

AIR OPERATIONS

	(\$ in Millions)									
	FY 2002	Price	Program	FY 2003	Price	Program	FY 2004	Price	Program	FY 2005
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Army	899.7	+53.0	+31.2	983.9	+43.0	+104.1	1,131.0	+18.6	+59.0	1,208.6
Army Reserve	43.7	+1.7	+10.9	56.3	+2.1	-1.5	56.9	+2.7	-0.7	58.9
Army National Guard	279.1	+6.4	-47.8	237.7	+5.4	-5.0	238.1	+4.7	-2.7	240.1
Navy	6,027.3	+199.8	-549.1	5,678.0	+162.9	+173.2	6,014.1	+176.6	-379.8	5,810.9
Navy Reserve	541.9	+3.3	+2.1	547.3	+23.9	+3.6	574.8	+15.4	-24.6	565.6
Air Force	14,331.8	+266.7	-613.5	13,985.0	1,103.7	-536.1	14,552.6	+685.9	-367.3	14,871.2
Air Force Reserve	1,486.3	+28.8	+190.5	1,705.6	+121.9	-87.5	1,740.	+75.3	-10.9	1804.2
Air National Guard	3,292.9	+105.0	+59.7	3,457.6	+292.0	+51.4	3,801.0	+198.4	-269.0	3,730.4
USSOCOM	625.3	+24.3	-105.9	543.7	+46.3	+58.1	648.1	+30.2	+8.1	686.4
Defense Health Program	<u>1.9</u>	<u>-</u>	<u>+0.3</u>	<u>2.2</u>	<u>-</u>	<u>+0.3</u>	<u>2.5</u>	<u>-</u>	<u>+0.3</u>	<u>2.8</u>
Total	27,529.9	689.0	-1,021.6	27,197.3	+1,801.2	-239.4	28,759.1	+1,207.8	-987.6	28,979.3

To operate, to maintain, and to deploy aviation forces that support the national military strategy, the Air Operations activity funds the following activities:

- (1) day-to-day operational activities or air operations;
- (2) organizational, intermediate, and depot level maintenance;
- (3) institutional training; unit training and operational training; and
- (4) engineering and logistical support.

The FY 2004 budget request of \$28,759.1 million reflects a net increase of \$1,561.8 million above the FY 2003 estimate. This includes a price growth of \$1,801.2 million and a net program decrease of 239.4 million (-0.5 percent).

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ACTIVE ARMY

The Army's Land Forces Air Operations funds the combat major commands (MACOMs), as well as several other agencies and commands. Within the combatant MACOMs, the FY 2004 program funds rotary wing aircraft at the average operating tempo (OPTEMPO) of 13.1 hours per crew per month.

The Land Forces Air Operations includes flying hours for the following programs:

- Drug Interdiction and Counter-Drug activities,
- Combat Aviation Training Brigade at Fort Hood (the Army's collective trainer for the AH-64D Apache Longbow and the OH-58D Kiowa Warrior programs),
- Combat Training Center support (National Training Center),
- Joint Readiness Training Center,
- Two training centers in Europe (the 7th Army Training Center and Combat Maneuver Training Center), and
- Several other smaller units.

The Land Forces Air Operations program also funds flying hours for fixed wing aircraft in intelligence, command, and theater aviation units as well as the hours for the training of pilots associated with Training Support XXI (Training Support Brigades), Reserve Officers Training Corps (ROTC) program, Multi-Force Operations, Eitem Egypt, and European Command (EUCOM) Headquarters.

The Army's Flight Training program supports the Army's flight training program at Fort Rucker (Initial Entry Rotary Wing courses through Advanced Pilot Training), as well as flight training programs at the Intelligence School at Fort Huachuca, the Infantry School at Fort Benning, and the Transportation Training Center at Ft. Eustis. It also funds flying hours for the remaining non-training fleet in the Training and Doctrine Command and flying hours at the United States Military Academy.

The Servicewide Support program funds flying hours for a small international program at Supreme Headquarters, Allied Powers Europe (SHAPE). In addition, it supports a small contingent of Army aircraft at the Army Materiel Command's (AMC) Corpus Christi Army Depot and at the Aviation and the Army Missile Command's (AMCOM) Navy Test Pilot School.

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	(\$ in Millions)									
	FY 2002 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2003 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2004 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2005 <u>Estimate</u>
<u>Funding Summary</u>										
Land Forces Air Operations	578.0	+35.0	+64.0	677.0	+30.0	-24.0	683.0	+11.0	+3.0	697.0
Depot Maintenance	102.7	+3.0	-9.8	95.9	+4.0	+78.1	178.0	+3.8	+80.0	261.6
Flight Training	217.0	+15.0	-24.0	208.0	+9.0	+51.0	268.0	+4.0	-24.0	248.0
Servicewide Support	<u>2.0</u>	<u>-</u>	<u>+1.0</u>	<u>3.0</u>	<u>-</u>	<u>-1.0</u>	<u>2.0</u>	<u>-</u>	<u>-</u>	<u>2.0</u>
Total	899.7	+53.0	+31.2	938.9	+43.0	+104.1	1,131.0	+18.6	+59.0	1,208.6

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
<u>Program Data</u>								
Primary Authorized Aircraft	2,588	-102	2,486	-98	2,388	-45	2,343	
Total Aircraft Inventory	2,811	-124	2,687	-110	2,577	-75	2,502	
Flying Hours (000)	643.6	-9.8	633.8	+3.3	637.1	-55.6	581.5	

OPTEMPO

(Hrs/Crew/Month)

Rotary Wing	14.5	-1.4	13.1	-	13.1	-	13.1
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The FY 2004 budget request reflects a \$147.1 million increase above the FY 2003 level. This includes a price increase of \$43.0 million and a program increase of \$104.1 million (+10.1 percent).

Land Force Air Operations: The FY 2004 flying hour program supports an average OPTEMPO of 13.1 hours per crew per month. The FY 2004 budget request increases \$6.0 million above the FY 2003 level and includes a price decrease of \$30.0 million and a

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program decrease of \$24.0 million (-3.4 percent). The FY 2004 program decrease reflects the Army's transfer of aviation maintenance funding from the Land Force Air Operations to the Division, Corps Combat Forces, and Corps Support Forces subactivity groups to align the funding with the organizations responsible for maintenance.

Depot Maintenance: The FY 2004 budget request increases \$82.1 million above the FY 2003 level and reflects a price increase of \$4.0 million and a program increase of \$78.1 million (+78.0 percent). The Army increases FY 2004 depot maintenance by \$53.2 million to restore Army aircraft to a full mission ready status. The expanded level of maintenance will increase the annual workload for helicopter repairs, progressive maintenance, and crash damage restoration to the AH-64, OH-58D, CH-47, and UH-60/MH60K helicopters. In addition, the Army increases the post production software support for software security and accreditation of digitized systems (\$+24.9 million).

