

Department of the Navy  
Operation and Maintenance, Navy  
1A5A Aircraft Depot Maintenance  
FY 2005 President's Budget Submission  
Exhibit OP-5

**I. Description of Operations Financed:**

The Aircraft Depot Maintenance program provides for Airframe, Engine and Component rework to meet established Chief of Naval Operations (CNO) readiness goals. The goals are:

1. Airframe Rework: maintain deployed and work-up squadrons at a 100% Primary Aircraft Authorization (PAA) and non-deployed squadrons at 90% of PAA.
2. Engine Rework: maintain a Net Ready for Issue (RFI) engine/module spares pool at 90% of authorized levels and zero bare firewalls or fund all available engines/modules for depot repair.

**A. Airframe Rework** - This program provides for the inspection, rework, and emergent repairs of fleet aircraft. Through periodic depot level maintenance, aircraft major structures and airframe systems are maintained in a safe flyable condition. The Aircraft Service Period Adjustment (ASPA) Program adjusts individual aircraft period end dates for selected aircraft when material condition warrants. Under ASPA guidelines, only aircraft that, upon inspection, cannot safely be extended for another 12-month tour are inducted in the depot for Standard Depot Level Maintenance (SDLM). Depot maintenance is currently being performed under both the SDLM and Integrated Maintenance Concept (IMC) programs. Currently, the E-2, E-6, F/A-18, H-1, H-53, H-60, P-3, and S-3 aircraft programs have been incorporated under the IMC concept. The IMC concept uses Planned Maintenance Intervals (PMI), performing more frequent depot maintenance with smaller work packages, reducing out of service time. The goal of this program is to improve readiness while reducing operating and support costs. Naval Air Systems Command's (NAVAIR) Industrial Strategy in the downsizing environment is to maintain only the minimum level of organic capacity, consistent with force levels, that is necessary to sustain peacetime readiness and war fighting surge capability. NAVAIR will work in partnership with private industry to make maximum use of industry's production capabilities and capacity for non-core aviation depot level maintenance.

**B. Engine Rework** - The engine rework program accomplishes the repair, modification and overhaul of aircraft engines, gearboxes, and torque meters. The program objective is to return depot-repairable engines to ready-for-issue (RFI) status to support fleet engine pool requirements. Under the Engine Analytical Maintenance Program (EAMP), engines are repaired at the lowest echelon of maintenance possible. Only engines that are beyond the repair capability of intermediate maintenance activities are scheduled for induction in the depots. Engine field team assistance is included in this budget submission to provide on-site depot level maintenance on an as-needed basis.

**C. Components** - The Component Repair Program supports the depot level repair of aeronautical components for the aircraft systems and equipment under Contractor Logistics Support (CLS). CLS support is provided for weapon systems and equipment that will be commercially supported for the life-of-type, and special programs and projects that do not have material support date (MSD) established. This program also funds contractor maintenance of engines for the V-22 Osprey (Power by the Hour) program and the KC-130J.

**II. Force Structure Summary:**

**Aircraft Depot Maintenance** - Aircraft Rework and Maintenance is performed at Naval Aviation Depots, Army Depots, Air Logistics Centers and private contractors to provide safe, reliable aircraft to active duty Navy and Marine Corps squadrons.

Department of the Navy  
 Operation and Maintenance, Navy  
 1A5A Aircraft Depot Maintenance  
 FY 2005 President's Budget Submission  
 Exhibit OP-5

**III. Financial Summary (\$ in Thousands):**

**A. Sub-Activity Group Total**

	FY 2003	Budget	FY 2004	Current	FY 2005
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
	1,378,280	980,136	902,974	919,829	995,596

**B. Reconciliation Summary**

	<b>Change</b>	<b>Change</b>
	<b><u>FY 2004/2004</u></b>	<b><u>FY 2004/2005</u></b>
Baseline Funding	980,136	919,829
Congressional Adjustments - Distributed	0	0
Congressional Adjustments - Undistributed	-27,370	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments - General Provisions	-49,792	0
Subtotal Appropriation Amount	902,974	0
Emergency Supplemental Carryover	0	0
FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)	175,000	
Program Changes (Current Year to Current Year)	16,855	0
Subtotal Baseline Funding	1,094,829	0
Reprogrammings	0	0
Price Change	0	23,494
Functional Transfers	0	0
Program Changes	0	52,273
Less: Emergency Supplemental Funding	-175,000	
Normalized Current Estimate	919,829	0
Current Estimate	919,829	995,596

Department of the Navy  
 Operation and Maintenance, Navy  
 1A5A Aircraft Depot Maintenance  
 FY 2005 President's Budget Submission  
 Exhibit OP-5

