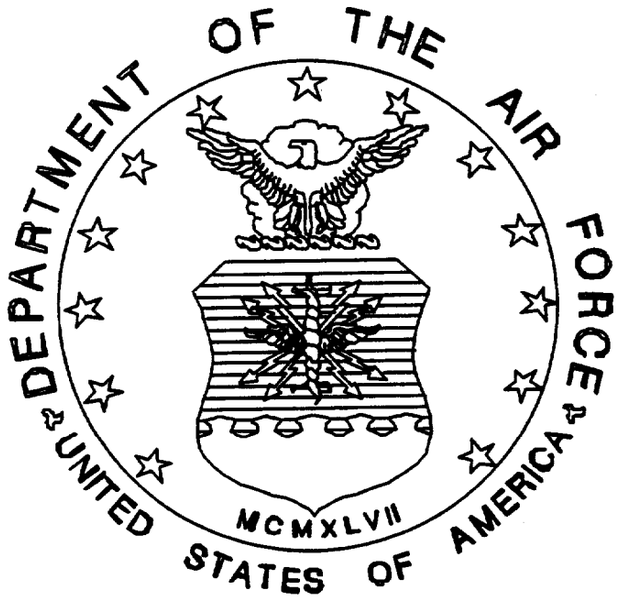
UNITED STATES AIR FORCE WORKING CAPITAL FUND



FY 1999
Amended Budget Estimates

FEBRUARY 1998
UNCLASSIFIED

AIR FORCE WORKING CAPITAL FUND

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UNITED STATES AIR FORCE WORKING CAPITAL FUND

FY 1999 SUMMARY BUDGET

FEBRUARY 1998
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Air Force Working Capital Fund
FY 1999 President's Budget Submission

Activity Group Overview:

The AFWCF conducts business in three primary areas: the Supply Management Activity Group (SMAG), the Depot Maintenance Activity Group (DMAG) and the information Services Activity Group (ISAG). The Air Force will include the United States Transportation Command's (USTRANSCOM) Transportation Working Capital Fund (TWCF) budget as part of this submission to Congress.

Air Force Core Competencies:

The AFWCF activities support all the Air Force core competencies: *Air and Space Superiority Global Attack, Precision Engagement, Rapid Global Mobility, Information Superiority and Agile Combat Support.* These core competencies are fundamental to the "Pathway to the 21st Century Air Force." The working capital funds provide key maintenance, transportation and support services and weapon system spare parts and supplies. The working capital funds are integral to the readiness and sustainability of our air and space assets and our ability to deploy forces across the theater and around the globe in support of the National Military Strategy. Maintenance depots provide the equipment, skills and repair services necessary to keep forces operating worldwide. Supply management activities maintain and repair inventories of consumable and reparable spare parts required to keep all elements of the force structure mission ready. Transportation provides the world-wide mobility element of the global engagement vision. Activities that provide information services make it possible to operate and improve data collection and management systems essential to warfighting and support activities. Directly or indirectly, working capital fund activities provide warfighters the key services needed to meet mission capability standards.

Air Force initiatives:

Lean Logistics has continued to pay dividends for both the business activities and for our customers. We've reduced pipeline times, improved repair processes and reduced peacetime operating inventory with the development of 'just in time' deliveries through improved ordering and shipping procedures. Changes in inventory retention policy will improve our inventory status, although the FY 1997 inventory is higher than planned due to the retention of a large number of items for foreign military sales customers and a delay in the Consumable Item Transfer (CIT) to Defense Logistics Agency. The expanded use of the IMPAC card has reduced customer response time and provided greater empowerment at the local level. Other acquisition reform efforts to streamline contracting, strengthen vendor relationships and expand the use of electronic interchanges are underway in all areas of material management.

Depot Maintenance has instituted the Depot Repair Enhancement Program (DREP), an AFMC/CC directed effort to reengineer the depot maintenance process to focus on repairing only those items demanded by customers. A similar effort has been implemented in contract depot maintenance, which, in combination with acquisition reform efforts, will streamline the contracting process. Pacer Lean, DREP's implementation program, has provided new tools to depot managers at all levels which have improved visibility on cost and production status.

In FY 1997, the Air Force formalized the use of functional and financial performance plans to **assess** business operations at both Air Force Material Command (AFMC) and Air Logistics Center (ALC) levels. Quarterly reviews by the Secretary of the Air Force and the Chief of Staff have focused management attention on cost performance as well as the ALCs' ability to deliver parts and maintenance on demand and on schedule. These performance plans are firmly in place for FY 1998 and provide a cornerstone for our efforts to comply with the Government and Performance Results Act. We are continuing to refine these cost and performance metrics.

The Air Force worked as part of the team which produced the DoD Report, "A Plan to Improve the Management of the Department of Defense Working Capital Funds" September 1997, in compliance with Section 363 of the National Defense Authorization Act for Fiscal Year 1997. We believe that the changes and improvements outlined will result in improvements to our financial and reporting structures and more accurate cost information. We have incorporated many of the changes into this budget submission and will work closely with the rest of the Department as the follow-on study efforts come to closure later this year.

Base Closure, Depot Public-Private Competition and Workload Reallocation:

The efforts to realign Kelly Air Force Base and to close McClellan Air Force Base, as directed by the 1995 Base Realignment and Closure Commission (BRAC), are ongoing. These two bases constitute the largest installations ever to be closed/realigned by the Department of Defense, and the maintenance facilities represent the largest depots closed by the BRAC process. The Air Logistics Centers employ thousands of people and produce millions of labor hours annually. The BRAC directed actions must occur without any adverse impact to readiness.

The Air Force will comply with Section 2466(a) of Title 10 as amended by Section 357 of the FY 1998 National Defense Authorization Act (NDAA) with respect to allocating depot maintenance between the public and private sectors. The sheer size of the facilities and the corresponding potential impact on readiness dictate a deliberate approach to their closure. As such, the Air Force has applied the Departments approved core capability methodology to determine which workloads are necessary to sustain the Department's core capability requirements. The Defense Depot Maintenance Council (DDMC) is reviewing and validating the Air Force's decisions on

core sustainment decisions on an individual basis. Core workloads will be realigned to other organic facilities; non-core workloads will undergo public-private competitions to determine allocation based on the outcome of the competition process. A small number of workloads are no longer necessary due to system phase-out or other Department drawdown activities.

Non-core workloads will be subject to public-private competition, consistent with Title 10, Chapter 146, as amended by the FY1998 NDAA. The competitions will achieve best value for the taxpayer, while protecting Air Force readiness. The first of the competitions was for the C-5 programmed depot maintenance at San Antonio. The budget reflects the results of the competition, with Warner Robins ALC as the successful offeror. The C-5 workload transition is now underway between San Antonio and Warner Robins.

The Air Force plans on two solicitation packages for non-core workloads, one covering several commodities at Sacramento, the second covering various engine workloads at San Antonio. This approach offers great opportunity to maintain and operate efficient facilities and provides an avenue for significant cost savings through process improvements.

Depot Maintenance Activity Group (DMAG):

Depot maintenance activities are undergoing tremendous turmoil during FY 1998 and FY 1999 as a result of public-private competition and workload realignments. During this period, over one third of the total workload will be in transition, stressing personnel and resources. Declining labor productivity is one result of this turmoil and the operating results in FY 1997 and 1998 reflect this lost productivity. We have assumed that ten percent savings will accrue on workloads which are competed, and that, in the year following workload consolidations, we will see a ten percent savings on the consolidated workloads.

Operating losses incurred in FY 1997 and projected for FY 1998 are worse than previously budgeted, due in part to productivity declines. However, some losses are attributed to lost productivity tied to a lack of engine spare parts (due to underestimated demand) and higher material costs driven by extensive airframe corrosion in the KC-135 and C-l 30 programmed depot maintenance workloads, We expect to see some rising material costs as our aircraft age. This budget submission contains realistic material consumption factors and achievable productivity and yield rates assumptions.

As addressed earlier, the C-5 competition outcome is reflected in the FY 1999 submission. Consistent with the FY 1998/99 submission, the Air Force assumed a private sector winner to ensure compliance with 50/50. We are also working closely with the Defense Contract Audit Agency and other oversight groups to develop metrics and reporting requirements to allow comprehensive cost, schedule and performance reviews of the C-5 workload.

Depot maintenance revenue grows in FY 1999 in support of a number of weapons systems, particularly the KC-135 This is an aging aircraft series, and our programmed depot maintenance efforts have increased to deal with greater corrosion and more component repair. In addition, the AF Cost Analysis Improvement Group identified a shortfall in depot level reparable (DLR) consumption for a number of critical airframes and components. FY 1999 funding has been increased to support this higher level of repair, particularly for those systems which had been funded by Interim Contractor Support during FY 1998. Those systems include the F-100 engine, E-8, F-16, F-l 5E, B-l, C-l 30H aircraft, and the All Weather Aerial Delivery System (AN/APQ 175) Radar. In total, Air Force DLRs are funded at 95%, and Depot Purchased Equipment Maintenance at 83% of requirements; the DMAG program is sized to support this level of customer demand.

This budget also reflects two new financial policies, one which allows accumulated operating results to be recovered in two years, and a second which proposes quarterly depot maintenance rate changes. The latter requires recovering operating losses in the year of execution rather than the budget year. DMAG's FY 1999 operating result is a negative $27.7M, which will be recovered in FY2000, in accordance with the revised policy as set out in the September 1997 Study to Congress. The quarterly adjustment of depot maintenance rates requires more immediate responses to depot losses or gains and should incentivize depot managers to more closely monitor and rectify cost increases within each business area. The Air Force expects to use the omnibus reprogramming to request support for customer financing of the adjusted rates.

Supply Management Activity Group (SMAG):

Implementation of the Material Support Division (MSD), a consolidation of our Systems Support Division (SSD), Reparable Support Division (RSD) and the Cost of Operations Division (COD) into a single wholesale fund, is effective in FY 1998. The consolidation offers more flexibility to business managers, eliminates redundant systems and simplifies the budget, execution and requirements processes. MSD supporting systems have been updated to provide the necessary foundation for the next generation of wholesale and retail worldwide logistics and financial systems. The supply program also reflects the final phases of the Consumable Item Transfer (CIT) to the Defense Logistics Agency.

In FY 1998, as part of our MSD implementation, we changed our surcharge methodology for both wholesale and retail sales. Wholesale condemnations have been moved from the surcharge to the actual item price, and item prices will now include material cost recovery (MCR) to replace condemnations by stock number. This will better reflect the actual costs associated with an end item and tie those costs to the appropriate customer. In the General Support Division (GSD) we have spread our

surcharge costs over the entire sales base, in contrast to our FY 1997 surcharge which was applied only to local purchase items. In both cases this new or revised methodology more equitably allocates material replacement costs to supply customers.

In FY 1999 we've also adjusted our pricing methodology in the fuels overhead division to apply the surcharge to all customers. During FY 1998, we applied our surcharge only to non-DoD customers, as our data systems applied surcharges only to those customers. All data systems have been adjusted to recover costs across the total sales base from all customers.

The increase in FY 1999 unit cost ratio will help the Air Force support the needs of the war-fighting customers, particularly in engine parts. Higher failure rates, aging engines and poor parts consumption forecasting have led to serious shortfalls in some components and delays in engine production. Air Force Materiel Command has taken steps to more accurately forecast demand for certain engine spares. We have also increased customer depot level reparable (DLR) funding for additional engine components and some aircraft whose DLR costs had previously been funded under Interim Contractor Support. The Air Force is also reviewing long term supportability concerns in the outyears. Our models predict that the higher unit cost and increased obligation authority will improve the Total Not Mission Capable - Supply rates and reduce the numbers of cannibalizations, leading to improvements in our mission capable rates.

Information Services **Activity Group (ISAG):**

The Information Services Activity Group is a young, evolving business. FY 1997 operations were the first using stabilized rates, and the small loss shown in this submission is largely a result of both customer and provider learning curves and the startup uncertainties of a new business. Both Material Systems Group (MSG) and Standard Systems Group (SSG) have made strides in reducing overhead levels, but additional progress is still expected. The Electronic Systems Center, the product center organizationally responsible for the Central Design Activities (CDAs) has completed an extensive reorganization which culminated in a "single CDA" face to all ISAG customers. The CDAs continue to upgrade their processes in order to remain competitive. The SSG has already gained Level III Software Institute/Capability Maturity Model certification, while the MSG will achieve this certification in FY 1998.

Transportation Working Capital Funds (TWCF):

USTRANSCOM's budget supports three high priorities of readiness, modernization and process improvements, all in support the concept of focused logistics as outlined by the Chairman, Joint Chiefs of Staff (CJCS) in Joint Vision 2010. To support the goal of full spectrum dominance, USTRANSCOM is investing in improvements to create an agile, responsive, multi-faceted transportation system

designed to support the war-fighting CINCs, while reducing costs through improved business practices and reengineering efforts.

USCINCTRANS has initiated a monthly cost driver effort which reviews elements of cost to determine if processes and practices can be changed which will allow USTRANSCOM to become more efficient. We have identified a significant amount of productivity initiatives and other efficiencies in this budget submission. Other aggressive actions are underway to reduce costs throughout the DTS.

Cash Management:

Poor FY 1997 operating results and the loss of the $194.5M passthrough put Air Force cash into a tenuous position during FY1997. We were forced to advance bill in depot maintenance in December 1996 and June 1997 to ensure fund liquidity. On 1 October 1997, USTRANSCOM's TWCF cash management responsibility was transferred to the Air Force, accompanied by a transfer of $111 million to the Air Force from the Defense Logistics Agency. FY 1998 will continue to be a challenging year for the Air Force and TWCF, but advance billing remains a last resort option. Should advance billing become necessary, the Air Force is committed to meet the provisions of law in providing notification to the Congress. In FY 1999, our submission complies with the OSD policy of seven to ten days cash on hand.

In February 1998, the Air Force will hold it's first cash summit, bringing together all the business and supporting activities who are involved in the cash management and reporting process. Our objective of the summit is to develop a short and long term strategy for process improvements and policy changes needed to improve cash forecasting and reporting.

FUND14

(Dollars in Millions)

Revenues and Expenses
Air Force Working Capital Fund
FY 1999 President's Budget
Air Force Working Capital Fund
February 1998

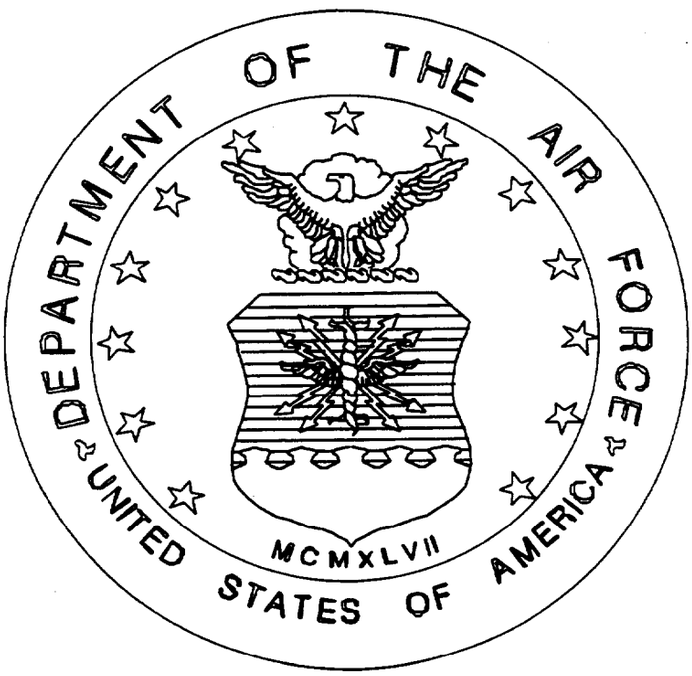
	1997 AC	1998 AP	1999 R
Revenue:			
Sales	17,113.997	19,090.376	18.808.941
Operations	16,928.001	18.935.080	18,633.845
Capital Surcharge	98.387	69.828	58.577
Depreciation exc Maj Const	119.900	129.900	149.700
Major Construction Dep	25.398	25.396	25.396
Cash Surcharge	0.000	41.700	33.178
Other income	2.300	391.290	439.040
Refunds/Discounts	0.000	0.000	0.000
Total income:	17,116.297	19,481.666	19,247.981
Expenses:			
Cost of Materiel Sold from Inv	7,846.439	8,607.271	8968.946
Negotiated Purch from Customers	0.000	0.000	0.000
Mobilization	30.571	33.400	30.800
Full Cost Recovery	0.000	100.000	188.827
Lean Logistics	(338.000)	(289.400)	(323.800)
Inventory Gains/Losses	83.524	120.564	103.378
Inventory Maintenance	371.739	397.491	404.388
Transportation	201.901	206.873	213.091
Salaries and Wages:			
Military Personnel	118.231	104.111	110.469
Civilian Personnel	1,803.657	1,816.470	1,623.507
Materials, Supplies, Parts	1,871.192	2,233.571	2,046.966
Facility Repair Charge	45.999	31.344	32.178
Depreciation - Capital	224.189	240.109	329.224
Contracted Engineering Srvs	1.129	2.705	1.492
Rents and Leases	47.115	46.033	39.927
Purchased Utilities	37.710	39.535	34.187
Purchased Communications	2.957	2.753	1.543
Equipment Maintenance	73.272	83.896	72.791
Fuel	430.130	504.691	471.023
Other Expenses	4,406.025	4,856.104	5,027.126
Total Expenses	17,257.780	19,137.321	19,373.819
Change in Work in Process	(10.754)	108.059	186.074
Operating Result	(152.237)	452404	80.238
Less Capital Surchg Reservation	38.500	(2.828)	5.923
Plus Approps Affecting NOR/AOR	0.000	0.000	0.000
Other Changes Affecting NOR/AOR	85.814	87.327	(0.705)
Mobilization	30.571	33.400	30.800
Other Changes	55.243	53.927	(31.505)
Net Operating Result	(221.723)	403.303	(83.548)
Prior Year AOR	(128.482)	(387.444)	35.859
Accumulated Operating Result	(348.185)	35.859	(27.687)

AFWCF Total Summary
(Dollars in Millions)

AFWCF Total Summary - Financial Highlights
Air Force Working Capital Fund
FY 1999 President's Budget
Air Force Working Capital Fund
February 1998

	1997 AC	1998 AP	1999 R
Cost of Goods Sold	16,520.7	17,732.2	17,730.6
Net Operating Results	(221.7)	403.3	(63.5)
Accumulated Operating Results	(348.2)	35.9	(27.7)
Civilian End Strength	32,267	29,829	26,123
Military End Strength	17,247	16,423	16,600
Civilian Workyears	32,576	31,980	27,308
Military Workyears	18,089	16,748	16,774
Capital Budget Program Authority	255.4	312.7	311.3

UNITED STATES AIR FORCE WORKING CAPITAL FUND



FY 1999 OPERATING BUDGET

FEBRUARY 1998
UNCLASSIFIED

Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Narrative

Functional Description

The Air Force Supply Management Activity Group (SMAG), formerly the Supply Management Business Area (SMBA), was incorporated into the Air Force Working Capital Fund effective 11 Dec 1996. The Air Force Supply Management Activity Group composition includes the following diverse divisions: Materiel Support Division - a consolidated wholesale division that accounts for the wholesale consumables, reparables and inventory control point operations, General Support Division (retail-consumables), Fuels Division (retail), Medical-Dental Division (retail), U.S. Air Force Academy Division (retail), and Troop Support Division (retail).

The Supply Management Activity Group includes the management of approximately two million items, including weapon system spare parts, fuels, medical-dental supplies and equipment, food items for troop support, and items used in non-weapon system applications. The Air Force Supply Management Activity Group is an equal partner in the support of combat readiness for all its customers by procuring critical material and making repair parts available to the appropriate activities. Material is procured from the vendors and held in inventory for sale to authorized customers.

Budget Highlights

General

The ***Materiel Support*** Division (MSD) is the consolidated wholesale division that prior to FY 1998 was three separate divisions, Reparable Support Division (RSD), Systems Support Division (SSD), and Cost of Operations Division (COD). The reparable portion of MSD manages depot level reparable items for which the Air Force is the Inventory Control Point. These items are weapon system related. The MSD also manages the consumable items for which the Air Force is the Inventory Control Point. In FY 1997 the number of items managed within the MSD was 211,949, and will slightly increase through FY 1999. This balance includes the number of items remaining after completion of Phase I of the Consumable Items Transfer (CIT). Phase II of the CIT will be completed in FY 1999 and is reflected in this submission. Also provided in MSD is cost visibility related to the wholesale inventory control point operations (including cataloging and standardization). Costs included are civilian and

military labor, travel, supplies/materials, expendable equipment, and contractual services. Revenue to support these functions is obtained from surcharge collections resulting from the sale of reparable and consumable inventories. Lean Logistics, a totally reengineered logistics system that provides parts to the right place, as quickly as possible, with as few resources as possible, is included in the MSD submission.

The ***General*** Support Division (GSD) finances the Air Force retail inventory and issue requirements for all non-Air Force managed items other than those pertaining to peculiar medical, troop support and fuels requirements. While many items are related to installation, maintenance, and administrative functions, the majority are used in support of field and depot maintenance of aircraft, ground and airborne communication and electronic systems, and other sophisticated systems and equipment. As of 30 September 1997, the GSD managed 1,969,562 stock-numbered items. The total number of items managed is expected to grow from the FY 1997 approved level through the end of FY 1999 due to the Consumable Item Transfer, Phase II. GSD sales from FY 1997 through FY 1999 reflect the impact of that transfer as well as normal inflation for the period.

The Fuels ***Division*** manages aviation fuel and ground fuel requirements for Air Force components and missile fuel requirements for all DoD activities. The Air Force obtains aviation and ground fuel products from the Defense Fuel Supply Center (DFSC), Defense Logistics Agency, who actually procures these products from vendors. The Directorate of Aerospace Fuels Management directly procures missile fuel products from vendors. The number of items managed by the Fuels Division is expected to remain at 100 items through FY 1999.

The ***Air Force Academy Division*** finances the purchase of uniforms and uniform accessories for sale to cadets in accordance with regulations of the Air Force Academy and related statutes. The customer base consists of over 4,000 cadets who receive distinctive uniforms procured from various manufacturing contractors located coast to coast.

The Surgeon General of the Air Force is responsible for the overall management of the ***Medical-Dental Division***. The central financial and material management functions are assigned to the Air Force Medical Logistics Office at Frederick, Maryland. The division manages about 77,000 line items through 89 outlets, of which 69 are in the CONUS. The War Reserve Material requirement in the Medical-Dental Division is for prepositioned medical supplies and equipment vital to support forces in combat pending resupply. It reduces the demand for high priority transportation and ensures a rapid go-to-war capability.

Requirements are based on Tables of Allowance or special authorizations for each program.

The Troop ***Support Division*** manages approximately 72 base level Troop Support operations and other authorized activities such as nonappropriated fund activities, and reserve and guard units. It manages approximately 350 subsistence stock numbers. The Troop Support Division is also responsible for the requisitioning and managing of operational rations for War Readiness Material (WRM) requirements.

Joint Logistics Center (JLSC), Defense Finance and Accountinn Service (DFAS), and Defense Information Services Agencv (DISA) Costs

The JLSC, DFAS, and DISA financing requirements are as follows:

	FY 1997	FY 1998	FY 1999
JLSC Surcharge ($M)	55.2	66.8	55.7
DFAS Expense ($M)	18.6	18.8	19.2
DISA Mega Center Operations ($M)	41.5	42.4	43.3

We continue to track JLSC requirements separately for visibility, even though JLSC was disbanded in January of 1998.

Customer Prices

Prices for wholesale (consumable and reparable) division items are determined by adding the overhead expenses to the cost of goods sold. Wholesale activities are required to capture total costs through rates charged to our various customers.

The approved changes to customer prices for wholesale activities are:

	FY 1998	FY 1999
Standard	17.62%	-2.19%
Exchange	19.83%	0.41%
Composite	19.31%	0.40%

The next three charts reflect supply metrics for the Repairable Support Division (RSD), Systems Support Division (SSD), Material Support Division

(MSD), and General Support Division (GSD). The consolidation of RSD and SSD into MSD is reflected beginning with FY98 data.

Supply Material Availability

Supply Material Availability measures parts support to the end customer from Supply retail outlets. Supply support remains relatively stable, and is satisfactory to maintain readiness.

	FY 1997	FY 1998	FY 1999
RSD	72%	N/A	N/A
SSD	72%	N/A	N/A
MSD	N/A	72%	73%
GSD	87%	87%	87%

Stockage Effectiveness

Stockage Effectiveness measures how well anticipated customer demands are satisfied through both immediate off-the-shelf issues and the backorder process.

	FY 1997	FY 1998	FY 1999
RSD	72%	N/A	N/A
SSD	72%	N/A	N/A
MSD	N/A	72%	73%
GSD	99%	99%	99%

Issue Effectiveness

Issue Effectiveness represents the percentage of customer demands that are immediately filled from available stock.

	FY 1997	FY 1998	FY 1999
RSD	66%	N/A	N/A
SSD	66%	N/A	N/A
MSD	N/A	66%	67%
GSD	84%	84%	84%

Source of Revenue

The Supply Management Activity Group revenue is generated from sales of various supply and fuel items to a variety of customers. The primary customers are AF Operation and Maintenance, Air National Guard and Reserve, Foreign Military Sales, Army, Navy and other non-DoD activities, as well as other working capital funds, such as Depot Maintenance. Revenue was $8.4 billion in FY 1997, and is expected to be $9.7 billion in FY 1998 and $9.8 billion in FY 1999.

Material Inventory

The Air Force continues to aggressively work inventory reduction. Disposals remain high through FY 1999 due to policy changes that will drive additional inventory into potential reutilization, including sales to foreign military sales customers. We expect inventory to decrease to $22.9 billion by FY 1999, which is slightly under the DoD inventory goal for FY 1999.

Civilian Workyears and Endstrengths

The Materiel Support Division reflects a decrease of 274 workyears in FY 1999 due to the consolidation and centralization of the DOD cataloging function under DLA, making the FY 1999 workyears for the Materiel Support Division **2078.**

Capital Budaet Program

Authority for the Capital Budget Program increased from FY 1997 to FY 1999 as the result of the transfer of responsibility for legacy and other JLSC systems. These initiatives will require software modifications to a number of requirements and financial systems in order to facilitate the simplification of requirements determination, budgeting, and execution monitoring.

Workload and Economic Assumptions

The table below provides workload data and economic assumptions used in the development of this budget estimate. The numbers represent totals and averages for the total Air Force Supply Management Activity Group, and do not represent any particular division.

