipment/Materiel Handling Equipment
HA	Homeport Ashore
HHG	Household Goods
HR	Human Resource
HRO	Human Resources Office
HSMS	Hazardous Substances Management System
ICBM	Installation Core Business Model
ICC	Installation Claimant Consolidation
IDTC	Inter-Deployment Training Cycle
IFLOLS	Improved Fresnel Lens Optical Landing System
IMAP	Installation Management Accounting Project
IMC	Installation Management Claimant
IMWG	Installation Management Working Group
iNFADS	internet Navy Facility Assets Data Store
INRMP	Integrated Natural Resource Management Plans
IPT	Integrated Process Team
IRCA	Integrated Readiness Capabilities Assessment
IRR	Installation Readiness Report
IRRS	Installation Readiness Report System
IT	Information Technology
ITT	Information Ticket and Tours
JCIDS	Joint Capabilities Integrations and Development
JSIPP	Joint Staff Installation Pilot Program
KPI	Key Performance Indicators
LMR	Land Mobile Radio
LOE	Level of Effort
MAA	Master-At-Arms
M&S	Modeling & Simulation
MEO	Most Efficient Organization
MILCON	Military Construction
MILPERS	Military Personnel
MMPA	Marine Mammal Protection Act
MMPP	Miscellaneous Metal Parts and Products
MNS	Mission Need Statements
MoM	Measures of Merit
MPN	Military Personnel, Navy
MS	Mess Management Specialist
MSC	Military Sealift Command
MSF	Magnetic Silencing Facility
MSFE	Million Square Feet Equivalent
MTBU	Millions of British Thermal Units

MWR	Morale, Welfare, and Recreation
NADEP	Naval Aviation Depot
NAF	Non-Appropriated Funds
NAMP	Naval Aircraft Maintenance Program
NAS	Naval Air Station
NASMOD	National Airspace System Modernization
NAVOSH	Navy Occupational Safety and Health
NCA	Navy Concentration Area
NEPA	National Environmental Protection Act
NESHAP	National Emissions Standards for Hazardous Air Pollutants
NETC	Naval Education and Training Command
NFADB	Navy Facilities Assets Database
NISH	National Industries for the Severely Handicapped
NMCI	Navy-Marine Corps Internet
NPDES	National Pollutant Discharge Elimination System
NPRST	Navy Personnel Research, Studies and Technology
NPSG	Navy Strategic Planning Guidance
NROC	Navy Requirements Oversight Council
NSACA	National School-Age Care Association
NTC	Navy Training Command
NTIA	National Telecommunications and Information Administration
NWCF	Navy Working Capital Fund
O&M,N	Operations and Maintenance, Navy
O&M,NR	Operations and Maintenance, Naval Reserve
OMN/R	Operations and Maintenance/Navy and Naval Reserve
OBOS	Other Base Operating Support
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom
OM	Objectives Matrix
OPN	Other Procurement, Navy
OPNAV	Office of the Chief of Naval Operations
ORC	Operational Range Clearance
ORD	Occupational Requirement Document
OSD	Office of the Secretary of Defense
PAO	Public Affairs Officer
PAR	Precision Approach Radar
PCV	Passenger Carrying Vehicles
PDM	Program Decision Memorandum
POA&M	Plan of Action and Milestones
POL	Petroleum, Oil and Lubricant
POM	Program Objective Memorandum
POMS	Port Operations Management System
PPBE	Planning, Programming, Budgeting and Execution
PPBES	Planning, Programming, Budgeting, and Execution System

PPBH	Permanent Party Bachelor Housing
PPEP	Pollution Prevention Equipment Program
PPP	Plastic Parts and Products
PPV	Public Private Venture
PR	Program Review
PRMRF	Pentagon Reservation Maintenance Revolving Fund
PRV	Plant Replacement Value
PSD	Personnel Support Detachments
R&M	Restoration and Modernization
RAP	Relocation Assistance Program
RDT&E	Research Development Test & Equipment
RECAP	Recapitalization
RF	Radio Frequency
RFP	Requests for Proposals
RFQ	Requests for Qualifications
RIK	Replacement in Kind
ROC	Required Operational Capability
RODS	Recreational/Off-Duty Safety
ROI	Return On Investment
RPM	Real Property Maintenance
RPN	Reserve Personnel, Navy
RSEPA	Range Sustainability Environmental Program Assessment
RSIP	Regional Shore Infrastructure Planning
SAC	School Age Care
SALT	SYSCOM AT/FP Leadership Team
SAR	Search and Rescue
SAVI	Sexual Assault Victim Intervention
SDWA	Safe Drinking Water Act
SEAP	Spouse Employment Assistance Program
SECNAV	Secretary of the Navy
SIC	Special Interest Code
SII	Special Interest Item
SIM	Shore Installation Management
SIPB	Shore Installation Programming Board
SL	Service Level (replaced by Capability Level)
SME	Subject Matter Expert
SMRD	Shore Manpower Requirements Determination
SOH	Safety and Occupational Health
SORTS	Status of Resources and Training System
SPWG	Strategic Plan Working Group
SRM	Sustainment, Restoration & Modernization
SSA	Source Selection Authority
SSPB	SIM Strategic Planning Board
STARS/FL	Standard Accounting and Reporting System/Field Level