Flight Training: The FY 2004 budget request increases \$60.0 million above the FY 2003 level and reflects a price increase of \$9.0 million and a program increase of \$51.0 million (+23.5 percent). The FY 2004 program increase supports the implementation of a new aviation training strategy that is part of the Army's transformation initiatives. During flight training, the Army will increase the number of hours (from 27 to-41) that student pilots will fly on current aircraft. Thus, combat units will not have to use OPTEMPO hours to train new personnel on current equipment when the new pilots get to their units.

Servicewide Support: The FY 2004 budget request decreases \$1.0 million below the FY 2003 level, reflects no price changes, and includes a program decrease of \$1.0 million (-33.3 percent). The FY 2004 program decrease of \$1.0 million reflects miscellaneous program changes in the supported programs.

ARMY RESERVE

The Army Reserve's Training Operations fund aviation training and operational requirements. The program includes fuel, consumable repair parts, and depot level repair parts to maintain the fleet. The program supports both unit training and operations. The Army Reserve's fixed wing and rotary wing units support the requirements of the warfighting combatant commanders. The Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system.

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	(\$ in Millions)									
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Funding Summary</u>										
Training Operations	43.7	+1.7	+10.9	56.3	+2.1	-1.5	56.9	+2.7	-0.7	58.9
	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>
<u>Program Data</u>										
Primary Authorized Aircraft	101		-5	96	+11		107	-		107
Total Aircraft Inventory	101		-5	96	+11		107	-		107
Flying Hours (000)	34.1		+10.1	44.2	-0.3		43.9	+1.0		44.9
<u>OPTEMPO</u>										
<u>(Hrs/Crew/Month)</u>										
Rotary Wing	8.9		+0.1	9.0	-0.2		8.8	+0.5		9.3
Fixed Wing	54		-	54	-		54	-		54

The FY 2004 budget request reflects a net increase of \$0.6 million. This includes a price increase of \$2.1 million and a program decrease of \$1.5 million (-2.0 percent) associated with one-time increased support for beddown of the two new General Aviation companies activated in FY 2002.

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ARMY NATIONAL GUARD

The Army National Guard's Training Operations program provides for training aircrew members, aviation units, and supported combined arms teams to achieve and sustain designated combat readiness. Resources support the utilization, maintenance, and overhaul of aviation assets and related support equipment to sustain unit capabilities. These funds are required to maintain and train units for immediate mobilization and to provide administrative support.

	<u>(\$ in Millions)</u>									
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Funding Summary</u>										
Training Operations	279.1	+6.4	-47.8	237.7	+5.4	-5.0	238.1	+4.7	-2.7	240.1
	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>
<u>Program Data</u>										
Primary Authorized Aircraft	1,676	-170		1,506	-48		1,458	-163		1,295
Total Aircraft Inventory	1,676	-170		1,506	-48		1,458	-163		1,295
Flying Hours (000)	279.3	-33.4		245.9	-0.4		245.5	+12.0		257.5
<u>OPTEMPO</u>										
<u>(Hrs/Crew/Month)</u>										
Rotary Wing	5.6	+3.4		9.0	-		9.0	+0.6		9.6
Fixed Wing	27.5	-4.5		23.0	+2.0		25.0	-		25.0

The FY 2004 budget request reflects a net increase of \$0.4 million. This includes a price change of \$5.4 million and a program decrease of \$5.0 million (-2.1 percent), which reflects reduced consumption of depot level reparable and consumable spare parts.

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ACTIVE NAVY

The Navy's Air Operations program funds the active Navy and Marine Corps operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, and logistical support to operate, to maintain, and to deploy aviation forces in support of the national military strategy.

	(\$ in Millions)									
	FY 2002 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2003 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2004 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2005 <u>Estimate</u>
<u>Funding Summary</u>										
Mission/Flight Operations	3,389.7	+118.9	-318.3	3,190.3	+103.8	-31.6	3,262.5	+113.2	-204.0	3,171.7
Fleet Air Training	990.6	+26.2	-34.0	982.8	+21.1	+21.4	1,025.3	+29.0	-123.2	931.1
Intermediate Maintenance	63.0	+2.1	+6.6	71.7	+1.9	+0.4	74.0	+1.8	-1.2	74.6
Air Ops and Safety Support	97.9	+3.6	+5.6	107.1	-0.3	-1.2	105.6	+2.1	-0.1	107.6
Depot Maintenance	963.6	+44.7	-237.2	771.1	+25.4	+183.6	980.1	+19.7	-59.6	940.2
Depot Operations Support	49.1	+1.8	+3.1	54.0	+0.4	-3.7	50.7	+1.1	+17.7	69.5
Combat Communications	66.3	+2.1	-9.4	59.0	+1.4	-6.6	53.8	+0.9	-1.9	52.8
Flight Training	389.5	+0.2	+33.3	423.0	+8.2	+10.8	442.0	+8.5	-7.0	443.5
Recruiting & Advertising	<u>17.6</u>	<u>+0.2</u>	<u>+1.2</u>	<u>19.0</u>	<u>+1.0</u>	<u>+0.1</u>	<u>20.1</u>	<u>+0.3</u>	<u>-0.5</u>	<u>19.9</u>
Total	6,027.3	+199.8	-549.1	5,678.0	162.9	173.2	6,014.1	+176.6	-379.8	5,810.9

	FY 2002	<u>Change</u>	FY 2003	<u>Change</u>	FY 2004	<u>Change</u>	FY 2005
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>		<u>Estimate</u>
<u>Program Data</u>							
Primary Authorized Aircraft	2,507	-8	2,499	-65	2,434	-14	2,420
Total Aircraft Inventory*	4,355	-153	4,202	-77	4,125	-59	4,066
Flying Hours (000)	1,308.4	-22.4	1,286.0	-29.4	1,256.6	-25.8	1,230.8

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	FY 2002		FY 2003		FY 2004		FY 2005
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Tactical Fighter Wings	10	-	10	-	10	-	10
Hour Per Crew per Month	23.1	-2.3	20.8	-	20.8	-	20.8
Primary Mission Readiness	86%	N/A	N/A	N/A	N/A	N/A	N/A
Naval Aviation Installations							
CONUS	15	-	15	-	15	-	15
Overseas	8	-	8	-	8	-	8

* TAI includes Navy and Marine Corps Reserve aircraft.

**Primary Mission Readiness percentages include 2% simulator contribution.

The FY 2004 budget request increases \$336.1 million above of the FY 2003 level and reflects a price increase of \$162.9 million and a program increase of \$173.2 million (+3.0 percent). The Primary Authorized Aircraft (PAA) decreases between FY 2003 and FY 2004 due to various force structure changes, including the reduction of one S-3B squadron, TACAIR integration, and continued decommissioning of F-14 aircraft. In FY 2004, the flying hour program achieves the readiness and safety goals equivalent to those achieved in FY 2003.