(Dollars in Millions)

Description	FY 1997	FY 1998	FY 1999
Cost of Goods Sold	$7,846.4	$8,607.3	$8,968.9
Net Operating Results	$ 28.6	$ 142.4	$ (216.2)
Accumulated Operating Results	$ 73.8	$ 216.2	$ 0
Workload Performance Indicators			
Issues and Receipts	$309,642	5,121,242	4,969,847
Number of Items Managed	2,181,493	2,208,875	2,215,105
Unit Cost:			
Wholesale	.894	.963	.954
Retail	.989	.996	.998
Capital Budget Program Authority	16.4	49.2	38.2
Civilian End Strength	2,371	2,329	2,077
Military End Strength	57	52	51
Civilian Workyears	2,371	2,384	2,078
Military Workyears	58	52	52

Material Cost Summary
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

SM1

(Dollars in Millions)

1997 AC DIVISION	PEACETIME INVENTORY	NET CUSTOMER ORDERS	NET SALES	COST TARGETS OPERATING	MOBILIZATION	OTHER	TOTAL	COMMITMENT TARGET	TARGET TOTAL
Supply Managment Business Area									
ICP Retail Summary									
Fuels	55.550	2,322.196	2,322.196	2,327.923	0.000	0.141	2,328.064	0.000	2,328.064
GSD	1,600.749	1,862.816	1,946.994	1,949.347	0.000	0.000	1,949.347	312.374	2,261.721
Med/Dent	35.388	560.589	573.375	506.426	30.571	0.000	536.997	0.000	536.997
Academy	4.615	4.346	4.346	4.346	0.000	0.000	4.346	0.000	4.346
Troop Issue	15.663	85.448	85.448	85.448	0.000	0.000	85.448	0.000	85.448
Subtotal	1,711.965	4,835.395	4,932.359	4,873.490	30.571	0.141	4,904.202	312.374	5,216.576
ICP Wholesale mm									
RSD	36,106.194	3,149.620	3,262.091	2,0≥7.099	0.<∞	273.689	2,300.788	1.174	2,301.962
SSD	1,031.567	421.738	456.543	4○8.303	0.<∞	0.000	408.303	0.231	408.534
COD	0.000	0.000	0.000	6≤7.214	0.<∞	16.300	683.514	0.000	683.514
MSD	0.000	0.000	0.000	0.000	0.<∞	0.000	0.000	0.000	0.000
Subtotal	37,137.761	3,571.358	3,718.634	3,102.616	0.<∞	289.989	3,392.605	1.405	3,394.010
Component Total	38,849.726	8,406.753	8,650.993	7,976.106	30.571	290.130	8,296.807	313.779	8,610.586

Material Cost Summary
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

SM1

(Dollars in Millions)

1998 AP

DIVISION	PEACETIME INVENTORY	NET CUSTOMER ORDERS	NET SALES	COST TARGETS					TARGET TOTAL
				OPERATING	MOBILIZATION	OTHER	TOTAL	COMMITMENT TARGET	
Supply Managment Business Area									
ICP Retail Summary									
Fuels	47.179	2,694.105	2,694.105	2,672.550	0.00	0.271	2,672.821	0.000	2,672.821
GSD	1,718.909	2,167.164	2,097.346	2,097.346	0.00	0.000	2,097.346	300.048	2,397.394
Med/Dent	32.452	546.645	572.254	572.254	30.31	0.000	602.564	0.000	602.564
Academy	4.474	4.923	4.923	4.923	0.00	0.000	4.923	0.000	4.923
Troop Issue	16.991	50.539	50.539	50.539	3.09	0.000	53.629	0.000	53.629
Subtotal	1,819.005	5,463.376	5,419.167	5,397.612	33.40	0.271	5,431.283	300.048	5,731.331
ICP Wholesale Summary									
RSD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SSD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MSD	21,095.390	4,224.794	4,272.695	3,121.805	0.000	1,259.742	4,381.547	4.656	4,386.203
Subtotal	21,095.390	4,224.794	4,272.695	3,121.805	0.000	1,259.742	4,381.547	4.656	4,386.203
Component Total	22,914.395	9,688.170	9,691.862	8,519.417	33.400	1,260.013	9,812.830	304.704	10,117.534

SM1

Material Cost Summary
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group

1999 R	PEACETIME	NET CUSTOMER		COST TARGETS					TARGET TOTAL
				OPERATING	MOBILIZATION	OTHER	TOTAL	COMMITMENT TARGET	
Supply Managment Business Area									
ICP Retail Summary									
Fuels	46.872	2,546.327	2,546.327	2,535.685	0.000	0.130	2,535.815	0.000	2,535.815
GSD	1,813.359	2,074.399	2,095.930	2,095.998	0.000	0.000	2,095.998	325.814	2,421.812
Med/Dent	36.228	546.631	538.452	538.452	27.618	0.000	566.070	0.000	566.070
Academy	4.474	5.000	5.000	5.000	0.000	0.000	5.000	0.000	5.000
Troop Issue	16.326	51.169	51.169	51.169	3.182	0.000	54.351	0.000	54.351
Subtotal	1,917.259	5,223.526	5,236.878	5,226.304	30.800	0.130	5,257.234	325.814	5,583.048
ICP Wholesale Summary									
RSD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SSD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MSD	20,405.297	4,507.112	4,567.649	3,309.413	0.000	1,268.755	4,578.168	5.048	4,583.216
Subtotal	20,405.297	4,507.112	4,567.649	3,309.413	0.000	1,268.755	4,578.168	5.048	4,583.216
Component Total	22,322.556	9,730.638	9,804.527	8,535.717	30.800	1,268.885	9,835.402	330.862	10,166.264

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SM3B

(Dollars in Millions)

Weapon System Funding
Air Force Working Capital Fund
FY 1999 President's Budget
Materiel Support Division
February 1998

1998	Buy	Initial Spares	Repair	Additives	Total
A-7	0.000	0.000	0.000	0.000	0.000
A-10	13.731	3.150	53.616	0.000	70.497
B-1B	72.054	36.889	121.578	0.000	229.521
B-2	10.420	16.100	2.814	0.000	29.334
B-62	29.428	4.790	40.112	0.000	74.330
C-5	89.021	1.053	195.264	0.000	285.338
C-17	31.234	106.694	0.006	0.000	137.934
C-130	84.937	9.003	122.310	0.000	216.250
c-135	53.731	10.293	70.679	0.000	134.703
c-141	16.886	0.000	57.531	0.000	74.417
E-3	20.894	14.286	33.753	0.000	68.933
E-4	0.046	0.211	0.069	0.000	0.326
E-6	0.679	27.816	4.737	0.000	33.232
F-4	3.808	0.000	2.314	0.000	6.122
F-15	59.722	11.569	161.275	0.000	232.566
F-16	68.446	11.305	140.644	0.000	220.395
F-111	0.565	0.000	1.910	0.000	2.465
F-117	0.007	0.000	0.988	0.000	0.995
H-I	0.479	0.000	0.678	0.000	1.157
H-3	0.000	0.000	0.000	0.000	0.000
H-53	1.451	1.000	11.326	0.000	13.777
H-60	0.097	0.000	0.000	0.000	0.097
Traineis	38,034	0.846	16.393	0.000	55.273
F100	350.772	0.000	340.177	0.000	690.949
F110	83.955	0.000	43.881	0.000	127.816
SOF	24.300	9.156	9.702	0.000	43.158
Common	117.135	0.000	394.108	0.000	511.243
Other Aircraft	15.486	36.620	2.864	0.000	54.970
2 Level Maintenance	0.000	0.000	0.000	0.000	0.000
Missiles	13.988	9.742	20.414	0.000	44.144
Other	16.381	36.303	55.001	0.000	107.685
Total	1,217.681	345.826	1,904.124	0.000	3,467.631

SM3B

(Dollars in Millions)

Weapon System Funding
Air Force Working Capital Fund
FY 1999 President's Budget
Materiel Support Division
February 1998

1999	Buy	Initial Spares	Repair	Additives	Total
A-7	0.000	0.000	0.000	0.000	0.000
A-10	14.102	0.086	62.301	0.000	76.489
B-1B	66.982	24.047	144.472	0.000	235.501
B-2	12.050	2.000	6.901	0.000	20.955
B-52	47.887	11.877	44.282	0.000	104.046
C-5	94.509	1.079	226.821	0.000	312.409
c-17	26.682	110.306	0.007	0.000	136.995
c-130	81.118	2.918	132.779	0.000	216.815
c-135	31.472	9.997	79.286	0.000	120.755
c-141	21.115	0.000	57.725	0.000	78.840
E-3	20.737	11.434	39.083	0.000	71.254
E-4	0.046	0.000	0.009	0.000	0.055
E-8	0.393	39.745	7.629	0.000	47.767
F-4	4.300	0.000	3.118	0.000	7.418
F-15	53.284	13.849	185.143	0.000	252.276
F-16	69.500	14.316	163.843	0.000	247.659
F-111	0.732	0.000	1.436	0.000	2.168
F-117	0.007	0.000	0.765	0.000	0.772
H-I	0.161	0.000	0.889	0.000	1.050
H-3	0.000	0.000	0.000	0.000	0.000
H-53	1.147	0.000	17.155	0.000	18.302
H-60	0.109	0.000	0.000	0.000	0.109
Trainers	28.391	0.160	18.140	0.000	46.691
F100	280.432	0.000	413.272	0.000	693.704
F110	86.246	0.000	50.161	0.000	136.407
SOF	19.810	51.808	14.667	0.000	86.285
Common	142.872	0.000	423.481	0.000	566.363
Other Aircraft	13.291	12.789	2.889	0.000	28.969
2 Level Maintenance	0.000	0.000	0.000	0.000	0.000
Missiles	12.045	19.097	21.337	0.000	52.479
Other	10.969	26.684	61.418	0.000	99.071
Total	1,130.388	352.192	2,179.025	0.000	3,661.605

SM4

(Dollars in Millions)

Inventory Status
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1997 AC	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	45,886.460	634.855	27,594.126	17,657.479
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	(9.269)	0.000	(9.269)	0.000
b. Price Change Amount	1,210.558	8.665	728.376	473.617
c. Inventory Reclassified and Repriced	47,087.749	643.520	28,313.233	18,130.996
3. Receipts at Standard	6,656.045	26.568	6,024.250	605.227
4. Gross Sales w/ Surcharge	8,978.014	0.000	8,978.014	0.000
5. Inventory Adjustments				
a. Capitalizations + or (-)	(699.781)	18.139	(534.789)	(183.131)
b. Returns from Customers for Credit +	346.608	0.000	346.608	0.000
c. Returns from Customers w/o Credit	4,656.840	0.000	3.041	4,653.799
d. Returns to Suppliers (-)	(262.097)	(0.399)	(88.985)	(172.713)
e. Transfers to Property Disposal (-)	(5,094.358)	(5.732)	(3.584)	(5,085.042)
f. Issues/Receipts w/o Reimbursement	3,086.692	0.882	3,686.539	(600.729)
g. Other Adjustments				
1. Destruct, Shrink. Deteriorations, etc.	(64.873)	(9.254)	(28.622)	(26.997)
2. Discounts on Returns	(17.905)	0.000	4.529	(22.434)
3. Trade-ins	(1.961)	(1.914)	0.000	(0.037)
4. Loss from Disaster	(0.197)	(0.001)	(0.124)	(0.072)
5. Assembly/Disassembly	3.766	(0.310)	2.151	1.925
6. Physical Inventory Adj	(54.930)	(5.184)	(36.372)	(13.374)
7. Accounting Adjustments	(3417.460)	(22.369)	(1,967.397)	(1.427.694)
8. Shipment Discrepancies	(66.322)	2.897	(190.294)	121.075
9. Other Gains/Losses	(3,696.919)	(23.852)	(2,242.228)	(1,430.839)
10. Strata Transfers	0.000	10.089	2,009.655	(2,019.744)
11. Strata Transfers in Transit	(0.087)	0.000	(0.087)	0.000
12. Other Adjustments - Total	(7.316.878)	(49.898)	(2,448.789)	(4,818.191)
h. Total Inventory Adjustments	(5.282.974)	(37.008)	960.041	(6.206.007)
6. Inventory EOP	39,482.806	633.080	26,319.510	12,530.216
7. Inventory EOP, Revalued (LAC, Discounted)	25,565.181	570.271	19,587.092	5,407.818
a. Economic Retention (Memo)	3,655.375	0.000	0.000	3,655.375
b. Contingency Retention (Memo)	1,272.924	0.000	0.000	1,272.924
c. Potential DOD Reutilization (Memo)	464.43s	0.000	0.000	464.439
8. Inventory on Order at Cost EOP (Memo)	3,332.381	29.067	2,115.451	1,187.863

inventory Status
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

SM4

(Dollars in Millions)

1998 AP	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	25,564.995	570.254	19,586.991	5407.750
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	(9.495)	0.000	(9.495)	0.000
b. Price Change Amount	287.346	12.036	200.638	74.672
c. Inventory Reclassified and Repriced	25,842.846	582.290	19,778.134	5482.422
3. Receipts at Standard	6,941.197	38.722	6,562.300	340.175
4. Gross Sales w/ Surcharge	13406.067	0.000	13,406.067	0.000
5. Inventory Adjustments				
a. Capitalizations + or (-)	205.451	7.250	146.613	51.588
b. Returns from Customers for Credii +	3,728.999	0.000	3,728.999	0.000
c. Returns from Customers w/o Credit	3,593.163	0.000	1.000	3,592.163
d. Returns to Suppliers (-)	(171402)	0.000	(84.634)	(86.768)
e. Transfers to Property Disposal (-)	(3,578.339)	(1.336)	(0.667)	(3676.336)
f. Issues/Receipts w/o Reimbursement	340.092	(8.664)	334.562	14.194
g. Mher Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(22.004)	(8.097)	(6.479)	(7.428)
2. Discounts on Returns	(21.738)	0.000	0.523	(22.261)
3. Trade-ins	(0.086)	0.000	0.000	(0.086)
4. Loss from Disaster	(0.288)	(0.002)	(0.217)	(0.068)
5. Assembly/Disassembly	4.469	(0.177)	3.681	0.965
6. Physical Inventory Adj	40.249	(0.503)	29.865	10.887
7. Accounting Adjustments	(452.415)	(7.384)	(129.928)	(315.103)
8. Shipment Discrepancies	(106.461)	(0.148)	(170.125)	63.812
9. Other Gains/Losses	565.680	3.122	448.223	114.335
10. Strata Transfers	(0.076)	(16.178)	1,341.252	(1,325.150)
11. Strata Transfers in Transit	0.020	0.000	0.020	0.000
12. Other Adjustments -Total	7.350	(29.367)	1,516.815	(1,480.098)
h. Total Inventory Adjustments	4.125.314	(32.117)	5642.688	(1,485.257)
6. Inventory EOP	23,503.290	588.895	18,577.055	4,337.340
7. Inventory EOP, Revalued (LAC, Discounted)	23,502.862	588.862	18,576.791	4,337.209
a. Economic Retention *(Memo)*	272.871	0.000	0.000	272.871
b. Contingency Retention (Memo)	163.485	0.000	0.000	163.485
c. Potential DOD Reutilization (Memo)	3,888.064	0.000	0.000	3,888.064
8. Inventory on Order at Cost EOP (Memo)	3,489.587	23.745	2,333.094	1,132.748

SM4

(Dollars in Millions)

Inventory Status
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1999 R	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	23,503.290	588.895	18,577.055	4,337.340
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	(18.502)	0.000	(18.502)	0.000
b. Price Change Amount	242.659	8.368	176.298	57.993
c. Inventory Reclassified and Repriced	23,727.447	597.263	18,734.851	4,395.333
3. Receipts at Standard	6,730.604	30.343	6,361.485	338.776
4. Gross Sales w/ Surcharge	13,753.073	0.000	13,753.073	0.000
5. Inventory Adjustments				
a. Capitalizations + or (-)	192.506	7.895	150.683	33.928
b. Returns from Customers for Credit +	3,971.931	0.000	3,971.931	0.000
c. Returns from Customers w/o Credit	3,755.741	0.000	1.000	3,754.741
d. Returns to Suppliers (-)	(169.794)	0.000	(86.908)	(72.886)
e. Transfers to Property Disposal (-)	(2,051.461)	(2.085)	(0.080)	(2,049.296)
f. Issues/Receipts w/o Reimbursement	319.071	(2.408)	312.766	8.711
g. Other Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(25.926)	(8.810)	(12.797)	(4.319)
2. Discounts on Returns	(15.154)	0.000	0.499	(15.653)
3. Trade-ins	(0.323)	0.000	0.000	(0.323)
4. Loss from Disaster	(0.179)	(0.001)	(0.135)	(0.043)
5. Assembly/Disassembly	2.125	(0.161)	1.891	0.395
6. Physical Inventory Adj	21.770	0.142	15.439	6.189
7. Accounting Adjustments	(518.803)	(12.959)	(372.267)	(133.577)
8. Shipment Discrepancies	(80.701)	0.000	(144.289)	63.588
9. Other Gains/Losses	803.609	1.371	605.371	196.867
10. Strata Transfers	0.000	(13.759)	1,192.257	(1,178.498)
11. Strata Transfers in Transit	(0.003)	0.000	(0.003)	0.000
12. Other Adjustments -Total	186.415	(34.177)	1385.966	(1,065.374)
h. Total Inventory Adjustments	6,214.409	(30.775)	5,635.360	609.824
6. Inventory EOP	22,919.387	596.831	16,978.623	5,343.933
7. Inventory EOP, Revalued (LAC, Discounted)	22,918.879	596.794	16,978.298	5,343.787
a. Economic Retention (Memo)	1,178.490	0.000	0.000	1,178.490
b. Contingency Retention (Memo)	482.326	0.000	0.000	462.326
c. Potential DOD Reutilization (Memo)	3,689.155	0.000	0.000	3,689.155
8. Inventory on Order at Cost EOP (Memo)	3484.409	24.202	2.274.698	1,185.509

FUND2

(Dollars in Millions)

Changes in Cost of Operations
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

	FY97 TO FY98	FY98 TO FY99
COST OF OPERATIONS	9,009.962	9,730.481
PRICE CHANGES		
Military Pay	0.119	0.106
Civilian Pay	4.112	3.579
Supply Price Growth	427.012	(107.106)
Contractor Cost	1.731	1.814
Other	0.000	0.000
TOTAL PRICE CHANGES	432.736	(101.607)
PRODUCTIVITY CHANGES		
Civilian Labor	0.000	0.000
Military Labor	0.000	0.000
Supply Savings	0.000	0.000
Travel Cost Savings	0.000	0.000
Contract Cost Savings	0.000	0.000
Other	0.000	0.000
TOTAL PRODUCTIVITY CHANGES	0.000	0.000
PROGRAM CHANGES		
BOS	0.000	0.000
Other	143.884	14.971
TOTAL PROGRAM CHANGES	143.984	14.971
OTHER CHANGES	143.799	122.727
COST OF OPERATIONS	9,730.481	9,766.572

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FUND11

(Dollars in Millions)

Sources of Revenue
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

	1997 AC	1996 AP	1999 R
1. New Orders (Gross)			
a. Orders From DOD Components:			
(1) Air Force			
(a) Aircraft Procurement	226.605	29.446	25.769
(b) Missile Procurement	23.305	17.100	16.383
(c) Other Procurement	56.172	66.574	68.068
(d) Military Construction - AF	(0.001)	0.040	0.028
(e) Operations 8 Maintenance - AF	3,483.096	5,804.640	5,960.754
(f) Military Personnel - AF	83.986	60.786	57.142
(g) Research and Development - AF	103.894	190.158	195.093
(h) Reserve Personnel - AF	5.517	3.454	3.180
(i) Operations & Maintenance - AFRES	299.831	454.543	455.496
(j) Operations & Maintenance - ANG	661.057	1,427.981	1,480.536
(k) Guard Personnel - ANG	8.359	10.673	9.276
(l) Family Housing	21.569	41.263	41.809
(m) Special Trust Funds	4.269	4.877	4.991
(n) Other Air Force	0.630	4.274	0.297
Total Air Force	5,178.209	8,115.809	8,318.622
(2) Army	34.003	46.547	46.129
(3) Navy	136.348	297.147	296.544
(4) MAP/Grant Aid	0.020	0.062	0.052
(5) Other DOD	730.056	901.767	917.508
Total DOD excluding WCF	6.077.636	9,361.332	8578.856
b. Orders From Other Fund Activity Groups			
(1) Oth AF Supply Management Activity Groups	(3.601)	24.901	20.705
(2) Transportation Activity Group - TRANSCOM	734.847	1,069.295	1,101.739
(3)Depot Maintenance Activity Group	1,290.672	2,031.513	1846.620
(4) Other WCF Activity Groups	0.000	0.017	0.004
(5) Commissary, Sur. Coll.	0.046	0.020	0.025
Total Other Fund Activity Groups	2,021.964	3,125.746	2,969.093
c. Total DOD	8,099.600	12487.078	12,547.948
d. Other Orders:			
(1) Other Federal Agencies	65.475	97.599	94.054
(2) Non Federal Agencies	132.646	175.985	171.138
(3) FMS	435.640	656.507	889.429
Total	653.761	930.091	1,154.621
Total New Gross Orders	8,753.361	13,417.169	13,702.569
2. Carry-in Orders	1,735.599	1,491.359	1487.667
3. Total Gross Orders (New + Carry-in Orders)	10488.860	14,908.528	15,190.236
4. Change to Backlog	(244.248)	(3.892)	(73.889)
5. Total Gross Sales	8,997.601	13,420.861	13776.458
6. Less Credit Returns	346.608	3,728.999	3,971.931
7. Total Net Sales	8,650.993	5691.862	9,804.527

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FUND14

(Dollars in Millions)

Revenues and Expenses
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

	1997 AC	1998 AP	1999 R
Revenue:			
Net Sales	8,650.993	9,691.862	9,804.527
Operations	8,650.993	9.691.862	9,804.527
Capital Surcharge	0.000	0.000	0.000
Depreciation exc Maj Const	0.000	0.000	0.000
Major Construction Dep	0.000	0.000	0.000
Other Income	0.000	391.290	439.040
Refunds/Discounts	0.000	0.000	0.000
Total Income:	8,650.993	10,083.152	10,243.567
Expenses:			
Cost of Materiel Sold from Inv	7,846.439	8,607.271	8,968.946
STD Cost of Materiel	5,421.183	5,790.155	5,607.377
Exchg Cost of Materiel	1,833.805	2,112.654	2,652.165
Condemnations @ Carcass	591.451	704462	709.404
Negotiated Purch from Customers	0.000	0.000	0.000
Mobilization	30.571	33.400	30.800
Full Cost Recovery	0.000	100.000	186.627
Lean Logistics	(336.000)	(289.400)	(323.800)
Inventory Gains/Losses	83.524	120.564	103.378
Inventory Maintenance	0.439	2.191	2.368
Transportation	103.195	124.052	129.947
Salaries and Wages:			
Miliiary Personnel	3.455	4.139	3.407
Civilian Personnel	125.145	134.163	129.497
Materials, Supplies, Parts	7.150	10.704	16.611
Facility Repair Charge	0.000	0.000	0.000
Depreciation - Capital	13.500	15.849	87.793
Contracted Engineering Srvs	0.250	0.000	0.000
Rents and Leases	(0.006)	0.000	0.000
Purchased Utilities	0.016	0.000	0.000
Purchased Communications	0.112	0.000	0.000
Equipment Maintenance	1.890	5.990	5.607
Fuel	0.392	0.003	0.003
Other Expenses	714.417	1,035.358	1,084.918
Total Expenses	8,594.289	9,904.284	10,426.102
Operating Result	56.704	178.888	(182.535)
Less Capital Surchg Reservation	55.200	66.800	64.500
Plus Approps Affecting NOR/AOR	0.000	0.000	0.000
Other Changes Affecting NOR/AOR	27.135	30.355	30.800
Mobilization	30.571	33.400	30.800
Other Changes	(3.436)	(3.045)	0.000
Net Operating Result	28.639	142.423	(218.235)
Prior Year AOR	45.173	73.812	216.235
Accumulated Operating Result	73.812	216.235	0.000

FUND15

(Dollars in Millions)

Fuel Procurement
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1997	PROCURED FROM DFSC			PROCURED BY SERVICE			
	BARRELS (MIL BBLS)	COST PER BARREL ($)	EXTENDED PRICE ($ MIL)	BARRELS (MIL BBLS)	COST PER BARREL ($)	EXTENDED PRICE ($ MIL)	STABIL PRICE ($)
JP-4	0.00000	32.34	0.000	0.00000	38.10	0.000	0.77
JA-1	0.09727	32.34	3.146	0.42262	63.00	26.625	1.50
JP-5	1.80759	33.18	59.976	0.00820	39.34	0.323	0.79
JP.8	61.47201	32.34	1,988.005	0.12809	38.93	4.987	0.77
AVGAS	0.00000	99.12	0.000	0.00000	0.00	0.000	2.38
INTO-PLANE	1.10451	41.58	45.926	0.00000	0.00	0.000	0.99
MOGAS,UNL	0.19150	31.08	5.952	0.45198	30.99	14.007	0.74
MOGAS,LD	0.00000	38.22	0.000	0.00000	38.53	0.000	0.91
DISTILLATE	0.65596	31.08	17.279	1.52668	29.50	45.037	0.74
RESIDUALS	0.00000	18.90	0.000	0.89863	16.16	14.622	0.45
LIQ PROP	0.00000	0.00	0.000	0.00000	35.70	0.000	0.85
PPV ADJ	0.00000	0.00	0.000	0.00000	0.00	0.000	0.00
MISSILE	0.00000	0.00	0.000	100.21900	1.00	100.219	0.00
TOTAL	85.22884	32.51	2,120.284	103.65520	1.98	205.720	

FUND15

(Dollars in Millions)

Fuel Procurement
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1998	PROCURED FROM DFSC			PROCURED BY SERVICE			
	BARRELS (MIL BBLS)	COST PER BARREL ($)	EXTENDED PRICE ($ MIL)	BARRELS (MIL BBLS)	COST PER BARREL ($)	EXTENDED PRICE ($ MIL)	STABIL PRICE ($)
JP-4	0.00000	48.56	0.000	0.00000	37.38	0.000	1.13
JA-1	0.10943	37.38	4.090	0.57157	83.00	36.009	1.50
JP-5	1.68641	39.06	65.871	0.00720	40.21	0.290	0.89
JP.8	59.99600	38.22	2,293.047	0.16788	39.79	6.680	0.87
AVGAS	0.00000	153.30	0.000	0.00000	0.00	0.000	3.49
INTOPLANE	1.03342	48.72	50.348	0.00000	0.00	0.000	1.11
MOGAS,UNL	0.20228	36.96	7.476	0.55556	31.67	17.595	0.00
MOGAS,LD	0.00000	44.94	0.000	0.00000	39.38	0.000	0.00
DISTILLATE	0.58728	36.98	21.708	1.87636	30.15	56.572	0.00
RESIDUALS	0.00000	23.10	0.000	1.10420	16.52	18.241	0.00
LIQ PROP	0.00000	0.00	0.000	0.00000	0.00	0.000	0.00
PPV ADJ	0.00000	0.00	0.000	0.00000	0.00	0.000	0.00
MISSILE	0.00000	0.00	0.000	95.87400	1.00	95.874	0.00
TOTAL	63.81482	38.40	2,442.538	100.15677	2.31	231.261	

FUND15

(Dollars in Millions)

Fuel Procurement
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1999	PROCURED FROM DFSC			PROCURED BY SERVICE			
	BARRELS (MIL BBLS)	COST PER BARREL ($)	EXTENDED PRICE ($ MIL)	BARRELS (MIL BBLS)	COST PER BARREL ($)	EXTENDED PRICE ($ MIL)	STABIL PRICE ($)
JP-4	0.00000	45.36	0.000	0.00000	37.38	0.000	1.15
JA-1	0.10888	35.70	3.887	0.76011	63.00	47.887	1.50
JP-5	1.75338	35.70	62.596	0.00700	41.13	0.288	0.87
JP.8	62.14598	34.86	2,166.409	0.16329	40.70	6.646	0.84
AVGAS	0.00000	138.86	0.000	0.00000	0.00	0.000	3.55
INTO-PLANE	1.07466	44.52	47.839	0.00000	0.00	0.000	1.09
MOGAS,UNL	0.19534	33.60	6.663	0.48773	31.67	16.446	0.00
MOGAS,LD	0.00000	41.16	0.000	0.00000	39.38	0.000	0.00
DISTILLATE	0.56713	33.60	19.056	1.64728	30.15	49.665	0.00
RESIDUALS	0.00000	21.00	0.000	0.96941	16.52	16.015	0.00
LIQ PROP	0.00000	0.00	0.000	0.00000	0.00	0.000	0.00
PPV ADJ	0.00000	0.00	0.000	0.00000	0.00	0.000	0.00
MISSILE	0.00000	0.00	0.000	95.72000	1.00	95.720	0.00
TOTAL	85.84527	35.03	2,306.350	99.75482	2.32	231.667	

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FUND16

(Dollars in Millions)

Inventory Status
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1997 AC	Total	Mobil	Peacetime Operating	Peacetime Other
Materiel Inventory BOP	28,721.391	557.682	20,079.144	8,084.565
BOP Reclassification Changes	(9.269)	0.000	(9.269)	0.000
Price Changes	1,210.558	8.665	728.376	473.517
Receipts From Commercial Sources	6,656.045	26.568	6,024.250	605.227
Negotiated Purchases From Cust	346.608	0.000	346.608	0.000
Gross Sales	8,978.014	0.000	8,978.014	0.000
Materiel Inventory Adjustments				
A. CAPITALIZATIONS + OR (-)	(699.781)	18.139	(534.789)	(183.131)
C. RETURNS TO SUPPLIERS (-)	(262.097)	(0.399)	(88.985)	(172.713)
D. TRANSFERS TO PROP. DISPOSAL	(5,094.358)	(5.732)	(3.584)	(5,085.042)
E. ISSUES/RECEIPTS W/O REIMBURSEMENT + or (-)	3,086.692	0.882	3,686.539	(600.729)
F. OTHER	587.496	(35.634)	(1,663.184)	2,286.124
G. TOTAL ADJUSTMENTS	(2,382.138)	(22.644)	1,395.997	(3,755.491)
Materiel Inventory EOP	25,565.181	570.271	19,587.092	5,407.818
A. ECONOMIC RETENTION (Memo)	3,655.375	0.000	0.000	3,655.375
B. POLICY RETENTION (Memo)	1,272.924	0.000	0.000	1,272.924
C. POTENTIAL EXCESS (Memo)	464.439	0.000	0.000	454.439
Materiel Inventory On Order EOP	3,332.381	29.067	2,115.451	1,187.863

FUND16

(Dollars in Millions)

Inventory Status
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1998 AP	Total	Mobil	Peacetime Operating	Peacetime Other
Materiel Inventory BOP	25,565.181	570.271	19,587.092	5,407.818
BOP Reclassification Changes	(9.495)	0.000	(9.496)	0.000
Price Changes	287.346	12.036	200.638	74.672
Receipts From Commercial Sources	6,941.197	38.722	6,562.300	340.175
Negotiated Purchases From Cust	3J28.999	0.000	3,728.999	0.000
Gross Sales	13,406.067	0.000	13406.067	0.000
Materiel Inventory Adjustments				
A. CAPITALIZATIONS + OR (-)	205.451	7.250	146.613	51.588
C. RETURNS TO SUPPLIERS (-)	(171.492)	0.000	(84.634)	(86.768)
D. TRANSFERS TO PROP. DISPOSAL	(3,578.339)	(1.336)	(0.667)	(3,576.336)
E. ISSUES/RECEIPTS W/O REIMBURSEMENT + or (-)	340.092	(8.664)	334.562	14.194
F. OTHER	3,599.899	(29.417)	1,517.450	2,111.866
G. TOTAL ADJUSTMENTS	395.701	(32.187)	1,913.324	(1,485.456)
Materiel Inventory EOP	23,502.862	588.862	18,576.791	4,337.209
A. ECONOMIC RETENTION (Memo)	272.871	0.000	0.000	272.871
B. POLICY RETENTION (Memo)	163.486	0.000	0.000	183.485
C. POTENTIAL EXCESS *(Memo)*	3,888.064	0.000	0.000	3,888.064
Materiel Inventory On Order EOP	3,489.587	23.745	2,333.094	1,132.748

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FUND16

(Dollars in Millions]

Inventory Status
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

1999 R	Total	Mobil	Peacetime Operating	Peacetime Other
Materiel Inventory BOP	23,502.862	588.882	18,576.791	4,337.209
BOP Reclassification Changes	(18.502)	0.000	(18.502)	0.000
Price Changes	242.659	8.368	176.298	57.993
Receipts From Commercial Sources	6,730.604	30.343	6,361.485	338.776
Negotiated Purchases From Cust	3,971.931	0.000	3,971.931	0.000
Gross Sales	13,753.073	0.000	13,753.073	0.000
Materiel Inventory Adjustments				
A. CAPITALIZATIONS + OR (-)	192.506	7.895	150.683	33.928
C. RETURNS TO SUPPLIERS (-)	(159.794)	0.000	(88.908)	(72.886)
D. TRANSFERS TO PROP. DISPOSAL	(2,051.461)	(2.085)	(0.080)	(2.049.296)
E. ISSUES/RECEIPTS W/O REIMBURSEMENT + or (-)	319.071	(2.408)	312.768	8.711
F. OTHER	3942.076	(34.181)	1,286.905	2,689.352
G. TOTAL ADJUSTMENTS	2.242.398	(30.779)	1,663.368	609.809
Materiel Inventory EOP	22,918.879	596.794	16,978.298	5343.787
A. ECONOMIC RETENTION (Memo)	1,178.490	0.000	0.000	1,178.490
B. POLICY RETENTION (Memo)	462.326	0.000	0.000	462.326
C. POTENTIAL EXCESS (Memo)	3,689.155	0.000	0.000	3,689.155
Materiel Inventory On Order EOP	3,484.409	24.202	2,274.698	1,185.509

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Air Force Working Capital Fund
FY 1999 President's Budget
Depot Maintenance Activity Group

Functional Description

Background - The Air Force Depot Maintenance Activity Group (DMAG), formerly the Depot Maintenance Business Area (DMBA), was incorporated into the Air Force Working Capital Fund effective December 11, 1996.