TACAN	Tactical Air Navigation System
TAMP	Transition Assistance Management Program
TAP	Transition Assistance
TEMC	Transportation Equipment Management Centers
TFE	Task Force Excel
TFR	Total Facility Requirement
TOA	Total Obligation Authority
TPU	Transient Personnel Unit
TQL	Total Quality Leadership
TRI	Toxics Release Inventory
TRS	Tactical Range System/Training Resources Strategy
TYCOM	Type Command
UIC	Unit Identification Code
UMC	Unspecified Minor Construction
UP	Utilities Privatization
USA	Utilization, Support, and Accountability
VV&A	Verification, Validation, and Accreditation

Appendix H – Success Stories and Business Initiatives

All stories can be read in their entirety on the Commander Navy Installations website: www.cni.navy.mil

TITLE	SOURCE	REGION
AIR OPS		
Air crews from Brunswick Naval Air Station are Flying Missions Over Iraq	*Daniel Hartill, Staff Writer*	NORTHEAST
Guardian Angels of the Fleet-Keeping Navy Aircrews Safe	*JO3 Jeremy Zeitlin*	NORTHEAST
Operation Iraqi Freedom Impact	Region Submission	NAVEUR
Saving Lives From the Skies	*JO3 Jeremy Zeitlin*	NORTHEAST
The Fighting Tigers Return From Deployment	*LTJG Christian Parilla,*	NORTHEAST
VP-26 Surpasses 41 Years of Mishap-Free Flying	*LTJG Carolyn Holloway*	NORTHEAST
VP-8, Back in Brunswick Again 'It's Been a Very Long Six Months'	*TIMES RECORD*	NORTHEAST
AIMD Sailor Gets Re-Up Lift	*SKYWRITER*	JAPAN
NAPRA Keeps Aircraft Flying Throughout Pacific Region	*SKYWRITER*	JAPAN
NATEC: Providing Training, Assistance For The Fleet	*SKYWRITER*	JAPAN
PORT OPS		
OMD Crew Keeps "SAR" Helo/Hopes Aloft	*Story and photos by JO3 Jeremy Zeitlin*	NORTHEAST
Saving Lives From the Skies	*JO3 Jeremy Zeitlin*	NORTHEAST
Old Tug a Welcome Sight for Sailors	*Herald Writer*	NORTHWEST
Operation Iraqi Freedom Impact	Region Submission	NAVEUR
Sub Returns To Hero's Welcome	*Day Staff Writer*	NORTHEAST
TR Sailors Lend a Hand After Isabel	*NAVY NEWS*	MID ATLANTIC
Wasp Sailors Provide Disaster Relief From Hurricane Isabel	*USS Wasp Public Affairs*	MID ATLANTIC
OTHER OPS		
BDC Docs Protect Kids' Grins	*JOSN Woody Paschall*	NORTHEAST
Navy Commander Commends Those Giving Support From The Background	*Robert A. Hamilton*	NORTHEAST
Northeast Navy Medical Reservists Activated	*DAY STAFF WRITER*	NORTHEAST
Operation Iraqi Freedom Service	Region Submission	NORTHEAST
Seabees Establish Steady Supply Lines	*NAVY NEWS*	GULF COAST

