

## **AIR OPERATIONS**

	(\$ in millions)						
	FY 2001 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2003 <u>Estimate</u>
Army	716.2	-5.9	216.3	926.6	+41.3	+149.9	1,117.8
Army Reserve	35.6	+0.2	+7.7	43.5	+1.7	+11.1	56.3
Army National Guard	224.8	+1.0	+54.1	279.9	+2.0	+56.7	338.6
Navy	5,295.0	-94.8	+428.8	5,629.0	+205.0	-74.9	5,759.1
Navy Reserve	481.5	-5.0	+48.9	525.4	+1.1	+21.9	548.4
Air Force	14,472.1	+515.8	+1,071.6	16,059.5	+536.7	+318.7	16,914.9
Air Force Reserve	1,844.8	+92.5	-27.1	1,910.2	+71.8	+101.7	2,083.7
Air National Guard	3,586.1	+177.3	+176.1	3,939.5	+229.6	-53.0	4,116.1
USSOCOM	469.4	+20.3	+16.1	505.8	+21.8	+32.7	560.3
Defense Health Program	<u>2.4</u>	<u>-</u>	<u>-</u>	<u>2.4</u>	<u>-</u>	<u>-</u>	<u>2.4</u>
<b>Total</b>	<b>27,127.9</b>	<b>+701.4</b>	<b>+1,992.5</b>	<b>29,821.8</b>	<b>+1,111.0</b>	<b>+564.8</b>	<b>31,497.6</b>

The Air Operations activity supports the day-to-day operational activities; organizational, intermediate, and depot level maintenance; institutional training; unit training and operations; engineering and logistical support; and base support necessary to operate, maintain, and deploy aviation forces in support of the national military strategy. The FY 2003 budget request of \$31,497.6 million reflects a net increase of \$1,675.8 million above the FY 2002 estimate. This includes a price growth of \$1,111.0 million and a net program increase of \$564.8 million (+1.8 percent).

## **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 combat MACOMs, the FY 2003 program funds rotary wing aircraft at the average OPTempo of 14.5 hours per crew per month. Also included are the flying hours associated with the counter-drug program, Combat Aviation Training Brigade at Fort Hood (the Army's collective trainer for the AH-64D Apache Longbow program), Combat Training Center support (National Training Center, Joint Readiness Training Center, and 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. 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

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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 the Army Materiel Command's (AMC) Corpus Christi Army Depot and the Aviation Missile Command's (AMCOM) Navy Test Pilot School with a small contingent of Army aircraft.

	(\$ in millions)						
	FY 2001	Price	Program	FY 2002	Price	Program	FY 2003
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Land Forces Air Operations	501.4	-7.2	+167.6	641.2	+36.5	+65.1	742.8
Depot Maintenance	102.7	+3.1	-9.9	95.9	+4.0	+78.1	178.0
Flight Training	110.8	-1.8	+77.9	186.9	+0.7	+6.2	193.8
Servicewide Support	<u>1.3</u>	<u>-</u>	<u>+1.3</u>	<u>2.6</u>	<u>+0.1</u>	<u>+0.5</u>	<u>3.2</u>
Total	716.2	-5.9	+236.9	926.6	+41.3	+149.9	1,117.0

  

	FY 2001		FY 2002		FY 2003
<u>Program Data</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Primary Authorized Aircraft	2,491	-77	2,414	-145	2,269
Total Aircraft Inventory	3,309	-573	2,736	-107	2,629
Flying Hours (000)	602.0	+85	687.0	-6.8	680.2

  

<u>OPTEMPO (Hrs/Crew/Month)</u>					
Rotary Wing	14.5	-0.5	14.0	+0.5	14.5

The FY 2003 budget request reflects a net increase of \$191.2 million above the FY 2002 level. This includes a price increase of \$41.3 million and a program increase of \$149.9 million (+15.5 percent).

**Land Force Air Operations:** The FY 2003 flying hour program supports an average OPTEMPO of 14.5 hours per crew per month, which is an increase of 0.5 hours per crew per month above the FY 2002 level. The FY 2003 budget request increases of \$101.6 million above the FY 2002 level and includes a price increase of \$36.5 million and a program increase of \$65.1 million (+9.6 percent). The FY 2003 program increase is primarily attributed to an anticipated increase in flying hour costs based on a 3-year moving average of cost growth in flying hour depot level reparable and consumables attributable to an aging fleet and increased operating costs for modernized, more capable systems (i.e., AH-64D) (\$48.1 million). In addition, the additional flying hours per crew per month needed in FY 2003 in order to enable the Army to fully achieve its training goals (\$21.0 million). These program increases

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are partially offset by savings associated with the Aviation Transformation force structure changes (i.e., Corps and higher aviation units are losing airframes and a number of pilot positions) (\$-5.5 million).

**Aircraft Depot Maintenance:** The FY 2003 budget request increases by \$82.1 million above the FY 2002 level. This net increase includes a price growth of \$4.0 million and a program growth of \$78.1 million (+78.2 percent) primarily to provide additional support for the Army's Transformation effort to recapitalize its end items. The FY 2003 budget request supports additional recapitalization of UH-60s (+15), CH-47Ds (+1), and Aircraft Ground Support Equipment.

**Flight Training:** The FY 2003 budget request increases \$6.9 million above the FY 2002 level. This net increase includes a price increase of \$0.7 million and a program increase of \$6.2 million (+3.3 percent). The FY 2003 program increase of \$6.2 million is primarily due to increased flying hour costs, which is offset by reduced number of flight hours required to support the Aviation Transformation Plan.

**Servicewide Support:** The FY 2003 budget request increases \$0.6 million above the FY 2002 level. This net increase includes a price increase of \$0.1 million and a program increase of \$0.5 million (+0.6 percent). The FY 2003 program increase of \$0.5 million reflects the anticipated increase in flying hour costs based on a 3-year moving average of cost growth in flying hour depot level repairables and consumables attributable to an aging fleet costs of flying.

## 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 CINCs. The Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system.

	<b>(\$ in millions)</b>						
<b><u>Funding Summary</u></b>	<b>FY 2001</b>	<b>Price</b>	<b>Program</b>	<b>FY 2002</b>	<b>Price</b>	<b>Program</b>	<b>FY 2003</b>
	<b><u>Actual</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>
<b>Training Operations</b>	35.6	0.2	7.7	43.5	1.7	11.1	56.3
	<b>FY 2001</b>			<b>FY 2002</b>			<b>FY 2003</b>
<b><u>Program Data</u></b>	<b><u>Actual</u></b>	<b><u>Change</u></b>		<b><u>Estimate</u></b>	<b><u>Change</u></b>		<b><u>Estimate</u></b>
<b>Primary Authorized Aircraft</b>	134	+6		140	+8		148
<b>Total Aircraft Inventory (TAI)</b>	134	+6		140	+8		148

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	FY 2001		FY 2002		FY 2003
<u>Program Data</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Flying Hours (000)	33.8	+9.1	42.9	+3.5	46.4
<b>OPTEMPO:</b>					
Rotary (Hours/Crew/Month)	8.9	+0.1	9.0	-	9.0
Fixed (Aircraft Hours/Month)	49.0	+5.0	54.0	-	54.0

The FY 2003 budget request reflects a net increase of \$12.8 million. This includes a price decrease of \$1.7 million and a program increase of \$11.1 million (+24.6 percent), which is primarily due to the fielding of eight UH-60L aircraft to the Army Reserve in FY 2003.