Mission and Other Flight Operations: The FY 2004 budget request reflects a net increase of \$72.2 million above the FY 2003 level, which includes a price increase of \$103.8 million primarily due to a increases in the prices for fuel, Aviation Depot Level Repairables (AVDLR), and aviation consumable spare parts. The FY 2004 program decrease of \$31.6 million (-1.0 percent) reflects a decrease in flying hours of 16,393 hours attributable to force structure reductions.

Fleet Air Training: The FY 2004 budget request reflects a net increase of \$42.5 million above the FY 2003 level, which includes a price increase of \$21.1 million. Programmatic adjustments in FY 2004 total \$21.4 million (+2.1 percent) and result from higher usage rate of consumables and reparable offset by a decrease of 5,739 flying hours to correspond with training requirements.

Navy Intermediate Maintenance: The FY 2004 budget request reflects a net increase of \$2.3 million above the FY 2003 level, which includes a price growth of \$1.9 million and programmatic increases of \$0.4 million (+0.5 percent). The program increase results from refinement of Navy Marine Corps Intranet schedule and requirements.

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Air Operations and Safety Support: The FY 2004 budget reflects a net decrease of \$1.5 million below the FY 2003 level and includes a price decrease of \$0.3 million and a program decrease of \$1.2 million (-1.1 percent). The program reflects reduced contract support at the Naval Air Technical Data and Engineering Services Command.

Aircraft Depot Maintenance: The FY 2004 budget reflects a net increase of \$209.0 million, which includes a price increase of \$25.4 million and a net program increase of \$183.6 million (+23.1 percent). The FY 2004 program reflects increases in phased depot maintenance actions; engine overhauls and repairs; gearbox and torque meter overhauls; and contract logistics support for the KC-130J aircraft. The program is fully funded to meet Navy readiness goals.

Aircraft Depot Operations Support: The FY 2002 budget request reflects a net decrease of \$3.3 million below the FY 2003 level. This includes a price increase of \$0.4 million and a program decrease of \$3.7 million (-6.8 percent). The program decrease represents reduced funding for Enterprise Resource Planning (ERP) projects, and reduced travel and supply requirements at both the Naval Aviation Pacific Repair Activity and the Naval Aviation Mediterranean Repair Activity.

Combat Communications. Combat Communication funds the E-6A/B TACAMO program. The FY 2004 budget request reflects a net decrease of \$5.2 million below the FY 2003 level. This includes a price increase of \$1.4 million and a program decrease of \$6.6 million (-10.9 percent). The program decrease results from fuel economies attributable to leasing 737 aircraft and from reduced contractor support.

Flight Training: The FY 2004 budget reflects a net increase of \$19.0 million above the FY 2003 level. This includes price growth of \$8.2 million and a program increase of \$10.8 million (+2.5 percent). The program increase reflects increased contract maintenance costs for the T-45 trainer (an older aircraft) and for the T-6A trainer (new aircraft coming into the inventory in FY 2003). For these aircraft, the Navy purchases on-site intermediate maintenance, engine repair, avionics, and spare parts via contractor logistics support.

Recruiting and Advertising (Blue Angels): The FY 2004 budget continues to support 68 Blue Angels. The FY 2004 budget reflects a net increase of \$1.1 million resulting from price increases of \$1.0 million and from a program increase of \$0.1 million for logistics support.

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NAVY RESERVE

As with the Active Navy, the Navy Reserve Air Operations program funds flying-related operations for the Navy Reserve and the Marine Corps Reserve. The Naval Air Reserve Force consists of one carrier air wing with a total of seven squadrons, one long-range Anti-Submarine Warfare (ASW) patrol wing with a total of seven squadrons, one helicopter wing with 6 squadrons, and one air logistics wing with 14 squadrons. The Fourth Marine Corps Air Wing (4th MAW) consists of 14 flying squadrons and supporting units, which are budgeted for and maintained by the Commander of the Naval Reserve Force. The Air Operations activity group provides funding for all aspects of Navy and Marine Corps Reserve air operations from flying hours to specialized training, maintenance, and associated support.

	(\$ in Millions)									
	FY 2002 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2003 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2004 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2005 <u>Estimate</u>
<u>Funding Summary</u>										
Mission/Flight Operations	406.7	-1.2	-10.5	395.9	+18.0	+3.8	417.7	+12.3	-30.3	399.7
Intermediate Maintenance	16.4	+0.3	+1.0	17.7	+0.3	-1.5	16.5	+0.3	-0.8	16.0
Air Ops and Safety Support	2.1	+0.1	-	2.2	+0.1	-0.1	2.2	+0.1	-0.1	2.2
Depot Maintenance	115.6	+4.1	+11.5	131.2	+5.5	+1.4	138.1	+2.6	+6.6	147.3
Depot Operations Support	<u>0.2</u>	<u>-</u>	<u>+0.1</u>	<u>0.3</u>	<u>-</u>	<u>-</u>	<u>0.3</u>	<u>+0.1</u>	<u>-</u>	<u>0.4</u>
Total	541.9	+3.3	+2.1	547.3	+23.9	+3.6	574.8	+15.4	-24.6	565.6

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
<u>Program Data</u>								
Primary Authorized Aircraft	409	-	409	-25	384	-8	376	
Total Aircraft Inventory (TAD)*	4,355	-153	4,202	-77	4,125	-59	4,066	
Total Flying Hours (000)	156.8	+14.1	170.9	-0.8	170.1	-1.2	168.9	
Tactical Fighter Wings	1	-	1	-	1	-	1	
Hours Per Crew Per Month	11	-	11	-	11	-	11	
Primary Mission Readiness **	87%	-	N/A	-	NA	-	N/A	

* TAI shown under the active account includes Navy and Marine Corps Reserve aircraft. ** Includes 2% simulator contribution.

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The FY 2004 request reflects a net increase of \$27.5 million above the FY 2003 level. This includes a price decrease of \$23.9 million and a program growth of \$3.6 million (+0.6 percent) above the FY 2003 level. Programmatic increases in FY 2004 reflect increased costs of AVDLRs, increased contract maintenance costs for the C-40 and UC-35 aircraft, and increased funding for engine repairs.

ACTIVE AIR FORCE

The Air Force Air Operations funding provides the predominant resources supporting combat forces. These activities include the operational flying requirements of bomber, fighter, mobility, and training forces stationed in the United States as well as overseas.

The resources also support:

- land based intercontinental ballistic missiles;
- air launched strategic and tactical missiles;
- electronic warfare and defense suppression missions;
- combat command, control, and communications; and
- combat aircrew training.

Activities funded in the Air Operations budget operate, maintain, and deploy aviation forces in support of the national military strategy; they include:

- operating tempo,
- organizational and depot level maintenance,
- training,
- engineering support, and
- logistical support.