PERSONNEL SUPPORT

BDC Docs protect kids' grins	*JOSN Woody Paschall*	NORTHEAST
Fleet and Family Support Centers Help Citizens Support Sailors	*NAVY NEWS*	SOUTHEAST
Fleet Week Brings Navy/New York Together	*Fleet Week Public Affairs*	NORTHEAST
Future Scientists Receive Help From Nas Jax Sailors	*Jax Air News*	SOUTHEAST
Hundreds Of Navy Volunteers Help Make Special Olympics 'Special'	*Jax Air News*	SOUTHEAST
Kids And Military Members Match Up Through Subbuds	*JO1 (SW) Jay Cope*	NORTHEAST
Military Members Share Knowledge With Children	*Jax Air News*	SOUTHEAST
MWR, Child Development, Fleet and Family Support, Family Advocacy Program Alignment (Community Services)	PM Submission	NORTHWEST
Navy MWR and Legacy Project Support Afloat Libraries	*NAVY NEWS*	MID ATLANTIC
NEXCOM and AT&T Offer Free Phone Calls to Most Deployed Sailors and Marines	*NAVY NEWS*	MID ATLANTIC
Sailors The Real Winners In Old Boat Competition	*Robert A. Hamilton*	NORTHEAST
Seabees, Sailors Beat Guam Typhoon to a Draw	*NAVY NEWS*	GUAM
SubScol Receives 2002 Flagship Award	*William Kenny*	NORTHEAST
'Those Who Died For Freedom'	*TIMES RECORD*	NORTHEAST
TR Sailors Lend a Hand After Isabel	*NAVY NEWS*	MID ATLANTIC
SIM Success Stories	Region Submission	NORTHWEST
VFW, Navy MWR and NEXCOM Help Sailors Phone Home	*NAVY NEWS*	MID ATLANTIC
VP-30 Participates In Jacksonville Habitat For Humanity Project	*Jax Air News*	SOUTHEAST
NAF Atsugi Sailors Help Guam Recoup From Typhoon	*SKYWRITER*	JAPAN
7th Fleet Speaks To Spouses	*SKYWRITER*	JAPAN
Base Community Kids Sign Special Postcard	*SKYWRITER*	JAPAN
Base Community Supports Spirited 'Yellow Ribbon Day'	*SKYWRITER*	JAPAN
Ombudsmen Offer A Wealth Of Knowledge For Families	*SKYWRITER*	JAPAN
Clinics Focus More On Active Duty Readiness	*SKYWRITER*	JAPAN
Bon Odori The 'Coup De Grace' Of Japanese Obon Season	*SKYWRITER*	JAPAN

HOUSING

5 Stars For Bachelor Housing Excellence	*Publication - Homeport*	GULF COAST
Bachelor, Family and Visiting Quarter Program Alignment (Sheltering)	PM Submission	NORTHWEST
Mid-Atlantic Region BH Director Says "Team" is Key to Success	Region Submission	MID ATLANTIC
Naval Air Station Keflavik Wins First Zumwalt Award	Region Submission	NAVEUR
Navy Plans To Privatize Its Housing In Northeast	*New London Day*	NORTHEAST

Quarters Renovations Enhance Rota Quality of Life	*COASTLINE*	NAVEUR
The Navy Reopens Newly-Renovated Barracks on Yongsan	*Navy Journalist Second Class David McKee*	KOREA
New Townhouse Construction Underway	*SKYWRITER*	JAPAN

FACILITY SUPPORT

Hangar: $31.4 million, 700 jobs	*TIMES RECORD*	NORTHEAST
Naval Base Ventura County Wins SECNAV Energy Conservation Award	*NAVY NEWS*	SOUTHWEST
New Navy Lodge Starts Construction on Station	*NAVY NEWS*	MID ATLANTIC
New Townhouse Construction Underway	*SKYWRITER*	JAPAN
New BEQ Opens Doors to Sailors	*NAVY NEWS*	HAWAII

ENVIRONMENTAL

NAVSTA Mayport BH Protects Endangered Sea Turtles	Region Submission	SOUTHEAST
Navy Region Northwest (NRNW) Has a Diverse Environmental Department	Region Submission	NORTHWEST