### 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>						
	FY 2001	Price	Program	FY 2002	Price	Program	FY 2003
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Flying Hour Program	224.8	+1.0	+54.1	279.9	+2.0	+56.7	338.6
<b>Program Data</b>	<b><u>Actual</u></b>	<b><u>Change</u></b>		<b><u>Estimate</u></b>	<b><u>Change</u></b>		<b><u>Estimate</u></b>
Primary Authorized Aircraft	1,830	-154		1,676	-17		1,659
Total Aircraft Inventory	1,830	-154		1,676	-17		1,659
Flying Hours (000)	261.0	+87.4		348.4	-1.4		347.0
<b>OPTEMPO:</b>							
Rotary (Hours/Crew/Month)	5.9	+3.1		9.0	-		9.0
Fixed (Aircraft Hours/Month)	27.5	-4.5		23.0	+2.0		25.0

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The FY 2003 budget request reflects a net increase of \$58.7 million. This includes a price change of \$2.0 million and a net program increase of \$56.7 million (+20.1 percent), which reflects the Army's continued transformation effort to retire Cobra (AH-1) and Huey (UH-1) aircraft and replace them with more capable Blackhawk (UH-60) and Apache (AH-64) aircraft.

## 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, maintain, and deploy aviation forces in support of the national military strategy. Navy Air Operations is subdivided into the following categories.

<b><u>Funding Summary</u></b>	<b><u>(\$ in millions)</u></b>						
	<b><u>FY 2001</u></b>	<b><u>Price</u></b>	<b><u>Program</u></b>	<b><u>FY 2002</u></b>	<b><u>Price</u></b>	<b><u>Program</u></b>	<b><u>FY 2003</u></b>
	<b><u>Actual</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>
Mission/Flight Operations	3,053.5	-87.7	+186.9	3,152.7	+118.3	-23.8	3,247.2
Fleet Air Training	900.4	-11.2	+87.2	976.4	+28.9	+24.7	1,030.0
Intermediate Maintenance	61.2	+2.0	-1.5	61.7	+3.3	+4.9	69.9
Air Ops and Safety Support	90.0	+1.1	+8.9	100.0	+4.3	+4.7	109.0
Depot Maintenance	758.1	+3.3	+77.0	+838.4	+43.4	-96.7	785.1
Depot Operations Support	30.3	-1.0	+16.8	46.1	+2.1	+7.7	55.9
Combat Communications	59.4	-1.8	+8.1	65.7	+2.2	+3.9	71.8
Flight Training	324.5	+1.0	+44.1	369.6	+1.8	-0.3	371.1
Blue Angels	17.6	-0.5	+1.3	18.4	+0.7	-	19.1
<b>Total</b>	<b>5,295.0</b>	<b>-94.8</b>	<b>+428.8</b>	<b>5,629.0</b>	<b>+205.0</b>	<b>-74.9</b>	<b>5,759.1</b>

<b><u>Program Data</u></b>	<b><u>FY 2001</u></b>	<b><u>Change</u></b>	<b><u>FY 2002</u></b>	<b><u>Change</u></b>	<b><u>FY 2003</u></b>
	<b><u>Actual</u></b>		<b><u>Estimate</u></b>		<b><u>Estimate</u></b>
Primary Authorized Aircraft	2,488	-9	2,479	+6	2,485
Total Aircraft Inventory (TAI) *	4,089	+66	4,155	+53	4,208
Total Flying Hours (000)	1,218.4	+69.3	1,287.7	-2.7	1,285.0
Tactical Fighter Wings	10	-	10	-	10
Hours Per Crew Per Month	21.4	+1.4	22.8	-1.3	21.5
TACAIR Primary Mission Readiness **	80%	+3%	83%	-	N/A
TACAIR Percent of Requirement	N/A	-	N/A	-	89%

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<u>Program Data</u>	<u>FY 2001</u> <u>Actual</u>	<u>Change</u>	<u>FY 2002</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2003</u> <u>Estimate</u>
<b>Naval Aviation Installations</b>					
<b>CONUS</b>	<b>15</b>	-	<b>15</b>	-	<b>15</b>
<b>Overseas</b>	<b>8</b>	-	<b>8</b>	-	<b>8</b>

\* TAI includes Navy and Marine Corps Reserve aircraft.

\*\* Tactical Air (TACAIR) PMR percentages include 2% simulator contribution

The FY 2003 budget request increases by \$130.1 million above of the FY 2002 level and reflects a price increase of \$205.0 million and a program decrease of \$74.9 million (-1.3 percent) from the FY 2002 level. The Primary Authorized Aircraft (PAA) decreases from FY 2002 to FY 2003 due to various force structure changes, including reduced number of S-3B aircraft from 8 to 6 per squadron and accelerated decommissioning of F-14s. The FY 2003 budget request will enable the Navy to achieve readiness and safety goals.

**Mission/Flight Operations:** The FY 2003 budget request reflects a net increase of \$94.5 million above the FY 2002 level, which includes a price increase of \$118.3 million primarily due to increased Aviation Depot Level Repairables (AVDLR) and aviation consumable prices. The FY 2003 program decrease of \$23.8 million (-0.7 percent) is primarily attributable to a decrease in the flying hour requirement (-10,832 hours) and the transfer of the Aviation Consumable Initiative to the Defense Working Capital Fund.

**Fleet Air Training:** The FY 2003 budget request reflects a net increase of \$53.6 million above the FY 2002 level, which includes a price increase of \$28.9 million primarily due to increased AVDLR and aviation consumable prices. Programmatic adjustments in FY 2003 total \$24.7 million (+2.5 percent), which are primarily attributable to higher usage rate of consumables and repairables, as well as an increase in flying hours (+4,453 hours) to correspond to changes in training requirements.

**Navy Intermediate Maintenance:** The FY 2003 budget request reflects a net increase of \$8.2 million above the FY 2002 level, which includes a price growth of \$3.3 million and programmatic increases of \$4.9 million (+7.5 percent). The net increase will provide additional engineering and technical support for tactical aircraft and additional Navy Marine Corps Intranet seat service costs.

**Air Operations and Safety Support:** The FY 2003 budget reflects a net increase of \$9.0 million above the FY 2002 level, which includes a price increase of \$4.3 million and a program increase of \$4.7 million (+4.5 percent). The increase will support additional Air Traffic Control Radar and Tower Maintenance, Precision Approach and Landing System certifications and provide fleet support for fielded shipboard based Air Traffic Control Identification Landing Systems equipment.

**Aircraft Depot Maintenance:** The FY 2003 budget reflects a net decrease of \$53.3 million, which includes a price increase of \$43.4 million and a net program decrease of \$96.7 million (-11.0 percent). The programmatic decrease is the result of reduced requirements for standard depot level maintenance actions, phased depot maintenance actions, engine overhauls/repairs, and gear box/torque meter overhauls. The program is fully funded to meet Navy readiness goals.

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**Aircraft Depot Operations Support:** The FY 2003 budget request reflects a net increase of \$9.8 million above the FY 2002 level. This includes a price increase of \$2.1 million and a program increase of \$7.7 million (+16.0 percent). The programmatic increase will fund the development and deployment of the SIGMA Enterprise Resource Planning initiative, as well as a corresponding decrease for non-recurrence of Computer Automatic Test Equipment and Radar Communication Automatic Test Equipment (CAT and RADCOM) congressional increase in FY 2003.