The Air Operations activity for the Air Force are subdivided into the following categories:

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	(\$ in Millions)									
	FY 2002 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2003 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2004 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2005 <u>Estimate</u>
<u>Funding Summary</u>										
Primary Combat Forces	3,169.0	+77.1	+189.4	3,435.5	+450.9	-389.9	3,496.5	+241.7	-206.6	3,531.6
Primary Combat Weapons	305.4	+6.0	+23.5	334.9	+10.8	-13.7	332.0	+8.8	-10.9	329.9
Combat Enhancement Forces	298.8	+4.8	-33.4	270.2	+6.0	+55.9	332.1	+6.6	-34.5	304.2
Air Operations Training	981.3	+25.5	+143.8	1,150.6	+122.8	-29.5	1,243.9	+70.6	-60.9	1,253.6
Combat Communications	1,651.6	+7.5	-169.4	1,489.7	+61.1	-200.2	1,350.6	+34.6	+188.2	1,573.4
Global C3I & Early Warning	859.2	+10.1	-38.3	831.0	+19.5	+126.1	976.6	+18.7	+23.7	1,019.0
Other Combat Ops Spt Programs	488.6	+10.8	+200.0	699.4	+22.1	-124.2	597.3	+16.0	-29.7	583.6
Airlift Operations	2,561.4	-53.6	-289.9	2,217.9	+90.6	-140.5	2,168.0	+58.1	-64.2	2,161.9
Flight Training	634.0	-2.8	+31.1	662.3	+29.1	-16.2	675.2	+18.7	+9.7	703.6
Rescue & Recovery Services	82.1	+2.5	+25.6	110.2	+8.5	+2.4	121.1	+5.9	+18.0	145.0
Arms Control	35.7	+0.3	-5.0	31.0	+0.6	+2.0	33.6	+0.8	+0.3	34.7
Security Programs	890.9	+24.3	+17.4	932.6	+22.3	-47.2	907.7	+20.7	+8.8	937.2
Depot Maintenance (All Air Force)	<u>2,373.8</u>	<u>+154.2</u>	<u>-708.3</u>	<u>1,819.7</u>	<u>+259.3</u>	<u>+239.0</u>	<u>2,318.0</u>	<u>+184.7</u>	<u>-209.2</u>	<u>2,293.5</u>
Total	14,331.8	+266.7	-613.5	13,985.0	+1,103.6	-536.0	14,552.6	+685.9	-367.3	14,871.2

The FY 2004 budget request reflects a net increase of \$567.6 million above the FY 2003 funding level. This includes a price increase of \$1,103.6 million and a program decrease of \$536.0 million (-3.6 percent).

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	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Program Data</u>							
Primary Authorized Aircraft (PAA)							
Bomber	116	+2	118	-	118	-	118
Fighter/Attack	1,246	+62	1,308	+10	1,318	-	1,318
Trainer	1,202	-35	985	-107	878	+36	914
Airlift	335	-6	329	+14	343	+1	344
Tanker	286	+13	299	-27	272	-8	264
Other	<u>516</u>	<u>-87</u>	<u>429</u>	<u>-36</u>	<u>393</u>	<u>+13</u>	<u>406</u>
Total	3,519	-51	3,468	-146	3,322	+42	3,364
Total Aircraft Inventory (TAI)							
Bomber	183	-40	143	-	143	-	143
Fighter/Attack	1,424	+59	1,483	+24	1,507	+7	1,514
Trainer	1,335	-222	1,113	+52	1,165	+11	1,176
Airlift	372	-9	363	+20	383	+2	385
Tanker	309	+20	329	-24	305	-8	297
Other	<u>596</u>	<u>-89</u>	<u>507</u>	<u>-55</u>	<u>452</u>	<u>+17</u>	<u>469</u>
Total	4,219	-281	3,938	+17	3,955	+29	3,984
Flying Hours (000)	1,484.2	-186.4	1,297.8	-49.7	1,248.1	+20.8	1,268.9
Air Expeditionary Forces	10	-	10	-	10	-	10

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	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Crew Ratios (Average)							
Bombers	1.35	-	1.35	-	1.35	-	1.35
Fighters	1.25	-	1.25	-	1.25	-	1.25
OPTEMPO							
Hrs/Crew/Month							
Bombers	15.8	-0.2	15.6	-	15.6	-	15.6
Fighters	21.8	-4.9	16.9	-0.3	16.6	+0.2	16.8
Mission Capable Rates*							
Bombers	71.0	-3.6	67.4	-1.1	66.3	-0.6	65.7
Fighters	79.2	-0.7	78.5	-1.2	77.3	-0.6	76.7
ICBM Inventory							
Minuteman III	500	-	500	-	500	-	500
Peacekeeper	<u>50</u>	<u>-17</u>	<u>33</u>	<u>-17</u>	<u>16</u>	<u>-16</u>	<u>-</u>
Total	550	-17	533	-17	516	-16	500

*Mission Capable Rates estimates for FY 2003 –FY 2005 are predictions based on budgeted funding levels for spare parts to support the current force structure. The model does not consider other factors that will influence mission capable rates in the year of execution such as operational tempo, aircraft age, and skill-level manning.

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Primary Combat Forces: The FY 2004 budget request increases \$61.0 million above the FY 2003 budget and includes price increases of \$450.9 million, functional transfers of \$-1.2 million, and program decreases of \$388.7 million.

- Major program increases include:
 - F-15C/D F100 engine upgrades, APG-63 radar, and Joint Helmet Mounted Cueing System (\$+38.9 million),
 - F-16 Common Configuration Implementation Program (\$+13.4 million),
 - F/A-22 Beddown/site activations (\$+11.5 million),
 - B-1B wing shear bearing replacement (\$+7 million), and
 - A-10 structural analysis (\$+6.2 million).

- Major program decreases include:
 - Decreased flying hour program due to reduced rates and force structure realignments (\$-389.8 million),
 - F-16 CONUS Combat Air Patrol decrease (\$-37.0 million),
 - B-52 Situational Awareness Defensive Improvement program slip (\$-13.9 million),
 - Non-fly DLR decrease (\$-9.8 million), and
 - F-117 engine repairs and F-117 Reduction in Total Operating Costs (ROTC) initiative (\$-9.4 million).

Primary Combat Weapons: The FY 2004 budget request is \$2.9 million below the FY 2003 level and includes price increases of \$10.8 million and program decrease of \$13.7 million (-4.0 percent).

- Major program increases include:
 - F-16 Sniper Advanced Targeting Pod (\$+6.7 million),
 - Air Force Space Command's UH-1N helicopters maintenance and upgrade of 59 back seats (\$+5.2 million),
 - Flying Hour Program Rates (\$+3.2 million), and
 - Contractor Logistics Support (CLS) for the Joint Air-to-Surface Standoff Missile that becomes operational in FY 2004 (\$+1.6 million).