SAFETY

Abated Crane Collapse Hazard	*NAVOSH*	
CNFJ Firefighter Saves Lives	*NAVY NEWS*	JAPAN
Computerized Data Accelerates Industrial Hygiene Chemical Exposure Risk Assessments At Nas Rota	Region Submission	NAVEUR
Electrical Safety Program Protects USS Kitty Hawk	*NAVOSH*	HAWAII
Ergonomic Door Fixture And Reduced Vibration Tooling Prevent Worker Injuries At Naval Air Station North Island	*NAVOSH*	SOUTHWEST
Firefighting, Not Just One Responsibility	*NAVY NEWS*	SOUTHEAST
Hazardous Waste Rake Prevents Exposures And Injuries At Public Works Center, San Diego	*NAVOSH*	SOUTHWEST
NAS Sigonella And NSA Naples Presented Safety Excellence Award By Italian Association Of Safety, Health And Environmental Professionals (AIAS)	*NAVOSH*	NAVEUR
NAS Sigonella's Customs Office Reduces Risk Of Injuries And Musculoskeletal Disorders	Region Submission	NAVEUR
NASSIG Dog and Handler Shine in the Spotlight	*NAVY NEWS*	NAVEUR
Navy Develops HAZWOPER Checklist To Protect Hazardous Waste Site Workers	*NAVOSH*	
Navy Environmental Health Center's Web-Based Industrial Hygiene Field Operations Manual	*NAVOSH*	SOUTHWEST
NMCRC Los Angeles Reservists Maintain Fire Fighting Readiness	*NAVY NEWS*	SOUTHWEST

Pearl Harbor's SMART Center Returns the Fleet to Readiness	*NAVOSH*	HAWAII
Pneumatic Grinder Prevents Workplace Injuries In SIMA Naval Amphibious Base Coronado's Small Boat Repair Department	*NAVOSH*	SOUTHWEST
SIMA San Diego Uses Anti-Vibration Sanders To Prevent Hand Arm Vibration Syndrome	Region Submission	SOUTHWEST
SIMA San Diego Welders Reduce Risk Of Injuries With Welding Power-Con Carrying Fixture	*NAVOSH*	SOUTHWEST
Station Traffic Court Now in Session	*NAVY NEWS*	MID ATLANTIC

COMMAND & ADMIN

Children Dive into Vacation Bible School	*NAVY NEWS*	SOUTHEAST
First NMCI Computer Comes Online At NAS Brunswick	Region Submission	NORTHEAST
ITs Networking the Future	*NAVY NEWS*	SOUTHWEST
JETI System Gives AIMD State-of-the-Art Engine Testing	*NAVY NEWS*	JAPAN
Marines, Sailors, Activated In Topsham	*TIMES RECORD*	NORTHEAST
Marriage Retreat Brings Navy Couples Closer	*NAVY NEWS*	NORTHEAST
Mid-Atlantic Region First to Add Up Savings with New LTS Interface	Region Submission	MID ATLANTIC
Mobilization Center Addresses Reservists' Needs	*DAY STAFF WRITER*	NORTHEAST
New BQRTS Makes Permanent Party Check-Ins a Breeze	Region Submission	MID ATLANTIC
New System Will Help Navy Communicate	*NEW LONDON DAY*	NORTHEAST
NMPS Eases Transition To Active Duty	*JO1 (SW) Jay Cope*	NORTHEAST
Northeast Navy Medical Reservists Activated	*DAY STAFF WRITER*	NORTHEAST
U.S. Submarine Force Looking To 'Cross-Pollinate' With Allies	*NEW LONDON DAY*	NORTHEAST
Carrier Air Wing FIVE Remembers Fallen Aviator	*SKYWRITER*	JAPAN
NAF Remembers Victims Of 9-11-01, War Casualties	*SKYWRITER*	JAPAN
FASO: Keeping Sailors Throughout The Region Trained	*SKYWRITER*	JAPAN

GENERAL GOOD NEWS STORIES

Remembering a Shipmate	*SKYWRITER*	JAPAN
A Navy Legacy Continues Within an Atsugi-Based Family	*SKYWRITER*	JAPAN
Mustangs Association Offer Bonus for Higher Education	*SKYWRITER*	JAPAN

REGIONAL BUSINESS INITIATIVES

REGION	Efficiencies/Cost Avoidance
Naval District Washington	► Strategic Sourcing (CA/FA): Post ICC1, 75% of all functional programs studied. Results – over 5 year period, $64M cost avoidance – FTE Reduction approx. 110 – MPN Return to Fleet 102 ► SIM Contracts & RBOS contracts – knocking down SIM contracts from 52 to 17 over 5 yr period. Savings: approximately $ 200K annually ► Strategic Sourcing – Post ICC2 BPR/FA study of major functional programs including Command & Staff is currently underway with a March completion. Cost avoidance: TBD ► IT – Non-NMCI Server Consolidation/Co-location consolidate all Non-NMCI servers at Dahlgren. Consolidate usage where practical with centralized administration. Cost Avoidance: FY04 $100-$200k FY05 $700-$800k ► Consolidated and centralized Regional Program Management, Policy, and Administration. Program Centric service delivery model with all resources executed by the Program Managers. ► Joint Servicing: National Capital Region (NCR) Joint Partnership Council, under the guidance of the NCR installation leaders/commanders, study "Joint" service opportunities. First in-depth study focused on Grounds Maintenance with the approval of the "NCR Installation Leadership", is moving toward consolidating 70 contracts into 20. Savings: TBD but considered significant ► ABCM/SCM – Implementation the East Coast SCM Tool in conjunction with NDW PB View/BSC initiative forms a "Strategic Management Systems" for full cost awareness, timely decision-making, Capability Based Budgeting, and data analysis (Data Call responses) Savings TBD. ► Regional Service Delivery Model: Transformation of command Ashore to provide streamline integration of BOS services at the site level. ► Assimilated installation(s): NAS Patuxent River Over the past 7 years has reduced staff by 14%. Conducted BPRs in Weapons, Facility Coordinators, Seat Management, and Property Management. Conducted CA/FA in PW Maintenance and Transportation, Supply Ops and Services, Child Development Center, and Fleet and Family Service Center.