**Combat Communications.** Combat Communication funds the E-6A/B TACAMO program. The FY 2003 budget request reflects a net increase of \$6.1 million above the FY 2002 level. This includes a price increase of \$2.2 million and a program increase of \$3.9 million (+5.7 percent) in FY 2003. The program growth is attributable to the lease of Boeing 737 aircraft to replace the TC-18 in support of the TACAMO training mission and the contract maintenance associated with these aircraft, partially offset by reductions in other maintenance, primarily associated with the TC-18.

**Flight Training:** The FY 2003 budget reflects a net increase of \$1.5 million above the FY 2002 level. This includes price growth of \$1.8 million and a program decrease of \$0.3 million (-0.1 percent). The program decreases are attributable to reduction in the pilot training rate for Strike and Rotary and in the Integrated Production Plan for Naval Flight Officer Training Rate (\$-2.4 million); the transfer of Water Survival training to the Air Force (\$-1.6 million); and support to legacy Information Technology systems (\$-2.9 million). These program decreases are partially offset by increases for: training for instructors and support personnel for the new T-6A training aircraft (\$5.3 million) and establishment of the Introductory Flight Syllabus program, which provides introductory training prior to flight school (\$1.3 million).

**Blue Angels:** The FY 2003 funding is the same as the FY 2001 funding level except for a slight price increase of \$0.7 million.

## 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 1 carrier air wing with a total of 8 squadrons, 1 long-range Anti-Submarine Warfare (ASW) patrol wing with a total of 7 squadrons, 1 helicopter wing with 6 squadrons, and 1 air logistics wing with 14 squadrons. The Fourth Marine Corps Air Wing (4<sup>th</sup> MAW) consists of 15 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. The following table provides the funding for the programs supporting the Reserve Air Operations.

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<b>Funding Summary</b>	(\$ in millions)						
	<b>FY 2001</b>	<b>Price</b>	<b>Program</b>	<b>FY 2002</b>	<b>Price</b>	<b>Program</b>	<b>FY 2003</b>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Mission/Flight Operations	361.5	-5.8	+35.3	391.0	-4.0	+11.3	398.3
Intermediate Maintenance	16.0	+0.4	+0.7	17.1	+0.7	+0.2	18.0
Air Ops and Safety Support	1.9	-	-	1.9	+0.1	+0.2	2.2
Depot Maintenance	101.9	+0.4	+12.8	115.1	+4.2	+10.2	129.5
Depot Operations Support	<u>0.2</u>	<u>-</u>	<u>+0.1</u>	<u>0.3</u>	<u>+0.1</u>	<u>-</u>	<u>0.4</u>
<b>Total</b>	<b>481.5</b>	<b>-5.0</b>	<b>+48.9</b>	<b>525.4</b>	<b>1.1</b>	<b>21.9</b>	<b>548.4</b>

<b>Program Data</b>	<b>FY 2001</b>	<b>Change</b>	<b>FY 2002</b>	<b>Change</b>	<b>FY 2003</b>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Primary Authorized Aircraft	403	+6	409	-	409
Total Aircraft Inventory (TAI)*	4,089	+66	4,155	+53	4,208
Total Flying Hours (000)	151.0	+23.6	174.6	-7.7	166.9
Tactical Fighter Wings	1	-	1	-	1
Hours Per Crew Per Month	11.0	-	11.0	-	11.0
Primary Mission Readiness **	87%	-	87%	-	N/A

\* TAI shown under the active account includes Navy and Marine Corps Reserve aircraft.

\*\* Includes 2% simulator contribution.

The FY 2003 request reflects a net increase of \$23.0 million above the FY 2002 funding level. This includes a price increase of \$1.1 million and a real program growth of \$21.9 million (4.2 percent) above FY 2002 level. Programmatic increases in FY 2002 are associated with increased costs of Aviation Depot Level reparables (AVDLRs), contract maintenance increases (most notably on the F-5), full year operation of the C-40 "Clipper" aircraft, and increased funding for airframe and engine repairs.



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**ACTIVE AIR FORCE**

The Air Force Air Operations funding provides the resources that support combat forces. These activities provide for the operational flying requirements of bomber, fighter, mobility, and training forces stationed in the United States as well as overseas. Also included are resources supporting: land based intercontinental ballistic missiles; air launched strategic and tactical missiles; electronic warfare and defense suppression missions; combat command, control, and communications; combat aircrew training; and associated combat related base support.

Financing provides for the operating tempo, organizational and depot level maintenance, training, engineering support, logistical support, and base support to operate, maintain, and deploy aviation forces in support of the national military strategy. The Air Operations activity for the Air Force are subdivided into the following categories:

<b><u>Funding Summary</u></b>	<b>(\$ in millions)</b>						
	<b><u>FY 2001</u></b>	<b><u>Price</u></b>	<b><u>Program</u></b>	<b><u>FY 2002</u></b>	<b><u>Price</u></b>	<b><u>Program</u></b>	<b><u>FY 2003</u></b>
	<b><u>Actual</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>
<b>Primary Combat Forces</b>	<b>2,684.9</b>	<b>+140.9</b>	<b>+354.8</b>	<b>3,180.6</b>	<b>+122.5</b>	<b>-59.1</b>	<b>3,244.0</b>
<b>Primary Combat Weapons</b>	<b>284.9</b>	<b>+6.6</b>	<b>+9.9</b>	<b>301.4</b>	<b>+8.3</b>	<b>+26.5</b>	<b>336.2</b>
<b>Combat Enhancement Forces</b>	<b>239.7</b>	<b>+5.4</b>	<b>-8.8</b>	<b>236.3</b>	<b>+5.8</b>	<b>+6.3</b>	<b>248.4</b>
<b>Air Operations Training</b>	<b>847.6</b>	<b>+41.3</b>	<b>+320.6</b>	<b>1,209.5</b>	<b>+49.9</b>	<b>-8.8</b>	<b>1,250.6</b>
<b>Combat Communications</b>	<b>1,211.5</b>	<b>+27.3</b>	<b>+163.8</b>	<b>1,402.6</b>	<b>+22.0</b>	<b>+40.7</b>	<b>1,465.3</b>
<b>Facilities Sustainment (FSRM)</b>	<b>763.4</b>	<b>+6.6</b>	<b>+14.6</b>	<b>784.6</b>	<b>+10.2</b>	<b>+166.1</b>	<b>960.9</b>
<b>Base Support</b>	<b>2,027.3</b>	<b>+9.2</b>	<b>+57.3</b>	<b>2,093.8</b>	<b>+51.2</b>	<b>+212.5</b>	<b>2,357.5</b>
<b>Global C3I &amp; Early Warning</b>	<b>762.9</b>	<b>+21.3</b>	<b>+15.5</b>	<b>799.7</b>	<b>+19.5</b>	<b>-3.2</b>	<b>816.0</b>
<b>Other Combat Ops Spt Programs</b>	<b>363.3</b>	<b>+10.2</b>	<b>+19.2</b>	<b>392.7</b>	<b>+13.7</b>	<b>+19.2</b>	<b>425.6</b>
<b>Airlift Operations</b>	<b>2,024.1</b>	<b>+27.7</b>	<b>+28.8</b>	<b>2,080.6</b>	<b>-11.4</b>	<b>+77.9</b>	<b>2,147.1</b>
<b>Flight Training</b>	<b>582.1</b>	<b>+14.6</b>	<b>+66.4</b>	<b>663.1</b>	<b>+6</b>	<b>-5.3</b>	<b>663.8</b>
<b>Rescue &amp; Recovery Services</b>	<b>70.4</b>	<b>+2.8</b>	<b>+6.4</b>	<b>79.6</b>	<b>+3.7</b>	<b>+27.1</b>	<b>110.4</b>
<b>Arms Control</b>	<b>31.9</b>	<b>+0.6</b>	<b>+1.7</b>	<b>34.2</b>	<b>+0.7</b>	<b>-1.8</b>	<b>33.1</b>
<b>Security Programs</b>	<b>731.2</b>	<b>+16.5</b>	<b>+57.9</b>	<b>805.6</b>	<b>+40.2</b>	<b>+208.4</b>	<b>1,054.2</b>
<b>International Support</b>	<b>22.4</b>	<b>+0.2</b>	<b>-8.3</b>	<b>14.3</b>	<b>-0.3</b>	<b>+6.0</b>	<b>20.0</b>
<b>Depot Maintenance (All Air Force)</b>	<b><u>1,824.5</u></b>	<b><u>+184.6</u></b>	<b><u>-28.2</u></b>	<b><u>1,980.9</u></b>	<b><u>+194.7</u></b>	<b><u>-393.8</u></b>	<b><u>1,781.8</u></b>
<b>Total</b>	<b>14,472.1</b>	<b>+515.8</b>	<b>+1,071.6</b>	<b>16,059.5</b>	<b>+536.7</b>	<b>+318.7</b>	<b>16,914.9</b>