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- Major program decreases include:
 - Decreases for Minuteman III ICBM Total System Performance Responsibility (TSPR) contract (\$-17.6 million),
 - Reduction in Non-Flying Aircraft Missile Programs Depot Level Repairable Parts to fund other Air Force programs decrease (\$-5.2 million),
 - Deactivation of 17 additional Peacekeeper missiles (\$-4.8 million), and
 - Decrease in contract engineering support for aircraft missiles/bombs (\$-3.1 million).

Combat Enhancement Forces: The FY 2004 budget request increases \$61.9 million above the FY 2003 budget and includes price increase of \$6.0 million and program increase of \$55.9 million (+20.1 percent).

- Major program increases include:
 - Addition of the third Unmanned Aerial Vehicles Predator Squadron (17th Reconnaissance Squadron) (\$+26.8 million),
 - Computer Network Defense realignment from Information Systems Security Program (\$+20.0 million),
 - Computer Network Operations (CNO) funding from Headquarters Management (\$+19.4 million),
 - US Strategic Command (USSTRATCOM) development and implementation of the computer network attack mission (\$+7.5 million),
 - Additional bandwidth and connectivity to create a virtual analytical capability (\$+5.0 million),
 - Civilian manpower realignment from Servicewide Communications (\$+4.5 million),
 - Engineering support for the AGM-88 missiles (\$+1.2 million), and
 - USSTRATCOM's information operations security improvements (\$+1.0 million).
- Major program decreases include:
 - One-time FY 2003 Special Operations Forces contracted study to determine the follow-on tactical mobility weapons system (\$-4.9 million),
 - One-time FY 2003 Congressional adjustments in FY 2003 for Information Warfare Support (\$-7.8 million),
 - Contractor Logistics, Engineering, and Technical Services contractual service contracts reductions (\$-6.7 million),
 - Compass Call reduction in level of depot-level repair (\$-6.5 million), and
 - CV-22 Program Slip to FY 2006 (\$-6.3 million).

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Air Operations Training: The FY 2004 budget request increases \$93.3 million about the FY 2003 budget and includes price increases of \$122.8 million and program decreases of \$-29.5 million (-2.3 percent).

- Major program increases include:
 - Unrealized contractual, management efficiencies based on revised economic assumptions (\$+34.8 million),
 - Readiness training (\$+27.6 million),
 - Restoral of funds for Combat Air Forces Training (\$+19.4 million) to historical levels,
 - Three new Full Combat Mission Training Centers and Integration Connectivity for B-2 Weapons System Trainer (\$+11.6 million),
 - Restoral of program funds for Air Warfare Center (\$+9.8 million),
 - Implementation of the Joint National Training Center Strategic Plan (\$+9.4 million), and
 - Workforce shaping actions (\$+6.5 million).

Reductions in the flying hour costs due to flying hour rate changes and to force structure realignments totaling \$-149.0 million offset the program increases.

Combat Communications: The FY 2004 budget request decreases \$139.1 million below the FY 2003 budget and includes price increases of \$61.1 million, functional transfers-out of \$165.3 million and program decreases of \$34.9 million. The single major transfer is the transfer of the Joint Surveillance Target Acquisition System (JSTARS E-8C) mission to the Air National Guard at Warner Robbins, GA (\$-164.0 million). The JSTARS mission replaces the former B-1 mission of the Air National Guard that transferred to the Active Air Force in the consolidation of the B-1 program.

- Major program changes include:
 - Courseware for Air Operations Center initial qualification training and improved standardization among Air Operations Centers (\$+31.0 million),
 - Communications support for the US Central Command (USCENTCOM) (\$+12.9 million),
 - Contractor logistics support for Deployable C3 systems (\$+10.7 million),
 - Contract support for one additional Rivet Joint RC-135 aircraft (\$+7.9 million), and
 - Integration support for the Tactical Airborne Control System (\$+6.2 million).

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- Major program decreases include:
 - One-time FY 2003 Congressional increases (\$-10.5 million),
 - Flying Hour Program rates and force structure realignments (\$-72.7 million),
 - Deferred purchase of engine overhaul kits and of overhaul of life support equipment for the Dragon U-2 aircraft (\$-9.6 million),
 - Competitive Sourcing and Privation (\$-2.0 million),
 - Reduction in the Theater Battle Management C4I contract support (\$-3.9 million),
 - Delay in the implementation of training programs for Theater Air Control System (\$-3.6 million), and
 - Retirement of two AWACS TC-18 training aircraft (\$-2.0 million).

Global C3I & Early Warning: The FY 2004 budget request increases \$145.6 million above the FY 2003 budget and includes price increase of \$19.5 million, functional transfers-in of \$0.1 million, and program increases of \$126.0 million (+14.8 percent).

- Major program increases include:
 - Worldwide Joint STRATCOM Communications supporting the US Strategic Command and the US Space Command merger (\$+72.8 million),
 - MILSTAR satellite requirements (\$+38.8 million),
 - Space-Based Infrared System (SBIRS) pre-operations support (\$+18.1 million),
 - Continued information systems improvements at US Northern Command (NORTHCOM) (\$+11.6 million),
 - Space Training, Education and Professional Development (\$+8.1 million),
 - Thule Collective Bargaining Agreement contract for the Ballistic Missile Early Warning Systems (\$+5.9 million),
 - MILSTAR terminal operations, maintenance, and depot level reparable (\$+4.8 million),
 - North American Aerospace Defense Command (NORAD) Cheyenne Mountain Complex for civilian pay requirements (\$+3.6 million),
 - Space Control Systems Block 10 Deployable Offensive Counterspace Systems (\$+3.2 million),
 - Combatant Commander's Mobile Command Center (\$2.1 million),
 - Global Command and Control System deployment of the at the USSPACECOM, NORAD, and USNORTCOM (\$+2.0 million), and
 - National Military Command System support for dual operations as part of the relocation for the Pentagon Renovation (\$+3.0 million).

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- Major program decreases include:
 - One-time FY 2003 costs (\$-15.1 million)
 - Reduced contract workload for the E-4B National Airborne Operations Center (\$-27.1 million),
 - One-time funding for modernization of communications for Homeland Defense initiatives (\$-2.9 million), and
 - Minuteman Communication (\$-1.9 million).

Other Combat Operations Support Programs: The FY 2004 budget request declines \$102.1 million and includes a price increase of \$22.1 million and a program decrease of \$-124.2 million(-17.2 percent).