Hawaii	► Close Fire Stations at Barbers Point and Ford Island ($1.7M p/yr) ► Restructure Galley Services--convert all but one galley to contractor run family style restaurants ($5.2M p/yr) ► Redevelop Moanalua Shopping Center--leveraging commercial developer & enhanced use lease authority ($1M investment FY04, $14M savings FY05) ► Obtain Reimbursement of NEX Utilities ($.585M p/yr) ► Establish Area Coordinator Program (ROI = 3:1)
Korea	► CNFK partner with CNRJ to determine which functions should be singled up; i.e., a single Comptroller. Standing up a satellite HRO office from Japan in Chinhae and switching CIVPERS from Army to Navy personnel system in order to facility functions like timekeeping, payroll, etc. Extensive use of eight US Army (EUSA) contracts for BOS services. Only 3 Navy contracts for entire region. ► Further partner with Korea Regional Office of IMA to take advantage of similar BOS functions, contracts, etc. ► Maximum use of host nation funding for labor, vehicles and construction to reduce SIM requirements. In some years, this support exceeds our O&MN budget. ► Restructuring CNFK organization to better align the mission and SIM responsibilities. SIM program managers will be assigned. While mission and SIM functions will generally be separated, they will remain combined where both require similar expertise (e.g., PAO, IT, Legal, Comptroller, etc).
Southeast	► Expanded regional family housing metro office implementation (FY04 $1.2M) ► Consolidate contract tug and pilot requirements (FY05 $1.2M) ► Galley concessionaire study opportunity to reduce or eliminate direct O&MN cost to Navy for galley operations (TBD) ► Consolidate fire chief and assistant fire chief positions ($360K) ► Facility management staffing model by implementing Facility Management Functionality Assessment (32 FTEs)
Southwest Asia	► Consolidated the Echelon II and NSA Bahrain Comptroller. Saved (3) billets and enabled maximum use of analysts and technicians for COMUSNAVCENT and its subordinate and support activities. ► Consolidate the dispersed, separate, old facilities and trailers that are not efficient. The MILCON program will provide new, consolidated, force protected facilities for our base by 2008.

Mid-West	► Consolidation of PWC Great Lakes with Stand-up of PWC GL Det Crane. By consolidating into one Navy Working Capital Fund organization (PWC Great Lakes), we now share resources, training, and processes to have one facilities support system for NRMW. This consolidation occurred on 01 OCT 03, and information of cost savings will be developed as we consolidate and examine costs and benefits of the re-organization. ► TRACS & COOKIN 2002 (software): These programs incorporate inventory control and an automated ordering system and simplify and automate the management of daily food preparation. (Est. annual savings 258K) ► Used a tool called Kaizen for all quality activities. (Kaizen is a Japanese word that means "continuous improvement" and focuses on the removal of waste from all processes). Improvements are made through a team effort during Kaizen Events. Kaizen events at Great Lakes began in March 2001 and to date, 21 events have been held improving 27 different processes. One of these events defined total staffing needs for all 535 sculleries and serving lines, which were 248 hours of labor saved per day for a savings of 1.7M annually. ► Galley 1128; Modified the layouts of the Pot and Pan area along with the sculleries to optimize labor and gain efficiencies while improving sanitation and reducing risk of Food Borne Illness. This initiative should result in labor savings of 14 FTE's. Est. annual savings 560K ► Automated turnstiles; Currently we have manned stations for patron ID certification. This initiative will automate the majority of this function, which will reduce labor requirements by at least 50%. (To be piloted and implemented within FY04). Est. annual savings 120K
Europe	► Right sizing of the shore installation management structure at NAS Keflavik. 74% of the FY04 budget at NAS Keflavik is for labor costs, which have not decreased in consonance with the substantial decrease in mission requirement over the past decade. This includes a substantial reduction in force, eliminating various host nation employee allowances and eliminating the host nation summer hire program. All issues are moving forward from the Navy side but may be subject to host nation, political and higher level military push back. ► Hiring Freeze at CNRE installations. Selected hiring freezes and gapping of billets have been initiated as a short-term initiative to reduce costs in FY04 and will carry into the out years as necessary. This will be adjusted as we review and adopt programmatic realignment and make long-term adjustments. ► CNRE Staff Consolidation from London to Naples. CNRE Staff is currently split between London and Naples and the Region Commander has directed that the London staff be relocated to Naples by 1 July 2004. This move achieves efficiencies and effectiveness of a consolidated staff and supports the realignment of the region business model to a program centric focus. Significant savings will be achieved by moving out of the high cost London area.