**C. Reconciliation of Increases and Decreases**

<b>1. FY 2004 President Budget Request.</b>		<b>980,136</b>
<b>2. Congressional Adjustment (Undistributed).</b>		<b>-27,370</b>
a) Unobligated Balances	-4,129	
b) Southwest Asia Contingency Operations (CONOPS) Costs	-23,241	
<b>3. Congressional Adjustment (General Provision).</b>		<b>-49,792</b>
a) Sec. 8101: Reduce Information Technology Development Cost Growth	-2,073	
b) Sec. 8094: Management Improvements	-2,976	
c) Sec. 8126: Efficiencies/Revised Economic Assumptions	-4,743	
d) Sec. 8105: Reduce Excess Funded Carryover	-40,000	
<b>4. FY 2004 Appropriated Amount.</b>		<b>902,974</b>
<b>5. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106).</b>		<b>175,000</b>
a) Supplemental funding for Aircraft Depot Maintenance in support of contingency operations.	175,000	
<b>6. Program Increases FY 2004 (Emergent Requirements).</b>		<b>16,855</b>
a) Funds realigned from Mission and Other Flight Operations (1A1A) and Fleet Air Training (1A2A) to properly execute KC-130J maintenance requirements.	16,716	
b) Minor increase in emergency repair requirements.	139	
<b>7. Baseline Funding (subtotal).</b>		<b>1,094,829</b>
<b>8. Revised FY 2004 Current Estimate.</b>		<b>1,094,829</b>
<b>9. Less: Emergency Supplemental Funding.</b>		<b>-175,000</b>
a) Supplemental funding for Aircraft Depot Maintenance in support of contingency operations.	-175,000	
<b>10. Normalized Current Estimate for FY 2004.</b>		<b>919,829</b>
<b>11. FY 2005 Price Change.</b>		<b>23,494</b>
<b>12. Program Growth in FY 2005.</b>		<b>127,669</b>
a) Airframe Rework: Increase associated with Phased Depot Maintenance/Integrated Maintenance Concept tasks, Air Worthiness Inspections, and Aircraft Service Period Adjustment (ASPA) inspections.	123,764	
b) Component Rework: Increase associated with KC-130J Contractor Logistics Support, V-22 Power by the Hour Program, and E-6 Repair of Repairables.	3,905	

Department of the Navy  
Operation and Maintenance, Navy  
1A5A Aircraft Depot Maintenance  
FY 2005 President's Budget Submission  
Exhibit OP-5

<b>13. Program Decrease in FY 2005.</b>		<b>-75,396</b>
a) Component Repair: Decrease reflects reduced costs for VH-3D/VH-60 Executive Mission Program, EP-3E Joint Signal Intelligence Avionics Family (JSAF) Program, special projects, P-3C Beartrap Program, EA-6B ALQ-99 PODS Program, and Engine Containers.	-1,157	
b) Engine Rework: Decrease associated with the reduction of Engine Overhaul, Engine Repair, Special Repairs, Gear Box/Torque Meter Overhauls, and Field Team Support.	-16,513	
c) Airframe Rework: Decrease associated with the reduction of Standard Depot Level Maintenance (SDLM) inductions, SDLM/Mods, Mid-term inspection, Special Reworks, Aircraft Support, and Emergency Repair efforts.	-57,726	
<b>14. FY 2005 Budget Request.</b>		<b>995,596</b>

Department of the Navy  
 Operation and Maintenance, Navy  
 1A5A Aircraft Depot Maintenance  
 FY 2005 President's Budget Submission  
 Exhibit OP-5

**IV. Performance Criteria and Evaluation Summary:**

Activity: Aircraft Depot Maintenance

Activity Goal: To provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, to renovate assets (recapitalization), and to ensure equipment is at or above fully mission capable standards prior to any transfers from the Active to Reserve Components.

Description of Activity: Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft and other equipment. Depot Maintenance is performed at both public (DoD) and private (contractor) facilities.