Customers - Depot Maintenance services are provided primarily to Air Force organizations, including the Air National Guard, Air Force Reserve, Air Combat Command, Air Mobility Command, US Transportation Command, US Strategic Command, US Air Forces Europe, and Pacific Air Forces. Other Services (Army, Navy, Marines), government agencies, and foreign governments are also supported.

Workloads - Depot Maintenance services include repair of aircraft, missiles, aircraft engines, engine modules, landing gear, electronics, avionics, composites, computer hardware, and software. Where supply sources are no longer available, the depots are capable of remanufacturing parts to meet required specifications.

Organic / Contractor Workload Mix

The depot maintenance environment is changing to better respond to the new force structure and technology. Weapon systems made of new material and with new technologies require different maintenance processes. Reliability improvements continue to reduce the frequency of demands for maintenance. The result of these factors is a need for greater flexibility in meeting the dynamics of the depot workload during peace and war. This flexibility is met by the use of organic and contractor repair capability to ensure the optimum response to customer demands for depot level maintenance.

Organic Depot Maintenance - Air Force organic depot facilities are in existence to support mission essential workloads. For this work, the Air Force must maintain the assured capability to support wartime combat operations and sustain peacetime operational readiness. Currently, Air Force organic depot maintenance is performed at the following Air Force Materiel Command (AFMC) facilities:

- Oklahoma City Air Logistics Center (ALC), Tinker AFB, Oklahoma
- Ogden ALC, Hill AFB, Utah
- San Antonio ALC, Kelly AFB, Texas
- Sacramento ALC, McClellan AFB, California
- Warner Robins ALC, Robins AFB, Georgia
- Aerospace Maintenance & Regeneration Center, Davis-Monthan AFB, Arizona

Recent Base Realignment and Closure (BRAC) decisions will result in the closure/realignment of some of the Air Force depot maintenance facilities. The affected facilities and actions taken are listed.

- Aerospace Guidance and Metrology Center — Closed in FY 1996 (workload privatized)
- San Antonio ALC — Close / Realign
- Sacramento ALC — Close

BRAC implementation is ongoing. The realignment/closure of the San Antonio and Sacramento ALCs represent the largest depots to be closed by the BRAC process. The appropriate distribution of the workloads at these depots is of utmost importance to the Department. Workloads validated as needed to support core capability will be transferred to other organic facilities. All other workloads not needed to retain core capability will be subject to public/private competition (within 50150 legislation). It is recognized that during the period of transition these BRAC actions will result in productivity and other losses that are inherent in any downsizing effort, especially reductions of this magnitude. However, workload consolidation, open public/private competition, as well as ongoing process initiatives will result in improved productivity and cost effectiveness at the remaining ALCs. The Air Force will comply with the FY 1998 National Defense Authorization Act when allocating depot maintenance between the public and private sectors while ensuring critical readiness requirements are maintained.

Contract Depot Maintenance - Contract depot maintenance includes depot level maintenance performed through contracts with commercial contractors and interservice support agreements with other DoD components (e.g. Army, Navy). Contract depot sources are often on the leading edge of technological development or have specialized capabilities and facilities which are not available at organic depots. Contractors (permanent & temporary) augment the current organic capability for workload not needed to retain core capability. Permanent contractors supplement organic resources with unique processes or capabilities that are not practical to have at an organic depot. Contractors are also used when organic maintenance is not economical.

Interservice Support - Organic repair capabilities of other military services are used for assets common to two or more services. Interservice support is also used when common repair technologies apply to dissimilar items. In effect, the depot maintenance interservice support agreement (DMISA) is equivalent to a contract between two services.

Organization

The Depot Maintenance Activity Group is managed under a business like Chief Executive Officer (CEO) structure. The Headquarters Air Force Materiel Command Commander (HQ AFMC/CC) is the CEO, HQ AFMC Director of Logistics (LG) serves as the Chief Operating Officer (COO) and HQ AFMC Director of Financial Management (FM) serves as the Chief Financial Officer (CFO). At the depot level, the Center Commander has ultimate responsibility (operational and financial) for depot maintenance at that center. Day-today management of the DMAG is handled by the Center/FM and production by the center product directors.

The Command CEO provides oversight and is the chief decision maker ensuring mission support and accountability for overall performance by the Center CEOs. They allocate resources, set business standards, and maintain customer relations. Day-to-day management is delegated to the COO and CFO.

The Command COO is responsible for execution of all command depot maintenance activities. The COO:

- Establishes operations policy and procedures.
- Sets strategy and corresponding metrics.
- Evaluates operations and reports performance.
- Develops solutions to depot maintenance problems.
- Responsible for determining workload requirements for budget development.
- Works with the CFO to ensure financial solvency.

The Command CFO is responsible for execution of all command financial activities. The CFO:

- Establishes financial policy and procedures.
- Evaluates financial position'and reports findings.
- Develops, formulates, and submits budget requirements.
- Serves as the financial advisor to the COO to ensure a coordinated effort toward operational effectiveness.

The depot level CEO, COO, and CFO have the same delineated responsibilities. As stated in the executive summary, the Air Force has implemented a set of functional and financial performance plans aimed at accessing and improving operations at AFMC and the ALCs. Quarterly reviews by the Secretary of the Air Force and the Chief of Staff will provide the focus for the ALCs to enhance their ability to meet customer demands and maintain constant readiness.

Financial Highlights - ($ in Millions)

	FY97	FY98	FY99
Revenue	4217.6	4877.3	4593.8
Cost of Goods Sold	4361.6	4662.7	4368.8
Plus Approps Affecting NOR/AOR	0.0	0.0	0.0
Other Changes Affecting NOR/AOR	-92.3	-11.3	-91.8
Net Operating Results	-236.3	203.3	+133.2
Accumulated Operating Results	-364.2	-160.9	-27.7
Stabilized Composite Organic Sales Rate	$111.56	$124.56	$134.34
Organic Rate Change	-1.2%	+11.7%	+7.8%
Contract Rate Change	+6.0%	+13.06%	-4.1%

Other Highlights - Organic

	FY97	FY98	FY99
Direct Product Standard Hours (DPSH) of Production (in millions)	27,075	26,065	22,451
Manpower Resources			
• Civilian End Strength	26,515	24,289	20,939
• Civilian Workyears (W/O O/T)	26,751	26,295	22,069
• Military End Strength	400	400	417
Capital Budget (!§M)	$57.8	$94.3	$97.7

Manning - A key objective of Air Force depot maintenance is to have the correct number of appropriately skilled people in the right places to support established peacetime and wartime requirements. With ongoing downsizing, this continues to be a major challenge. Due to reductions in programmed force structure and activity level, the workforce to meet these requirements has been substantially reduced from the FY 1990 level of over 37,000. As the DoD continues to downsize, continuous adjustments to the depot maintenance workforce will be required.

The impact of workforce realignments due to reduction-in-force (RIF) or early out authority are significant and there are long term costs that are difficult to estimate or quantify. Workforce reductions cause skills imbalances that require additional training and loss of production. Additionally, the experience of long term skilled workers cannot usually be regained quickly. We anticipate additional workforce turmoil in the next few years. As downsizing continues, it will be necessary to consolidate similar workloads where it is practical to do so, and there will likely be other weapon system changes that will impact the workforce. We believe it is realistic to anticipate a lower level of overall productivity during this downsizing period.

Productivity Changes - It is anticipated that FY 1998 productivity will be lower due to workloads beginning to shift in FY 1998 to other sources of repair. We expect a degradation in productivity due to the learning curve associated with workloads that begin to move between Air Force depots in FY 1998. We expect to show productivity increases in FY 1999. FY 1998 RIFs will have removed personnel from the rolls, and gaining depots will have had time to offset the learning curve problem associated with the initial workload moves. We also expect to reap benefits in productivity as a result of reductions in overhead. The primary driver for the overhead reduction is the workload moves which move positions for direct workers, but only small numbers of positions for overhead workers between depots. These actions will result in the spread of a smaller overhead base over an increased workload requirement, thus increasing productivity.

Capital Purchases Program (CPP) - The CPP provides organic activities a business like, depreciation-based financing source for replacing obsolete and unserviceable equipment, modernizing repair processes, eliminating environmental hazards, decreasing repair costs through productivity improvements, and increasing combat effectiveness by producing more capable and reliable products. This budget reflects requirements constrained by previous budgetary limitations, downsizing, and tight controls in equipment maintenance and related costs. This request does not include any new requirements in FY 1998 and FY 1999 for San Antonio and Sacramento ALCs. As workload transitions to the remaining ALCs, replacement, modernization, and other requirements will be submitted in future requests by the gaining ALCs.

Chanaes from Previous Submissions

Base Operating Support - FY 1998 Base Operating Support (BOS) costs reflect a $105.6 million decrease from FY 1997. This is due to the implementation of the new incremental direct reimbursement policy in DODI 4000.19: Since the costs associated with the previous version of DODI 4000.19 were already in the DMAG sales rates for FY 1996 and FY 1997, a transition period was established to allow the ALCs time to revise existing agreements and reprogram funds to align with the new guidance for FY 1998. In FY 1998, of the $150 million BOS bill, $114.5 million is direct cited to the provider rather than being reimbursed through the O&M program.

Defense Finance and Accountins Service (DFAS), Defense Information Services Agency (DISA) and Information Service Activity Group (ISAG) Costs. The DFAS, DISA and ISAG financing requirements are included in the expenses on the Fund IA exhibits. A breakout of these costs are as follows:

	FY97	FY98	FY99
• DFAS Expense ($M)	$ 5.8	$ 3.5	$ 3.6
• DISA Mega Center Operations	$10.4	$12.6	$12.0
• ISAG Software Support	$ 7.5	$ 8.4	$ 8.8

Divestiture of Capital Assets Due to Downsizing. We anticipate write-offs of the undepreciated value of capital assets that are divested prior to being fully depreciated. These write-offs are associated with depot maintenance downsizing, the realignment of San Antonio ALC, and the closure of the Sacramento ALC. In accordance with the DoD Comptroller's guidance, the write-off amounts are not included in the projected Accumulated Operating Results (AOR) or rate computations. Such write-offs will be included in the AOR for accounting purposes, resulting in different AORs for accounting and rate computation purposes. Approximately $25M was written off in FY 1997 and further write-offs are anticipated in FY 1998 and FY 1999 as downsizing and workload realignment continues.

Public/Private Competition

This budget was updated for the award of the C-5 aircraft workload to Warner Robins ALC. For workloads at the closing/realigning depots that are not required to sustain core capabilities, the Air Force will take full advantage of open public-private competition to improve cost effectiveness. Cost effectiveness will be gained through process improvement without risking critical depot support to combat forces. For budgetary development purposes, an assumption was made that the competed workload (not to exceed 50/50 limitations) would move to contract. If one or both remaining competitions should be won by organic bidders, appropriate adjustments will be made in subsequent budget submissions.

FUND2

(Dollars in Millions)

Changes in Cost of Operations
Air Force Working Capital Fund
FY 1999 President's Budget
Depot Maintenance Activity Group
February 1998

	FY97 TO FY98	FY98 TO FY99
Cost of Operations		
Organic	3045.780	3,196.099
Contract	1,304.991	1,574.634
TOTAL	4.350.771	4,770.733
ANNUALIZATION		
Annualization of Civilian Pay	12.737	11.683
Annualization of Military Pay	0.094	0.107
TOTAL ANNUALIZATION	12.831	II.790
PRICE CHANGES		
Organic Civilian Pay Raises	21.712	25.693
Organic Military Pay Raises	0.389	0.388
Material Price Growth	330.807	5.944
Contractor Cost Growth	13.125	16.585
Contract Interservice Growth	1.647	(1.789)
Other Growth	5.814	5.043
TOTAL PRICE CHANGES	372.494	51.884
PRODUCTIVITY SAVINGS		
Organic Labor Savings	0.000	0.000
Material Savings	0.000	0.000
Organic Other Savings	0.000	0.000
Contract Savings	(10.000)	(68.200)
TOTAL PRODUCTIVITY SAVINGS	(10.000)	(68.200)
PROGRAM CHANGES		
Organic Labor Workload	(42.469)	(221.709)
Material Workload	(24.497)	(205.611)
BOS	(83.128)	0.532
Contractor Changes	185.173	246.478
TOTAL PROGRAM CHANGES	15.139	(186.310)
OTHER CHANGES		
Travel & Transportation	(4.205)	0.209
Organic Depreciation	1.458	(3.857)
Organic Facility Maintenance	(14.350)	0.364
Organic Utilities	(0.873)	(0.594)
Organic System Development	7.200	0.206
Organic Other ADP	3.875	(2.166)
Organic Equip/Vehicle Rep 8 Maintenance	7.034	(8.053)
Miscellaneous	29.337	(11.118)
TOTAL OTHER CHANGES	29.477	(24.999)
TOTAL CHANGES	419.941	(216.835)
Cost of Operations		
Organic	3,196.099	2.791541
Contract	1,574.640	1,763.356

FUND11

(Dollars in Millions)

Sources of Revenue
Air Force Working Capital Fund
FY 1999 President's Budget
Depot Maintenance Activity Group
February 1998

	1997	1998	1999
1. DOD COMPONENTS			
Aircraft Procurement	186.915	174.213	221.204
Missile Procurement	5.080	8.248	6.214
Other Procurement	0.211	0.171	0.173
MAJCOM O&M	1,249.715	1,507.466	1,420.102
ANG O&M	255.289	466.772	428.708
AFRES O&M	165.503	213.691	298.493
RDTE	30.940	25.178	24.932
AF Supply *Mgmt* Act Group	1,577.415	1,605.634	1,905.554
Other AF Customers	58.998	4.202	4.697
Other	25.469	343.826	163.052
TOTAL	3,535.535	4,289.401	4,473.129
2. ORDERS FROM OTHER FUND			
Army	22.484	19.311	14.243
Navy	140.154	135.464	135.809
Marine Corps	0.000	0.000	0.000
TRANSCOM	102.653	235.689	216.041
Other DOD Customers	8.071	6.737	2.444
TOTAL	273.362	397.201	368.537
3. TOTAL DOD ORDERS	3.808.897	4,686.602	4641.666
4. OTHER ORDERS			
Other Federal Funds	97.624	15.143	10.720
Trust Funds (Non-Federal)	0.000	0.000	0.000
FMS (Non-Federal)	99.163	63.682	70.077
Other Non-Federal Funds	0.701	0.324	5.254
TOTAL	197.488	79.149	86.051
5. TOTAL GROSS ORDERS	4,006.385	4,765.751	4,927.717
6. CHANGE IN BACKLOG	(211.177)	(111.564)	333.917
7. TOTAL GROSS SALES	4,217.562	4,877.315	4,593.800
8. FUNDED CARRYOVER	1.259.603	1,039.980	1,187.823

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FUND14

(Dollars in Millions)

Revenuesand Expenses
Air Force Working Capital Fund
FY 1999 President's Budget
Depot Maintenance Activity Group
February 1998

	1997	1998	1999
Revenue:			
Gross Sales	4,217.562	4,877.315	4,593.800
Operations	4,192.166	4,851.919	4,568.404
Capital Surcharge	57.667	69.628	58.577
Depreciation excl Maj Const	0.000	0.000	0.000
Major Construction Dep	25.396	25.396	25.396
Cash Surcharge	0.000	41.700	33.176
Other Income	0.000	0.000	0.000
Refunds/Discounts (-)	0.000	0.000	0.000
Total Income:	4,217.562	4,877.315	4,593.800
Expenses:			
Cost of Materiel Sold	0.000	0.000	0.000
Negotiated Purch from Customers	0.000	0.000	0.000
Transportation	0.000	0.000	0.000
Salaries and Wages:			
Military Personnel	17.890	16.789	18.256
Civilian Personnel	1347.014	1,334.667	1,157.285
Voluntary Separation Prog. Incentive	0.125	4.265	0.200
Retirement Fund Offset - 9%	0.016	1.872	0.018
Retirement Fund Offset - $80	2.005	2.004	0.000
Materials, Supplies, Parts	$504.883	1,824.217	1,627.987
Facility Repair Charge	45.063	31.344	32.178
Depreciation - Capital	90.789	92.247	89.390
Contracted Engineering Srvs	0.879	1.505	0.973
Rents and Leases	2.639	3.695	3.372
Purchased Utilities	37.694	39.535	34.187
Purchased Cormwnications	1.932	2.144	1.511
Equipment Maintenance	52.777	60.548	53.407
Fuel	14.638	15.188	11.720
Other Expenses	1,232.427	1340.713	1,525.420
Total Expenses	4,350.771	4,770.733	4,554.904
Work in Process, Beginning of Year	762.333	751.579	859.638
Work in Process, End of Year	751.579	859.638	1,045.712
Work in Process, Change	(10.754)	108.059	186.074
Operating Result	(143.963)	214.641	224.970
Less Capital Surcharge Reserve	(59.400)	(69.628)	(58.577)
Plus Approps (NOR/AOR)	0.000	0.000	0.000
Other Changes (NOR/AOR)	(32.891)	68.300	(33.176)
Net Operating Resutt	(236.254)	203.313	133.217
Prior Year AOR	(127963)	(364.217)	(160.904)
Accumulated Operating Result	(364.217)	(160.904)	(27.697)

FUND16

(Dollars in Millions)

Materiel Inventory Data
Air Force Working Capital Fund
FY 1999 President's Budget
Depot Maintenance Activity Group
February 1998

	1997	1998	1999
1. Materiel Inventory BOP	290.472	232.768	247.122
2. A. BOP Reclassification Changes	0.000	0.000	0.000
B. Adjust To Standard Price	0.000	0.000	0.000
3. A. Price Changes	0.000	0.000	0.000
B. Inventory Reclass 8 Repriced	290.472	232.768	247.122
4. Receipts From Commercial Sources	220.609	376.997	375.278
5. Negotiated Purchases From Customers	0.000	0.000	0.000
6. Gross Sales	278.313	362.643	357.996
7. Inventory Adjustments			
A. Capitalizations (Net){+/-)	0.000	0.000	0.000
B. Returns To suppliers (-)	0.000	0.000	0.000
C. Transfer To Prop Disposal (-)	0.000	0.000	0.000
D. Issues/Receipts W/O Reimbrsmnt (+I-)	0.000	0.000	0.000
E. Customer Returns W/O Credit(+)	0.000	0.000	0.000
F. DLR Retrograde (+)	0.000	0.000	0.000
G. Other Inventory Adjustments			
1. Other-Destructions (-)	0.000	0.000	0.000
2. Other-Discounts on Returns	0.000	0.000	0.000
3. Other-Trade Ins (-)	0.000	0.000	0.000
4. Other-Loss From Disaster (-)	0.000	0.000	0.000
5. Other-Assembly/Disassembly (+/-)	0.000	0.000	0.000
6. Other-Physical Inventory Adj (+/-)	0.000	0.000	0.000
7. Other-Accounting Adjustments (+/-)	0.000	0.000	0.000
8. Other-Shipment Discrepencies (+/-)	0.000	0.000	0.000
9. Other-Other Gains/Losses (+/-)	0.000	0.000	0.000
10. Other-Strata Transfers (+/-)	0.000	0.000	0.000
11. Other-Strata Transers in Transit	0.000	0.000	0.000
12. Other-Total	0.000	0.000	0.000
H. Adjustments to Revised Valuation	0.000	0.000	0.000
I. Total Adjustments	0.000	0.000	0.000
8. inventory-End of Period	232.768	247.122	264.464
A. Economic Retention (Memo)	0.000	0.000	0.000
B. Policy Retention (Memo)	0.000	0.000	0.000
C. Potential Excess (Memo)	0.000	0.000	0.000
D. Other (Memo)	0.000	0.000	0.000
9. Inventory On Order (EOP)	0.000	0.000	0.000

Air Force Working Capital Fund
FY1999 President's Budget
Information Services Activity Group

Functional Description

Backaround: The information Services Activity Group (ISAG) was established effective 1 October 1995 under the authority of section 2208 of Title 10, United States Code. In FY96 the ISAG operated on a fee-for-service basis, billing customers on the basis of the actual cost to provide a good or service. However, beginning in FY97, customers were billed on a stabilized rate basis. The stabilized rate is established in accordance with Working Capital Fund (WCF) policy to recover the full costs of doing business, to include military personnel, base operating support and depreciation.

Functional Description: Two Central Design Activities (CDA) operate within the ISAG under the command of the Air Force Materiel Command, Wright-Patterson AFB, OH: Materiel System Group (MSG) located at Wright-Patterson AFB, and Standard Systems Group (SSG) located at the Gunter Annex of Maxwell AFB, AL. HQ Air Force Materiel Command has delegated operational responsibility for the ISAG to the Electronic Systems Center, Hanscom AFB, MA.

The CDAs are authorized to perform: (a) development and operational sustainment of automated information and communications systems; (b) requirements analysis, system design, development, testing, integration, implementation support, and documentation services; and (c) other authorized services or products for the Department of the Air Force and other agencies of the DoD. These services may be provided by either organic or contract sources.

Customers: CDA services are provided primarily to Air Force organizations such as the Air Force logistics, communications, and acquisition communities and the Supply Management Activity Group of the WCF. Other customers include the Defense Commissary Agency, the Defense Finance and Accounting Service, and the other Services.

Joint Logistics System Center (JLSC):

With the elimination of the JLSC, program responsibilities have transitioned from the JLSC to the services effective in FY98. Each lead agent will determine how the program will be managed. ISAG may become a provider of these services.

Financial Hishlishts
($M)

	FY97	FY98	FY99
Cost of Goods Sold	342	319	298
Net Operating Results	4	-2	11
Accumulated Operating Results	10	-11	0
Stabilized Rate (in $)	52.69	52.45	60.42
Unit Cost (in $)	165.001	151.078	143.360
Workload (DLHrs)	2,034,113	2,063,979	2,053,808
Civilian Endstrength	1026	1026	1026
Military Endstrength	1079	1053	1042
Civilian Workyears	1046	1041	1026
Military Workyears	1076	1074	1053
Capital Budget Authority	4	6	6
% Price Change	3.6	-.5	15.20

FY 1997 was the first year the ISAG operated as a full working capital activity, billing customers on the basis of subsidized rates.

Capital Purchase Proaram. The Fys 1998-1999 budget estimates reflect the CDA's capital purchase requirements for equipment, software development and minor construction.

FUND2

(Dollars in Millions)

Changes in Cost of Operations
Air Force Working Capital Fund
FY 1999 President's Budget
Information Services Activity Group
February 1998

	FY97 TO FY98	FY98 TO FY99
COST OF OPERATIONS	341.920	318.704
PRICE CHANGES		
Military Pay	1.273	1.269
Civilian Pay	2.120	2.109
Supply Price Growth	0.000	0.000
Contractor Cost	0.000	0.000
Other	3.421	3.391
TOTAL PRICE CHANGES	6.814	6.769
PRODUCTIVITY CHANGES		
Civilian Labor	0.000	0.000
Military Labor	0.000	0.000
Supply Savings	0.000	0.000
Travel Cost Savings	0.000	0.000
Contract Cost Savings	0.000	0.000
Other	0.000	0.000
TOTAL **PRODUCTIVITY** CHANGES	0.000	0.000
PROGRAM CHANGES		
BOS	(6.087)	(0.095)
Other	(23.943)	(26.965)
TOTAL PROGRAM CHANGES	(30.030)	(27.060)
OTHER CHANGES	0.000	0.000
COST OF OPERATIONS	318.704	298.413

FUND11

(Dollars in Millions)

Sources of Revenue
Air Force Working Capital Fund
FY 1999 President's Budget
Information Services Activity Group
February 1998

	1997	1998	1999
1. DOD COMPONENTS			
Aircraft Procurement	0.000	0.000	0.000
Missile Procurement	0.000	0.000	0.000
Other Procurement	23.051	9.829	3.436
MAJCOM O&M	131.255	142.081	152.894
ANG O&M	0.000	0.000	0.000
AFRES O&M	0.000	0.000	0.000
RDTE	16.587	16.384	18.390
AMC	0.702	0.887	0.764
Other AF Customers	59.145	12.137	8.367
TOTAL	230.746	181.318	183.751
2. ORDERS FROM OTHER FUND			
AF Supply Mgmt Act Group	47.153	57.500	72.900
AF Depot Maint Act Group	12.400	24.966	24.600
Army	0.863	0.863	0.664
Navy	0.608	0.608	0.393
Marine Corps	0.000	0.000	0.000
TRANSCOM	0.000	0.000	0.000
Other DOD Customers	36.650	44.606	26.172
TOTAL	96.674	127.577	124.669
3. TOTAL DOD ORDERS	327.414	308.895	308.420
4. OTHER ORDERS			
Other Federal Funds	0.000	0.000	0.000
Trust Funds (Non-Federal)	0.000	0.000	0.000
FMS (Non-Federal)	0.000	0.000	0.000
Other Non-Federal Funds	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000
5. TOTAL GROSS ORDERS	327.414	308.896	308.420
6. INCREASE IN BACKLOG	(22.128)	(9.304)	0.906
7. TOTAL GROSS SALES	349.542	318.199	307.514

Revenues and Expenses

Air Force Working Capital Fund

FUND14 — AF Information Services Activity Group — 99 PB

(Dollars in Millions) — Information Services Activity Group — February 1998

TOTAL	1997	1998	1999
Revenue:			
Gross Sales	349.542	318.199	307.514
Operations	349.542	318.199	307.514
Capital Surcharge	0.000	0.000	0.000
Depreciation exc Maj Const	0.000	0.000	0.000
Major Construction Dep	0.000	0.000	0.000
Other Income	0.000	0.000	0.000
Refunds/Discounts (-)	0.000	0.000	0.000
Total Income:	349.542	318.199	307.514
Expenses:			
Cost of Materiel Sold from Inv	0.000	0.000	0.000
Negotiated Purch from Customers	0.000	0.000	0.000
Transportation	0.006	0.021	0.044
Salaries and Wages:			
Military Penonnel	37.186	32.583	41.006
Civilian Personnel	60.452	60.099	61.907
Materials, Supplies, Parts	3.859	3.950	4.168
Facility Repair Charge	0.936	0.000	0.000
Depreciation - Capital	0.000	2113	3.341
Contracted Engineering Srvs	0.000	1.200	0.469
Lease Costs	0.182	0.038	0.055
Purchased Utilities	0.000	0.000	0.000
Purchased Communications	0.913	0.609	0.036
Equipment Maintenance	5.705	1.758	2.677
Fuel	0.000	0.000	0.000
Other Expenses	232.681	216.333	184.688
Total Expenses	341.920	318.704	298.413
Work in Process, Beginning of Year	0.000	0.000	0.000
Work in Process, End of Year	0.000	0.000	0.000
Work in Process, Change	0.000	0.000	0.000
Operating Result	7.622	(0.505)	9.101
Less Capital Surcharge Reservation	0.000	0.000	0.000
Plus Approps Affecting NOR/AOR	0.000	0.000	0.000
Other Changes Affecting NOR/AOR	(3.530)	(1.328)	1.671
Net Operating Result	4.092	(1.833)	10.772
Prior Year Adjustments	6.228	(8.939)	(10.772)
Accumulated Operating Result	10.320	(10.772)	0.000

UNITED STATES TRANSPORTATION COMMAND
TRANSPORTATION WORKING CAPITAL FUND
BUDGET NARRATIVE ANALYSIS

BACKGROUND:

This President's Budget (PB) submission provides justification for the United States Transportation Command (USTRANSCOM) Transportation Working Capital Fund for common-user transportation services. Common-user transportation is defined as Department of Defense (DoD) transportation and transportation services provided on a common basis for two or more DoD agencies and, as authorized, non-DOD agencies. Common-user assets are under the combatant command (command authority) of USCINCTRANS, excluding Service-unique or theater-assigned transportation assets. USTRANSCOM is the single DoD manager for the Defense Transportation System (DTS) in peace and war. USTRANSCOM's budget is submitted as a discrete subset of the Air Force Working Capital Fund budget submission. USTRANSCOM's budget reflects the funding needed to provide the requisite mobilization readiness, continuous process improvement, and modernization to support the National Military Strategy today and into the twenty-first century.