	► Supply Management alignment. DLA will be standing up a distribution center at NAS Sigonella in April 03 to replace a function that the Supply Department had taken on in support of the afloat forces. This will reduce the labor costs associated with performing this function. The establishment of a FISC in Navy region Europe is currently under study. If implemented it would reduce organic supply infrastructure, associated manpower and provide supply support on a cost reimbursable basis. ► Service Contract Reduction. Service contracts are being reduced at CNRE installations including Dunlop barrier maintenance, janitorial services, grounds maintenance and utility systems PMs. This results in the services being provided by organic personnel or not at all.
Southwest	► Consolidated and centralized management of every program: One Regional Comptroller, One Business Manager in Region, No Base Level Budgets or OPTARs. All funds managed centrally by Program (2,175 CIVPERS reduction) ► Consolidated Command structure and programs at geographically close installations ($40M savings) – Merged CBC Port Hueneme and Point Mugu – Merged NAS North Island and NAB Coronado – Merged SUBASE San Diego and Fleet ASW Base ► Every Program has experienced a Commercial Activity Study or Functionality Assessment. Handful in Progress (656 CIVPERS Reduction to-date…target is 757…mandated 30% CIVPERS reduction) ► Family Housing PPV in San Diego (90 CIVPERS reduction; $14M savings) – Phase I (FY-01): Privatized 2,600 units – Phase II (FY-02): Privatized 3,302 units – Phase III (FY-06): Plan to privatize remaining 2,675 units ► Consolidated support contracts (Over 50 to 12 contracts)
Japan	► Port Operations: CFAO has experienced continually increasing overtime tug and pilot cost associated with ship off-hour arrivals and departures. We now adhere to a strict policy of keeping ship arrivals and departures inside normal contractual working hours except when operationally necessary. November 03 saved approx $12K, equating to over $100K annual savings. ► Custodial services/grounds maintenance: Reduced cost in FY04 by $100K. CFAO also saved $42K in its grass-cutting contract by aligning costs with NCTS-FE. ► Increased competition in the bidding for solid waste and industrial waste contracts, including bids from companies that had never bid on such contracts at Yokosuka before even though they had been in the business for years. This led to award of new solid and industrial waste contracts with annual savings of $332K. Environmental Division also renegotiated the waste contract for spent sand blast media for an annual savings of $75K.