	Prior Year (FY 2003)						Current Year (FY 2004)					Budget Year (FY 2005)	
	Budget		Actual Inductions		Completions		FY 04 PRESBUD		Estimated Inductions		Carry-In	Budget	
	Qty	(\$ in M)	Qty	(\$ in M)	Prior Yr	Cur Yr	Qty	(\$ in M)	Qty	(\$ in M)	Qty	Qty	(\$ in M)
Airframe Rework	702	455	803	927	n/a	n/a	832	561	858	528	n/a	897	609
Engine Rework	1,139	279	1,642	402			1,772	364	1,647	321		1,792	312
Components		38		49				55		71			75
<b>TOTAL</b>	<b>1,841</b>	<b>772</b>	<b>2,445</b>	<b>1,378</b>			<b>2,604</b>	<b>980</b>	<b>2,505</b>	<b>920</b>		<b>2,689</b>	<b>996</b>

Explanation of Performance Variances:

<u>FY 2003</u>	(\$ in M)
Increase associated with higher costs for air worthiness inspections, emergency repairs, A/C support actions, special rework actions, and enhanced special structural inspections.	470.5
Increase associated with engine overhauls, engine repairs, special repairs, gear box/torque meter overhauls, higher costs for gear box/torque meter repairs, and field team support.	124.7
Increase cost associated with V-22 Power by the Hour, EP-3E (JSAF), VH-3D/VH-60 Executive Helo, and EA-6B PODS.	5.2
Decrease associated with fewer SDLM inductions, PDM/IMC/PMI's, ASAP inspections, and reduced costs for mid-term inspections.	(1.2)
<u>FY 2004</u>	
Increase associated with additional PDM/IMC's, special reworks, and air worthiness inspections.	29.2
Increase associated with additional engine overhauls, special repairs, and gearbox/torque maintenance overhauls.	10.9
Increase associated with additional requirements for KC-130J Airframes Contractor Logistics Support program, VH-3D/VH-60 Executive Helo, special projects, EP-3E (JSAF), P-3C Beartrap, EA-6B PODS, and engine containers.	17.8
Decrease associated with the reduction of SDLM inductions, SDLM Mods, Age Exploration, A/C support, emergency repair, and ASPA inspections.	(62.2)
Decrease associated with fewer engine repairs, gearbox/torque meter repairs, and costs associated with field team support.	(53.9)
Decrease associated with KC-130J Propulsion Contractor Logistics Support, V-22 Power by the Hour, and E-6 Repair of Repairables.	(2.1)

Department of the Navy  
Operation and Maintenance, Navy  
1A5A Aircraft Depot Maintenance  
FY 2005 President's Budget Submission  
Exhibit OP-5

V. **Personnel Summary:** There are no civilian or military personnel assigned to this sub-activity group.

Department of the Navy  
 Operation and Maintenance, Navy  
 1A5A Aircraft Depot Maintenance  
 FY 2005 President's Budget Submission  
 Exhibit OP-5

**VI. Summary of Price and Program Growth (OP-32):**

	<b>FY-03 Program Total</b>	<b>FY-04 Price Growth</b>	<b>FY-04 Program Growth</b>	<b>FY-04 Program Total</b>	<b>FY-05 Price Growth</b>	<b>FY-05 Program Growth</b>	<b>FY-05 Program Total</b>
1A5A							
04 WCF Supplies & Materials Purchases							
0412 Navy Managed Purchases	737	58	0	795	-26	0	769
TOTAL 04 WCF Supplies & Materials Purchases	737	58	0	795	-26	0	769
05 STOCK FUND EQUIPMENT							
0503 Navy WCF Equipment	2,949	177	0	3,126	122	0	3,248
TOTAL 05 STOCK FUND EQUIPMENT	2,949	177	0	3,126	122	0	3,248
06 Other WCF Purchases (Excl Transportation)							
0602 Army Depot Sys Cmd-Maintenance	15,125	1,255	5,742	22,122	332	146	22,600
0610 Naval Air Warfare Center	2,474	-57	-1,072	1,345	32	27	1,404
0611 Naval Surface Warfare Center	8,905	80	-3,108	5,877	65	-192	5,750
0612 Naval Undersea Warfare Center	752	3	66	821	22	-142	701
0613 Naval Aviation Depots	887,341	12,444	-403,177	496,608	15,394	32,471	544,473
0614 Spawar Systems Center	0	0	184	184	3	-2	185
0661 Depot Maintenance Air Force - Organic	61,145	12,596	-34,780	38,961	2,650	-11,714	29,897
TOTAL 06 Other WCF Purchases (Excl Transportation)	975,742	26,321	-436,145	565,918	18,498	20,594	605,010
09 OTHER PURCHASES							
0929 Aircraft Rework by Contract	398,258	8,865	-57,583	349,540	4,894	31,685	386,119
0987 Other Intragovernmental Purchases	594	8	-152	450	6	-6	450
TOTAL 09 OTHER PURCHASES	398,852	8,873	-57,735	349,990	4,900	31,679	386,569
Total 1A5A Aircraft Depot Maintenance	1,378,280	35,429	-493,880	919,829	23,494	52,273	995,596