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The FY 2003 budget request reflects a net increase of \$855.4 million above the FY 2002 funding level. This includes a price increase of \$536.7 million and a program increase of \$318.7 million (+1.9 percent). Of this net program change, \$235.3 million is due to the way the Air Force plans to recover losses at its Depots in FY 2002. The FY 2002 program includes a one-time \$235.3 million surcharge which is not carried forward into FY 2003. Adjusting for the impact of this one-time surcharge the real program growth is \$554.0 million (3.3 percent) above the FY 2002 funded level.

<u>Program Data</u>	<u>FY 2001</u> <u>Actual</u>	<u>Change</u>	<u>FY 2002</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2003</u> <u>Estimate</u>
<b>Primary Aircraft Authorized</b>					
Bomber	130	-18	112	+5	117
Fighter/Attack	1,287	+6	1,293	+15	1,308
Trainer	1,052	-49	1,003	-17	986
Mobility	332	-9	323	5	328
Other	<u>731</u>	<u>-2</u>	<u>729</u>	<u>-</u>	<u>729</u>
<b>Total</b>	<b>3532</b>	<b>-72</b>	<b>3460</b>	<b>8</b>	<b>3468</b>
<b>Total Aircraft Inventory (TAI)</b>					
Bomber	177	-15	162	-18	144
Fighter/Attack	1462	4	1,466	-5	1,461
Trainer	1,263	-177	1,086	2	1,088
Mobility	382	-24	358	5	363
Other	<u>824</u>	<u>16</u>	<u>840</u>	<u>8</u>	<u>848</u>
<b>Total</b>	<b>4,108</b>	<b>-196</b>	<b>3,912</b>	<b>-8</b>	<b>3,904</b>
<b>Flying Hours (000)</b>	<b>1459.1</b>	<b>-134.7</b>	<b>1,324.4</b>	<b>4.3</b>	<b>1,328.7</b>
<b>Fighter Wing Equivalents</b>	<b>20.21</b>	<b>-</b>	<b>20.21</b>	<b>-.19</b>	<b>20.02</b>
<b>Crew Ratio (Average per Aircraft)</b>					
<b>Bombers</b>					
B-52	1.40	-	1.40	-	1.40
B-2	1.31	-	1.31	-	1.31
B-1	1.31	-	1.31	-	1.31

**AIR OPERATIONS**

<b><u>Program Data</u></b>	<b>FY 2001</b>		<b>FY 2002</b>		<b>FY 2003</b>
	<b><u>Actual</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>
<b>Fighters</b>	<b>1.25</b>	<b>-</b>	<b>1.25</b>	<b>-</b>	<b>1.25</b>
<b>OPTEMPO (Hrs/Crew/Month)</b>					
<b>Bombers</b>	<b>17.8</b>	<b>-2.3</b>	<b>15.5</b>	<b>-0.1</b>	<b>15.4</b>
<b>Fighters</b>	<b>15.9</b>	<b>1.2</b>	<b>17.1</b>	<b>0.2</b>	<b>17.3</b>
<b>Airlift</b>	<b>27.6</b>	<b>-3.6</b>	<b>24.0</b>	<b>-0.1</b>	<b>23.9</b>
<b>Tanker</b>	<b>24.8</b>	<b>-6.6</b>	<b>18.2</b>	<b>0.5</b>	<b>18.7</b>
<b>Primary Mission Capable (%)</b>					
<b>Bombers</b>	<b>70.6</b>	<b>-0.4</b>	<b>70.2</b>	<b>0.7</b>	<b>70.9</b>
<b>Fighters</b>	<b>74.5</b>	<b>3.1</b>	<b>77.6</b>	<b>0.5</b>	<b>78.1</b>
<b>Airlift</b>	<b>70.8</b>	<b>-0.6</b>	<b>70.2</b>	<b>0.4</b>	<b>70.6</b>
<b>Tanker</b>	<b>75.8</b>	<b>1.8</b>	<b>77.6</b>	<b>0.1</b>	<b>77.7</b>
<b>ICBM Inventory</b>					
<b>Minuteman III</b>	<b>500</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>500</b>
<b>Peacekeeper</b>	<b><u>50</u></b>	<b>-</b>	<b><u>50</u></b>	<b><u>-17</u></b>	<b><u>33</u></b>
<b>Total</b>	<b>550</b>	<b>-</b>	<b>550</b>	<b>-17</b>	<b>533</b>

**Primary Combat Forces:** The FY 2003 budget request reflects a net increase of \$63.4 million above the FY 2002 funding level. This includes a price growth of \$122.5 million and a net program decrease of \$59.1 million (-1.8 percent). The net program decrease is primarily attributed to the savings from the consolidation of the B-1B bomber fleet from 93 aircraft to 60 and from five bases to two (\$-61.6 million). The consolidation reduces the costs for contract engineering, contractor support, and technical data. The savings are reapplied to the RDT&E and Aircraft Procurement appropriations for B-1B modernization efforts to improve lethality, survivability, and readiness. In addition, the program decreases in FY 2003 due to one-time increase in F-16 engine costs in FY 2002 (\$-34.1 million). The FY 2003 budget also reflects reduced flying hour costs to reflect the approved cost factors based on FY 2000 consumption, adjusted for a 5-year historical pattern of cost change in flying hour depot level reparable (DLR) and consumables (\$-93.6 million). These program reductions are partially offset by an increase of 1,175 flying hours to fully support the readiness requirements for a consolidated fleet (\$+76.6 million); increase for B-2 readiness upgrades (\$24.2 million); increase in support for the Aerospace Expeditionary Forces Southwest Asia travel expenses to reflect historically executed levels (\$10.2 million); and increase in

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contractor services/logistics support for F-22 (as the aircraft prepares to move from testing to fielding) and F-117 (for increased engine repairs and software updates) programs (\$15.9 million).