COMPOSITION OF COMPONENT BUSINESS AREA:

The mission of USTRANSCOM is to provide air, land, and sea transportation for the DoD, both in time of peace and war. USTRANSCOM is a Joint team of transportation components which operate intermodally to provide a seamless peace-to-war transition. As a unified command, USTRANSCOM exercises combatant command and peacetime management over the common-user aspects of the global mobility network, and executes this responsibility via its Transportation Component Commands (TCCs)--the Air Mobility Command (AMC), the Military Sealift Command (MSC), the Military Traffic Management Command (MTMC). USTRANSCOM ensures this network is capable of rapidly transitioning from peacetime to contingency and wartime operations as required by the National Command Authorities--a readiness demonstrated on a daily basis, as USTRANSCOM forces operate worldwide in direct support of US. humanitarian and military operations. The following describes the TCCs roles:

AMC, DoD's single operating agency for airlift services, maintains a worldwide airlift system in a constant state of readiness. Accomplishment of this mission directly affects the readiness and sustainability of deployed forces throughout the world as well as the nation's ability to move CONUS based forces quickly. The logistics capability provided by our readiness training program using the Department's aircraft, as well as augmentation from the commercial Civil Reserve Air Fleet carriers, is used to satisfy airlift requirements. AMC also manages service-unique airlift assets for the Department of the Air Force.

DCS is a joint agency assigned to USTRANSCOM's airlift component. DCS maintains a global network of courier stations and is tasked as the DoD agent for secure custody/rapid transfer of highly classified/sensitive national security materials.

MSC, the single operating agency for sealift services, provides sealift support for the Department for both emergent and peacetime requirements. MSC supports four of the command's major programs--Dry Cargo, Petroleum Tankerships (POL), Strategic Surge Fast Sealift Ships (FSS), and the Non-Navy Afloat Prepositioning Force (APF-T). The majority of the sealift capability is obtained through MSC controlled contracted vessels or operating contracts. With the establishment of the Joint Traffic Management Office (JTMO) in FY99 the MSC Cargo Container program is realigned to MTMC as Ocean Transportation. MSC also manages Service-unique sealift assets for the Department of the Navy.

MTMC provides services as the single defense manager for traffic management, land transportation, common-user ocean terminals, and intermodal container management during peacetime and war. As common-user transportation manager, MTMC manages freight movement, personal property shipment, and passenger traffic worldwide. As a transportation operator, MTMC operates and manages common-user water terminals throughout the world and monitors movements through all terminals. With the establishment of the Joint Traffic Management Office (JTMO) in FY99, MTMC assumes responsibility for intermodal surface transportation referred to in this budget as Ocean Transportation (formerly MSC Cargo Container program). MTMC also manages service-unique assets for the Department of the Army.

USTRANSCOM's ability to support the warfighting CINCs worldwide is directly tied to its centralized headquarters and three Transportation Component Commands (TCC). The TCCs provide the lines of communication to the Services, ensuring assets are available when needed for a seamless transition from peace to war. Our ability to execute our responsibilities under the National Military Strategy resides in the core competencies of our TCCs. Our successes result from the synergy of military and commercial lift (air, land, and sea), air refueling, port operations, and afloat prepositioning--all involving our TCCs. The TCCs also provide the critical linkage to the Services' core competencies in organizing, training, and equipping forces. We are inextricably linked to Service training, operations tempo (OPTEMPO), personnel tempo (PERSTEMPO), maintenance, acquisition, logistics, and support policies and procedures--all key enablers in providing ready forces and capabilities.

USTRANSCOM's goal is to effectively and efficiently direct the mix of the above transportation functions in order to meet Defense transportation requirements. The establishment of the Joint Mobility Control Group (JMCG) at USTRANSCOM will enable us to centralize all transportation requirements within the Defense Transportation System (DTS). The JMCG structure will exercise command and control over the entire DTS and ensure all assets are used in the most efficient manner possible. This will allow us to make the best use of our training opportunities while meeting the customer's requirements. JMCG is being staffed via billet transfers from within United States Transportation Command and its Components.

BUDGET HIGHLIGHTS:

One of DoD's highest priority goals is to maintain a robust and responsive national Defense Transportation System (DTS), as a critical element of America's national security strategy of rapid power projection from a CONUS-based force. USTRANSCOM's ability to move sufficient numbers of U.S. forces and equipment enables us to defend vital national interests anywhere in the world at a moment's notice. A strong defense transportation capability gives credence to our alliance commitments by delivering economic and security assistance and when needed--military forces. The DTS--a partnership of military and commercial assets--enables us to accomplish these actions. The following budget highlight sections discuss our various initiatives and budget changes.

ECONOMIES AND EFFICIENCIES:

As a unified Command, USTRANSCOM does not have the authority to direct organizational change within the Transportation Component Commands (TCC)--that is a Service authority granted under the Title 10 responsibility to organize, train, and equip the TCCs. However, we have made significant progress and have gamed support within the Services to effect significant TCC streamlining. Our streamlming plan is an important step toward achieving a leaner, more efficient DTS, while preserving our war fighting capability. From FY94 to FY99, USTRANSCOM productivity initiatives, cost avoidances, and organizational streamlining efforts have resulted in savings of over $780 million. The following narrative provides the results of our FY98 initiatives and outlines our FY99 initiatives.

Cost Avoidance/Productivity Initiatives: Over 80 percent of USTRANSCOM's cost base is directly associated with contracts and materials required to perform the mission. Our dominant costs, such as fuel, aviation and ship maintenance, spare parts, and commercial air and sealift contracts, are directly related to providing DoD required strategic lift. Recognizing the impact of these costs on our rates, USCINCTRANS initiated a management improvement effort to identify and attack these most significant cost drivers. This effort is integrated with the DoD budget process; therefore, we have documented over $700 million in cost avoidances/productivity initiatives in our budget from FY94 to FY99.

AMC's savings in FY98 and FY99 include improved aviation fuel consumption oversight, Channel Cargo reengineering, and deferring implementation of two-level maintenance for C-5 engines.

MSC's savings in FY98 and FY99 are attributed to changes in testing procedures of Large Medium Speed Ro/Ro (LMSR) vessels. Also, some Fast Sealift Ship (FSS) maintenance previously accomplished in the shipyard is being performed at the layberth.

MTMC - By anticipating the closure of two of their ocean terminals, MTMC drastically reduced infrastructure costs to a minimum in FY98 and FY99 prior to the projected closure date.

Streamlining **Initiatives:** In addition to the cost avoidance/productivity initiatives identified above, USTRANSCOM has embarked on an effort to streamline organizational infrastructure, while ensuring that the crucial war-fighting capabilities within our Service component structure are retained. Our streamlining efforts are expected to exceed $70 million in savings from FY96 through FY99.

USTRANSCOM has reviewed MTMC and MSC permanent port presence requirements and is taking actions to reduce the size of our worldwide port structure where prudent. We are refining our concept of single port manager into customer support teams that will deploy in temporary duty status vice permanent presence to establish Defense Transportation System (DTS) port operations where required. We have worked closely with the &my to use the Base Realignment and Closure (BRAC) closures of the ocean terminals in Bayonne and Oakland as a springboard to achieve significant organizational delayering. As a result, MTMC's two area commands are in the process of being consolidated. MSC is also realigning its operations at Bayonne and Oakland to existing MSC sites; thereby reducing it's area command structure.

The establishment of the Joint Mobility Control Group (JMCG) at USTRANSCOM headquarters reduces duplication within the command by consolidating requirements management for the entire Defense Transportation System (DTS) within one organization. This is one of the cornerstones of the USTRANSCOM strategic plan, and we expect that the JMCG structure will continue to maximize our resources and assets by improving utilization of the DTS and leveraging our training opportunities. Put in the simplest terms, the JMCG will continue to optimize aircraft and ship utilization to meet customer requirements and exploit unique crew training opportunities; whereas in the past, fragmented processes often meant that additional ships or aircraft were assigned. This will be a force multiplier in the event of a major regional conflict, because the JMCG will continue to have the command and control tools to maximize management of the movement of people and materiel. Additionally, we have moved forward in improving our processes and reducing functional overlap with the stand-up of the Joint Traffic Management Office (JTMO). JTMO combines the surface inter-modal functions of MSC and MTMC and centralizes the traffic management of inter-modal containerized cargo and passenger requirements execution.

We have also implemented streamlining initiatives at the Defense Courier Service. DCS plans a further reduction of 25 military authorizations in FY99.

In summary, USTRANSCOM has adopted a pragmatic approach to eliminating organizational redundancy--an approach designed to optimize efficiency, effectiveness, and customer support without damaging the core competencies of our operating divisions and, therefore, readiness. We are attacking inefficiencies in the Defense Transportation System (DTS) while relying on the Services to carry out their critically important organize, train, and equip responsibilities that enable USTRANSCOM to focus on its management and operational responsibilities.

SUMMARY TABLE I (COST)

COST	FY97	FY98	FY99
AMC	2,518.6	2,638.5	2,562.5
DCS	24.4	21.8	21.7
MSC	1,028.6	1,093.2	676.5
MTMC	399.2	390.1	833.7
TOTAL	3,970.8	4,143.6	4,094.4

Cost Changes: FY97 - FY98

Airlift costs increase by $120 million from FY97 to FY98. Inflation/pricing contributes $163 million. The key drivers are fuel, supplies, aircraft depot maintenance and Commercial/Military Augmentation lift. Total other increases of $122 million includes implementation of the C-17 engine maintenance contractor logistics support contract; fuel, depot level reparables, and supplies due to the change in mix of aircraft and increased flying hour cost, and maintenance and repair of facilities. Offsetting workload decreases result in reduced commercial and military augmentation purchases of $165 million for both passengers and cargo. A portion of the workload decrease is a result of contingency workload reflected in the FY97 actual while contingency workload is not reflected in the budget years.

MSC costs increase $65 million from FY97 to FY98. Standard inflation caused $26 million of the increase. Chartered shipping price increases and container contract price increases in excess of standard inflation account for the remainder of the increase.

MTMC costs in FY98 are $9.1 million less than FY97. Cost decreases are due streamlining savings and military cost transfer from the TWCF to the Army MILPERS account. These decreases are offset by inflation, Point-to-Point Privately Owned Vehicles (POV) expansion, Defense Travel Project Management Office (PMO) program increase, and depreciation.

DCS costs decrease $2.6M (12%) from FY97 to FY98 as a result of organizational streamlining (reduced stations and headquarters activities) and reduced labor costs.

Cost Changes: FY98 - FY99

AMC costs in FY99 are $54 million less than FY98. Inflation/pricing accounts for a $17 million increase in cost. Various other factors, both increases and decreases, account for the remainder of the change. Primary increases include full year contract costs for C-17 engine repair compared to 9 months in FY98 and an increase in automated data processing maintenance costs. These cost increases are partially offset by productivity initiatives and efficiencies of $35 million. Other offsetting cost decreases include workload changes in commercial augmentation

for channel cargo and passengers, Special Assignment Airlift Missions, JCS exercises, and P.O. Mail. Finally, **reductions in the number of** C-141s and C-5s scheduled for induction for programmed depot maintenance and flying hour changes account for the remainder of decreased cost.

MSC costs decrease $417 million between FY98 and FY99 predominantly due to the transfer of the cargo container program to MTMC in FY99 with the establishment of the Joint Traffic Management Office (JTMO) at MTMC. The decrease is offset by miscellaneous increases such as, inflation ($10 million) and Large Medium Speed Roll-on/Roll-off (LMSR) delivery delays ($22 million).

MTMC's FY99 costs are $444 million more than FY98. Inflation/pricing accounts for a $9 million increase in cost. Various other factors, both increases and decreases, account for the remainder of the change. Primary increases include depreciation, Point-to-Point Privately Owned Vehicle (POV) expansion, and the transfer of the cargo container program from MSC to MTMC in FY99 with the establishment of the Joint Traffic Management Office (JTMO) at MTMC. These increases are offset by streamlining savings, workload changes, Defense Travel Program Management Office (PMO) reduction, cargo container price decreases, and other miscellaneous costs.

DCS costs decrease slightly between FY98 and FY99.

SUMMARY TABLE II (REVENUE)

REVENUE	FY97	FY98	FY99
AMC	2,464.7	2,703.1	2,681.6
DCS	15.6	22.6	28.4
MSC	1,060.0	1,068.6	620.1
MTMC	357.9	408.7	773.0
TOTAL	3,898.2	4,203.0	4,103.1

REVENUE: Revenue is driven by cost and by the recoupment and/or payback of Accumulated Operating Results (AOR). Therefore, year-to-year revenue deltas in Table II above are driven by cost changes discussed previously. Revenue is not equal to costs in cases where rates are set to pay back gains and/or recover losses from our customers. AMC channel passenger and cargo rates are adjusted to stay competitive with the commercial sector, therefore, we also receive additional revenue provided by the Air Force **to cover** costs not billed in the rates and to achieve a zero AOR. Financial results are discussed under Table III.

SUMMARY TABLE III (AOR/NOR)

AOR/NOR	FY97	FY98	FY99
BEGINNING AOR	(49.9)	(68.1)	(8.7)
OPERATING RESULT	(72.6)	59.4	8.7
OTHER ADJUSTMENTS	54.4	0.0	0.0
NOR	(18.2)	59.4	8.7
ENDING AOR	(68.1)	(8.7)	0.0

AOR/NOR: FY98 Net Operating Results (NOR) were estimated at $80.7 million in the FY98 President's Budget. The NOR position changed by ($21.3 million) to the current estimate of $59.4 million. The major reasons for the loss are: prices increased for commercial/military augmentation lift and T-5 Tankership contract, cost increases for aircraft depot maintenance and Contractor Logistics Support for C-l 7 engines, increases in flying hour costs, increases in maintenance and repair; additionally, decreases in revenue due to workload reductions in Airlift training, passenger movement, and stevedore workload had an adverse impact on NOR. The above increases are offset partially by lower general purchase inflation, productivity initiatives and efficiencies.

UNIT COST

AMC UNIT COST	FY97	FY98	FY99
Trained Crews	1.6394	2.0943	2.0679
Passenger Miles	0.0961	0.1046	0.1065
Cargo Ton Miles	0.3411	0.3453	0.3458
SAAM/JCS Ton Miles	0.2401	0.2367	0.2218

AMC Unit Cost:

Channel Cargo and Special Assignment Airlift Mission/Exercise, units are computed based on cost per million ton miles. Channel Passenger units are computed base on cost per passenger mile. Cost for Trained Crews are computed based on cost per authorized air crew.

Trained Crews unit cost increases from FY97 to FY98 as a result of significant amount of inflation/pricing attributed to this unit cost and the decrease in trained crews as a result of the retirement of C-141 aircraft. FY98 to FY99 unit cost stays relatively constant, the minor decrease is a result in the decrease in the number of trained crews.

Channel Passenger unit cost increases from FY97 to FY98 as a result of inflation/pricing. FY98 to FY99 stays relatively constant, the minor increase is a result of small workload decreases and inflation.

Channel Cargo unit cost change remains relatively stable.

SAAM'JCS Exercise unit cost decreases as a result of reduction in organic and augmentation flying hours/workload.

MSC UNIT COST	FY97	FY98	FY99
Cargo/Breakbulk	27,522	34,125	37,721
Cargo/Container	26,047	27,990	N/A
Petroleum Tankerships	36,080	42,396	42,075
Fast Sealift Ships	20,212	21,408	21,151
Afloat Prep0	32,290	32,442	30,815

MSC Unit Cost:

Cargo/Breakbulk and Cargo/Container units are computed as costs per million measurement ton mile (MMTM). Petroleum Tankerships (POL), Fast Sealift Ships (FSS), and Non-Navy Afloat Prepositioning Force (APF-T) ships are computed as cost per ship day.

Breakbulk unit cost increase in FY98 due to a decrease in workload and cost increases associated with inflation-specifically, increased cost of time chartered ships and higher cost spot charters. Breakbulk cargo unit cost increase in FY99 is due to inflation and commodity and route changes.

Container unit cost increased in FY98 due to increased container agreement prices. Container Cargo unit cost is not shown under MSC for FY99 as a result of the transfer of this program to MTMC in FY99. The program is now referred to as "Ocean Transportation".

Petroleum Tankership (POL) unit cost increased in FY98 due to shipping contract price increases and a change in workload based on per diem days. Transportation is provided with fewer number of larger vessels reducing the number of units/ship days and resulting in a higher unit cost. POL unit cost decreases in FY99 due to one less overhaul in FY99 than in FY98. The cost decrease is partially offset by inflation.

Fast Sealift Ship (FSS) unit cost increases in FY98 due to one additional overhaul in FY98, inflation, and a change to a higher cost fuel type. FY99 FSS unit cost decreases moderately due to fuel savings and maintenance efficiencies.

Non-Navy Afloat Prepo (APF-T) unit cost increases in FY98 by less than standard inflation. APF-T unit cost decreases in FY99 are due to contract price reductions, fewer overhauls, and a change in mix of vessels with varying costs.

MTMC UNIT COST	FY97	FY98	FY99
Cargo Operations	21,296	22,563	37,182
Ocean Transportation	N/A	N/A	33,000
Global POV	N/A	N/A	106.000

MTMC Unit Cost:

Cargo Operations unit costs are predicated on costs divided by Million Measurement Tons (MMtons). Ocean Transportation units are computed as costs per million measurement ton mile (MMTM). Global Privately Owned Vehicle (POV) units are computed as costs per Thousand Measurement Tons (KMtons).

Cargo Operations unit cost increase of 7 percent in FY98 is a combined result of general inflation, pay raise, and a declining workload base offset by streamlining savings.

The structure of MTMC unit costs changes substantially in FY99, which skews comparison of these outputs to FY98 and prior. Specifically, Cargo Operations appears to increase in FY99; however, costs have remained fairly stable. The apparent unit cost increase is solely due to the shift of workload units and cost to the new outputs - Ocean Transportation and Global POV. A lower cost commodity per unit was aligned out of Cargo Operations to Ocean Transportation which has the affect of making the unit cost appear to increase in the commodities remaining in Cargo Operations. The reason Ocean Transportation was created was a result of the stand-up of the JTMO, which consolidates MTMC and formerly MSC functions in one output area. Global POV output was established because Global POV was not properly aligned under Cargo Operations and is better depicted as a separate output.

The Global Privately Owned Vehicle (POV) output is established in FY99 as a separate transportation category with a separate unit cost. It was formerly part of Cargo Operations.

DCS UNIT COST	FY97	FY98	FY99
Cost per pound delivered	6.42	5.74	6.20

DCS Unit Cost:

Unit cost decrease from $6.42 per pound delivered in FY97 to $5.74 per pound delivered in FY98 is due primarily to the effects of organizational streamlining in both labor and non-labor costs, and is predicated on workload of 3.8M pounds delivered.

DCS unit cost increases from FY98 to FY99 primarily due to reduced workload (3.5 million pounds delivered in FY99 versus 3.8 million pounds delivered in FY98) while overall costs are only slightly decreased.

WORKLOAD ASSUMPTIONS: Workload at USTRANSCOM means three things: (1) Recurring peacetime workload-the routine movement via air, land, and sea of our DoD and non-DoD customer's cargo and passengers; (2) Readiness-training of airlift crews and maintaining infrastructure for the purpose of adequate wartime surge capacity; and (3) Contingency Operations--emergent humanitarian, peacekeeping, and other operations ordered by the National Command Authority that require transportation services.

Recurring Peacetime Workload: We establish our peacetime workload estimates based on current customer transportation requirement projections that are provided to USTRANSCOM via workload conferences, other correspondence, and historical trends, combined with analysis of future force structure.

Readiness: The Bottom Up Review Update (BURU) established the requirement to fight and win two nearly simultaneous Major Theater Wars (MTW). The BURU established the transportation force structure and infrastructure to achieve that end. The Mobility Requirements Study (MRS) validated the Strategic Mobility Requirements in the BURU and identified shortfalls in our current surge capability. USTRANSCOM can meet the two MTW requirement by using existing strategic mobility assests to support one MTW and then diverting assests to support the second MTW. The current DoD plan is to correct the shortfalls in our capability by FYO 1. Our budget fully supports progress towards this goal and supports the National Military Strategy. USTRANSCOM has conducted a thorough review of our organization's infrastructure and has implemented organizational streamlining measures that will not impact readiness.

Contingency Operations: As in the last several years, FY97 was a high OPTEMPO year for contingency-driven workload, mainly due to OPERATIONS JOINT GUARD, GUARDIAN RETRIEVEL, SOUTHERN WATCH, and continuing Haitian support. The National Security Strategy for a New Century of May 1997 specifies the need to remain actively engaged throughout the world to minimize security risks to the United States. Specifically, the strategy cites peacekeeping operations, counter proliferation of weapons, humanitarian missions and drug trafficking interdiction as the means to mitigate recurring security risks. All of these operations require USTRANSCOM services; therefore, we expect high OPTEMPO to continue into the future. In most cases, contingency workload substitutes for normal workload in that units being transported are not conducting normal training but are engaged in a contingency. Based on current guidance, we do not reflect any assumptions for contingency workload, cost, or revenue in the budget years (FY97-99).

AMC WORKLOAD	FY97	FY98	FY99
Trained Crews	792.0	717.0	716.0
Channel Passengers(Pax Miles)	2,090.4	1,776.4	1,750.5
Channel Cargo (Ton Miles)	1,467.6	1,220.2	1.156.9
SAAM/JCS Exercise (Ton Miles)	1,547.0	1,620.6	1,589.4

AMC Workload: The number of trained crews continues to decrease as a result of the retirement of the C-141 aircraft. Workload in all other areas decreases slightly as customer requirements decrease.

MSC WORKLOAD	FY97	FY98	FY99
Cargo/Breakbulk (MMTM)	4,342	3,578	3,502
Cargo/Container (MMTM)	14,274	16,345	N/A
POL/Tankerships (Days)	3,284	2,981	2,981
Fast Sealift Ships (Days)	2,920	2,920	2,920
Non Navy Afloat Prepo (Days)	7,365	7,023	8,289

MSC Workload: Dry cargo workload has stabilized consistent with DoD force/base structure levels. Some workload shifts between breakbulk and container cargo in FY98. Cargo/Container workload shifts to MTMC with the transfer of this program to the Joint Traffic Management Office (JTMO) in FY99. POL tankership workload decreases from FY97 to FY98 due to redelivery of two ships resulting in fewer larger ships and resulting ship days. POL workload is stable from FY98 to FY99. Fast Sealift Ship (FSS) programs show a very stable workload for all years. The Army Prepositioning Program (largest customer of Non-Navy Afloat Prepo) includes seven MARAD interim ships that are being phased out of the program in FY97 and FY98 as the five new conversion Large Medium Speed Roll-on/Roll-off (LMSR) ships are delivered. In late FY98, the Second Brigade Afloat Army prepositioning program begins with an additional three ships being added to the fleet and are reflected for a full year's workload in FY99.

MTMC WORKLOAD	FY97	FY98	FY99
Cargo Operations (MMtons)	11.5	10.3	3.3
Ocean Transportation (MMTMs)	N/A	N/A	16,3 12.0
Global POV (Kmtons)	N/A	N/A	342.0

MTMC Workload: The FY98 workload is projected to decrease 12 percent from the revised FY97 levels. FY97 includes workload for contingency/JCS Exercise operations which were not included in the FY98 estimate. The structure of MTMC workload changes substantially in FY99, which skews the comparison of these outputs to FY98 and prior. MTMC's Cargo Operations workload transfers due to the realignment of the documentation commodity workload associated with Ocean Transportation to the Ocean Transportation output and the realignment and establishment of the Global Privately Owned Vehicle (POV) program as a separate transportation category. The apparent workload changes are due to the shift of 6.4 MMtons from Cargo Operations to the new output - Ocean Transportation. After adjusting for these considerations, workload is essentially stable. The reason Ocean Transportation was created was a result of the stand-up of the JTMO, which consolidates MTMC and formally MSC functions in one output area. Global POV output was established because Global POV was not properly aligned under Cargo Operations and is better depicted as a separate output. Thus both Cargo Operations and POV workload remain stable in FY99.

DCS WORKLOAD	FY97	FY98	FY99
Pounds Delivered (thousands)	3,800	3,800	3,500

DCS Workload: DCS workload reflects decreased amounts of weight shipped based on the increased use of computerized storage of documents by customers, which reduces weight requirements.

CUSTOMER RATE CHANGES:

AMC RATE CHANGES	FY97	FY98	FY99
Passengers	3.0%	4.0%	4.0%
cargo	3.0%	5.0%	8.5%
SAAM/JCS	-0.4%	17.8%	0.9%
Training	29.4%	19.8%	3.7%

AMC Rate Changes: The channel rates continue to be commercially competitive. Additionally, the channel cargo rate increase includes an increase for unaccompanied baggage to make it more in line with commercial rates. FY99 Rate increases for SAAM/JCS Exercise and Training are the result of flying hour/workload decreases, standard inflation and depot maintenance inflation, C- 17 engine Contractor Logistic Support (CLS) cost, which were partially offset by other programmatic decreases and fuel price decreases.

MSC RATE CHANGES	FY97	FY98	FY99
Cargo/Breakbulk	9.9%	17.9%	-53.4%
Cargo/Container	11.9%	0.6%	N/A
Petroleum	-14.2%	10.0%	24.5%
Afloat Prepo	-7.7%	-9.0%	6.5%
Fast Sealift Ships	17.4%	-38.2%	-3.3%

MSC Rate Changes:

FY99 Breakbulk rate decrease reflects a return to break-even level from previous level and improved ship utilization.

FY99 Container rates are reflected in the MTMC section as this program was transferred to MTMC in FY99 resulting from the establishment of the Joint Traffic Management Office (JTMO).

Petroleum Tankership (POL) rates increase in FY99 as a result of a poor estimate of operating hire in the previous cycle. Prolonged negotiation on the contract resulted in the current five year contract period having an operating hire over $15 million through the budget years above what was estimated in the previous budget.

Non-Navy Afloat Prepositioning Force (APF-T) rates increase in FY99 as a result of FY98 being a year in which profits were returned. The increase is less than the FY99 projection in the FY98 President's Budget due to FY97 and FY98 cost savings initiatives and due to the Heavy Lift Prepositioned Ship (HLPS) being chartered significantly under the estimate in the FY98 President's Budget. Cost savings are also expected due to there being no dual hire in the Off-shore Petroleum Delivery System (OPDS) transfer as was originally planned.

Fast Sealift Ship (FSS) FY99 rates reflect savings in the contract hire and routine maintenance areas. Overhauls have been reduced to reflect only work required by regulatory bodies-other work will be done in small packages with open competition to reduce costs. Some work previously done in shipyards will now be done at the layberth.

MTMC RATE CHANGES	FY97	FY98	FY99
Cargo Operations	-6.8%	5.7%	-32.2%
Ocean Transportation	N/A	N/A	-8.8%
Global POV	N/A	N/A	-26.8%

MTMC Rate Changes:

The FY98 Cargo Operations billing rate increase is predominately due to the recovery from prior year losses. If not for these prior year factors, the FY98 rates would have been much lower than inflation. The FY99 billing rate decrease is attributed to streamlining and efficiencies, the realignment of readiness cost out of the rate structure and Accumulated Operating Results (AOR) payback.

The FY99 Ocean Transportation (formerly Cargo Container) rate decrease is due to documentation costs being transferred from Cargo Operations to Ocean Transportation to properly align documentation costs with the respective output. Other factors contributing to the decrease are the realignment of costs out of the rate structure, streamlining savings, and AOR payback. This decrease is partially offset by container contract price increases.

The FY99 Global Privately Owned Vehicle (POV) rate decrease is a result of AOR payback and the realignment of readiness costs out of Cargo Operations.

DCS RATE CHANGES	FY97	FY98	FY99
Pounds Delivered	-17.9%	37.9%	36.5%

DCS Rate Changes: Rate increases in FY98 and FY99 are to recover AOR losses in prior years.

CAPITAL PURCHASE PROGRAM: USTRANSCOM's major systems under development and modernization have been designated as interim migratory systems and this budget allows for the continued upgrade to allow us to move into the 21st century. Our Capital Purchase Program (CPP) includes investment in ADP and telecommunications equipment, software development, minor construction, and equipment (other than ADPE and telecommunications).

SUMMARY TABLE IV (CAPITAL')

CAPITAL	FY97	FY98	FY99
EQUIPMENT	3.6	4.5	3.4
ADPE and TELECOM EQUIP	54.6	52.8	74.5
SOFTWARE DEVELOPMENT	112.0	106.7	93.5
MINOR CONSTRUCTION	6.9	7.6	8.7
TOTAL CPP	177.1	171.7	180.1

FY99 CPP program reflects the funding necessary to modernize and improve the Defense Transportation System (DTS) Information Technology to support USTRANSCOM Automated Information Systems (AIS) development and deployment. The Global Transportation Network (GTN) will provide the automated command and control support necessary for USTRANSCOM to carry out its mission to provide global transportation management for the DoD. Once we complete deployment of GTN and its supporting AIS, USTRANSCOM will have the required in-transit visibility of all DoD personnel and cargo moving around the globe in the air, on land, and at sea. GTN will also provide improved strategic and tactical planning tools as well as improved real-time control over the DTS, which along with other USTRANSCOM system enhancements, will correct serious deficiencies in wartime and peacetime transportation asset visibility identified during DESERT STORM/SHIELD and Somalia operations.