	► Transportation: PWC Transportation reduced cost by cutting back on the number of B assigned vehicles and increasing the C assignments (better rate). Airport Shuttles to Narita from Atsugi and to Fukuoka from Sasebo were scaled back. New equipment purchases were also scaled back and fuel trucks usage was trimmed at Atsugi. ► Cost cutting initiative has been the integration of IT systems. For example STARSFL, FASDATA, R-Supply and NALCOMIS systems have saved manpower hrs, time and money. The financial IT systems alone have cut the fiscal division from 7 to 4 people but still allow Department access to view their own financial status. R-Supply and NALCOMIS reduces inventory loss and improves the issue and receipt process of aircraft parts.
Northeast	► Consolidating Naval Reserve Centers onto Active Duty bases to save common support dollars. Saves $250K p/yr in FY05 and beyond. Saves annual upkeep/maint, utilities, and services costs while only moderately increasing on station budgets. Eliminates $1,228K of maintenance backlog. ► Utilizing GSA instead of a local vendor for part procurement. Potential savings of $160K/yr. ► In-house submarine camel overhaul (reduced overhaul costs by 83%, $240K in FY03) ► Third Party financed energy projects: 8 different projects for a total p/yr savings of $11M. ► Establish central regional outboard engine repair. (reduces avg down time by 79% and reduces purchase requirements, cost savings unknown)
Mid-Atlantic	► Port Ops Tug Support: Original outsourcing saved 201 military billets, $4.3M/year and eliminated $6M maintenance backlog. FY04 additional savings being achieved by eliminating Yorktown tug contract saving $790K per year. Currently in process of eliminating 8th tug on outsourced tug contract for additional estimated savings of $500K from Feb – Sep 04 and then $800K per year thereafter. Tug utilization increases from 36% to 48%. ► Utilities: Negotiated leveraged buy down with local electrical provider for all Navy clients served (CNRMA, ships, etc.) of $19.8M/year. Negotiated similar water rate "true up" with City of Norfolk saving $2M/year based on leverage of being largest customer. Implemented FY03 Steam Production Fuels Management program to allow usage of whichever fuel can be purchased most cheaply. Savings to Navy FY03 was $2.6M. ► MWR: Overall $1.75M saved FY03, estimated savings per FY $3.54M. Primary savings from functionalization of programs across region: – MWR Service Consolidation Plan - Just implemented – $1.6M/yr – Child Development MEO – $1.2M/yr – Regional Maintenance/Renovation Department – $500K/yr – In-house vs. Contractual Internet Service – $130K – Regional Special Events supporting Regional Air Show – $50K/yr

	► BQ SAVINGS: – Regional Washer Dryer Service consolidated five contracts into one – $350K/yr – Refinished existing hardwood furniture vice cyclical replacement – $1.2M one time. – Regional linen service using Brig. Purchased industrial washer/dryers for the Naval Support Activity Brig to establish laundry service for all Permanent Party BH Facilities – $1.7M, with $350K annually. – Regional consolidation of 4 transient ops laundry contracts into one regional contract – $752K one time – Centralized Warehousing Consolidated APF/NAF warehouse functions – $312K one time – Established Blanket Purchase Agreement with 98 area Hotels/Motels to assist with providing accommodations when government quarters are not available – $3.7M to world-wide travel accounts. ► Air Ops Range Fire Suppression Contract Renegotiation: Renegotiated Dare County Range contract saving $185K in FY04 from FY03 without impacting capability level (Air Ops PM)
Gulf Coast	► Florida Defense Alliance Grants/Pitcher Plant Prairie Nature Conservancy/ Florida Forever – Region receives state grant funds for projects of mutual worth to the state and federal government. Money is used to acquire properties through donations, purchase and voluntary restrictive easements that benefit both local and federal government. This program preserves wetlands and protects environmentally sensitive animals and plants while providing an encroachment barrier around regional bases/airfields and outlying airfields. To date, NAS Pensacola has received approximately $200K for Bronson Field, $320K for museum entrance, and $500K for Saufley Field. ► Inmate Program – Inmates from the Federal Bureau of Prisons (who are tenants at Saufley Field) are used for grounds maintenance and other functions around the base. Region provides for facilities support and utilities offset in exchange for labor. Costing versus a contractor saves the region $1.8M. ► Information Technology Support Service Contract by NCTAMSLANT – Certain interservice/agency activities that fall within the Pensacola area opt to be included in this local phone contract. It allows for phone services to be provided at a reduced labor cost (approximately $20-35/hour less than if service was obtained by the activity on its own). ► NAS Pensacola Security MOU with the Escambia County Sheriffs Department for Emergency Service Team (aka SWAT) response to federal property – Cost avoidance of $250,000 initial startup cost and $148,650 annually thereafter. ► Municipal Airports at Brewton and Evergreen, AL are leased by the Navy for primary pilot training as an outlying field - Revenue allows existence of a municipal field for small communities and benefits Navy from reduced infrastructure costs of additional 4000 ft runways required for JPATS aircraft.