**Primary Combat Weapons:** The FY 2003 funding level increases by \$34.8 million above the FY 2002 level. This includes a price growth of \$8.3 million and a net program increase of \$26.5 million (+8.6 percent). The net program increase reflects increased funding for the Minuteman III to fund propulsion system and guidance set tasks and infrastructure repairs at the launch facilities (\$36.5 million) and provide additional contractor services and logistics support for the Advanced Medium Range Air-to-Air Missile (for independent testing to support product improvements), the Joint Air-to-Surface Standoff Missile (for surveillance and technical support), the Advanced Cruise Missile (for system support services), and the Standoff Attack Weapon (to repair pods and support equipment) (\$7.5 million). These program increases are partially offset by the savings associated with the deactivation of 17 Peacekeepers in FY 2002 (\$-17.5 million).

**Combat Enhancement Forces:** The FY 2003 budget request includes a net increase of \$12.1 million above the FY 2002 funded level. This includes a price growth of \$5.8 million and a net program growth of \$6.3 million (+2.6 percent). The net program increase is primarily attributed to an increase for the Joint Task Force – Computer Network Operations (JTF-CNO) for modeling and simulation of DoD-wide network activity to analyze and predict threats to critical communication systems (\$10.7 million); increase for installation and operation of the CV-22 simulator at Kirtland AFB to conduct aircrew training and tactics development (\$6.0 million); and increase for Special Operations Forces (SOF) to examine future weapons technology and platforms for Special Operations mobility (SOF C-130s), as well as technical data updates for SOF aircraft (MH-53, MC-130E/H, MC-130P, AC-130U/H) (\$8.4 million). These program increases are primarily offset by Information Warfare realignment from Combat Enhancement Forces to Combat Communications to provide better management and oversight (\$-18.8 million).

**Air Operations Training:** The FY 2003 budget request reflects a net increase of \$41.1 million above the FY 2002 funded level. This includes a price growth of \$49.9 million and a net program decrease of \$8.8 million (-0.7 percent). The FY 2003 budget request includes increases for combat Air Force student production support (\$16.1 million) and Air Force Space Command participation in combined, joint, and Service exercises/wargames (\$3.2 million). These program increases are offset by decreases in the Flying Hour Program to reflect the approved cost factors based on FY 2000 consumption, adjusted for a 5-year historical pattern of cost growth in flying hour DLRs and consumables and a net reduction of 576 flying hours (\$-11.3 million); reduced non-fly parts and consumable supplies that were increased in FY 2002 budget but not sustained in FY 2003 (\$-8.7 million); and reduced contractor logistics support for Full Mission Combat Training/Distributed Mission Training due to a one-time congressional add in FY 2002 (\$-7.8 million).

**Combat Communications:** The FY 2003 budget request reflects a net increase of \$62.7 million above the FY 2002 funded level. This includes a price growth of \$22.0 million and a net program increase of \$40.7 million (+2.9 percent). The net program increase primarily includes a functional transfer from the Operation and Maintenance, Navy appropriation to reflect the transfer of the Executive Agent responsibility from the Navy for the Integrated Broadcast Service (\$16.0 million); transfer of the Engineering and Installation support from the Base Support for Servicewide Activities (\$5.0 million); realignment of the Information Warfare from

## AIR OPERATIONS

Combat Enhancement Forces to provide better management and oversight (\$18.8 million) ); realignment to centralize the Air Force Studies and Analysis Agency functions (\$12.3 million); increase in air operations support (i.e., fuel and maintenance) for U-2 operations affected by CINC requirements (\$14.5 million); increased communication support for the U.S. Central Command (USCENTCOM) to provide reliable communications bridge between the headquarters and deployed forces locations and coalition interoperability (\$10.4 million); and increased contractor logistics support for operation and maintenance of Advanced Concept Technology Development and initial rate production aircraft (\$7.5 million). These program increases are partially offset by program decreases in FY 2003 due to a one-time increase in funding for the Integrated Broadcast System in FY 2002 to enable the Air Force to fulfill its Executive Agent responsibility (\$-32.7 million); a one-time increase in funding for Wargaming and Simulation in FY 2002 (\$-15.6 million); and savings in FY 2003 associated with the retirement of the TC-18 (\$-6.0 million).

**Facilities Sustainment, Restoration, and Modernization:** The FY 2003 budget request reflects a net increase of \$176.3 million above the FY 2002 funded level. This includes a price growth of \$10.2 million and a net program growth of \$166.1 million (+20.9 percent). The program increase is primarily driven by increases for sustainment of facilities for critical annual maintenance and scheduled repair activities required to maintain the inventory of real property (\$150.0 million) and restoration and modernization to correct deteriorating facilities and infrastructure conditions (\$36.1 million). Partially offsetting the increases is a program decrease associated with a one-time FY 2002 demolition requirement for Johnston Atoll facilities (\$-20.0 million).

**Base Support:** The FY 2003 budget request reflects a net increase of \$263.7 million above the FY 2002 funded level. This includes a price growth of \$51.2 million and a net program increase of \$212.5 million (+9.9 percent). The net program increase primarily includes Southwest Asia contingency support of Air Expeditionary Force rotations (\$51.7 million); Bosnia contingency support of Operation Joint Forge and Operation Deliberate Forge (\$18.8 million); support for Morale and Welfare related supplies and contracts needed to support new fitness centers at Moody, Hurlburt, Laughlin, and McConnell, the replacement of supplies for dining halls, and increased costs for dining hall contracts (\$46.5 million); increase for operations at Al Udeid Air Base, Qatar (\$21.0 million); increases for constrained base operating support activities to include engineering services required for day-to-day facility maintenance and base maintenance contracts (\$36.7 million); and increase in utility costs, specifically electricity, that have been validated based on the first four months of utility charges in FY 2002 (\$33.3 million).

**Global C3I & Early Warning:** The FY 2003 budget request reflects a net increase of \$16.3 million above the FY 2002 funded level. This includes a price increase of \$19.5 million and a net program decrease of \$3.2 million (-0.4 percent). The net program decrease is primarily attributed to one-time reductions as a result of one-time congressional adds in FY 2002 for the North Warning System, Clear Radar Upgrade contract claims settlement, Tethered Aerostat radar systems operations earmarks, and one-time stand-up of Space Range which developed counterspace training and exercise capabilities (\$-24.6 million). These program reductions are partially offset by an increase in depot maintenance and engine overhauls for the National Airborne Operations Center aircraft, E-4B to enhance operational readiness (\$22.5 million).

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**Other Combat Operations Support Programs:** The FY 2003 budget request reflects a net increase of \$32.9 million above the FY 2002 funded level. This includes a price increase of \$13.7 million and a net program increase of \$19.2 million (4.7 percent). In support of the AF transformation efforts to improve the communications architecture and information support, the FY 2003 budget request includes program increases for engineering installation support (\$21.3 million); base physical security systems (\$12.6 million); combat developments for F-22 flying hours as it begins operational test and evaluation, (+1,902 hours) (\$6.7 million); nuclear, biological, and chemical equipment, to include aircrew and ground crew ensembles, in support of Expeditionary Air Forces (\$7.7 million); and enhanced real-time battlefield information to support upgrades to Time Critical Targeting and commercial satellite imagery (\$5.9 million). These increases were offset by one-time increases in FY 2002 (not carried forward to FY 2003) for Anti Terrorism and Air Base Ground Defense (-\$37.3 million).