USTRANSCOM was assigned the responsibility by OSD for coordinating the distribution and synchronization of transportation-related reference tables. GTN, as the source of record for DoD In-Transit Visibility (ITV) information, will be the repository for these tables. Implementation of a GTN Transportation Reference Server (TRS) to serve as the common source of reference tables for DoD transportation automated information and command and control systems. Additional functions of GTN are to bring on electronic data interchange from our transportation industry partners to vastly improve the In-Transit Visibility (ITV) picture, continue to enhance our worldwide web application, move into the world of "customization" where users will be able to tailor GTN information to their mission needs; and also become a core enabler of our newly established Business Center.

The increase from FY98 to FY99 is due to acceleration of equipment purchases necessary to modernize the DTS Information Technology to support USTRANSCOM Automated Information Systems (AIS) development. The System Integration FY99 baseline was increased $8.7 million to accelerate data standardization requirements, AMC corporate database development, and implementation of AMC corporate applications, and business analysis capability for investment-

level performance measurement of information technology required in the Clinger-Cohen Act of 1996.

MANPOWER TRENDS: USTRANSCOM's funded staffing is approximately 75 percent military and 25 percent civilian. Eighty percent of its work force is dedicated to maintaining a ready airlift capability. MSC meets the majority of its requirements through commercial charter and port contracts; therefore, it is not manpower intensive. The efficient use of manpower for these components is integral to the national mobilization and strategic lift capability.

SUMMARY TABLE V (MILITARY END STRENGTH)

	FY97	FY98	FY99
Army	419	328	297
Navy	198	241	219
Marine Corps	24	19	17
Air Force	15,811	14,918	15,090
Total Military End Strength	16,452	15,506	15,623
Total Military Workyears	16,452	15,506	15,623

Manpower levels for FY98-99 reflect manpower required to support the workload and readiness requirements. FY98-99 end strength levels include both streamlining savings and Service-driven force structure and programmatic manpower changes. AMC's military end strength declines throughout the FYDP as a result of the C-l 41 drawdown and C-17 ramp-up as well as programmed weapon system drawdowns; however, these decreases are offset due to increases as a result of a return to installation level maintenance practices at Dover and Travis. With the exception of the above force and procedure changes in the Air Force that have increased MILPERS requirements in FY99, the trend is downward in the Army, Navy, and USMC manpower. This is consistent with USTRANSCOM streamlining initiatives and the Departments QDR related reductions.

SUMMARY TABLE VII (CIVILIAN END STRENGTH)

	FY97	FY98	FY99
U.S. Direct Hire	4,440	4,414	4,005
Foreign National Direct Hire	302	292	263
Foreign National Indirect Hire	507	505	498
Total Civilian	5,249	5,211	4,766

FY98-99 end strength levels include both streamlining savings and Service-driven force structure and programmatic manpower changes. AMC's civilian end strength declines

throughout the FYDP due primarily to National Performance Review reductions. The C-141 drawdown and C-17 ramp-up also affect the overall trend. MSC civilian end strength and workyears associated with the Joint Traffic Management Office are transferred to MTMC effective 31 Jan 98. MTMC end strength also drops dramatically throughout the FYDP as a result of streamlining savings, including Base Realignment and Closure (BRAC). Savings will be realized as a result of MTMC initiatives to create a single CONUS command vice the two area commands that currently exist, savings of garrison personnel as a result of base closure at Bayonne NJ and Oakland CA, and MTMC's port look study. MTMC is aggressively managing their streamlining plan and, in fact, have accelerated the civilian reductions from last year's President's Budget position. MTMC transferred the mission and resources of the Intratheater Commercial Transportation Division to USEUCOM and Defense Travel Program manpower increased slightly effective FY98. As part of USCINCTRANS' strategic plan and reengineering/streamlining efforts, civilian resources were realigned as part of the Joint Mobility Control Group initiative. Air requirements oversight functions were consolidated at USTRANSCOM and air requirements execution centralized at AMC. USTRANSCOM staff civilian end strength also declines as a result of the National Performance Review and funding responsibility changed on some USTRANSCOM staff spaces from TWCF to the General Defense Intelligence Program. Overall, USTRANSCOM's civilian manpower is decreasing.

SUMMARY TABLE VIII (CIVILIAN FULL-TIME EQUIVALENTS)

	FY97	FY98	FY99
U.S. Direct Hire	4,672	4,605	4,391
Foreign National Direct Hire	348	283	275
Foreign National Indirect Hire	569	529	523
TOTAL	5,589	5,417	5,189

Changes in FTE levels mirror those for civilian end strength levels. At MSC, however, civilian end strength and FTE levels were aligned so that each employee is paid from either USTRANSCOM or Navy working capital funds and not both. The predominant rule was applied to determine the split. Dollar reimbursement will be made to Navy to compensate work effort applied to USTRANSCOM above FTE levels.

PERFORMANCE MEASURES:

AMC:

Uniform Material Movement and Issue Priority System (UMMIPS)--percentage of shipments meeting or beating UMMIPS standards.

Number of Pallets--percentage of pallet positions offered versus used on CONUS outbound channel cargo missions.

On-Time Commercial Mission--percentage of time channel passenger commercial missions are within 20 minutes of scheduled departure.

Flight Crew Readiness--percentage of assigned crews qualified to fly primary missions.

MSC:

On-Time Pickup or Delivery--performance based on percentage of shipment that meet required lift dates or delivery dates based on predetermined agreed upon lift and delivery requirements as established by the customer.

Ship Availability--days against plan that ships are actually available to perform the function for which they were intended.

MTMC:

Cargo On-time Performance--percentage of shipments that meet the applicable portion of the Uniform Military Movement and Issue Priority System or other agreed upon schedules.

Containers "Lifted"--movement of cargo by land inside MTMC cargo system. Measure containers “lifted” (placed on a ship) to published booking schedules in accordance with Movement Standard Movement Procedures.

Accuracy of Initial Manifests--the number of shipment units on the original manifest actually ‘lifted” and is relevant to minimize supplemental manifests.

Responsiveness to Customer Movement Requirements--amount of time from receipt of a customer’s movement requirement (freight and passenger) until customer is advised of the result of negotiation/solicitation efforts.

DCS: Articles Compromised--number of articles whose security was compromised. The goal and actual performance have been zero articles compromised.

SUMMARY:

A robust strategic mobility capability is a critical requirement in fulfilling the National Military Strategy of effective power projection of a CONUS-based military. Over the past several months, USTRANSCOM conducted transportation operations in 180 countries. USTRANSCOM conducted 185 humanitarian relief missions to 70 countries during 1997. There were only seven countries, including Libya, North Korea, and Iran into which we did not operate. It is not uncommon that in any given week we operate more than 1,300 air mobility missions, 30 ships, 450 railcars, and handle cargo in 27 ports. Our budget request reflects the minimum funding necessary to improve, maintain, and operate the Department's Transportation Working Capital Fund portion of the strategic mobility system.

Changes in the Costs of Operation
Component: United States Transportation Command/Transportation
Date: February 1998
(Dollars in Millions)

	Expenses
FY 1997 Est Actual:	$3,970.8
FY 1998 Estimate in Presidents Budget:	$4,213.9
Estimated Impact in FY 1998 of Actual	
FY 1997 Experience:	($3.1)
Renegotiation of T-5 Tankership Contract	$5.2
Prepo Ship Mix Change	$0.5
Depreciation (MTMC)	$5.7
Decrease in Stevedore Contracts	($10.5)
Decrease in Facility Maintenance Projects	($4.0)
Pricing Adjustments:	$10.4
a. FY 1997 Pay Raise	($1.2)
(1) Civilian Personnel	($0.9)
(2) Military Personnel	($0.3)
b. Annualization of Prior Year Pay Raises	$0.1
(1) Civilian Personnel	$0.1
(2) Military Personnel	$0.0
c. Commercial/Military Airlift Augmentation Pricing	$22.3
d. General Purchase Inflation	($19.1)
e. Repricing of T-5 Tankership Contract	$8.3
Productivity Initiatives and Other Efficiencies:	($57.0)
a. Better Aviation Fuel Oversight	($2.3)
b. Delay in 2-level Maintenance for C-5 Engines at Dover	(340.5)
c. Organizational Streamlining	($5.8)
d. Efficient Ship Testing/Maintenance Cycle	($7.4)
e. Consolidation of Ship Maintenance	($1.0)
Program Changes (list):	($20.6)
a. Decrease POL/Prepo/FSS Shipdays	($49.7)
b. MSC Cargo Workload Changes	($55.5)
c. Point-to-Point POV Workload increase	$10.2
d. Aviation Flying Hour Changes	$16.5
e. Aircraft Depot and Contract Maintenance	$32.0
f. Maintenance and Repair Program	$20.6
g. Airlift Workload Changes	$17.9
h. Contractual Changes	($12.6)

Changes in the Costs of Operation
Component: United States Transportation Command/Transportation
Date: February 1998
(Dollars in Millions)

	Expenses
FY1998 Current Estimate:	$4,143.6
Pricing Adjustments:	$36.9
a. FY 1998 Pay Raise	$7.7
(1) Civilian Personnel	$6.5
(2) Military Personnel	$1.2
b. Annualization of Prior Year Pay Raises	$1.6
(1) Civilian Personnel	$1.5
(2) Military Personnel	$0.1
c. Fuel	($40.9)
d. Supplies	$1.1
e. DLRs	$2.5
f. Depot Maintenance	$25.6
g. General Purchase Inflation	$39.3
Productivity Initiatives & Other Efficiencies:	($70.8)
a. Organizational Streamlining	($29.3)
b. Better Aviation Fuel Oversight	($1.9)
c. Container Contract Efficiencies	($13.0)
d. Return to 3-level Maintenance for C-5 Engines at Travis	($14.2)
e. Reengineering Channel Cargo Improvements	($11.5)
f. Efficient Ship Maintenance/Utilization	($0.9)
Program Changes:	(S15.3)
a. Airlift Workload and Other Changes	($46.9)
b. Aircraft Depot and Contract Maintenance	($19.8)
c. Change in Prepo and FSS Shipdays	$46.6
d. Ship Maintenance	$8.4
e. Increase in POL T-5 Interest	$3.8
f. Sealift/Surface Workload Changes	($16.0)
g. Contractual SRAC Transition Cost	$3.2
h. Depreciation	$5.4
FYI 999 Estimate	$4.094.4

TRANSPORTATION WORKING CAPITAL FUND
United States Transportation Command/Transportation
SOURCE OF REVENUE
(Dollars in Millions)

	FY 1997	FY 1998	FY 1999
1. New Orders			
a. Orders from DOD Components:	3,378.2	3,664.0	3,451.5
Air Force:	1,372.2	1,546.1	1,515.6
Military Personnel	98.4	76.0	83.6
Missile Procurement	0.1	0.4	0.4
Other Procurement	13.7	18.1	17.6
Operations and Maintenance	1,139.4	1,316.9	1,282.7
ANG, O&M	3.2	4.4	4.3
AFRES, O&M	114.0	122.9	120.1
RDT&E	2.5	6.4	6.3
Other	0.9	1.0	0.6
Army:	974.3	1,004.0	959.3
Military Personnel	77.2	72.1	73.7
AAFES	123.6	156.8	128.6
Operations and Maintenance	769.0	772.6	755.1
Other	4.5	2.5	1.9
Navy:	476.7	443.5	432.3
Military Personnel	48.5	43.1	45.8
Operations and Maintenance	425.7	398.6	385.8
Other	2.5	1.8	0.7
Marines:	99.6	100.2	95.0
Military Personnel	19.8	15.7	17.1
Operations and Maintenance	79.4	84.1	77.7
Other	0.4	0.4	0.2
OSD:	455.4	570.2	449.3
Operations & Maintenance:	373.2	471.9	448.2
JCS	209.3	282.4	288.1
SOCOM	75.4	116.8	111.0
Health Affairs	17.7	21.9	24.6
NSA	2.5	3.9	4.7
DIA	1.0	1.4	1.8
DMA	0.1	0.3	0.3
Other	37.6	4.5	5.1
DLA (Non-WCF)	24.7	16.5	7.3
DTS-PM0	4.9	24.2	5.3
Other	82.2	98.3	1.1

TRANSPORTATION WORKING CAPITAL FUND
United States Transportation Command/Transportation
SOURCE OF REVENUE
(Dollars in Millions)

	FY 1997	FY 1998	FY 1999
b. Orders from other Fund Business Areas	470.3	480.9	593.3
DECA	34.6	40.8	118.4
DLA	354.4	346.7	382.9
NDSF	3.6	57.7	57.0
Other	77.7	35.7	35.0
c. Total DOD	3,848.5	4.144.9	4,044.8
d. Other Orders:	49.7	58.1	58.3
Other Federal Agencies	21.2	26.3	27.0
Trust Fund	6.1	6.7	6.3
Non Federal Agencies	18.9	24.7	24.8
Foreign Military Sales	3.5	0.4	0.2
Total New Orders	3,898.2	4,203.0	4,103.1
2. Carry-In Orders			
3. Total Gross Orders	3,898.2	4,203.0	4,103.1
4. Funded Carry-over	-		
5. Total Gross Sales	3.898.2	4.203.0	4.103.1

Transportation Working Capital Fund
United States Transportation Command/Transportation
Revenue and Expenses
(Dollars in Millions)

	FY 1997	FY 1998	FY 1999
Revenue:			
Gross Sales	$3,895.9	$4,203.0	$4,103.1
Operations	$3,735.3	$4,073.1	$3,953.4
Capital Surcharge	$40.7	$0.0	$0.0
Depreciation exc Maj Const	$119.9	$129.9	$149.7
Major Construction Depr	$0.0	$0.0	$0.0
Other Income	$2.3	$0.0	$0.0
Refunds/Discounts(-)	$0.0	$0.0	$0.0
	$0.0	$0.0	$0.0
Total Income:	$3,898.2	$4,203.0	$4,103.1
Expenses:			
Salaries and Wages:			
Military Personnel Comp & Benefits	$57.7	$50.6	$47.8
Civilian Personnel Comp 8 Benefits	$268.9	$279.4	$274.6
Travel and Transportation of Personnel	$81.3	$68.5	$68.5
Materials and Supplies (For internal operations)	$770.4	$884.2	$857.5
Equipment	$13.1	$15.4	$11.1
Other Purchases from Revolving Funds	$371.3	$395.3	6402.0
Transportation of Things	$17.4	$14.3	$14.6
Depreciation - Capital	$119.9	$129.9	$149.7
Printing and Reproduction	$2.0	$2.8	$2.9
Advisory and Assistance Services	$10.4	$11.1	$12.3
Rent, Communications, Utilities, and Misc Charges	844.3	$42.3	$36.5
Other Purchased Services	$2,214.1	$2,249.8	$2,216.9
Total Expenses	$3,970.8	$4,143.6	$4,094.4
Operating Result	($72.6)	$59.4	$8.7
Less Capital Surchg Reservation	($40.7)	$0.0	$0.0
Plus Appropriations Affecting NOR/AOR	$0.0	$0.0	$0.0
Other Changes Affecting NOR	$95.1	$0.0	$0.0
Net Operating Result	($18.2)	$59.4	$8.7
Other Changes Affecting AOR	($49.9)	($68.1)	($8.7)
Accumulated Operating Result	($68.1)	($8.7)	($0.0)

UNITED STATES AIR FORCE WORKING CAPITAL FUND

FY 1999 CAPITAL BUDGET

FEBRUARY 1998
UNCLASSIFIED

Capital Budget Summary
Air Force Working Capital Fund
FY 1999 President's Budget
Supply Management Activity Group
February 1998

FUND9A
(Dollars in Millions)

item Description	FY 1997 Quantity	FY 1997 Total Cost	FY 1996 Quantity	FY 1996 Total Cost	FY 1999 Quantity	FY 1999 Total Cost
EQUIPMENT						
Replacement	**1**	**0.141**	1	**0.141**	**0**	0.000
Productivity	**0**	**0.000**	1	**0.130**	1	**0.130**
New Mission	**0**	**0.000**	0	**0.000**	0	**0.000**
Environmental Compliance	**0**	**0.000**	0	**0.000**	0	**0.000**
Subtotal	**1**	**0.141**	2	**0.271**	1	**0.130**
ADPE & TELECOM	1	**3.400**	**1**	**4.720**	**1**	**1.460**
SOFTWARE DEVELOPMENT	**1**	**12.900**	2	**44.229**	3	**36.570**
MINOR CONSTRUCTION	0	**0.000**	0	**0.000**	0	**0.000**
RELIABILITY, MAINTAINABILITY, & SUPPORTABILITY **(RM&S)** MODS	0	**0.000**	0	**0.000**	0	**0.000**
Total	3	**16.441**	6	**49.220**	**5**	**36.160**

Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Supply Management Activity Group

Fuels Division, Aviation

(Dollars in Millions) February 1998

Item Name: ELEC. MICROSCOPE

Item Description: Scanning Electron Microscope

Capital Category: Equipment (Replacement)

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	0.141	0.141
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

A Scanning Electron Microscope (SEM) with energy dispersive X-ray (EDX) and back scattering detectors is urgently required to improve laboratory testing capabilities of space launch hardware. The **microsope** is used to perform tests of the effects of missile fuels on space launch hardware and equipment. The SEM with EDX is needed **to** conduct failure analyses of space launch hardware. The back scattering detector is needed to provide information regarding fillers found in polymeric and composite materials. The SEM with EDX is required to complete testing of fuel accessories, Serious mission degradation will occur if testing cannot be completed.

Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Supply Management Activity Group

Fuels Division, Aviation

(Dollars in Millions) February 1998

Item Name: HUB COMPUTER

Item Description: COMPUTER HUB

Capital Category: Equipment (Replacement)

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	1	0.141	0.141
1998	0	0.000	0.000
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

in 1994 the Fuels Division installed the SF network (SFNET) to meet basic connectivity requirements For Functional operations of the directorates/E first automated system, the Fuels Automated Management System (FAMS). The growth and implementation in automated systems within the directorate including the Fuels Automated **Systems(FAS)** development, Missile Fuels Development, Air Card planning and development, and Laboratory Information Management System (LIMS) implementation increased the demand on the SFNET Local Are Network (LAN). The growth in automated systems, the incorporation of super-mini computers, and the demands for increased accessibility by customers worldwide surpassed the capabilities provided by the SFNET originally incorporated in 1994. A new computer hub is needed to allow For the growth in new systems installed on the SFNET. Wiihout the new computer hub Aviation and Ground stock Fund reimbursement would not be able to be accomplished. Development of the Enterprise level FAS system would **not** be able to be completed **as** well as **LIMS** implementation.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Supply Management Activity Group

Fuels Division, Aviation

(Dollars in Millions) February 1998

item Name: SPECTROMETER MASS

Item Description: ICP MASS SPECTROMETER

Capital Category: Equipment (Productivity)

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	0.130	0.130
1999	1	0.130	0.130

Item Justification/Impact if Not Provided:

The Inductively Coupled Plasma **(ICP)** Instrument will be used to determine the presence of metals in various petroleum products, specifically wear metals in lubricants and hydraulic fluids. This is extremely beneficial for Accident/Incident Safety Investigation Boards since the amount of product obtained for testing Is **relatively** small. The information provlded Is used to determlne If certain components are breaking down and may have contributed to an accident. In addition, the ICP is to be used to identify unknown contaminates sent to the laboratory from maintenance organizations and research groups. We work closely with Wright Laboratory to help them identify unknown fuel constituents generated during research testing of various products. Also, the Enviromental Protection Agency is concerned with the amount of lead present in MOGAS.

Without this instrument, critical accident/incident investigations cannot be performed as required

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Capital Budget input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Supply Management Activity Group

Materiel Support Division

(Dollars in Millions) **February** 1998

Item Name: **HQSD001**

Item Description: MSD Software Development

Capital Category: **Software** Development

Fiscal Year	Item Quantity	Item Cost	Total Cost
1998	1	4.129	4.129
1999	1	2.370	2.370

Item Justification/Impact if Not Provided:

Nature: This data system modification effort supports software modification necessary lo consolidate three AF Supply Management Activity Group (SMAG) divisions--Reparable Support Division (RSD), System Support Division **(SSD)** and Cost of Operations Division (COD)--into one division, the MSD. The systems involved are DO41 Item Requirements System, JO41 **Acquisition &** Due In System, 0200 Requirements Data Bank Item **Pricing** Module, **D043/D071/DLSC** Cataloging and Stock No. User Directory, **D035A,** C, J **&** K Stock Control System **-** Financial Inventory Accounting **&** Billing (FIABS), **D002A/SMAS/DOLLARS/DBMS** Base Supply and DFAS Trial Balance, and ABACUS Budget Exhibits.

Purpose: This consolidation simplifies requirements determination, budgeting and execution to one division and revises customer prices so that cost recovery is allocated on latest acquisition cost and latest repair cost. MSD establishes inventory **at** latest acquisition cost **(LAC)(rather** than revalued to LAC) and allows for capturing sales (exchange, standard and discounted), various credits and costs in additional general ledger accounts for budgeting, cataloging and requirements data. These symptoms are functionally managed by AFMC, DFAS and JLSC.

Funding provides modification to implement the software changes required to support the MSD.

Economic Analysis: Pending completion of technical evaluations for systems requiring changes. The results of these technical evaluations will include a detailed estimate of the cost **to** implement required changes for each each system. Upon completion of these reviews results can be compiled and cost estimates documented in an economic analysis.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Supply Management Activity Group

Materiel Support Division

(Dollars in Millions) February 1998

Item Name: JLSC001

Item Description: Materiel Management Systems (MMS)

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1998	1	4.720	4.720
1999	1	1.460	1.460

Item Justification/Impact if Not Provided:

This project supports the fielding of the Materiel Management System (MMS). The MMS was created created In response to the DoD initiative to standardize logistics systems across DoD. Over the past two years the Military Services and the Defense Logislstics Agency (DLA), have evaluated the business processes of the DoD Inventory Control Points (ICPs), selected and developed the most optimum automated information systems to support improved standard business practices. This request funds the continued deployment of these systems to the Department ICPs.

The type and amount of equipment needed is dependent upon projects fielded, the size of each site, and the availability and applicability of equipment currently at that site. This requirement is based upon site surveys representative of various size sites. As project deployment to a specific site nears, a final survey will be conducted to confirm requirements. Representative configurations vary in size from those including servers at approximately $314K - $650K per site to personal computer workstations with 17 or 15 inch displays at $3.1 - $2.7K per site, X-terminal workstations at $2K per site, and MMS connectivity to Local Area Networks (LANs). This represents a mixture of those configurations dependent upon deployment schedule and site requirements.

The MMS will provide improved functional capability to the Military Services and DLA, reduce DoD costs for information services and establish an information systems infrastructure on which DoD can improve the way it does business, Specific Improvements Include reduced inventories through better management information on purchase decisions, reduced labor requirements for materiel management processes, reduced Information Technology costs, improved visibility and control of assets. Once implementation is completed, legacy applications will be reduced or eliminated significantly, decreasing ADP costs.

The projected reductions in the DoD inventories cannot be met without an improved supply information management infrastructure. In addition, the Department cannot comply with its objective to standardize information systems and business practices and effectively implement the changes throughout the Department ICPs This initiative supports the sustainment of readiness in a downsizing environment,

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Supply Management Activity Group

Materiel Support Division

(Dollars in Millions) February 1998

item Name: JLSCO02

item Description: Legacy Improvements

Capital Category: Software Development

Fiscal Year	item Quantity	item Cost	Total Cost
1998	1	40.100	40.100
1999	1	31.100	31.100

item Justification/Impact if Not Provided:

These project funds will continue the modernization and modification of supply management systems no longer belng replaced by JLSC Materiel Management Standard Systems (MMSS). Modernization actions are required to achieve Defense **Information** infrastructure-Common Operating Environment (Dil-COE) compliance and joint Interoperabillty through a "seamless logistics" system. Many of these legacy systems are based upon 1980s technology and have essentially been frozen **since 1990** pending development and the implementation of a JLSC MMSS standard suite of systems. Systems must be updated to implement system logic changes resulting from Lean Logistics, Readiness Based Leveling (RBL). base closure/ public-private competition, process re-engineering. and improved asset **visibility/allocation** initiatives. Relational data base, graphical user interface, Windows point-and-click capability, world wide web access (with strict security features), client server architecture, and separation of buslness processes from data will provide improved data **access,** accuracy and visibility. Development of Shared Data Environment (SHADE) data warehousing technology will result in increased data standardization/integrity and shared source data vs data **transmission/** duplication In multiple systems.

Without funding, Air Force legacy data systems cannot be updated to implement key mission changes/process improvements and will not be DII-COE compliant or Integrated Logistics System-Supply (ILSS) compatible.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Supply Management Activity Group

Materiel Support Division

(Dollars in Millions) February 1998

item Name: LOGSW001

Item Description: PTAMS

Capital Category: Software Development

Fiscal Year	item Quantity	item Cost	Total Cost
1998	0	0.000	0.000
1999	1	3.100	3.100

Item Justification/Impact if Not Provided:

Pipeline-Tracking, Analysis and Metrics Systems (PTAMS)

Current information systems do not adequately support the users in employing the principles of Lean Logistics in the most effective way. A key limitation of these systems is that they are designed to operate in stand-alone mode. Consequently cross-functional analysis is difficult. In addition, the lack of integration among these tools creates the potential for inconsistencies and untimeliness in the reported data. PTAMS provides the necessary Interface for these systems to perform cross-functional analysis.

Lack of funding for PTAMS will result in an increase in logistics response time, decreased asset visibility and increased inventory storage requirements.