- Major program decreases include:
 - Activation of Combatant HQ NORTHCOM (\$+40.8 million),
 - Improvements required as USNORTHCOM approaches full operational capabilities (\$+28.0 million),
 - Improvements to NORAD C2 capabilities (\$+23.9 million),
 - Enhanced space capabilities to the Space Warfare Center (\$+14.9 million),
 - Engineering installation support to improve the capabilities on classified network capabilities (\$+4.7 million),
 - Increases to meet the Combatant HQ-NORAD capabilities (\$+4.2 million),
 - Civilian separation incentives (\$+2.6 million),
 - Accelerated implementation of Air Force-Global Combat Support System (\$+2.4 million),
 - Intelligence operations and analysis for Defensive Counter Information (\$+1.9 million), and
 - National Security Emergency Preparedness (NSEP) support for Headquarters, US Air Force continuity of operations (\$+1.2 million).
- Major program decreases include:
 - One-time cost for anti-terrorism enhancements (\$-144.2 million), and
 - One-time FY 2003 transfers into Air Force Operations and Maintenance from Defense Emergency Relief Fund for:
 - Weapons Mass Destruction (\$-28.5 million),
 - CONUS Combat Air Patrol (\$-17.9 million),
 - Tactical Information Program (\$-5.0 million),
 - Combat Air Intelligence Systems Activities (\$-2.3 million),
 - Commercial Imagery (\$-2.0 million),

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- Tactical Deception (\$-1.0 million),
- WMD First Responder (\$-1.0 million), and
- CENTCOM Personnel Security Detachment and Forward Headquarters (\$-0.7 million).

Airlift Operations: The FY 2004 budget request declines \$49.9 million below the FY 2003 budget and includes price increases of \$90.6 million, functional transfers of \$6.6 million, and program decreases of \$133.9 million. The primary functional transfer is the transfer of seven KC-135Rs to the Air National Guard to backfill the B-1 mission previously consolidated into the Active Air Force (\$-7.6 million).

- Major program changes include:
 - Combat Air Patrol reimbursement to the Air Force Reserve Components (\$+15.0 million),
 - Contractor logistical support to support the new 318 Tunners (60k loaders) (\$+11.5 million),
 - Contracted-out functions at Andrews AFB for aircraft maintenance (\$+10.3 million),
 - Follow-on beddown of the C-17 aircraft (\$+9.7 million),
 - Civilian separation incentives (\$+2.3 million).

Major program decreases include:

- One-time FY 2003 transfers into Air Force Operations and Maintenance from Defense Emergency Relief Fund for CONUS Combat Air Patrol (\$-100.0 million),
- One-time FY 2003 transfers (\$-7.8 million);
- Divestiture of C-9A aircraft for Aeromedical Evacuation Program (\$-49.0 million),
- Flying Hour Program rate / force structure realignments (\$-20.0 million),
- Retirement of 14 C-5s (\$-18.6 million),
- Reduction in the C-17 flying hour rates (\$-14.4 million),
- Reduction of funding for equipment purchases (\$-8.4 million),
- Realignment of minor construction upgrades for the C-130J beddown at Little Rock AFB, AK (\$-5.7 million),
- Termination of the Air Mobility Command contract for short take-off and landing (STOL) airlift (\$-5.3 million),
- Reduction in purchases of technical data (\$-4.7 million),
- Reduced travel (\$-2.8 million), and
- Divestiture of four C-21s in USAFE (\$-2.1 million).

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Flight Training: The FY 2004 budget request increases \$12.9 million above the FY 2003 budget and includes a price increase of \$29.1 million, functional transfers of \$-0.5 million, and program decrease of \$-15.7 million (-2.3 percent).

- Major program changes include:
 - Randolph AFB TX Base Operating Support reinstatement of 373 civilian positions (\$+12.3 million) after failure of competitive sourcing efforts,
 - USAF Specialized Undergraduate Helicopter Pilot Training (\$+11.9 million),
 - T-6 aircraft beddown for Randolph and Moody (\$+7.6 million), and
 - Euro-NATO Joint Jet Pilot Training Facility Repair (\$+1.3 million).

Major program decreases include reductions in the flying hour program due to rate and force structure realignments (\$-30.8 million) and for civilian separation incentives (\$-8.4 million).

Rescue & Recovery Services: The FY 2004 budget request increases \$10.9 million above the FY 2003 budget and includes a price increase of \$8.5 million and a program increase of \$2.4 million (+2.0 percent). The primary program change is the full year cost of Combat Search and Rescue support (\$8.5 million). Major program decreases are changes in the flying hour program due to rates changes and force structure realignments (\$-3.3 million) and reduction in mission support costs (\$-2.7 million).

Arms Control: The FY 2004 budget request increases \$2.6 million above the FY 2004 budget and includes a price growth of \$0.6 million and a program change of \$2.0 million (+2.0 percent). The program change reflects increases for Open Skies OC-135B Aircraft Rewire Program for safety and performance (\$1.3 million), Open Skies OC-135B aircraft landing gear refurbishment (\$0.6 million), and civilian pay reprice (\$0.6 million). Program decreases include reductions in counter proliferation (\$-.5 million) and Competitive Sourcing and Privatization (\$-.2 million).

Security Programs: The FY 2004 budget request declines \$24.9 million below the FY 2003 budget and includes a price increase of \$22.3 million. The program change of \$-47.2 million (-4.9 percent) results from decreases to classified programs.

Depot Maintenance (Air Force-wide): The FY 2004 budget request increases \$498.3 million above the FY 2004 budget and funds Depot Purchase Equipment Maintenance (DPEM) at 79% of requirement. It includes a price growth of \$259.3 million and a program growth of \$238.9.0 million (1.5 percent)

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- Major program increases includes:
 - One-time Quarterly Surcharge for DPEM of \$23.6 million to pay FY 2002 Defense Working Capital Fund cost recovery losses in Depot Maintenance Activity Group.
 - Increase costs for the programmed depot maintenance (\$+90.5 million) for the F-15C/D/E, B-52, F-16, and KC-135 airframes.
 - Engine and Missile maintenance (\$+5.0 million),
 - Software upgrades for A-10, B-1, B-2, B-52, E-3, and F-16 aircraft (\$+96.8 million),
 - Increased costs for Other Major End Items depot maintenance (\$+11.6 million), and
 - Increase in Non Materiel Support Division Exchangeable, Area Base Manufacturing, and Storage (\$+11.4 million).

AIR FORCE RESERVE

The Air Force Reserve Air Operations provide the resources to maintain and train units for immediate mobilization and to provide administrative support for the Air Reserve Personnel Center. The FY 2004 request provides for the operation and training of 69 flying units, 429 mission support units, 13 Air Force Reserve flying installations, and the flying and mission training of 75,800 Selected Reserve personnel. Activities supported include aircraft operations, base and depot level aircraft maintenance, facility maintenance, medical treatment, civilian pay, travel, transportation, maintenance of other equipment, and base operating support.