**Airlift Operations:** The FY 2002 budget request reflects a net increase of \$66.5 million above the FY 2002 funded level. This includes a price decrease of \$11.4 million and a net program increase of \$77.9 million (+3.8 percent). The net program increase includes a functional transfer in of 10,000 airlift training flying hours to more closely align flying training requirements with channel airlift workload (\$118.2 million) and a transfer of converted officer to civilian authorizations to enable essential military personnel to be reassigned to combat and combat supporting functions (\$0.5 million). After allowing for these transfers, the program declines by \$40.8 million, which is attributed to a current induction schedule of 40 KC-10 engine overhauls to maintain safe and airworthy Federal Aviation Administration (FAA) certified standards (-\$38.7 million). Additionally, the Flying Hour program was repriced to reflect the approved cost factors based on based on FY 2000 consumption, adjusted for a 5-year historical pattern of cost change in flying hour depot level reparables (DLR) and consumables (-\$11.3 million). Other reductions align the mobility travel program to be consistent with congressional actions to reduce services' non-mission travel requirements (-\$8.8 million) and reflect estimated savings through increased competition and expanded employee/ private sector participation (-\$3.1 million). These reductions are partially offset by growth in the C-130J program establishing simulators and developing training products to support the beddown of 40 C-130J aircraft in the outyears (\$12.3 million); increased airlift funding for Air Expeditionary Force (AEF) rotations in support of Operations Northern Watch and Southern Watch (Southwest Asia) to meet historically executed levels (\$6.3 million); and increased civilian pay based on updated assessment of workyear costs and newly approved special salary rates (\$2.5 million).

**Flight Training:** The FY 2003 funding budget request reflects a net increase of \$0.7 million above the FY 2002 funded level. Changes include a price growth of \$6.0 million and a net program decrease of \$5.3 million (-0.8 percent). The net program decrease includes reduced flying hour costs based on based on FY 2000 consumption, adjusted for a 5-year historical pattern of cost change in flying hour depot level reparables (DLR) and consumables (-\$17.0 million); reduced fuel costs (-\$4.6 million); reduced civilian pay based on actual workyear costs (-\$4.1 million); savings associated with the end of the T-38 Queen Bee upgrades in FY 2002 (-\$1.7 million); and lower flight screening contract costs due to lower fuel costs in FY 2003 (-\$1.3 million). These program decreases are partially offset by a functional transfer from the Military Personnel appropriation for authorizations converted from officers to civilians (\$0.1 million); increase for civilian separation incentives (\$8.5 million); and increase in contractor logistics support to provide additional T-1 engine overhauls, T-6 aircraft maintenance, T-6 ground-based trainer simulator maintenance and Training Information Management System support, and T-38C (new model) maintenance (\$14.8 million).

## AIR OPERATIONS

**Rescue & Recovery Services:** The FY 2003 budget request reflects a net increase of \$30.8 million above the FY 2002 funded level. This includes a price increase of \$3.7 million and a program increase of \$27.1 million (+32.5 percent). The net program increase primarily reflects the realignment of the Low Density/High Demand (LD/HD) assets (aircraft, support, and personnel) from the Air Force Reserve Component to the Active Component in order to meet the Aerospace Expeditionary Force (AEF) construct. Each EAF deploys with a rescue and recovery component. This includes HC-130s and HH-60G Pave Hawk helicopters, one of the most heavily tasked assets in the Air Force.

**Arms Control:** The FY 2003 budget request reflects a net decrease of \$1.1 million below the FY 2002 funded level. This includes a price growth of \$0.7 million and a program decrease of \$1.8 million (-5.2 percent). The net program decrease primarily includes decreases for the counterproliferation program (\$-3.5 million) and savings associated with the completion of START Minuteman II silo destruction (\$-0.5 million). These program decreases are partially offset by increases for planning and logistical support to Entry-into-Force of the treaty on Open Skies (\$1.0 million) and maintenance costs for an aircraft supporting the Open Skies Treaty (\$0.5 million).

**Security Programs:** The FY 2003 budget request reflects a net increase of \$248.6 million above the FY 2002 funded level. This includes price growth of \$40.2 million and net program growth of \$208.4 million (+24.6 percent). The net program increase is associated with classified programs.

**International Support:** The FY 2003 budget request reflects a net increase of \$5.7 million above the FY 2002 funded level. This includes a price decrease of \$0.3 million and a net program increase of \$6.0 million (+42.9 percent), which is driven primarily by increases to support the Central Command's military-to-military contacts with Central Asian states (\$5.0 million) and civilian pay cost growth based on actual workyear rates (\$1.0 million).

**Depot Maintenance (Air Force-wide):** The FY 2003 budget request reflects a net decrease of \$199.1 million below the FY 2002 level. This includes price growth of \$194.7 million and a net program decrease of \$393.8 million (-18.1 percent). The net program decrease is primarily attributed to reductions in FY 2003 to mitigate depot workload that cannot be accomplished in FY 2003 (\$-152.4 million); a one-time depot quarterly surcharge in FY 2002 for Working Capital Fund cost recovery of losses (\$-235.3 million), and a one-time congressional increase for the B-52 Attrition Reserve in FY 2002 (\$-20.1 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 2003 request provides for the operation and training of 73 flying units, 287 mission support units, 13 Air Force Reserve flying installations, and the flying and mission training of 75,600 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.

## AIR OPERATIONS

	(\$ in millions)						
	FY 2001	Price	Program	FY 2002	Price	Program	FY 2003
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Primary Combat Forces	1,158.4	+50.0	+42.3	1,250.7	+17.2	+78.2	1,346.1
Mission Support Ops	66.9	+2.3	-8.3	60.9	+4.9	+4.0	69.8
Base Support	248.1	+7.1	-13.1	242.1	+16.1	+24.0	282.2
Depot Maintenance	298.9	+31.6	-12.0	318.5	+31.5	-12.9	337.1
Facilities Sustainment (FSRM)	<u>72.5</u>	<u>+1.5</u>	<u>-36.0</u>	<u>38.0</u>	<u>+2.1</u>	<u>+8.4</u>	<u>48.5</u>
<b>Total</b>	<b>1,844.8</b>	<b>+92.5</b>	<b>-27.1</b>	<b>1,910.2</b>	<b>+71.8</b>	<b>+101.7</b>	<b>2,083.7</b>
<u>Program Data</u>	FY 2001			FY 2002			FY 2003
	<u>Actual</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>
<b>Primary Aircraft Authorized</b>							
Bomber	8	-		8	-		8
Fighter/Attack	104	-		105	-		105
Mobility	232	+5		237	+14		251
Other	<u>46</u>	<u>+7</u>		<u>53</u>	<u>-6</u>		<u>47</u>
<b>Total</b>	<b>390</b>	<b>+13</b>		<b>403</b>	<b>+8</b>		<b>411</b>
<b>Total Aircraft Inventory (TAI)</b>							
Bomber	9	-		9	-		9
Fighter/Attack	122	+1		123	-4		119
Mobility	253	+18		271	+1		272
Other	<u>61</u>	<u>-2</u>		<u>59</u>	<u>-8</u>		<u>51</u>
<b>Total</b>	<b>445</b>	<b>+17</b>		<b>462</b>	<b>-11</b>		<b>451</b>
Flying Hours (000)	135.4	+2.3		137.7	+4.0		141.7
Tactical Fighter Wing Equivalents	1.0	-		1.0	-		1.0
<b>Crew Ratios</b> (Average per Aircraft)							