Air Force Working Capital Fund
Supply Management Activity Group
FY99 Presidents Budget

($ IN MILLIONS)

FY	APPROVED PROJECTS	APPROVED PROJ COST	CURRENT ASSET/ PROJ COST	DEFICIENCY	EXPLANATION
Equipment except ADPE and TELECOM					
FY98	Scanning Electron Microscope	0.141	0.141	0.000	
FY98	ICP Mass Spectrometer	0.130	0.130	0.000	
Equipment-ADPE and TELECOM					
FY98	Lan Upgrade to ATM	0.782	0.000	0.782	Entire project was $868K for FY97 & 98. This project is now canceled.
FY98	MMSS ADPE Equipment	4.720	4.720	0.000	
Software Development					
FY98	S/W Develop-Legacy Systems	34.912	34.888	0.000	
FY98	MSD S/W Development	4.129	4.129		
FY98	UCARTS	2.000	0.000	2.000	Canceled
Total FY98		46.814	44.008	2.782	

Air Force Working Capital Fund
Supply Management Activity Group
FY99 President's Budget
($ IN MILLIONS)

FY	APPROVED PROJECTS	APPROVED PROJ COST	CURRENT PROJ COST	ASSET/ DEFICIENCY	EXPLANATION
Equipment except ADPE and TELECOM					
FY99	ICP Mass Spectrometer	0.130	0.130	0.000	
Equipment-ADPE and TELECOM					
FY99	Material Management Systems	1.460	1.460	0.000	
Software Development					
FY99	PTAMS	3.100	3.100	3.100	Requirement introduced in FY97
FY99	Legacy Systems Modernization	31.100	26.100	5.000	Requirement from PBD 426
FY99	MSD S/W Development	2.370	2.370	0.000	
FY99	UCARTS	1.000	0.000	1.000	Canceled
Total FY99		39.160	33.160	9.100	

Depot Maintenance Activity Group Capital Budget Summary
Department of the Air Force
Depot Maintenance
Feb 1998
(Dollars in Millions)

Line Number	Item Description	FY 1997 Quantity	FY 1997 Total Cost	FY 1998 Quantity	FY 1998 Total Cost	FY 1999 Quantity	FY 1999 Total Cost
	Equipment						
	- Replacement	30	27.1	32	37.2	68	37.8
	- Productivity	8	4.8	17	8.9	34	11.2
	- New Mission	0	0.0	0	0.0	0	0.0
	- Environmental Compliance	5	5.8	2	3.3	2	6.1
	Subtotal	43	37.7	51	49.4	104	55.1
	ADPE & Telecomm	NA	14.6	NA	6.9	NA	6.6
	Software Development	NA	2.1	NA	33.2	NA	27.8
	Minor Construction	10	3.5	15	4.8	25	8.2
	TOTAL	53	57.8	66	94.3	129	97.7

Depot Maintenance Activity Group Capital Budget Summary
Department of the Air Force
Depot Maintenance
Feb 1998
(Dollars in Millions)

Line	Item		FY 1997		FY 1998		FY 1999
	EQUIPMENT $.5M OR MORE						
E9601	Centralized Aircraft Support Sys (Replacement)	1	1 3	1	1 7	1	1.8
E9602	Servo Component Test Stand (Replacement)					1	0.8
E9603	PK-1000A Automated Test Station (Replacement)					2	2.4
E9701	C-5 Mobile Tail Enclosures (Productivity)	2	2 7	3	3 4		
E9702	ATE Computer System Upgrade (Replacement)	1	1 2				
E9703	A/C PMB Depaint Booth (Environmental Compliance)	1	2 2				
E9704	Gap Grinders (Replacement)	1	1 5			1	1.5
E9705	Air Pollution Control System (Environmental Compliance)	1	2 2				
E9706	Auxiliary Power Supply Test Set (Replacement)	1	12 6				
E9707	CNC 5-Axis Core Cutting Center (Productivity)	1	1 2				
E9708	Powered Overhead Conveyor System (Replacement)	1	1 2				
E9709	Laser Machining Center (Replacement)	1	1 0				
E9710	5-Axis Horizontal Machining Center (Replacement)	1	1 3				

Depot Maintenance Activity Group Capital Budget Summary
Department of the Air Force
Depot Maintenance
Feb 1998
(Dollars in Millions)

Line Number	Item Description	FY 1997		FY 1998		FY 1999	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
E9711	CNC Electrochemical Grinding Machines (Productivity)	2	0.6			2	0.6
E9801	Manual Electrochemical Grinding Machines (Productivity)			4	0.5	4	0.5
E9802	IOE Depot A/C Corrosion Ctrl Fac (Environmental Compliance)			1	2.8		
E9803	Fluid Cell Press (Replacement)			1	3.8		
E9804	CNC Tube Bender (Replacement)			1	0.6		
E9805	Large A/C Start System (Replacement)			6	0.9		
E9806	Universal Grinding Machine (Replacement)			1	1.0		
E9807	ICT Computed Tomography (Replacement)			1	1.0		
E9808	Compact Range (Replacement)			1	3.5		
E9809	CNC Vertical Machining Center (Replacement)			1	1.3		
E9810	Radome Test Range Equipment (Replacement)			1	6.0		
E9811	Computer Aided Electr Design Sys (Replacement)			1	1.6		
E9812	CNC Stretch Press (Replacement)			1	2.3		

Department of the Air Force
Depot Maintenance
Feb 1998
(Dollars in Millions)

Number	Description	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
E9813	Analog Test Stations (Replacement)			6	6.4	2	1.9
E9814	F-16 Emerg Power Unit Test Console (Replacement)			1	0.9		
E9815	Automated Ultrasound Machine (Productivity)			4	1.2		
E9816	Analog Test Station (Replacement			1	3.9	1	4.0
E9817	A/C PMB Depaint Booth (Productivity)			1	1.8		
E9901	Rotor Stacking Gauge System (Productivity)					1	0.6
E9902	Large Aircraft Robotic Paint Stripping (LARPS) II (Environmental Compliance)					1	6.0
E9903	Console Pneumatic Valve Test (Phase IV) (Replacement)					3	0.8
E9904	Fluorescent Penetrant Line (Replacement)					1	2.0
E9905	Automated Ultrasonic Scan System (Productivity)					1	0.9
E9906	F-16 Microwave Test Station (Replacement)					7	3.6
E9907	CNC Plastic Injection Molder Press (Replacement)					1	1.2
E9908	Autoclave (4 x 8) (Productivity)					1	0.7

Depot Maintenance Activity Group Capital Budget Summary
Department of the Air Force
Depot Maintenance
Feb 1998
(Dollars in Millions)

Line Number	Item Description					1999	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
E9909	Laser Welder (Replacement)					1	1.0
E9910	Digital Test Station (Replacement)					1	1.7
E9911	Intermediate Frequency/Video/Micro Test Station (Replacement)					1	3.9
E9912	ATE Final Test Station (Replacement)					12	2.5
E9913	R/I Rate Manual Test Station (Replacement)					11	2.0
E9914	High Efficiency Small Batch VAC Furnace (Replacement)					2	0.8
	SUBTOTAL	13	29.0	37	44.6	58	41.2
	EQUIPMENT LESS THAN $.5M						
E0000	Equipment < $500,000	29	8.6	14	4.8	46	13.9
	ADPE & TELECOM $.5M OR MORE						
A9601	DMAG Budget and Price Dev System (Productivity)	NA	1.9	NA	1.9	NA	1.6
A9602	DMSS (Replacement)	NA	10.3	NA	3.6	NA	4.0
A9701	G072 Redesign (Replacement)	NA	1.7	NA	1.0	NA	1.0
A9702	File Server (Replacement)	1	0.6				
	SUBTOTAL	NA	14.5	NA	6.5	NA	6.6

Depot Maintenance Activity Group Capital Budget Summary
Department of the Air Force
Depot Maintenance
Feb 1998
(Dollars in Millions)

Line Number	Item Description	FY 1997 Quantity	FY 1997 Total Cost	FY 1998 Quantity	FY 1998 Total Cost	FY 1999 Quantity	FY 1999 Total Cost
	DPE & TELECOM LESS THAN $.5M						
.0000	DPE & TELECOM < $500,000	NA	0.1	3	0.4	0	0.0
	INOR CONSTRUCTION						
0000	inor Construction > $100,000	10	3.5	15	4.8	25	8.2
	OFTWARE DEVELOPMENT						
D9701	epot Maintenance Related Software Development Productivity)	NA	2.1				
D9801	IFMS Implementation Replacement)			NA	15.2	NA	16.1
D9802	epot Maintenance Legacy System Support/Redesign			NA	18.0	NA	11.7
	SUBTOTAL	NA	2.1	NA	33.2	NA	27.8

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. BUDGET SUBMISSION FY 1999 PB Submission		
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98			C. Line No. & Item Description E9601 / Centralized Aircraft Support System (Replacement)				D. Activity Identification OC-ALC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Centralized Aircraft Support System	1	1313	1313	1	1750	1750	1	1750	1750

Narrative Justification:

This project will replace existing Centralized Aircraft Support Systems (CASS) which are worn-out and Insupportable. The CASS is critical in support of the testing and checkout of B-1B aircraft. The CASS consists of an avionics air unit, a liquid cooling unit, four hydraulic supply units and a control/monitoring system.

Impact if Not Provided:

Equipment downtime and maintenance will increase. When a CASS goes down, a switch over to ground support equipment must be accomplished, which results in a loss of one aircraft flow day.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)	A. BUDGET SUBMISSION FY 1999 PB Submission

B. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
USAF/Depot Maintenance/Feb 98	E9602 / Servo Component Test Stand (Replacement)	00-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total Cost
Servo Component Test Stand							1	812	812

Narrative Justification:

The new servo component test stand will be used for assembly and final functional checkout of servo valves, linear transducers, servo cylinders, and servo injectors which are part of the Minuteman missile flight control units. The test stand will provide electric and hydraulic power and will measure and record responses of each unit under test. A detailed economic analysis indicates a total present value of savings of $2.98M.
1 Test stand was purchased in FY96 and a second one will be in FY99.

Impact if Not Provided:

Current equipment is not fully operable due to degradation and lack of parts. Due to complete tear down and overhaul of the servo components, full operational testing capabilities are mandatory. Without full testing capabilities there is no way to assure proper overhaul, reassembly, and operational status of the servo components.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
. Component/Activity Group/Date SAF/Depot Maintenance/Feb 98			C. Line No. & Item Description E9603 / PK-1000A Automated Test Station (Replacement)			D. Activity Identification 00-ALC			
	FY 1997			FY 1998			FY 1999		
lement of Cost	Qty	Unit cost	Total cost	Qt y	Unit Cost	Total cost	Qty	Unit cost	Total cost
K-1000A Auto Test S							2	1200	2400

arrative Justification:

hese test stations are single-user, multi-tasking units used to test shop replacement units (circuit card ssemblies) for the B1-B, F-15, F-16, C-130 and T-43 aircraft. The number of units requiring repair has grown to point where they exceed the capacity of the existing stations. Supportability of the existing stations is uickly becoming an issue due to the volatile nature of the computer technology associated with this test quipment and the circuit cards being tested. This project would allow for the upgrade of four existing test tations with advance computer hardware and software that would improve system performance by 30 to 40%. test stand was purchased in FY96 and two more will be purchased in FY99.

mpact if Not Provided:

he existing test stations will continue to degrade in condition and will quickly become unsupportable due to he technological advancements associated with computerized test equipment and circuit cards. Without these est stations, circuit cards can not accurately be tested to ensure that the appropriate repairs have been made. his would mean that circuit card repair activities would reach a work stoppage condition once test capability

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9701 / C-5 Mobile Tail Enclosures (Productivity)	D. Activity Identification WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Mobile Tail Enclosures	2	1371	2742	3	1156	3468			

Narrative Justification:

This project is to purchase 5 Mobile Tail Enclosures (MTEs) to accomplish the C-5 depot level maintenance. This project is necessary because of WR-ALC winning the public/private competition for the C-5 Workload. The The bid included the purchase of 5 MTEs. Two have been bought in FY97. The unit cost is $1.156M. WR-ALC bought the first two and ordered long lead time material for the remaining MTEs for a total cost in FY97 of $2.742M. WR-ALC requires another $3.468M in FY98 to complete the buy. The MTEs are moved into position around the tail of the C-5 during depot level maintenance. The remaining portion of the C-5 is nosed into existing hangars. The MTEs meet environmental standards, have fire suppression systems, and bridge cranes.

Impact if Not Provided:

WR-ALC will not be able to execute the C-5 workload according to bid specifications.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)	A. BUDGET SUBMISSION FY 1999 PB Submission

I. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
ISAF/Depot Maintenance/Feb 98	E9702 / ATE Computer System Upgrade (Replacement)	WR-ALC

lement of Cost	FY 1997			FY 1998			FY 1999		
	Qt y	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
ATE Computer System Upgrade	1	1200	1200						

Narrative Justification:

'his is an upgrade of Gyro Shop Computer System for Automatic Test Equipment (ATE). The antiquated computer system will be replaced with modern technology to increase the maintainability of the computer system for the ATE area. The computer system will control ATE equipment Motion Simulators during the testing phase for the maintenance and repair of gyroscopes.

mpact if Not Provided:

'he current system is 1970s technology and is hard to maintain. Maintenance of equipment has become an ncreasing problem due to the age of the equipment. Productivity will also be negatively affected. Technology as advanced tremendously since the current system's purchase. Components of the current system have been annibalized for parts to repair other components of the system. The majority of repair parts are available nly as remanufactured or used salvage parts or are no longer available. Computer system failures would leave .he ATE functioning in a diminished capacity or even mission incapable.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9703 / Aircraft Plastic Media Blast (PMB) System (Environmental Compliance)	Activity Identifier ∞ -ALC

≤lement of ∞ st	FY 1997			FY 1998			FY 1999		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
ircraft Plastic Media Blast (PMB) System	1	2242	2242						

Narrative Justification:

This project will purchase a turn-key PMB system to strip paint from C-130 aircraft. This new process will allow recycling of plastic media and virtually eliminate hazardous waste from chemical paint stripping.

Impact if Not Provided:

The current process must be changed due to the EPA Clean Air Act amendments. The current process generates volative organic compounds (VOC) emissions, hazardous waste water which must be sent to the hazardous waste treatment plant, and hazardous sludge which must be placed in drums and disposed of as hazardous waste.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9704 / Gap Grinders (Replacement)	E. Activity Identification ∞ -ALC

Element of Cost	[illegible]			[illegible]			FY 1999		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Gap Grinders	1	1500	1500				1	1500	1500

Narrative Justification:

Gap grinders are used to grind the outside diameter of large landing gear struts. The gap portion is between the head and the bed of the machines giving the strut a large area to swing. The current gap grinders have become very expensive to maintain and repair. Bearing for these machines are now unavailable to purchase. One machine was purchased in FY97 and one in FY99. The two together will replace three grinders currently in in use.

Impact if Not Provided:

When one machine is down overtime is used to keep production from falling behind. If two machines are down the result is a work stoppage.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date			C. Line No. & Item Description						D. Activity Identification
USAF/Depot Maintenance/Feb 98			E9705 / Air Pollution Control System (Environmental Compliance)						SM-ALC
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Air Pollution Control System	1	2208	2208						

Narrative Justification:

This system will take captured emissions from the depainting process and use ultra violet light in combination with ozone to oxidize organic and inorganic contaminants present in the air stream due to the depainting process.

Impact if Not Provided:

SM-ALC will not be able to comply with standards taking affect in September 1998. The standards are National Emissions Standards for hazardous air pollutants (NESHAP) for aerospace manufacturing and rework facilities. Non-compliance can result in fines and shut down of operations.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
USAF/Depot Maintenance/Feb 98	E9706 / Auxiliary Power Supply Test Set (Replacement)	00-ALC

	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Auxiliary Power Supply Test Set	1	12567	12567						

Narrative Justification:

The existing test system consists of three units, i.e., system, pump, and motor testers. The three test units are becoming unserviceable and unsupportable. They are used to test the Minuteman (MM) P89 and P90 flight control auxiliary power supply and their components. The process of, planning for and procurement of the replacement test stands, must be started in 1997 in order to prepare specialized repair area for scheduled high production rates that will start in the year 2000. The propulsion Replacement Programs (PRP), part of the Minuteman Life Extension Program that will support the weapon system until 2020, is the driving factor for the workload increase.

Impact if Not Provided:

At the current low repair rate of Flight Control Equipment, the present test sets are marginally supportable and have not caused work stoppage, but clearly will do so in the near future. Starting in the year 2000, coincident with the Propulsion Replacement Program (PRP), the workload requirement will increase significantly. Work stoppage during the PRP will result in operational missiles being off alert and become a threat to the success of the PRP which is a ACAT II multi billion dollar program.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION
($ in Thousands)

A. BUDGET SUBMISSION
FY 1999
PB Submission

B. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
JSAF/Depot Maintenance/Feb 98	E9707 / CNC 5-Axis Core Cutting Center (Productivity)	WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
CNC 5-Axis Core Cutting Center	1	1225	1225						

Narrative Justification:

The 5-axis CNC core cutting center is a gantry-type robotic machining center with a machine spindle head specifically designed for honeycomb core contour cutting. The machine center has a 130" x 84" x 48" work envelope with a material holddown fixture assembly. This machine will provide for a repeatable, accurate process for cutting out complex contoured shapes of honeycomb core.

Impact if Not Provided:

The adhesive bond shop currently utilizes bandsaws, miscellaneous handtools and a manually operated 3-axis machining center to cut honeycomb core. This process is basically a "cut to fit" operation and heavily dependent on operator skill. With no data storage capability, repeatable contour cuts can not be accomplished. If the proposed machine is not purchased, the shop will continue to operate with an outdated process that does not effectively support current "just-in-time" customer demands.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		FY 1999 PB Submission
B. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Designation
USAF/Depot Maintenance/Feb 98	E9708 / Powered Overhead Conveyor System (Replacement)	OO-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Powered Overhead Conveyor System	1	1200	1200						

Narrative Justification:

Project replaces the overhead powered bake oven conveyors in the plating shop, building 505. The conveyor system in the plating shop provides a 4 hour or 24 hour bake cycle for any aircraft component (landing gear) that is constructed of high strength steel and chromium or cadmium plated. The breakdown rate is increasing rapidly and repair parts are unavailable.

Impact If Not Provided:

The current oven conveyor system is 25 years old and is in a state of disrepair. Parts for the system are not readily available and in some cases must be fabricated on site. The resulting cost in terms of repair and downtime is significant. Every strut (landing gear) assembly in the Air Force is impacted by downtime of the ovens. Since all steel components must be baked after plating operations, when the ovens are down the plating shop capacity is reduced significantly. The work around is to manually load and unload the ovens, a costly and unsafe method. The savings to investment ratio is 1.92 and the payback period is 4.53 years.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PBD Submission
Component/Activity Group/Date SAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9709 / Laser Machining Center (Replacement)	D. Activity Identification OC-ALC

lement of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total Cost	Qty	Unit cost	Total cost
aser Machining Center	1	950	950						

100

arrative Justification:

his project provides for the purchase and installation of one computer numerically controlled laser machining enter, having a 1500 watt CO2 gas laser and five-axes of numerically controlled motion. This will replace an bsolete machining center in the machine shop at Tinker AFB. The proposed laser will reduce cycle times by 75%, ave less maintenance costs and incur less downtime awaiting repairs than the present machine.

mpact if Not Provided:

nability to support the repair and manufacture of aircraft, engine and accessory component parts in a timely nd cost effective manner due to the poor reliability and obsolescence of the current laser machine. The xisting laser machine has accumulated more maintenance costs, both labor and parts, over it's ten years of ervice than any other piece of equipment maintained by the Plant Services Division, not to mention the ssociated downtime awaiting repairs. The current machine was down 52% of the available time in CY95. detailed economic analysis projected a savings to investment ratio of 5 to 1 and a payback period of just ver 2 years.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands1)									A. BUDGET SUBMISSION FY 1999 PBD Submission
Component/Activity Group/Date :AF/Depot Maintenance/Feb 98			C. Line No. & Item Description E9710 / 5-Axis Horizontal Machining Center (Replacement)				D. Activity Identification OC-ALC		
.ement of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
-Axis Horizontal Machining Center	1	1250	1250						

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ırrative Justification:

ıe computer numerically controlled (CNC) S-axis machining center will provide the Numerical Control (NC) ıchine Shop with the capability to manufacture aircraft component parts in a quality, cost effective and .mely manner. The proposed 5-axis machine will replace two obsolete and worn-out machines: 1) one axis horizontal machine built in 1964 and 2) one 4-axis horizontal machine built in 1965.

ıpact if Not Provided:

lability to support the manufacture of weapon system component parts in a cost effective and timely manner :cause of the worn-out condition and obsolescence of the 5-axis machines presently in use. Existing CNC axis machining centers have an average age of 13.3 years and are inoperable or "down" 23% of the time. ıwntime is expected to increase significantly as the OEM for five of the machines has been out of business ır seven years and support problems (have and will continue to) result with the already worn-out machines. ıe savings to investment ratio is 1.22 with a payback period of 8.19 years,

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
USAF/Depot Maintenance/Feb 98	E9711/CNC Electrochemical Grinding Machines (Productivity)	OC-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
CNC Electrochemical Grinding Machines	2	300	600				2	300	600

Narrative Justification:

This project is part of a larger program to procure 4 each CNC Electrochemical Grinding Machines and 12 each Manual Electrochemical Grinding Machines to support Type II repairs of TF39 Low Pressure Turbine (LPT) Blades; Stages 1 through 6. CNC Electrochemical Grinding Machines are needed to perform the pre-grind and finish grind and strip operations on the sealing edges on top of the shrouds of these blades. This operation cannot be performed on a manual machine.

Impact if Not Provided:

Lack of these grinding machines will prevent OC-ALC/LP from implementing this workload, since they do not have sufficient electrochemical grinding capacity to perform this work without these machines. The savings to investment ratio is 6.70.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)			A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date	C. Line No. & Item Description		D. Activity Identification
USAF/Depot Maintenance/Feb 98	E9801/ Manual Electrochemical Grinding Machine (Productivity)		OC-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Manual Electrochemical Grinding Machines				4	125	500	4	125	500

Narrative Justification:

This project is part of a larger program to procure 4 each CNC Electrochemical Grinding Machines and 8 each Manual Electrochemical Grinding Machines to support Type II repairs of TF39 Low Pressure Turbine (LPT) blades; Stages 1 through 6. Manual Electrochemical Grinding Machines are needed to perform the pre-grind and finish grind operations on the notch and circumferential mating surfaces of the shroud of the TF39 LPT Blades. This operation can be performed on manual or CNC machines, but the manual machines are more cost effective for this operation.

Impact if Not Provided:

Lack of these grinding machines will prevent OC-ALC/LP from implementing this workload, since they do not have sufficient electrochemical grinding capacity to perform this work without these machines. The savings to investment ratio is 2.02.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date)SAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9802 / IOE Depot Aircraft Corrosion Control Facility FY96 MILCON (Environmental Compliance)	D. Activity Identification OC-ALC

:lement of Cost	FY 1997			FY 1998			FY 1999		
	Qt y	Unit cost	Total cost	Qt y	Unit cost	Total cost	Qty	Unit cost	Total cost
'OE Depot Aircraft Corrosion Control 'acility				1	2800	2800			

arrative Justification:

his project provides all required initial outfitting equipment (IOE) to allow full operation of the FY96/7 ilitary Construction project, Aircraft Corrosion Control Facility (Congressional insert). This will ncorporate state-of-the-art paint technologies. The IOE includes 4 each aerial four axis mechanized workstands nd chemical distribution system.

mpact if Not Provided:

his project is critical for allowing all programmed large aircraft to fit into a hangar, be stripped and ainted, while meeting the regulatory requirements of the Clean Air Act. A comprehensive economic nalysis indicates a 3.05 to 1 payback.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98			C. Line No. & Item Description E9803 / Fluid Cel Press (Replacement)						D. Activity Identification OC-ALC
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Fluid Cell Press				1	3765	3765			

Narrative Justification:

This project will purchase and install a floor mounted fluid cell press with one 31" x 78" forming table that rolls into a 14,500 psi pressurized cylinder, to form a small tolerance intricately shaped sheet metal aircraft structures. These parts are formed by forcing a piece of sheet metal into or around a rigid die block using a rubber medium pressurized in a metal cylinder with hydraulic fluid. This machine will replace an existing hydroform press that uses the same forming technology.

Impact if Not Provided:

Current FY95 shop forming practices related to this machine earns approximately 13,335 manhours worth of production, at a cost of $1,071,699. The FY1996 to FY2004 increase of 12,000 hours of hydroformed parts brings the annual production cost to $2,042,669 per year. The new fluid cell press will reduce the labor required to form these parts, eliminate the extensive maintenance costs. Failure to procure this item will result in an unrealized savings of $546,639 per year.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9804 / CNC Tube Bender (Replacement)	D. Activity Identification WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total Cost	Qty	Unit cost	Total cost
CNC Tube Bender				1	600	600			

Narrative Justification:

The CNC Tube Bending Machine is designed to bend fuel lines, hydraulic lines, and other miscellaneous tubes ranging from 2" to 4" in diameter. The CNC bender will enable direct connection to the Defense Depot Data Integration System as well as WR-ALC existing laser tube inspection system. The CNC capability provides for better forming control bending large diameter tubes on a tight radius.

Impact if Not Provided:

The existing manual machine has experienced controller problems and tends to act intermittently causing potential safety problems. If the CNC tube bender is not provided, these practices would continue. The CNC capability controls all aspects of operation from the setup to inspection. The CNC bender would enable shop personnel to tie into the Defense Depot Data Integration System and download data directly, thus significantly reducing setup times. The CNC capability would also enable shop personnel to tie directly into the existing laser inspection machine, providing instantaneous quality control data.
The savings to investment ratio is 2.66.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98				C. Line No. & Item Description E9805 / Large Aircraft Start System (LASS) (Replacement)			D. Activity Identification OC-ALC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Large Aircraft Start System				6	148	890			

Narrative Justification:

This project provides one-for-one replacements for six MA-1A starters which are required for the C/KC-135 aircraft. It is not economically feasible to repair the MA-1A starters since the cost of a replacement motor is approximately $100k each. The new power units will be used both in hangar docks and on the flightline to start C/KC-135 aircraft and accomplish cabin pressure checks.

Impact if Not Provided:

The shortage of MA-1A starters and power units to support the C/KC-135 aircraft programmed depot maintenance (PDM) at Tinker AFB will result in line stoppage and slippage or reschedule of the PDM output dates to customers.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
I. Component/Activity Group/Date SAF/Depot Maintenance/Feb 98				C. Line No. & Item Description E9806 / Universal Grinding Machine (Replacement)			D. Activity Identification WR-ALC		
	FY 1997			FY 1998			FY 1999		
lement of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
niversal Grinding Machine				1	975	975			

arrative Justification:

he universal grinding machine is designed for grinding and bushings on the horizontal stabilizer spindle during epot level repair of the F-15. Due to the spindle configuration and precise grinding tolerances, a specialized achine tool is required for this grinding operation.

mpact if Not Provided:

his current machine was purchased in 1983 and has been used exclusively to grind spindle bushings since it as procured. Due to age and constant use, this machine has begun to fail. It is difficult to get replacement arts for this machine and many of the electronic components have become obsolete. Depot level repair f the horizontal stabilizer cannot be completed without this machine. The savings to investment ratio is 20.34.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9807 / ICT Computed Tomography (Replacement)	D. Activity Identification 00-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
'CT Computed Tomography				1	960	960			

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Narrative Justification:

'he ICT-1500 CT Inspection System is comparable to a medical CAT (CT) scanning system, but is utilized in an ndustrial application. The system provides 360 degree cross-sectional slices of various thickness of an item s it sits on the inspection table. The system is primarily utilized for the inspection of Minuteman III hird stage rocket boosters, an array of munitions within the Department of Defense, and inert objects such as astings, forging, and machined parts. The current process/equipment that will be affected by the upgrade of his system will be the overall reliability, maintainability, speed, and increased detectability of the entire ystem.

mpact if Not Provided:

he current processes, methods, and equipment being used is the original CT system (software and hardware). his system is operated and controlled by an obsolete Motorola microprocessor, and an obsolete DEC Micro AX 11/750 computer system. Replacement parts are no longer manufactured or economically repairable for his system. The upgrade of the system will increase our scanning time by 30 percent overall. If the system as to become non-operational and inspection requirements remained the same, Minuteman rocket motor-s would have o be inspected by means of x-ray film radiography. By using film radiography manpower and hours would increase y 20 percent overall. The savings to investment ratio is 2.97.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98			C. Line No. & Item Description E9808 / Compact Range (Replacement)				D. Activity Identification OC-ALC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total Cost	Qty	Unit cost	Total cost
Compact Range				1	3500	3500			

'arrative Justification:

compact range will be installed in Building 3707 to replace the outdoor, far-field range at building 3507. The rimary function of the proposed compact range will be to test the electrical characteristics of aircraft adomes. The proposed compact range will also be able to perform the secondary functions of evaluating aircraft ntennas and RF avionics which support the aircraft antenna systems. The existing range presents several otential safety hazards that will be alleviated by the replacement compact range. The existing range emits adiation freely to the surrounding area. Hoisting the radomes into the second floor gimbal mounts is cumbersome nd introduces hazards especially during windy and icy weather conditions.

mpact if Not Provided:

adomes are critical for the B52, KC135, E3, and E6 weapon systems to operate. The far-field range located at uilding 3507 is the only range in the Air Force capable of testing B52, E3, E6, and KC135 radomes. The ar-field range is extremely antiquated and unreliable. In the last five years alone it has broken down over times, which resulted in a total of 1520 hours of down time. A replacement to the current far-field range ust be built. The most efficient and effective replacement is a compact, far-field range.
he savings to investment ratio is 1.26.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9809 / CNC Vertical Machining Center (Replacement)	D. Activity Identification WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
CNC Vertical Machining Center				1	I.350	1350			

arrative Justification:

his machine is a 3-axis Computer Numeric Controlled Vertical Milling Machine. It is designed for heavy duty, recision, milling, boring, drilliny, and tappiny of large scale structural components on the C-130, C-141, nd F-15.

mpact if Not Provided:

urrently, steel, titanium, and large scale aluminum aircraft components are produced on either of two CNC achines designed specifically for this purpose. One of the existing machines was purchased in 1972 and due o age and constant use, this machine has become unreliable. Overhaul/repair of this machine is not feasible. he savings to investment ratio is 2.66.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9810 / Radome Test Range Equipment (Replacement)	D. Activity Identification WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Radome Test Range Equipment				1	6000	6000			

Narrative Justification:

This project is the rehost of the F-15 Nose Radome Test Range Equipment. This includes positioning system, instrumentation, compact range, and system engineering and integration. The existing outdoor radome test facility is located in two three story buildings: B675 and B676. Building 675 was built in 1958 and has deteriorated over time. Due to equipment obsolescence and excessive wear of the test equipment caused by the extreme environment. This range/equipment will become inoperable in the near future and must be replaced. The range tests over 200 radomes per year with annual test revenue of $1.3 million.

Impact if Not Provided:

Lack of funding will impact the F-15 mission and the Avionics Directorate workload. This range is the only DOD facility that tests the F-15 radome. For the last three years the range has been down for equipment repair an average of one month per year. The savings to investment ratio is 1.0.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)	A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9811 / Computer Aided Electronic Design System (Replacement)
	D. Activity Identification 00-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Computer Aided Electronic Design System				1	1596	1596			

Narrative Justification:

The mission of 00-ALC is to provide the Air Force and the DOD with advanced electronic engineering design, electronicsystem development and prototyping, reverse engineering of obsolete DOD weapon system electronics, and the engineering detailing, simulation and design testing of electronic printed circuit boards for production.

Impact if Not Provided:

The current non-supportable Mentor Graphics Software Design System including the Hewlett Packard UNIX work stations with the unsupported software are becoming incapable of supporting the new libraries of parts. The replacement and upgrade of the present CAE/CAD electronic design system is essential. Support relating to key F-16, H-53, AIM-9 and maverick missile programs would be critically impaired. The savings to investment ratio is 11.074

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION
($ in Thousands)

A. BUDGET SUBMISSION
FY 1999
PB Submission

B. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
USAF/Depot Maintenance/Feb 98	E9812/ CNC Stretch Press (Replacement)	WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
CNC Stretch Press				1	2300	2300			

Jarrative Justification:

The CNC Drape Former is designed to bend sheet metal components through the process known as drape or stretch forming. Sheets of metal are draped, and then pulled over a form block or die in order to produce the shape of the final finished part. CNC systems regulate the forming process through control of forming pressure, die table pressure, and the actual stretching process.