	<u>(\$ in Millions)</u>									
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Funding Summary</u>										
Primary Combat Forces	1,064.6	+0.1	+234.9	1,299.6	+74.9	-22.7	+1,351.8	+49.6	-20.2	1,381.2
Mission/Flight Operations	81.6	+2.3	-17.5	66.4	+2.0	+0.7	+69.1	+1.8	-0.3	70.6
Depot Maintenance	<u>340.1</u>	<u>+26.4</u>	<u>-26.9</u>	<u>339.6</u>	<u>+45.0</u>	<u>-65.5</u>	<u>+319.1</u>	<u>+23.9</u>	<u>+9.6</u>	<u>352.6</u>
Total	1,486.3	+28.8	+190.5	1,705.6	+121.9	-87.5	1,740.0	+75.3	-10.9	1,804.4

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	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Program Data</u>							
Primary Authorized Aircraft (PAA)							
Bomber	403	+8	411	-45	366	-11	355
Fighter	105	-	105	-	105	-	105
Airlift	173	+8	181	-40	141	-11	130
Tanker	64	+6	70	+2	72	-	72
Rescue	31	-6	25	-7	18	-	18
Weather Reconnaissance	10	-	10	-	10	-	10
Special Operations Forces	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>
Total	403	+8	411	-45	366	-11	355
Total Aircraft Inventory (TAI)							
Bomber	9	-	9	-	9	-	9
Fighter	122	-2	120	+5	125	-3	122
Airlift	184	+25	209	-49	160	-15	145
Tanker	68	+2	70	+2	72	-	72
Rescue	33	-5	28	-6	22	-	22
Weather Reconnaissance	16	-6	10	-	10	-	10
Special Operations Forces	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>
Total	446	+14	460	-48	412	-18	394
Flying Hours (000)	155.4	-13.7	141.7	-10.0	131.7	+0.5	132.2
Tactical Fighter Wing Equivalents	1.0	-	1.0	-	1.0	-	1.0

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	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Crew Ratios (Average)							
Bombers	1.31	-	1.31	-	1.31	-	1.31
Fighters	1.25	-	1.25	-	1.25	-	1.25
OPTEMPO							
Hrs/Crew/Month							
Bombers	27.8	-10.7	17.1	-	17.1	-	17.1
Fighters	14.0	-3.1	10.9	+1.2	12.1	-0.6	11.5
Mission Capable Rates*							
Bombers							
Fighters							

The FY 2004 budget request increases \$34.4 million above the FY 2003 level. Price changes increase \$121.9 million while program changes decline \$87.5 million (-4.8 percent).

Primary Combat Forces (Air Operations): The FY 2004 budget request reflects a net increase of \$52.2 million. This includes a price increase of \$74.9 million and a program decreases of \$22.7 million (-1.7 percent). The FY 2004 program decreases result from changes in flying hour rates and in force structure.

Mission Support Operations: The FY 2004 budget request reflects a net increase of \$2.7 million. This includes a price increase of \$2.0 million and a program growth of \$0.7 million (+1.0 percent). The FY 2004 program increase reflects conversion of the Reserve Medical Red Flag Course for Air Transportable Hospital to new generation emergency medical equipment.

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Depot Maintenance: The FY 2004 budget request includes a net decrease of \$20.5 million. This includes a price increase of \$45.0 million and a program decrease of \$65.5 million (-17.0 percent) reflecting the deferment of 11 programmed depot maintenance and of nine engine overhauls.

AIR NATIONAL GUARD

The Air National Guard Air Operations program provides for the flying and maintenance of Air National Guard mission related aircraft. These funds also provide for the facilities, equipment, and manpower required to train, equip, and support the Air National Guard force structure at a combat readiness level that enables it to immediately assimilate into the active Air Force and to be capable of conducting independent operations in accordance with unit taskings.

	<u>(\$ in Millions)</u>									
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Funding Summary</u>										
Primary Combat Forces	2,076.9	+22.3	+459.1	2,558.3	+198.4	+86.3	2,843.0	+140.5	-265.5	2,718.0
Mission/Flight Operations	505.7	+11.9	-182.8	334.8	+10.8	-8.7	336.9	+10.3	-	347.2
Depot Maintenance	<u>710.3</u>	<u>+70.8</u>	<u>-216.6</u>	<u>564.5</u>	<u>+82.8</u>	<u>-26.2</u>	<u>621.1</u>	<u>+47.6</u>	<u>-3.5</u>	<u>665.2</u>
Total	3,292.9	+105.0	+59.7	3,457.6	+292.0	+51.4	3,801.0	198.4	-269.0	3,730.4

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	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Program Data</u>							
Primary Authorized Aircraft (PAA)							
Bomber	-	-	-	-	-	-	-
Fighter	495	-15	480	-	480	-	480
Training	107	-	107	-	107	-	107
Airlift Tactical	218	-	218	-5	213	-5	208
Airlift Strategic	28	-	28	-8	20	-4	24
Tanker	204	+6	210	-11	199	-9	190
Air Defense	60	-	60	-	60	-	60
Other	<u>52</u>	=	<u>52</u>	<u>+14</u>	<u>66</u>	<u>-14</u>	<u>52</u>
Total	1,164	-9	1,155	-10	1,145	-24	1,121
Total Aircraft Inventory (TAI)							
Bomber	-	-	-	-	-	-	-
Fighter	590	-53	537	+5	542	+3	545
Training	129	-6	123	-6	117	-	117
Airlift Tactical	230	+6	236	-9	227	-3	224
Airlift Strategic	30	-	30	-8	22	+3	25
Tanker	231	-11	220	-14	206	-4	202
Air Defense	73	-7	66	+2	68	+12	80
Other	<u>67</u>	-	<u>67</u>	<u>+18</u>	<u>85</u>	<u>-17</u>	<u>68</u>
Total	1,350	-71	1,279	-12	1,267	-6	1,261
Flying Hours (000)	265.0	+51.0	316.0	-	316.0	-13.0	303.0

AIR OPERATIONS

	FY 2002		FY 2003		FY 2004		FY 2005
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Tactical Fighter Wing Equivalents	6.63	-0.21	6.42	-	6.42	-	6.42
Crew Ratios (Average)							
Bombers	1.50	-1.50	-	-	-	-	-
Fighters	1.25	-	1.25	+0.25	1.50	-	1.50
OPTEMPO							
Hrs/Crew/Month							
Bombers	14.6	-14.6-					
Fighters	10.5	-	10.5	+0.1	10.6	-	10.6
Mission Capable Rates*	71.6	-10.2	68.1	-	68.1	-	68.1
Bombers							
Fighters							

The Air National Guard (ANG) FY 2004 budget increases \$343.4 million above the FY 2003 level and includes price growth of \$292.0 million and program increases of \$51.4 million (+1.4 percent).

AIR OPERATIONS

Primary Combat Forces Aircraft Operations: The FY 2004 budget request reflects a net increase of \$284.7 million. This includes a price growth of \$198.4 million and a program increase of \$86.3 million (+3.1 percent).