**AIR OPERATIONS**

<b><u>Program Data</u></b>	<b>FY 2001</b>		<b>FY 2002</b>		<b>FY 2003</b>
	<b><u>Actual</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>
<b>Bombers</b>	<b>1.31</b>	-	<b>1.31</b>	-	<b>1.31</b>
<b>Fighters</b>	<b>1.25</b>	-	<b>1.25</b>	-	<b>1.25</b>
<b>OPTEMPO (Hrs/Crew/Month)</b>					
<b>Bombers</b>	<b>17.65</b>	<b>-0.5</b>	<b>17.10</b>	-	<b>17.10</b>
<b>Fighters</b>	<b>11.02</b>	-	<b>10.99</b>	-	<b>10.99</b>

The FY 2003 budget request increases \$173.5 million above the FY 2002 level. Price changes increase \$71.8 million while program changes increase \$101.7 million (+5.1 percent).

**Primary Combat Forces (Air Operations):** The FY 2003 budget request reflects a net increase of \$95.4 million. This includes a price increase of \$17.2 million and a program growth of \$78.2 million (+6.2 percent). The program growth is primarily attributed to the increase in the flying hour program and reflects the increased consumption and costs of DLRs and consumable spare parts needed to support aging aircraft.

**Mission Support Operations:** The FY 2003 budget request reflects a net increase of \$8.9 million. This includes a price increase of \$4.9 million and a program growth of \$4.0 million (+6.1 percent). The program increase is primarily attributed to increased civil engineering and services support to sustain support at the current level.

**Base Support:** The FY 2003 budget request reflects a net increase of \$40.1 million. This includes a price increase of \$16.1 million and a program increase of \$24.0 million (9.3 percent). The program increase primarily reflects an increase in A-76 contract operations and increased network communications training to prevent, detect, and respond to network intrusions.

**Depot Maintenance:** The FY 2003 budget request includes a net increase of \$18.6 million. This includes a price increase of \$31.5 million and a program decrease of \$12.9 million (-3.7 percent). The program decrease reflects reduced scheduled maintenance for C-141 aircraft.

**Facilities Sustainment, Restoration and Modernization:** The FY 2003 budget request reflects a net increase of \$10.5 million. This includes a price increase of \$2.1 million and a program increase of \$8.4 million (+20.9 percent). The program increase reflects increased funding support for the sustainment of real property.

**AIR OPERATIONS**

**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.

	<b>(\$ in millions)</b>						
	<b>FY 2001</b>	<b>Price</b>	<b>Program</b>	<b>FY 2002</b>	<b>Price</b>	<b>Program</b>	<b>FY 2003</b>
<b><u>Funding Summary</u></b>	<b><u>Actual</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>	<b><u>Change</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>
Aircraft Operations	2,244.7	101.9	264.2	2,610.8	140.7	-114.1	2,637.4
Mission Support Ops	450.5	15.8	-106.5	359.8	+24.8	-43.2	341.4
Depot Maintenance	465.7	51.8	-19.4	498.1	51.7	15.4	565.2
Base Support	305.9	5.9	61.9	373.7	+10.9	+23.2	407.8
Facilities Sustainment (FSRM)	<u>119.3</u>	<u>1.9</u>	<u>-24.1</u>	<u>97.1</u>	<u>+1.5</u>	<u>+65.7</u>	<u>+164.2</u>
<b>Total</b>	<b>3,586.1</b>	<b>+177.3</b>	<b>+176.1</b>	<b>3,939.5</b>	<b>+229.5</b>	<b>-52.9</b>	<b>4,116.1</b>

	<b>FY 2001</b>		<b>FY 2002</b>		<b>FY 2003</b>
<b><u>Program Data</u></b>	<b><u>Actual</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>	<b><u>Change</u></b>	<b><u>Estimate</u></b>
<b>Primary Aircraft Authorized</b>					
Bomber	16	-16	-	-	-
Fighter/Attack	495	-	495	-15	480
Mobility	450	-	450	+6	456
Other	<u>219</u>	<u>-</u>	<u>219</u>	<u>-</u>	<u>219</u>
<b>Total</b>	<b>1,180</b>	<b>-16</b>	<b>1,164</b>	<b>-9</b>	<b>1,155</b>

<b>Total Aircraft Inventory (TAI)</b>					
Bomber	18	-2	-	-	-
Fighter/Attack	590	-25	565	-32	533
Mobility	478	+4	482	+3	485
Other	<u>275</u>	<u>-13</u>	<u>262</u>	<u>-</u>	<u>262</u>
<b>Total</b>	<b>1,361</b>	<b>-52</b>	<b>1,309</b>	<b>-29</b>	<b>1,280</b>

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<b><u>Program Data</u></b>	<b>FY 2001 <u>Actual</u></b>	<b><u>Change</u></b>	<b>FY 2002 <u>Estimate</u></b>	<b><u>Change</u></b>	<b>FY 2003 <u>Estimate</u></b>
<b>Flying Hours (000)</b>	<b>301.0</b>	<b>+21.0</b>	<b>322.0</b>	<b>-6.0</b>	<b>316.0</b>
<b>Tactical Fighter Wing Equivalents</b>	<b>6.63</b>	<b>-</b>	<b>6.63</b>	<b>-</b>	<b>6.63</b>
<b>Crew Ratios (Average per Aircraft)</b>					
<b>Bombers</b>	<b>1.50</b>	<b>-</b>	<b>1.50</b>	<b>-</b>	<b>1.50</b>
<b>Fighters</b>	<b>1.25</b>	<b>-</b>	<b>1.25</b>	<b>-</b>	<b>1.25</b>
<b>OPTEMPO (Hrs/Crew/Month)</b>					
<b>Bombers</b>	<b>14.6</b>	<b>-</b>	<b>14.6</b>	<b>-</b>	<b>14.6</b>
<b>Fighters</b>	<b>10.5</b>	<b>-</b>	<b>10.5</b>	<b>-</b>	<b>10.5</b>

The Air National Guard (ANG) FY 2003 budget increases \$176.6 million between FY 2002 and FY 2003 reflecting price growth of \$229.6 million and program decreases of \$53.0 million (-1.3 percent).

**Primary Combat Forces Aircraft Operations:** The FY 2003 budget request reflects a net increase of \$26.6 million. This includes a price growth of \$140.7 million and a program decrease of \$114.1 million (-4.1 percent). The program increases include increased bench stock supply and equipment items and training costs associated with the transition of an Air National Guard C-141 unit to C-17 aircraft (\$+22.2 million), the conversion to an eight (8) PAA KC-135E air refueling unit (\$+16.9 million), and contractor logistics support for C-38 and C-40 aircraft (\$+11.1 million). Additional growth in FY 2003 provides the contractor logistic support required for the F-15 Distributed Mission Trainer (DMT) (\$+5.8 million), and the Self Contained Navigation System on C-130 tactical airlift aircraft (\$+3.5 million). Program decreases are attributed to DoD's decision to consolidate the Air Force's B-1 bomber force resulting in the loss of two ANG bomber units (\$-95.2 million), the conversion of a fifteen (15) PAA F-16C/D fighter unit to KC-135 aircraft plus the completion of safety modifications on F-16 aircraft (\$-40.8 million). Other decreases are caused by a one-time increase in FY 2002 to satisfy a cash shortfall associated with the higher cost of spare parts for aircraft engines (\$-22.0 million), the final transfer of funds to the new Security Forces program (\$-9.3 million), and one-time Congressional increases in FY 2002 for Defense Systems Evaluation (DSE) and cold weather clothing (\$-3.3 million).