Impact if Not Provided:

The sheet metal manufacturing shop currently utilizes an NC drape forming machine. The machine was originally installed in 1983. Many of the hydraulic cylinders are leaking and beyond repair. The machine is very unstable and was down a significant portion of FY96. This is the only machine of its kind in the WR-ALC inventory. This particular forming process is required to produce aircraft skins of large sizes and contours for the C-130, C-141, and F-15. The impact of not replacing such a machine would be losing the capability of stretch Forming such critical aircraft parts.
The savings to investment ratio is 3.95.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
). Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
ISAF/Depot Maintenance/Feb 98	E9813/ Analog Test Stations (Replacement)	00-ALC

lement of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
nalog Test Stations				6	1066	6400	2	950	190

arrative Justification:

eplace the existing F-16, F-15, and B-1B Analog Test Stations and Test Program Sets (TPSs). Current test tations are obsolete and extremely difficult to maintain and support. The stations are fully down 30% of the ime. Repair components are generally not available with some having a three year lead time, if at all rocurable. Replacing the existing ATE will effect all the resident TPS that are run across the existing ATE tations. Additional cost is incurred in translating or developing TPSs compatible to the newly purchased ATE. t will take three years to translate TPSs to new ATE. First year funding will support six development stations, tation operating software and a software translator to re-host the TPSs to the new station. In addition work ill begin on converting 245 TPS's. Second year funding will finish the project by procuring 2 more stations and onverting the remainder of the 245 TPSs.

mpact if Not Provided:

he HI-2600 is the sole means of support for the F-16 Analog Circuit Cards. Best estimates show that the I-2600 will become incapable of supporting the F-16, F-15 and B-1B workloads in two years. The savings to nvestment ratio is 6.1.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98			C. Line No. & Item Description E9814/ F-16 Emergency Power Unit Test Console (Replacement)				D. Activity Identification OO-ALC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
F-16 Emergency Power Unit Test Console				1	900	900			

Narrative Justification:

This project refurbishes the F-16 Emergency Power Unit (EPU) Test Console. The console contains outdated components that cannot be repaired because parts are no longer available. Reprogramming is required to provide entry and exit points for troubleshooting. Also, interface test adapter needs to be designed and manufactured to allow the calibration of the components in the stand. The safety improvements include automatic servicing of the oil circuits when needed. During FY96 this test console was down 619 hours for repairs and calibration.

Impact if Not Provided:

The cost for 619 hours of repair and calibration was $46,616. Two technicians worked five weekends of overtime due to test stand breakdowns. The labor cost of the overtime was $5,925. The F-16 EPU has been identified as a lean logistics satellite project with very short flow days. The shop cannot meet the lean logistics requirements with frequent breakdowns.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION
($ in Thousands)

A. BUDGET SUBMISSION
FY 1999
PA Submission

B. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
JSAF/Depot Maintenance/Feb 98	E9815/ Automated Ultrasound Machine (Productivity)	WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Automated Ultrasound Machine				4	300	1200			

Narrative Justification:

This machine is used in conjunction with a new procedure for inspecting the 7000 inner wing lower surface spanwise splice fastener locations that has been developed for use on the C-141 aircraft. This process will reduce the size of the crack that can be detected to 0.050 inches in the second layer, which will permit the inspection to be increased to every 5 years during the PDM cycle.

Impact if Not Provided:

Currently, the spanwise splice inspection is completed at the home station of the aircraft using a manual procedure accomplished from portable stands. The inspection must be accomplished every 120 days. With the new ultrasound machines, the inspection can be done as part of the PDM process every 5 years. The savings to investment ratio is 20.76.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PBD Submission
B. Component/Activity Group/Date			C. Line No. & Item Description			D. Activity Identification			
USAF/Depot Maintenance/Feb 98			E9816/ Analog Test Station (Replacement)			WR-ALC			
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Analog Test Station				1	3876	3876	1	4022	402:

Narrative Justification:

This project is for the upgrading of new instrument consoles for one automatic test station in FY98 and one in FY99. The new stations will replace the original 1970's technology equipment with the latest state-of-the-art instrumentation that has greater reliability, maintainability, capability, and flexibility. The F-15 aircraft and the APG-63 Multi-Mode Radar systems have been extensively modified and upgraded but the depot support equipment **was** not simultaneously upgraded for sustainment.

Impact if Not Provided:

Lack of funding will impact the F-15 mission and the Avionics Directorate workload. Without funding to upgrade the stations, the repair and testing capability of the Multi-Mode Radar shop replaceable units will be lost. Without repair, flight status of the F-15 aircraft will be affected. It is estimated that the no fly date will be CY2001 if the upgrade is not performed. The savings to investment ratio is 14.85.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date			C. Line No. & Item Description				D. Activity Identification		
JSAF/Depot Maintenance/Feb 98			E9817 / Plastic Media Blast (PMB) Depaint Booth (Productivity)				WR-ALC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
PMB Depaint Booth				1	1764	1764			

larrative Justification:

'his project is to modify CO2 equipment and upgrade robotics to depaint F-15 aircraft using plastic media. 'here will also be a media recovery system installed in the floor.

mpact if Not Provided:

'he F-15 SPD will be unable to depaint aircraft scheduled for PDM. A detailed economic analysis projects a avings to investment ratio of 1.41 for this project.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 OSD/OMB Submission
3. Component/Activity Group/Date ISAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9901 / Rotor Stacking Gauge System (Productivity)	D. Activity Identification OC-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Rotor Stacking Gauge System							1	606	606

Narrative Justification:

otor stacking gauge system will allow OC-ALC to reduce the production time, increase accuracy and epeatability. The rotor stacking gauge system consists of a granite mounted, air bearing rotary table; vertical nd horizontal adjustable supports for the gauge heads, lever type gauge heads, and a computer to analyze the nput from the gauge heads. The system shall have the ability to generate Statistical Process Control reports. he system will improve the rotor assembly process and reduce test cell vibration as well as increase life in he engine components and reduce fuel consumption.

mpact if Not Provided:

C-ALC will not have the inherent capability to meet the future engine assembly techniques. Without the system, eduction of production time and increase in the repeatability and accuracy will not be possible. A reduction n engine recycle rate will also be lost if this system is not purchased. The savings to investment ratio s 3.7.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)			A. BUDGET SUBMISSION FY 1999 OSD/OMB Submission
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9902 / Large Aircraft Robotic Faint Stripping (LARPS) II (Environmental Compliance)		D. Activity Identification OC-ALC

	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Large Aircraft Robotic Paint Stripping II							1	6000	**6000**

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larrative Justification:

'his project will purchase and install a second LARPS robot to support aircraft depaint at OC-ALC. The original ARPS robot cannot accomplish all the projected paint strip workload for the B-1B and C/KC-135 aircraft. The econd robot will increase aircraft throughput capacity by 40 percent and virtually eliminate the need for hemical paint removal on these weapon systems. The new robot will interface with the original LARPS system and ill require minimal software and facility changes.

mpact if Not Provided:

ncreasing environmental restrictions will significantly increase the cost of the current chemical process and mpair capabilities to depaint aircraft. If this project is not funded we will be forced to chemically strip xcess B-1B and C/KC-135 aircraft due to an existing shortfall with the original LARPS system.
he savings to investment ratio is 1.35.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
I. Component/Activity Group/Date SAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9903 / Console Pneumatic Valve Test (Phase IV) (Replacement)	D. Activity Identification OC-ALC

lement of Cost	FY 1997			FY 1998			FY 1999		
	Qt y	Unit cost	Total cost	Qty	Unit cost	Total cost	Qt y	Unit cost	Total cost
onsole Pneumatic Valve Test Phase IV)							3	250	750

arrative Justification:

roject will replace 3 of 18 test cell consoles that are 41 years old. Project will correct problems with ontroller safety, problems with egress restrictions, unsafe wiring, and controller runaway. Two consoles are eing replaced in FY98 in Phase II and III.

mpact if Not Provided:

hese test consoles have been modified numerous times in attempts to keep them operational. Parts are no onger available for many of the components. If the consoles are not replaced then they will eventually become noperable. Failure to correct long-standing safety problems means management is assuming the risk of injury 0 personnel. Failure to maintain infrastructure means giving up the means of production, which eliminates surge apability, and increases cost of production.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9904 / Fluorescent Penetrant Line (Replacement)	D. Activity Identification OC-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Fluorescent Penetrant Line (FPI)							1	2000	2000

Narrative Justification:

The existing FPI line in the Blade Building was pieced together from excess conveyor parts and plating tanks from before the 1984 fire. It was squeezed into a very small area, and was not designed to fit the process. When the Blade Building went on-line, the bits and pieces were simply moved from 3001 to the new building. There were no changes to the line. The existing configuration does not provide sufficient distance between process points in the line to allow proper dwell time for FPI applications. This was not a problem earlier, due to the limited contracts for the Blade Building. The workload has significantly increased in the past two years. A recent modeling simulation done by GA Technologies estimated we could only properly process some 70% of the blades currently under contract.

Impact if Not Provided:

The shop has to work outside normal operating hours to meet the existing workload. If we do not replace the line, we will not continue to meet existing workload and will not be in the position to support various TF39 contracts for which we are now competing.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9905 / Automated Ultrasonic Scanning System (Productivity)	D. Activity Identification OC-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit Cost	Total cost.
Automated Ultrasonic Scanning System							1	890	890

Narrative Justification:

This project will upgrade the AUSS-V system by replacing the outdated Data General computer with a Hewlett Packard workstation, and also accomplishing thirteen additional mechanical system upgrades which will provide new or enhanced capabilities. The mechanical upgrades will provide substantially increased data quality, improve positioning accuracy through reductions in vibration and backlash, improve vertical scanning speeds, and allow inspection of part geometrics not previously accessible.

Impact if Not Provided:

The current Data General based computer system is no longer manufactured and is becoming increasingly difficult to maintain. More inspection throughput could be realized with faster operating systems. Eventually, the entire System will become obsolete and impossible to maintain if it is not upgraded. This project is for the B-1B aircraft composite workload.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
I. Component/Activity Group/Date 'SAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9907 / CNC Plastic Injection Molder Press (Replacement)	D. Activity Identification 00-ALC

	FY 1997			FY 1998			FY 1999		
:lement of Cost	Qt y	Unit cost	Total cost	Qt y	Unit cost	Total cost	Qty	Unit cost	Total cost
'NC Plastic Injection Molder Press							1	1200	1200

Narrative Justification:

Purchase and install CNC controlled 10 pound capacity Plastic Injection Molder for the Plastic Shop. Unit shall have the following capabilities: 1500 ton pressure rating, 10 pound capacity, CNC control system, 3'x4' work platform, cooling system and ventilation system. Incorporate CNC control system into central CAD/CAM system.

Impact if Not Provided:

00-ALC has been selected as site for the Advanced Composite Shop relocated from SM-ALC. The Advanced Composite Shop requested the purchase and installation of 10 pound capacity plastic molder to support relocated workload. The Plastic Shop will not be able to support increased workload without this equipment.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98				C. Line No. & Item Description E9908/ Autoclave 4' x 8' (Productivity)			D. Activity Identification OO-ALC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit Cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit Cost	Total cost
Autoclave 4' x 8'							1	735	735

Narrative Justification:

Purchase and install new 4 x 8 autoclave that shall have the capability to handle 300 psi and 1200 degree Fahrenheit temperatures.

Impact if Not Provided:

Due to projected increase of composite workload over the next 5 years, the existing 3 x 4 autoclave shall not be able to handle the projected increase in workload or the future temperature requirements of the new advanced composites. Project supports the composite workloads on the F-4, F-5, F-16, C-5, C-130, and KC-135.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9909 / Laser Welder (Replacement)	D. Activity Identification WR-ALC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Laser Welder							1	974	974

Narrative Justification:

This project is for the procurement of a new laser welder cutting system which will replace the existing 1970s technology laser and out-dated weld station with state-of-the-art equipment which has greater reliability, capability, and flexibility and for which replacement parts are readily available. The laser welder is used on navigational gyroscopes for the F-4, F-15, F-16, A-10, F-106, and B-52.

Impact if Not Provided:

The existing laser weld cutting system uses a laser which is obsolete 1970s technology. Maintaining and keeping the laser operational has become more difficult due to age of the unit, resulting in large amounts of downtime. The existing weld station also has a computer control system and multi--axis positioning system which are out of date and restrict the use of the welding/cutting system to one type of gyro. The readiness posture will continue to deteriorate unless the requested updated system is obtained, and bottlenecks and backlogs and possible work stoppages or missed schedules will result.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date			C. Line No. & Item Description						D. Activity Identification
USAF/Depot Maintenance/Feb 98			E9910 / Digital Test Station (Replacement)						WR-ALC
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Digital Test Station							1	1733	1733

Narrative Justification:

This project is for the rehost of new instrument consoles for the one automatic test station for FY99. The new stations will replace the original 1970's technology equipment with the latest state-of-the-art instrumentation that has greater reliability, capability, and flexibility. The F-15 aircraft and the APG-63 Multi-Mode Radar Systems have been extensively modified and upgraded but the depot support equipment was not simultaneously upgraded for sustainment. This automatic test equipment is required for final testing of the Multi-Mode Radar on the F-15 and F-16 aircraft to technical order specifications.

Impact if Not Provided:

Lack of funding will impact the F-15 mission and the Avionics Directorate workload. Without funding to upgrade the stations, the repair and testing capability of the Multi-Mode Radar shop replaceable units will be lost and the F-15 will be grounded. It is estimated that the current stations are in such serious trouble as far as part availability that they will no longer be supportable by CY2000.
The savings to investment ratio is 14.96.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9911/ Intermediate Frequency/Video/Micro Test station (Replacement)	D. Activity Identification WR-ALC

	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
Intermediate Frequency/Video/Micro Test Station							1	3883	3883

Narrative Justification:

This project is for the rehost of new instrument consoles for one automatic test station for FY99. The new station will replace the original 1970's technology equipment with the latest state-of-the-art instrumentation that has greater reliability, capability, and flexibility. The F-15 aircraft and the APG-63 Multi-Mode Radar systems have been extensively modified and upgraded but the depot support equipment was not simultaneously upgraded for sustainment. This automatic test equipment is required for final testing of the Multi-Mode Radar on the F-15 and F-16 aircraft to technical order specifications. The Intermediate Frequency Video Microwave Test Station is used in the repair of avionics equipment in support of a total of over 700 F-15 aircraft of which many are expected to remain in service beyond the year 2020.

Impact if Not Provided:

Lack of funding will impact the F-15 mission and the Avionics Directorate workload. Without funding to upgrade the station, the repair and testing capability of the Multi-Mode Radar shop replaceable units will be lost and the F-15 will be grounded. It is estimated that the current stations are in such serious trouble as far as part availability that they will no longer be supportable by CY2000.
The savings to investment ratio is 15.43.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date			C. Line No. & Item Description						D. Activity Identification
USAF/Depot Maintenance/Feb 98			E9912 / ATE Final Test Station (Replacement)						WR-ALC
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
ATE Final Test Station							12	212	2544

Varrative Justification:

This project is for the procurement of new instrument consoles for the 12 automatic test stations which will replace the existing 1970s technology equipment consoles with the latest state-of-the-art instrumentation which has greater reliability, capability, and flexibility and for which replacement parts are readily available. The automatic test stations are required for final testing of navigational gyroscopes for the F-5, F-15, F-111, RF4-C, T-38, C-130, C-141, and KC-135.

Impact if Not Provided:

Current in-use console replacement and/or spare parts are no longer available. Electronics technology has improved greatly since the current system was designed and has provided instruments which are easier to use, more accurate, and more reliable. Many of the consoles have been out of service for long periods of time due to the lack of parts or suitable replacement instruments. The readiness posture will continue to deteriorate unless the requested updated instrument consoles are obtained. The serious detrimental effect on gyroscope production would have the potential of grounding aircraft and missiles because of the lack of navigational gyroscopes.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
1. Component/Activity Group/Date ISAF/Depot Maintenance/Feb 98	C. Line No. & Item Description E9913/ R/I Rate Manual Test Station (Replacement)	D. Activity Identification WR-ALC

	FY 1997			FY 1998			FY 1999		
lement of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qt y	Unit cost	Total cost
./I Rate Manual Test Station							11	181	1988

larrative Justification:

'his project is for the procurement of new instrument consoles for the 11 manual test stations which will eplace the existing 1970s technology equipment consoles with the latest state-of-the-art instrumentation which as greater reliability, capability, and flexibility and for which replacement parts are readily available. The anual test stations are required for calibration testing of rate/integrating (R/I) rate navigational gyroscopes o T.O. specifications.

mpact if Not Provided:

'urrent in-use console replacement and/or spare parts are no longer available. Electronics technology has mproved greatly since the current system was designed and has provided instruments which are easier to **use,** lore accurate, and more reliable. Many of the consoles have been out of service for long periods of time due o the lack of parts or suitable replacement instruments. The readiness posture will continue Co deteriorate nless the requested updated instrument consoles are obtained. The serious detrimental effect on gyroscope roduction would have the potential of grounding aircraft and missiles of several DOD branches because of the ack of navigational gyroscopes.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date			C. Line No. ti Item Description						D. Activity Identification
USAF/Depot Maintenance/Feb 98			E9914 / High Efficiency Small Batch VAC Furnace (Replacement)						OC-ALC
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
High Efficiency Small Batch VAC Furnace							2	382	763

Narrative Justification:

Replace the large existing standard efficiency Wellman furnace OC6617 with 2 each high efficiency small batch vacuum furnaces in order to process smaller batches of parts and reduce electrical usage. The Wellman furnace currently located in B3221 was damaged in FY95 by a large steam explosion and is no longer serviceable. Blades are currently being transported to the B3001 heat treat facility for processing in large standard efficiency furnaces similar to the Wellman. The new smaller furnaces are 1/3 the capacity of the Wellman furnace and shall be more efficient than the large vacuum furnaces currently in use, enabling the processing of much smaller number of parts per batch required by lean logistics. Flow day will be reduced.

Impact if Not Provided:

Increased electrical usage due to lean logistics. Flow days shall remain high due to transporting parts between B3221 and B3001 heat treatment facility. The savings to investment ratio is 1.6 and the payback period is 6.24 years.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)										A. BUDGET SUBMISSION FY 1999 PB Submission		
B. Component/Activity Group/Date				C. Line No. & Item Description					D. Activity Identification			
USAF/Depot Maintenance/Feb 98				:0000/ Equipment < $500,000					AFMC			
	FY 1996			FY 1997			FY 1998			FY 1999		
:lement of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
	57	NA	14400	28	NA	8550	13	NA	4750	46	NA	13900

Narrative Justification:
This category includes a vast array of equipment required to support depot maintenance industrial processes. Equipment included is essential to AFMC's ongoing effort to maintain and modernize our existing organic industrial base, save taxpayer dollars through increased productivity and to support customer requirements. Each piece of equipment will contribute to improving a testing, inspecting, cleaning, coating, bonding, grinding, forming or some other industrial operation which when combined will improve efficiency, enhance product quality and increase customer satisfaction. Examples include lathes, milling machines, grinding machines, boring machines, arc welders, heat treating equipment, parts cleaning equipment, non-destructive inspection equipment, automatic test equipment, circuit card repair equipment, plating/cleaning equipment, dimensional measuring equipment, and laboratory analysis equipment. Also included in this category are some equipment items required to support hazardous waste minimization and pollution prevention efforts.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description A9601 / DMAG Budget and Price Development Sys (Productivity)	D. Activity Identification AFMC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
DMAG Budget and Price Development System	NA	NA	1885	NA	NA	1875	NA	NA	1600

Narrative Justification:
For the Air Force Depot Maintenance Activity Group (DMAG), major process changes in decentralization of customer funding, stock funding of DLRs, etc., have rendered obsolete the systems used within the Air Force to build budget submissions and customer prices. Recognizing that a total re-engineering of these systems was required, HQ USAF, SAF, and HQ AFMC initiated a comprehensive IDEF process analysis (including AS-IS and TO-BE IDEFO Activity Models and IDEF1X Data Model) to baseline the current process and develop the architecture for the re-engineered process and data requirements of the future. To ensure the successful implementation and performance of their new streamlined and flexible process, it is necessary to implement a suite of automated DMAG tools. These tools will be used by DMAG personnel and the Pentagon, AFMC, and the ALCs to build budgets, set prices, report performance, respond to ad hoc requests for information, and to exchange information. The DMAG tools will be built using appropriate COTS software packages and application development tools.

Impact if not provided:
Air Force DMAG will be unable to provide timely and accurate pricing data. For customers, this will lead to major funding shortfalls and excesses in execution and will undermine their ability to reliably project future requirements. In addition, DMAG's budget submissions will be ineffective in identifying resource requirements, providing the information and tools necessary for management decision-making, and providing a valid basis for program execution. Ineffective pricing and budgeting using the current process will result in ineffective resource management within a $4.5 billion per year Air Force program.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date			C. Line No. & Item Description				D. Activity Identification		
JSAF/Depot Maintenance/Feb 98			A9602 / Depot Maintenance Standard System (DMSS) (Productivity)				AFMC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
DMSS	NA	NA	10300	NA	NA	3650	NA	NA	4000

Narrative Justification:

This project supports procurement of ADPE/Telecommunications equipment to support the Depot Maintenance Standard System (DMSS) at the five Air Logistics Centers (ALCs). This project represents the reprogramming of funds from the Joint Logistics Systems Center (JLSC) as directed by PBD 401. This system provide a suite of service specific migration applications with basic interfaces to the current legacy system environment. Benefits will be realized in two primary areas: business performance and information system costs. Some of the improvements provided by the system include reduced cycle times, increased accuracy of delivery schedules, reduction of inventory expenses, reduced labor costs, reduced overhead and improved schedule performance.

Impact if Not Provided:

Without this investment, needed improvements to the depot business process and infrastructure will not be achieved. As the DoD weapon systems continue to age, reductions to the workforce continue and the number of depots are reduced, efficient and effective organic repair capability is of increasingly growing importance to DoD in maintaining weapon systems combat readiness. In order to meet this demand, the depot community needs to dramatically strengthen its business processes and the associated information infrastructure (hardware).

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98			C. Line No. & Item Description A9701 / Redesign of Contract Depot Maintenance Production and Cost System (G072D) (Replacement)			D. Activity Identification AFMC			
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit cost	Total Cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
G072 Redesign	NA	NA	1700	NA	NA	1000	NA	NA	1000

Narrative Justification:

A 1992 audit determined that the G072D is not in compliance with DOD accounting standards and in order to modify the G072D to correct the audit deficiencies a redesign is required. In addition the G072D has been identified as an Air Force legacy system and will not be replaced by any DOD migratory system. The current G072D does not support the AFWCF environment and must be redesigned.

Impact If Not Provided:

Depot Maintenance Activity Group (DMAG) financial and production data will be distorted. The DMAG supports more than $1 billion in customer depot maintenance repair requirements.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)	A. BUDGET SUBMISSION FY 1999 OSD/OMB Submission

I. Component/Activity Group/Date	C. Line No. & Item Description	D. Activity Identification
ISAF/Depot Maintenance/Feb 98	A9702 / File Server (Replacement)	SM-ALC PB Submission

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost
File Server	1	591	591						

Narrative Justification:

This project provides for a 7010 file server to replace an out of date 8850 VAX. The file server is required to rehost the Management Decision Support System to integrate with current technology and base architecture.

Impact if not provided:

Continuance of the old system will increase maintenance cost and not provide access to the Depot Maintenance Standard System(DMSS) which will be coming on-line. The current system does not fit with open architecture and will not integrate well with the DMSS. The project is required for analytical capability of on-time delivery and flow days, thereby enhancing customer support.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)										A. BUDGET SUBMISSION FY 1999 PB Submission
3. Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98				C. Line No. & Item Description A0000 / ADPE & Telecom < $500,000			D. Activity Identification AFMC			
Element of Cost	FY 1997			FY 1998			FY 1999			
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	
	NA	105	105	3	NA	420	0	NA	0	

Narrative Justification:

This category supports procurement of information equipment with a total project cost under $0.5M. Supported areas include office automation and the development, upgrade or enhancement of information systems required to maintain, transfer and manipulate data critical to depot maintenance operations.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY 1999 PB Submission
I. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description MOOOO/ Minor Construction > $100,000	D. Activity Identification AFMC

Element of Cost	FY 1996			FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost	Qty	Unit cost	Total cost.
	15	NA	2800	10	NA	3500	15	NA	4848	25	NA	8231

Narrative Justification:
Minor construction allows flexibility in adapting to new and changing workloads. Projects are small scale costing between $100,000 and $500,000) and are designed, scheduled and constructed in accordance with ALC stablished priorities. These projects support the Air Logistics Centers mission requirements, correct safety nd health problems, consolidate work areas as a result of downsizing efforts, and improve productivity through uality of life improvement projects and office/work space reorganizations. Typical projects could nclude modification of load bearing walls, changing work category codes within designated areas, or dding square footage to an existing work area to accommodate mission changes.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)									A. BUDGET SUBMISSION FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98			C. Line No. & Item Description SD9701 / Depot Maintenance Related Software Development (Productivity)				D. Activity Identification HQ AFMC		
	FY 1997			FY 1998			FY 1999		
Element of Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Depot Maintenance Related Software Development (Productivity)	NA	2100	2100						

Narrative Justification:

$2.1M of funds are required for depot maintenance related software development in support of Programmed Depot Maintenance Scheduling System (PDMSS), Facility and Equipment Maintenance (FEM), Navy Industrial Financial Management System (NIFMS), and the LGP Data Warehouse. $913K will be used for PDMSS to convert PDMSS into a non-proprietary Oracle database with a graphical user interface. $100K will be used to complete a study of NIFMS (Naval financial system) for Air Force use. $446K will be used to complete development of interfaces for FEM with Air Force legacy systems. Finally, $841K will be used to build an depot maintenance data warehouse. This will be used by HQ AFMC personnel to perform data analysis on center performance measures. This capability will take information directly from legacy systems in a near real time environment allowing timely analysis and proactive HQ AFMC support.

Impact if Not Provided:

Without the PDMSS funds we will be forced to use a single contractor for maintenance and the system will not meet Air Force open architecture requirements. NIFMS will fill a hole that currently exists in the Air Force systems. This study allows a thorough investigation of NIFMS to ensure it meets all Air Force and DOD requirements. Without FEM funding we will be forced to maintain the two existing, cumbersome legacy systems. Without the depot maintenance data warehouse we will be forced to continue to rely on paper products from more than 20 data systems. These products must be compiled, input into spreadsheets and manipulated to get results.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		FY 1999 PB Submission
B. Component/Activity Group/Date USAF/Depot Maintenance/Feb 98	C. Line No. & Item Description SD9801 /DIFMS Implementation	HQ AFMC

				FY 1998			FY 1999		
lement of Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	<∞ t
Defense Industrial Financial Management System (DIFMS) Implementation				NA	NA	15200	NA	NA	16069

Narrative Justification:

The need for improved/expanded financial capability has led the AF to the decision to implement the Defense Industrial Financial Management System (DIFMS). These funds will allow for necessary functional and technical changes to the depot maintenance budget/cost management systems, the strategic management systems, and the inventory tracking system required to support this effort. This effort also supports the Defense Finance and Accounting Service's efforts to standardize depot maintenance budget/cost management systems.

Impact if Not Provided:

AFMC systems will remain antiquated and unable to support the depot maintenance processes of the future.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)		A. BUDGET SUBMISSION FY I999 PB Submission
). Component/Activity Group/Date JSAF/Depot Maintenance/Feb 98	C. Line No. & Item Description SD9802 / Depot Maintenance Legacy Systems Redesign (Replacement)	D. Activity Identification HQ AFMC

Element of Cost	FY 1997			FY 1998			FY 1999		
	Qty	Unit cost	Total cost	Qt y	Unit cost	Total cost	Qty	Unit cost	Total cost
)epot Maintenance Legacy Systems Support/Redesign				NA	NA	18000	NA	NA	11700

Iarrative Justification:

'unds will continue the modernization of depot maintenance systems no longer being supported/upgraded by JLSC. :t is AFMC's intent to evaluate COTS software to support depot maintenance processes starting in FY98/99. Iowever, with our rapidly evolving business practices (i.e. lean logistics), AFMC is uncertain that this software vill support our changing needs. In the event COTS can not support our business practices, the contingency)lan is to redesign current legacy systems to meet our needs. Funding will provide data warehousing (to reduce :oding, standardize data and improve data accessability and visibility), improve user friendliness (utilizing a Vindows environment) and provide functionality.

Impact if Not Provided:

AFMC systems will remain antiquated and unable to support the depot maintenance processes of the future.