- Major program increases include:
 - Transfer of funding from the active Air Force to support the Joint Surveillance Target Attack Radar System (JSTARS) and KC-135 air refueling missions that the Air National Guard began operating in FY 2003 at two units that previously flew B-1 bomber aircraft (\$+178.9 million).
 - Additional flying hour funding to provide for the increased consumption of reparable and consumable parts primarily due to the aging weapon systems in the ANG inventory (\$+1.1 million).
 - Civilian workyears and support funding required for the annualization of the unit conversion to eight (8) KC-135 air refueling aircraft (\$+17.5 million),
 - Additional full-time manpower and flying hours associated with the conversion to eight (8) C-17 strategic airlift aircraft (\$+27.0 million), and
 - Resources for the continuation of the Air National Guard family program (\$+5.0 million).
- Major program decreases include:
 - Flying hour rate changes (\$-200.6 million).
 - Full year impact of converting F-16C/D tactical fighters to KC-135 tanker aircraft (\$-12.2 million),
 - Decreased C-141 strategic airlift requirements as one unit converts to C-17 aircraft in FY 2004 (\$-11.1 million), and
 - Initial implementation of the Air Forces corporate mobility plan that will reduce thirty-two ANG C-130 aircraft by the end of FY 2007. Five C-130 aircraft will be lost in FY 2004 (\$-5.5 million).

Mission Support Operations: The FY 2004 budget reflects a net increase of \$2.1 million above the FY 2003 level. This includes price increases of \$10.8 million and program decreases of \$8.7 million (-2.5 percent).

- Major program increases include:
 - Additional manpower required to transition the Air National Guard from a shape and respond force to a major participant in the Aerospace Expeditionary Force mission as directed by FY 1998 Defense Planning Guidance (\$+4.7 million).
 - Annualized impact of the civil engineering technician end strength added in FY 2003 that will eliminate the remaining full-time manpower shortfall identified in the ANG Future Force restructuring (\$+1.2 million), and
 - Establishment of one information warfare aggressor squadron and two (2) flights beginning in FY 2004 (\$+.9 million).

AIR OPERATIONS

- Major program decreases include:
 - Decreased tactical air control unit manpower to establish the new information warfare aggressor flights and the reduced requirement for non flying depot level reparable at units transitioning to new missions (\$-3.1 million),
 - Decrease in communications units requirements primarily caused by one unit converting to information warfare operations (\$1.4 million), and
 - Reduction in civilian manpower at Operation Headquarters, 1st Air Force (\$-1.3 million).

Depot Maintenance: The FY 2004 budget reflects a net increase of \$56.6 million. This includes price increases of \$82.8 million and program decreases of \$26.2 million (-4.0 percent).

- Major program increases include:
 - Implementation of the replacement program for the KC-135E engine pylon struts (\$+36.4 million),
 - Falcon STAR program that upgrades known life-limited structural components on the F-16C/D aircraft (\$+6.7 million), and
 - Scheduled aircraft and engine maintenance for C-130E/H, LC-130 and F-15A aircraft (\$+12.3 million).
- Major program decreases include:
 - Retirement or replacement of thirty six (36) KC-135E aircraft (\$-43.7 million),
 - decreased Programmed Depot Maintenance (PDM) requirements for F-15B aircraft (\$-4.5 million).
 - Reduction of engine maintenance requirements for the KC-135R, C-5, and F-15A/B aircraft (\$-11.8 million), and
 - Reduction the amount of contract carryover workload to be accomplished in FY 2004 (\$-44.2 million).

AIR OPERATIONS

US SPECIAL OPERATIONS COMMAND

The Air Operations funding for the U.S. Special Operations Command (USSOCOM) supports the manpower authorizations, Special Operations Forces (SOF) unique support equipment, flying hours, aircraft, necessary facilities, and the associated costs specifically identified and measurable to initial qualification and training of aircrews for SOF aviation operations and tactics.

	<u>(\$ in Millions)</u>									
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Funding Summary</u>										
USSOCOM –SOF Operations	625.3	+24.3	-105.9	543.7	+46.3	+58.1	648.1	+30.2	+8.1	686.4
	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>
<u>Program Data</u>										
Primary Authorized Aircraft										
AFSOC	112	-1		111	-		111	+3		114
USASOC	135	+2		139	+1		140	+12		152
Total Aircraft Inventory										
AFSOC	114	-		114	+1		115	+3		118
USASOC	138	+4		142	+1		143	+12		155
Flying Hours (000)										
AFSOC	62.4	-15.0		47.4	-6.7		40.7	-		40.7
USASOC	34.4	-0.7		33.7	+3.5		37.2	+0.7		37.9

AIR OPERATIONS

	FY 2002		FY 2003		FY 2004		FY 2005
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Crew Ratio (Average per Aircraft)							
AFSOC	1.8	-0.1	1.7	-	1.7	-	1.7
USASOC	1.4	-	1.4	-	1.4	-	1.4
<u>OPTEMPO</u>							
<u>(Hrs/Crew/Month)</u>							
AFSOC	28.3	-7.3	21.0	-3.6	17.4	-	17.4
USASOC	15.4	-1.8	13.6	+0.3	13.9	-0.5	13.4
Primary Mission Readiness	75%	-	85%	-	75%	-	75%

* Air Force Special Operations Command (AFSOC)

** U.S. Army Special Operations Command (USASOC)

The FY 2004 budget reflects a net increase of \$104.4 million above the FY 2003 level. This includes a price increases of \$46.3 million and program increases of \$58.1 million (+9.8 percent).

- Major program increases include:
 - Support to relieve problems associated with the low density/high demand assets of the 160th Special Operations Aviation Regiment (\$+42.1 million),
 - Forward location of Air Force Special Operations Command (AFSOC) assets to Central Command (CENTCOM) Crisis Response Element (\$+33.9 million), and
 - Forward basing costs for European Command (EUCOM) detachment (\$+5.0 million).

The program growth is offset by a reduction in flying hours (\$-23.5 million) due to changes in the cost of Air Force flying hours.

AIR OPERATIONS

DEFENSE HEALTH PROGRAM

The Air Operations funding for the Defense Health Program (DHP) supports aircraft at the U.S. Army Aeromedical Center (Lyster Army Hospital), Fort Rucker, Alabama that provide aeromedical evacuation support to the Army Aviation Center . Costs include fuel, supplies, depot level repairs, contract maintenance, and all other related expenses associated with the aeromedical evacuation system.

	<u>(\$ in Millions)</u>									
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Funding Summary</u>										
Defense Health Program	1.9	-	+0.3	2.2	-	+0.3	2.5	-	+0.3	2.8

The FY 2004 budget request reflects a net increase of \$0.3 million above the FY 2003 level and reflects the a net program increase of \$0.3 million (+13 percent) resulting from force structure changes as the DHP changes from UH-1 to the UH-60 helicopter.

	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Program Data</u>							
Primary Authorized Aircraft	8	+4	12	-	12	-6	6
Total Aircraft Inventory	8	+4	12	-	12	-6	6
Flying Hours (000)	2.6	+0.1	2.7	-0.5	2.2	-	2.2
Crew Ratio (Average)	2.1	-	2.1	-	2.1	-	2.1