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**Mission Support Operations:** The FY 2003 budget reflects a net decrease of \$18.4 million below the FY 2002 level. This includes price increases of \$24.8 million and program decreases of \$43.2 million (-11.2 percent) between FY 2002 and FY 2003. The program increases include increased support for defensive information operations that will insure the integrity of information systems in the face of cyber attacks on critical defense related infrastructure (\$+4.5 million), increased full-time civil engineering support (\$+1.6 million); increased tactical air control support (\$+1.1 million); and increased support of an Air Force air control squadron as part of the transition of the Homeland Defense mission to the ANG (\$+1.5 million). These program increases are offset by one-time congressional adds in FY 2002 for Eagle Vision, Project Alert, State Partnership Program, and cold weather clothing (\$-13.3 million); the realignment of personnel performing management headquarters activities from reserve readiness support to the Administration subactivity group (\$-21.7 million); and the transfer of personnel from air traffic control and combat communications to the Base Support subactivity group (\$-7.6 million). In addition, the Nuclear, Biological, Chemical equipment funding is decreased in FY 2003 because of the significant resources provided in FY 2002 to alleviate some of the shortfall in both individual protective equipment and unit level supplies and equipment (\$-11.4 million).

**Depot Maintenance:** The FY 2003 budget reflects a net increase of \$67.1 million. This includes price increases of \$51.7 million and program increases of \$15.4 million (+2.8 percent). The FY 2003 budget includes program increase in aircraft/engine repair to support major structural repair of A-10 aircraft in order to replace thin skinned wings with thick skins and repair fuel cell and bell crank (+9.2 million); additional programmed cycle maintenance of C-130E, F-15B/C, KC-135E, and KC-135R aircraft (\$+53.0 million); and increased scheduled engine overhaul and repair of C-141C aircraft (\$3.1 million). These program increases are offset by decreased programmed depot maintenance requirements for C-5, C-141C,, and F-15A aircraft based on prescribed maintenance cycles (\$-23.0 million); reduced engine overhaul for F-16C/D, C-130E, and KC-135R aircraft (\$-19.8 million); and decreased B-1 maintenance requirements attributed to the loss of the B-1 aircraft from the ANG inventory beginning in FY 2003 (\$-7.2 million).

**Base Support:** In FY 2003, the base support budget reflects a net increase of \$34.1 million. This includes price increases of \$10.9 million and program increases of \$23.2 million (+6.0 percent). Major increases are primarily attributed to a realignment of Security Forces resources from Aircraft Operations to Base Support to centrally fund the Security Forces program (\$+9.3 million); a realignment from the air traffic control and combat communications units to base communications (\$+7.5 million); increase in utility operations and contractual services for preliminary work and training required in FY 2003 to convert from C-141 to C-17 aircraft unit in FY 2004 (+1.0 million); and increase in Defensive Information Operations that provides the command and control of mission essential network systems (\$+1.1 million).

**Facilities Sustainment, Restoration and Modernization:** The FY 2003 budget request reflects a net increase of \$67.2 million below the FY 2002 level. This includes a price increase of \$1.5 million and a program increase of \$65.7 million (+66.6 percent). The FY 2003 program growth includes increased sustainment support, such as preventive maintenance and emergency response or replacement of facility components, to properly maintain the current inventory of facilities (\$42.9 million); and to restore or modernize damaged facilities due to accident or failure attributable to inadequate sustainment or excessive age or to implement a new, higher

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standard (including regulatory changes) (\$+27.8 million). These program increases are partially offset by a one-time congressional increase in FY 2002 for the Bangor International Airport runway repair (\$-5.0 million).

### 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.

	(\$ in millions)						
<u>Funding Summary</u>	<u>FY 2001</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2002</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2003</u> <u>Estimate</u>
USSOCOM - SOF Operations	\$469.4	+20.3	+16.1	\$505.8	+21.8	+32.7	\$560.3
	<u>FY 2001</u> <u>Actual</u>		<u>Change</u>	<u>FY 2002</u> <u>Estimate</u>		<u>Change</u>	<u>FY 2003</u> <u>Estimate</u>
<u>Program Data</u>							
<b>Primary Aircraft Authorized</b>							
AFSOC	109		-3	106		+3	109
USASOC	121		+4	125		-2	123
<b>Total Aircraft Inventory (TAI)</b>							
AFSOC	137		-8	129		-	129
USASOC	148		-	148		-	148
<b>Flying Hours (000)</b>							
AFSOC	51.2		+1.1	52.3		+0.6	52.9
USASOC	32.1		+1.8	33.9		-0.1	33.8
<b>Crew Ratio (Average per Aircraft)</b>							
AFSOC	1.7		-	1.7		-	1.7
USASOC	1.2		-	1.2		-	1.2
<b>OPTEMPO</b>							
AFSOC	22.3		-2.1	20.2		+3.0	23.2
USASOC	19.9		-	19.9		-	19.9

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<u>Program Data</u>	<b>FY 2001</b>	<u>Change</u>	<b>FY 2002</b>	<u>Change</u>	<b>FY 2003</b>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<b>Primary Mission Readiness (%)</b>	75%	-	75%	-	75%

\* Air Force Special Operations Command (AFSOC)

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

The FY 2003 budget reflects a net increase of \$54.5 million above the FY 2002 level. This includes a price increases of \$21.8 million and program increases of \$32.7 million (+6.2 percent). The net program growth primarily includes increased flying hour costs associated with the postponement of the MH-53 drawdown due to delays in fielding CV-22's (\$7.6 million); increase in flying hours to fully fund the Flying Hour program, as well as an increase for readiness spares packages to ensure that USSOCOM main its flight readiness (\$19.6 million); and increase for AC-130 Gunship Restructure to operate two additional AC-130-U aircraft and modify two C-130H2's (\$5.5 million).

## DEFENSE HEALTH PROGRAM

The Air Operations funding for the Defense Health Program (DHP) supports 7 UH-1 and 2 C-12 aircraft at the U.S. Army Aeromedical Center (Lyster Army Hospital), Fort Rucker, Alabama that provide aeromedical evacuation support to the Army Aviation.

<u>Funding Summary</u>	<b>(\$ in millions)</b>						
	<b>FY 2001</b>	<b>Price</b>	<b>Program</b>	<b>FY 2002</b>	<b>Price</b>	<b>Program</b>	<b>FY 2003</b>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<b>Defense Health Program</b>	2.4	-	-	2.4	-	-	2.4

  

<u>Program Data</u>	<b>FY 2001</b>	<u>Change</u>	<b>FY 2002</b>	<u>Change</u>	<b>FY 2003</b>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<b>Primary Aircraft Authorized</b>	9	-	9	-	9
<b>Flying Hours (000)</b>	2.5	+.5	3.0	-	3.0
<b>Crew Ratio (Average)</b>	2:1	-	2:1	-	2:1

The FY 2003 budget request reflects no net program change from the FY 2002 enacted program.