Northwest	►	Bachelor Housing, increased replacement cycle of soft goods (linens, mattresses, bedding, window and floor coverings) from 5 to 7 years and will implement contractual changes to an existing linen contract for estimated savings of $534K.
	►	Realignment of Environmental execution. PM did BPR so he can now do in-house cheaper than through contract; estimated savings of $500,000
	►	Further management consolidation of Force Protection to a "West Puget Sound" model, which will cover three separate installations and will generate estimated savings of $700,000.
	►	4. 5% Reduction in non-labor costs across the Region – "stretch goal"
	►	Consolidation of management personnel and processes across all programs; i.e., family & bachelor housing, FFSCs, MWR, galley ops, family advocacy, child care, etc.
South	►	Regionalization Phase I (1 & 2 will generate savings and cost avoidances of $43M over 5 years)
	►	Commercial Activities (CA) Studies
	►	Regionalization Phase II
	►	FISC JAX/NRS Partnership
	►	Support Agreements Program Review
Guam	►	Vigorous identification and pursuit of reimbursables from tenants: $1M
	►	Overseas moving expenses: By actively encouraging good stateside hire civilians to extend their contracts, the Region saves the moving costs of both the outgoing and incoming families. $160K
	►	Single Sailor Bus: By analyzing the ridership and the most used routes, the service was cut in half with very little affect on the customer. $800K
	►	Due to changing demographics on one outlying base, the Child Care Center and the base Galley were not repaired after the last typhoon (cost avoidance of $4.2M) and not re-opened – savings of $1M yearly.
	►	Contracts: Ongoing effort to right size cell phones, pagers, copiers across the Region. Savings to date: $323K

IMAP 2003 Installation Core Business Model

Operating Forces Support

Air Operations

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

Aviation Support
- Auxiliary Airfield Support
- Cargo Handling
- Passenger Terminal Ops

Port Operations

Port Services
- Berthing & Hotel Services
- Port Logistics
- Port Operations Center
- Tugs & Craft

Other Port Ops
- Magnetic Silencing
- Sea Air Rescue
- Spill Response

Operations Support

Other Operations Support
- Weapons
- Range Support
- Health Care Support

Supply
- Supply Management
- Procurement
- POL Mgt
- Inventory Mgt
- Warehousing
- Postal Ops

Community Support

Personnel Support

MWR
- Cat A Activities
- Cat B Activities
- Cat C Activities

Child Development
- Child Development Centers
- Child Development Homes
- Resource/ Referral
- School Age Care

Galley
- Food Service Contracts
- Galley Operations

Fleet and Family Support
- Deployment Readiness
- Crisis Response
- Career Support/ Retention

Other Community Support
- Overseas Personnel Support
- Ceremonial Guard/ Funeral Honors
- Museums

Housing

Family Housing
- Management
- Services
- Furnishings
- PPV
- Miscellaneous
- Utilities
- Maintenance
- Leasing
- Intra-station moves (non FH,N)

Bachelor Quarters Ops
- Contract Berthing
- Permanent Party
- PPV
- Student
- Transient

Base Support

Facility Support

Utilities
- Chiller Plant
- Electrical
- Gas
- Other
- Sewage
- Steam
- Water

Facility Management
- Mgt & Admin
- Installation Plans and Engineering
- Collateral Equip
- Real Estate

SRM
- Sustainment
- Restoration & Modernization
- New Footprint
- Demolition
- Combating Terrorism

Facility Services
- Janitorial
- Pest Control
- Refuse Collection/ Recycling
- Other
- Grounds Maint
- Street Sweeping & Snow Removal

Base Support Vehicle & Equip
- Mgt & Admin
- Railroads
- Cranes
- Vehicles
- GSE/MHE
- Construction
- Other

Environmental

Compliance
- Mgt & Planning
- Recurring Activity Support
- Non-recurring Activity Support

Conservation
- Recurring Activity Support
- Non-recurring Activity Support

Pollution Prevention
- Recurring Activity Support
- Non-recurring Activity Support

Public Safety

Force Protection
- Law Enforcement
- Physical Security Equip
- Physical Security Mgt/Planning
- Anti-Terrorism FP
- Harbor Security Craft
- Security Guard Ops

Federal Fire
- EMS Response
- Fire Protection Mgt & Admin
- Fire Protection/ HAZMAT
- Crash & Rescue

Emergency Mgt/ Disaster Prep
- Emergency Mgt/Disaster Preparedness

Safety
- NAVOSH
- Explosives Safety
- Traffic Safety
- Recreational/ Off-duty Safety

Command & Staff

Command
- Command Admin
- Religious Prog
- G&A
- Legal
- Public Affairs

Resource Management
- Business Mgt Ops
- Manpower Mgt
- Financial Mgt
- HRO
- FECA

Information Tech SVCS
- IT Sprt & Mgt/ Non-NMCI
- NMCI
- Base Comms
- A/V Services

MILPERS SVCS
- Pay & Personnel Support
- Restricted Barracks Admin
- Brigs
- TPU Admin
- Reserve Coordination/ Mobilization
- MILPERS Training Support