Capital Budget Execution
Department of the Air Force
Activity Group: Depot Maintenance
FY 1999
FY 1999 President's Budget

PROJECTS ON *THE FY99* PRESIDENT'S BUDGET

(Dollars in Millions)

FY	Approved Project	Reproqs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
97	**Equipment except** ADPE and TELECOM					
97	Centralized Aircraft Support System		3.1	1.3	1.8	Best Bid came in lower than anticipated.
97		LARPS II	4.8	0.0	4.8	Project deferred to FY99 because of prototyping problems with LARPS I. Funds reprogrammed.
97	Auxiliary Power Supply Test Set		5.9	12.7	(6.8)	Revised cost estimate.
97	Test Station (DIT-MCO)		1.1	0.0	1.1	Canceled due to decision to limit investment at closing bases.
97	Autoclave		1.5	0.0	1.5	Canceled due to decision to limit investment at closing bases.
97		C-S Mobile Tail Enclosures	0.0	2 7	(2 7)	C-5 contract drove purchase of two mobile tail enclosures and material to remain on schedule
97		ATE Computer System Upgrade	0 4	1.2	(0.8)	Analysis determined that the total requirement should be purchased now versus over 3 years.
97		A/C PMB Depaint Booth	0.0	2.2	(2.2)	Additions to clean air act drove out-of-cycle requirement
97		CNC Gap Grinder	0.0	1.5	(1.5)	This high priority project was funded with LARPS II fallout. Project was originally in FY98
97		Air Pollution Control System	0.0	2.2	(2.2)	Additions to clean air act drove out-of-cycle requirement.
97		PK-IOOA Auto Test Station	0.0	0.0	00	Project was added to FY97 program and then deferred to FY99 because of contractual problems.
97		CNC 5-Axis Core Cutting Center	0 0	1.2	(1.2)	Project moved up from PY98 program
97		Powered Overhead Conveyor System	0.0	1.2	(1.2)	Severe deterioration of current system drove out-of-cycle insert.
97		CNC Electrochemical Grinders	0.0	0.6	(0.6)	This high priority project was moved up from FY99 when funds became available

Capital Budget Execution
Department of the Air Force
Activity Group: Depot Maintenance
FY 1999
FY 1999 President's Budget

PROJECTS ON THE FY99 PRESIDENT'S BUDGET

(Dollars in Millions)

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
97		Laser Machining Center	0.0	1.0	(1.0)	Project moved up from FY98 progrom. Funded with LARPS II fallout.
97		5-Axis Horizontal Machining Center	0.0	1.3	(1.3)	High priority project was funded with LARPS II fallout.
97	Equipment < $500,000		21.1	8.5	12.6	Funding reprogrammed to cover higher priority projects costing more than $0.5M and MC.
97	**Equipment - ADPE and TELECOM**					
97	DMSS		11.3	10.3	1.0	Approved amount reduced in AFDM-97-2 by $1M to pay for FY 96 price increases.
97	DMAG Budget and Price Dev Sys		1.9	1.9	0.0	
97	Redesign of GO72D		1.7	1.7	0.0	
97	File Server		0.8	0.6	0.2	Best bidder came in below estimated price.
97	ADPE and TELECOM < $500,000		0.0	0.1	(0.1)	Out of Scope price increase on the PACSS funded in FY92
97	**Software Development**		0.0	2.1	(2.1)	$2.3M added in AFDM-97-S for depot maintenance related software development. $.2M reprogrammed.
97	**Minor Construction**		3.0	3.5	(0.5)	$.63M moved from equipment < $500,000 to fund higher priority minor construction projects.
	Total FY		56.5	57.8	(1.3)	Current FY97 authority is $57.9M per AFDM-97-5.

Capital Budget Execution
Department of the Air Force
Activity Group: Depot Maintenance
FY 1999
FY 1999 President's Budget

PROJECTS ON THE FY99 PRESIDENT'S BUDGET

(Dollars in Millions)

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
98	**Equipment except ADPE and** TELECOM					
98	Centralized Aircraft Support System		2.0	1.7	0.3	Estimated cost decreased based on actual data
98		PK-1000A Automated Test Station	1.2	0.0	I.2	Project deferred to FY99. Two PK-1000s will be purchased.
98	IO Depot NC Corrosion Control Facility		2.8	2.8	0.0	
9X	Fluid Cell Press		3.8	3.8	0.0	
98	Pneumatic Valve Test Console		0.6	0.0	0.6	Reprogrammed to FY99. fwo smaller projects will bc funded in FY98 that fall below $500K.
98	Large A/C Start System		0.8	0.9	(0.1)	Estimated cost has increased due to actual data.
98		Laser Machining Center	0.9	0 0	0.9	Project funded in FY97 with LARPS II fallout
98		NC Turning Center	1.1	0.0	1.1	Project dropped for higher priority requirements.
98		Gap Grinders	2.5	0.0	2.5	One was funded in FY97 with LARPS II fallout. One will be bought in FY99.
98		CNC S-Axis Core Cutting Center	1.5	0 0	1.5	Reprogrammed and purchased in FYY7.
98		CNC Tube Bender	0.0	0.6	(0.6)	High Priority project.
98		Universal Grinding Machine	0 0	1.0	(1.0)	High Priority project.
98		ICT Computed Tomography	0 0	1.0	(1.0)	High Priority project.
98		Compact Range	0 0	3.5	(3.5)	High Priority project

Capital Budget Execution
Department of the Air Force
Activity Group: Depot Maintenance
FY 1999
FY 1999 President's Budget

PROJECTS ON THE FY99 PRESIDENT'S BUDGET

(Dollars in Millions)

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
98	**Equipment except ADPE and TELECOM**					
98		CNC Vertical Machining Center	0.0	1.3	(1.3)	High Priority project.
98		Radome Test Range Equipment	0.0	6.0	(6.0)	ATE equipment previously funded with procurement accounts. Determined to be CPP responsibility.
98		Computer Aided Electronic Design System	0.0	1.6	(1.6)	High Priority project
98		CNC Stretch Press	0.0	2 3	(2.3)	High Priority project.
98		Analog Test Stations	0 0	6.4	(6.4)	00-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility.
98		F-16 Emergency Power Unit Test Console	0.0	0.9	(0.9)	00-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility.
98		Automated Ultrasound Machine	0.0	1.2	(1.2)	High Priority project.
98		Analog Test Station	0.0	3.9	(3.9)	WR-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility.
98		C-5 Mobile Tail Enclosures	0.0	3.4	(3.4)	C-5 contract drives purchase of three mobile tail enclosures to remain on schedule.
98		A/C PMB Depaint Booth	0.0	1.8	(1.8)	This project was added to the FY97 program and then deferred due to C-5 requirements delay
98		Manual Electrochemical Grinders	0.0	0.5	(0 5)	This project was added to the FY97 program and then deferred due to C-5 requirements delay.
98	Equipment < $500,000		21.7	4.8	16.9	Funds to be used to for projects costing greater then $500K.
98	**Equipment - ADPE and TELECOM**					
98	DMAG Budget and Price Development System		1.9	1.9	(0.0)	

Department of the Air Force
Activity Group: Depot Maintenance
FY 1999
FY 1999 President's Budget

PROJECTS ON THE FY98 PRESIDENT'S BUDGET

(Dollars in Millions)

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
98	DMSS		3.7	3.7	0.0	
98	GO72 Redesign		1.0	1.0	0.0	
98	ADPE and TELECOM < $500,000		1.1	0.4	0.7	Downscoping of workstation projects. Funds transferred to equipment line
98	**Software Development**					
98	DIFMS Implementation		25.0	15.2	9.8	Scope of project was defined to be $15.2M in 98. $4, I M was added to FY99 budget for total of 16. I M
98	Depot Maintenance Legacy System Support/Redesign		18.0	18.0	0 0	JLSC projects were transferred to AFWCF due to closure of JLSC.
98	Minor Construction		4.8	4.8	(0.0)	
98	*Total FY*		94.3	94.3	0 0	

Capital Budget Execution
Department of the Air Force
Activity **Group: Depot Maintenance**
FY 1999
FY 1999 President's Budget

PROJECTS ON THE FY99 PRESIDENT'S BUDGET

(Dollars *in Millions)*

FY	Approved Project	Reproqs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
99	**Equipment except ADPE and TELECOM**					
99	Centralized Aircraft Support System		2.0	1.8	0.3	Estimated cost decreased based on actual data.
99	PK-1 OOOA Automated Test Station		1.2	2.4	(1.2)	2 projects reprogrammed from FY97 and FY98. One project dropped until FY2000.
99		Servo Component Test Stand	0.0	0.8	(0.8)	High Priority project.
99	IO Depot A/C Corrosion Control Facility		11.4	0.0	II.4	MILCON project was not approved.
99	CNC Cylindrical External Step Grinder		0.7	0.0	0.7	Project replaced with Universal Grinder in FY98.
99		Gap Grinders	0.0	1.5	(1.5)	Reprogrammed from FY98.
99		Analog Test Stations	0.0	1.9	(1.9)	00-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility
99		Analog Test Stations	0.0	4.0	(4 0)	WR-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility.
99		Rotor Stacking Gauge System	0.0	0.6	(0.6)	High Priority project.
99		CNC Elcctrochcmical Grinding Machines	0.0	0.6	(0.6)	High Priority project.
99		Manual Electrochemical Grinding Machines	0 0	0.5	(0.5)	High Priority project
99		Large Aircraft Robotic Paint Stripping II	0.0	6.0	(6.0)	Reprogrammed from FY97 and price increased to cover expected increases.
99		Console Pneumatic Valve Test (Phase IV)	0.0	0.8	(0.8)	Reprogrammed from FY98 and price increased to cover expected increases.
99		Fluorescent Penelrant Line	0.0	2.0	(2.0)	High Priority project.

Capital Budget Execution
Department of the Air Force
Activity Group: Depot Maintenance
FY 1999
FY 1999 President's Budget

PROJECTS ON THE FY99 PRESIDENT'S BUDGET

(Dollars in Millions)

FY	Approved Project	Reproqs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
99	**Equipment except ADPE and TELECOM**					
99		Automated Ultrasonic Scan System	0.0	0.9	(0.9)	High Priority project.
99		F-16 Microwave Test Station	0.0	3.6	(3.6)	OO-ALC AT8 equipment previously funded with procurement accounts. Now CPP responsibility
99		CNC Plastic Injection Molder Press	0.0	I.2	(1.2)	Iligh Priority project
99		Autoclave (4 x 8)	0 0	0.7	(0.7)	Workload transfer from SM-ALC
99		Laser Welder	0.0	I.0	(1.0)	Iligh Priority project.
99		Digital Test Station	0.0	1.7	(1.7)	WR-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility
99		Intermediate Frequency Video/Micro Test Station	0.0	3.9	(3.9)	WR-ALC ATE equipment previously funded with procurement accounts Now CPP responsibility
99		ATE Final Test Station	0.0	2.5	(2.5)	WR-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility
99		R/I Rate Manual Test Station	0.0	2.0	(2.0)	WR-ALC ATE equipment previously funded with procurement accounts. Now CPP responsibility.
99		Iligh Efficiency Small Batch VAC Furnace	0.0	0 8	(0 8)	High Priority project
99	Equipment < $500,000		4.1	13.9	(9 8)	ATE requirements drove equipment to he reprogrammed from FY98.
99	**Equipment - ADPE and TELECOM**					
99	DMAG Budget and Price Development System		1.6	1.6	0.0	
9 9	DMSS		4.0	4 0	0 0	

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Capital Budget Execution
Department of the Air Force
Activity Group: Depot Maintenance
FY 1999
FY 1999 President's Budget

PROJECTS ON THE FY99 PRESIDENT'S BUDGET

(Dollars in Millions)

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
99		GO72 Redesign	0.0	1.0	(1.0)	Project extended into FY99.
99	ADPE and TELECOM < $500,000		0.0	0.0	0.0	
99	**Software Development**					
99	DIFMS Implementation		12.0	16.1	(4.1)	$4.1M was deferred from FY98 program for the same project.
99	Depot Maintenance Legacy System Support/Redesign		II.7	11.7	0.0	JLSC projects with funding were transferred to AFWCF due to closure of JLSC.
99	Minor Construction		1.1	8.2	(7.1)	High Priority projects,
99	Total F Y		49.8	97.7	(47.9)	ATE equipment funding, large increase in minor construction, and C-5 requirements drove increase.

(Dollars in Millions

Item Name:

Item Description

Capital Category

Fiscal Year

1997

1998

1999

Item Justificatio

MSG requires der
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Capital Budget Summary
Air Force Working Capital Fund
FY 1999 President's Budget
Information Services Activity Group
February 1998

FUND9A

(Dollars in Millions)

Item Description	FY 1997 Quantity	FY 1997 Total Cost	FY 1996 Quantity	FY 1996 Total Cost	FY 1999 Quantity	FY 1999 Total Cost
EQUIPMENT						
Replacement	1	0.939	0	0.000	2	1.304
Productivity	0	0.000	0	0.000	0	0.000
New Mission	0	0.000	0	0.000	0	0.000
Environmental Compliance	0	0.000	0	0.000	0	0.000
Subtotal	1	0.939	0	0.000	2	1.304
ADPE & TELECOM	11	2.599	23	6.490	210	2.910
SOFTWARE DEVELOPMENT	1	0.319	0	0.000	1	1.640
MINOR CONSTRUCTION	0	0.000	0	0.000	0	0.000
RELIABILITY, MAINTAINABILITY, & SUPPORTABILITY (RM&S) MODS	0	0.000	0	0.000	0	0.000
Total	13	3.947	23	6.490	213	6.764

Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Materiel Systems Group

(Dollars in Millions) February 1998

Item Name: 002

Item Description: Modernization of Workstations

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1996	0	0.000	0.000
1999	**200**	**0.003**	**0.600**

Item Justification/Impact if Not Provided:

The MSG requires modernization of its hardware (Personal Computers (PCs) and Servers) for its 600+ employees. Because of the momentum of advanced technology, some personnel continue to operate from workstations that do not meet the current Office Automation (OA) standards. Some personnel have had to operate on surplus Automated Data Processing Equipment (ADPE) or pieces/parts from various sources. Although some systems are usable, they cannot be economically upgraded to meet ordinary needs, MSG data calls, OA standards, or the mission of the MSG. Further, many systems have outdated versions of software. Without funding for this much-needed equipment, not only will the MSG systems not be OA-compliant, we will be unable lo utilize the AFMC standard suite of software and other widely used software packages. In addition, we would not be able to utilize our own MSG/SZ's Financial Management Module (FMM) and the Industrial Fund Accounting System (IFAS) required for use DOD-Wide. The modernization will be compliant with the currrent information technology environment/structure, the Defense Information Infrastructure (DII) - Common Operating Environment (COE). Costs were derived from past historical experience, best judgment, and current vendor pricing data. An Economic Analysis was prepared by MSG/SZX.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Materiel Systems Group

(Dollars in Millions) February 1996

Item Name: 003

Item Description: Replacement of Servers

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	0	0.000	0.000
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

The MSG requires modernization of its hardware (Personal Computers (PCs) and Servers) for Its 600+ employees. Because of the momentum of advanced technology, some personnel continue to operate from workstations that do not meet the current Office Automatlon (OA) standards. Some personnel have had to operate on surplus Automated Data Processing Equipment (ADPE) or pieces/parts from various sources. Although some systems are usable, they cannot be economically upgraded to meet ordinary needs, MSG data calls, OA standards or the mission of the MSG. Further, many systems have outdated versions of software. Wiihout funding for this much-needed equipment, not only will the MSG systems not be OA-compliant, we will be unable to utilize the AFMC standard software packages and other widely used software packages. In addition, we would not be able to utilize our own MSG/SZ's Financial Mangement Module (FMM) and the Industrial Fund Accounting System (IFAS) required for use DoD-wide on 1 Oct 96 to accomplish ongoing financial and other data calls essential to conduct day-to-day buslness.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Materiel Systems Group

(Dollars in Millions) February 1998

Item Name: 004

Item Description: Enterprise License -"Insourcing" S/W

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	2.000	2.000
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

"Insourcing" is a strategic, self-funding solution for managing existing MSG applications, controlling maintenance costs and achieving new initiatives. It employs integrated technology, Existing Systems Workbench (ESW), and enhanced, repeatable processess to revitalize and evolve existing systems. It leverages the investment by creating a living inventory that is used for other business solutions (e.g., Year 2000, language conversion, and platform/environmental migration). It increases quality and productivity by the discipline of periodic audits. Other benefits derived from "Insourcing" include reduction and management of costs, reassignment of existing staff, shrinkage of backlogs, shortened "product to market" cycle times, increased user satisfaction, and implementation of defined and repeatable processess that relate to Software Process Improvement (SPI) that incorporate the Capability Maturity Model (CMM) standard procedures at many levels. Lastly, this software pays for itself.

The "Insourcing" software establishes a standard toolset for implementing a standard Enhanced Maintenance Process across the MSG. The recommended solution will accommodate up to six Air Force locations with unlimited Central Processing Units (CPUs) and domains.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Materiel Systems Group

(Dollars in Millions) February 1998

Item Name: 005

Item Description: I-CASE Workstations

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	0	0.000	0.000
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

In an effort to Improve on its current software development practices, the DOD initiated an Integrated Computer Aided Software Engineering (I-CASE) program. The I-CASE program is designed to Improve software quality and enhance workforce productivity which will ultimately reduce costs and risks associated with developing, modifying and maintaining Information systems. These goals will be accomplished by establishing a standard software engineering environment that supports a formal repeatable software development process throughout the entire software development life cycle. The I-CASE program Is an Office of the Secretary of Defense (OSD) sponsored inltiative and brings the opportunity for the MSG to initiate modernized processes in its development activities, reengineering activities and system maintenance activities. Software engineering and business processes being developed will assist the MSG development organizations in elevating Software Engineering Institute Capability Maturity Model (SEI CMM) Level III. Failure to fund this requirement will seriously Impair the MSG's efforts to incorporate I-CASE technology into the MSG environment, which would eliminate opportunities for software cost reductions for the customers. Additionally, the Air Force would lose an opportunity to prototype and evaluate the DOD I-CASE technology which will become standard.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Information Services Activity Group

Materiel Systems Group

(Dollars in Millions) February 1998

ttem Name: 006

Item Description: Viasoft Software

Capital Category: Software Development

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	0	0.000	0.000
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

tnstead of purchasing STROBE software as identified in our FY 1998 PB request, we purchased Viasoft's US2000, Bridge 2000, and Rochade Software, Software Documentation and Education. They have been purchased and delivered. It is used to uncover performance bottlenecks and inefficient coding in applications. We also purchased Spectrum Powerbullder Library for use at Ogden.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Broadband Video

Item Description: Broadband Video Conversion to Fiber

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	1	0.167	0.167
1998	0	0.000	0.000
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

This equipment is needed in order to provide network video services to the HQ SSG Management and other personnel. The existing video is running on the soon-to-be-defunct dual-coax broadband, which will be turned off within the next fiscal year. Loss of this capability would Impair the capabilities of training, the orderly room, the executive director, and other personnel to disseminate required training, command briefings, etc to HQ SSG personnel.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Cabletron Switch

Item Description: Cabletron Switch for LAN

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	4	0.061	0.244
1998	0	0.000	0.000
1999	9	0.060	0.540

Item Justification/Impact if Not Provided:

This equipment is required in order to provide local **area network (LAN) management** capabilities for SSG. It will allow for the efficient management of the network infrastructure as well as local area network **traffic and bandwidth.** This equipment is further necessary to maintain existing network resources and provide the capability to meet future technical requirements for all SSG program offices.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Case Tools

Item Description: CASE Tools

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	0.400	0.400
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

SSG needs to consolidate and standardize the multiple functional development environments now in use by our Air Force and DoD Functional Customers. This software is required to continue the transition from the UNISYS proprietary systems to open system client/server hardware both In development and target systems. This server system software requirement will satisfy that need and provide the baseline capabilities to achieve the economies of scale necessary for SSG to remain competitive and excel in the DoD CDA business environment. Powerbuilder, Designer/Developer 2000, Logicworks software, i.e. Business Processes and Entity Relationship for Windows (BP & ER WIN) are needed to design application specific systems. Used to record business rules, database structure, screens, and do prototyping.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) Februarv 1998

Item Name: Copier

Item Description: Copier

Capital Category: Equipment (Replacement)

Fiscal Year	Item Quantity	Item Cost	Total cost
1997	0	0.000	0.000
1998	0	0.000	0.000
1999	1	**0.103**	**0.103**

Item Justification/Impact if Not Provided:

Our graphics division needs to increase their color printing capability, speed, and quality of printed products. HQ SSG sends these products in quantity throughout the Alr Force in support of HQ AFMC, MAJCOMs, the Air Staff, and worldwide site and software implementations by HQ SSG. The present systems are too slow and continually breakdown wasting valuable manpower and materials. We will be turning in two obsolete color printers with service contracts to save approximately $500 per month in service. If this item is not funded, our equipment will continue to breakdown, causing mission failures and missed suspenses.

Capital Budget input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Fiber Ring

Item Description: Finish Fiber Ring for SSG LAN

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	0.300	0.309
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

This equipment and services are requlred in order to provide redundant pathways for the HQ SSG/Gunter Annex network backbone. Wlth thls redundant capability, the Local Area Network Management Branch will be able to keep pace with the technological advancements of its customers and provide real-time analysis, diagnostics, and technical solutions to all HQ SSG users, projects, and programs.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Standard Systems Group

(Dollar | (Dollars in Millions) | February 1998

Item N | Item Name: HP-900

Item D | Item Description: HP-900 K400

Capita | Capital Category: ADPE & Telecomm

Fiscal	Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	1997	1	0.236	0.236
1998	1998	0	0.000	0.000
1999	1999	0	0.000	0.000

Item J | Item Justification/Impact if Not Provided:

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The Combat Ammunition System Program Management Office (PMO) requires a platform to replicate those which are anticipated to be used in the field. The platform will be used by PMO systems engineers and functionals to conduct maintenance and modification testing and analysis as an activity prescribed by the Standard System Group Systems Engineering Process (SEP). The selected platform will support the CAS-C element (Major Command) which is critical to meet national level munitions management responsibilities. CAS-C provides each MAJCOM with a complete munitions status for its area of responsibility via functions dealing with stockpile management, planning, and munitions decision tools.

Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

item Name: Network/LAN

Item Description: Network/LAN

Capital Category: ADPE 8 Telecomm

Fiscal Year	item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	5	0.050	0.250
1999	0	0.000	0.000

item Justification/Impact if Not Provided:

SSG needs to consolidate and standardize the multiple functional development environments now in use by our Air Force and DOD Functional Customers. This software is required to continue the transition from the UNISYS proprietary systems to open system client/server hardware both in development and target systems. This server system software requlrement will satisfy that need and provide the baseline capabilities to achieve the economies of scale necessary for SSG to remain competitive and excel in the DOD CDA business environment. Client and server networking software (Novell, other utilities, etc.) is required for communications connectivity to, and interoperabilii with, the SSG LAN community.

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Capital Budget input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

item Name: Operating System

item Description: Operating System Upgrade

Capital Category: ADPE & Telecomm

Fiscal Year	item Quantity	item Cost	Total Cost
1997	1	0.228	0.228
1998	0	0.000	0.000
1999	0	0.000	0.000

Item Justification/Impact If Not Provided:

Thls operating system upgrade will provide technical support and version upgrades for the Network Operating System (NOS) and other required standard systems. Lack of this capability would severely cripple the Local Area Network (LAN) Management Branch's ability to troubleshoot/fix network software problems in support of mission critical HQ SSG programs.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

item Name: RDBMS

item Description: Relational Database Management System

Capital Category: ADPE & Telecomm

Fiscal Year	item Quantity	item Cost	Total Cost
1997	**0**	**0.000**	**0.000**
1998	5	0.050	0.250
1999	**0**	**0.000**	**0.000**

Item Justification/Impact if Not Provided:

SSG needs to consolidate and standardize the multiple functional development environments now in use by our Air Force and DoD Functional Customers. This software Is required to continue the transition from the UNISYS proprietary systems to open system client/server hardware both in development and target systems. This server system software requirement will satisfy that need and provide the baseline capabilities to achieve the economies of scale necessary for SSG to remain competitive and excel in the DOD CDA business environment.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

item Name: Replace LAN wire

item Description: Replacement of LAN wiring

Capital Category: ADPE & Telecomm

Fiscal Year	item Quantity	item Cost	Total Cost
1997	1	0.336	0.336
1998	1	0.500	0.500
1999	0	0.000	0.000

item Justification/impact if Not Provided:

This wiring is needed in order to comply with the new corporate standards for cabling, to replace our old and quickly faillng **10base2 cabling,** and to provide an upgrade path for future enhancements. Lack of this capabliity would impair the LAN Management Branch's ability to support mission critical systems such as Defense Messaging System (DMS), Combat Ammunition Maintenance System (CAMS), Air Force Internet Connection (AFINC), etc.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Server System Rqmt

item Description: Server System Software Requirement

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	0.148	0.140
1999	0	0.000	0.000

item Justification/impact if Not Provided:

SSG needs to consolidate and standardize the multiple functional development environments now in use by our Air Force and DoD Functional Customers. This software is required to continue the transition from the UNISYS proprietary systems to open system client/server hardware both in development and target systems. This server system software requirement will satisfy that need and provide the baseline capabilities to achieve the economies of scale necessary for SSG to remain competitive and excel In the DoD CDA buslness environment,

Configuration Management - This item provides configuration mgt. software for 12 concurrent users and 30 clients (FY98) for developers to control software release versions. SSG Quality Assurance will also use this to manage releases. The software will run on servers and clients, ($.090M)

Program Language Compilers - Development teams need COBOL compilers like MICROFOCUS COBOL, Ada compilation software, C++, and tools to code application business rules. ($.020M)

Project Management - MS Project ($.030M)

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Server Upgrades

item Description: Servers Replacement Upgrades

Capital Category: ADPE 8 Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	0	0.000	0.000
1999	1	1.670	1.670

Item Justification/Impact If Not Provided:

System server hardware needs to be replaced and/or upgraded in order to provtde continued reliable and efficient service to all HQ SSG customers, Providing current client-server technology such as Electronic mall, database functionality, and backup/recovery are absolutely essential operations to the group. Without these critical services, the group will be unable to remain competitive and excel in the DoD CDA business environment.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 President's Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Servers

Item Description: Servers

Capital Category: ADPE 8 Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	1	0.502	0.502
1998	5	0.250	1.250
1999	0	0.000	0.000

Item Justification/Impact if Not Provided:

SSG needs to consolidate and standardize the multiple functional development environments now In use by our Air Force and DoD Functional Customers. These servers are also required to continue the transition from the UNISYS proprietary systems to open system client-server hardware both in development and target systems. These equipment requirements will satisfy that need and provide the baseline capabilities to achieve the economies of scale necessary for SSG to remain competitive and excel in the DoD Central Design Activity business environment.

Impact if Not Funded:
Antiquated systems will not be able to keep up with the new software and increase in traffic to keep SSG in business.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: SOFTWARE

Item Description: Software

Capital Category: Software Development

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	1	0.319	0.319
1998	0	0.000	0.000
1999	1	1.640	I.640

Item JustificationIlmoact if Not Provided:

This software and software support will provide technical support and version upgrades for the Network Operating System (NOS) and other required standard software. Lack of this capability would severely cripple the LAN Management Branch's ability to **troubleshoot/fix** network software problems in support of mission critical HQ SSG programs.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: System Furniture

Item Description: System Furniture

Capital Category: Equipment (Replacement)

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	1	0.939	0.939
1998	0	0.000	0.000
1999	1	1.201	1.201

Item Justification/impact If Not Provided:

The Civil Engineering Branch is in the process of replacing all the Systems Furniture, within SSG facilities, that is 12 years old or older. The condition of this furniture is poor and replacement parts **are** no longer available. Safety is also an issue since there have been numerous reports of electrical shorts in the panels of the existing furniture. Further the morale of the employees is improved when adequate work areas are provided. Failure to fund this purchase will negatively effect the morale of SSG employees and further aggravate the safety concerns of the work environment.

Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

Information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Testing Tools

Item Description: Testing Tools

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	0.100	0.100
1999	0	0.000	0.000

item Justification/Impact if Not Provided:

SSG needs to consolidate and standardize the multiple functional development environments now in use by our Air Force and DoD Functional Customers. This software is required to continue the transition from the UNISYS proprietary systems to open system client-server hardware both in development and target systems. This server system software requirement will satisfy that need and provide the baseline capabilities to achieve the economies of scale necessary for SSG to remain competitive and excel In the DoD CDA business environment. Mercury software like XRUNNER, WINRUNNER are needed to build, execute and rerun test transactions. LOAD RUNNER could be used by the performance shop to test software before release to the field to ensure performance.

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Capital Budget Input Report

Air Force Working Capital Fund

FY 1999 Presidents Budget

information Services Activity Group

Standard Systems Group

(Dollars in Millions) February 1998

Item Name: Training Bldg

Item Description: LAN Requirements for New Training Bldg

Capital Category: ADPE & Telecomm

Fiscal Year	Item Quantity	Item Cost	Total Cost
1997	0	0.000	0.000
1998	1	1.000	1.000
1999	0	0.000	0.000

item Justification/Impact if Not Provided:

This funding is required to provide Initial network capabilities to the training building proposed to be built in FY 1998. Lack of this funding would impair the ability of the LAN Management Branch to provide any/ail network services to this new building and its many proposed occupants.

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Air Force Working Capital Fund
Information Services Activity Group
FY99 Presidents Budget

($ IN MILLIONS)

FY	APPROVED PROJECTS	APPROVED PROJ COST	CURRENT ASSET/ PROJ COST	DEFICIENCY	EXPLANATION
Equipment-ADPE and TELECOM					
FY98	Client/Server Hardware Replacement	0.376	0.000	0.376	Delayed project indefinitely.
FY98	Telecom Connectivity		0.300	(0.300)	Money moved to cover higher priority project.
FY98	Modernization of workstations	0.600	0.000	0.600	Delayed project indefinitely.
FY98	Finish Fiber Ring LAN	0.300	0.300	0.300	Changed category. Incorrectly identified as non-ADPE in 98 PB.
FY98	LAN Training/Building/Equipment	1.000	1.000	1.000	Changed category. Incorrectly identified as non-ADPE in 98 PB.
FY98	Program Language Compilers	0.020	0.020	0.020	Changed category. Incorrectly identified as non-ADPE in 98 PB.
FY98	Testing Tools	0.100	0.100	0.100	Changed category. Incorrectly identified as non-ADPE in 98 PB.
Software Development					
FY98	Enterprise License- “Insourcing” S/W	3.107	2.000	1.107	Delayed project indefinitely.

BUSINESS AREA CAPITAL INVESTMENT SUMMARY
Component: United States Transportation Command
Business Area: Transportation
Date: February 1998
($ in Millions)

Line Number	Item Description	FY 97 Quantity	FY 97 Total Cost	FY 98 Quantity	FY 98 Total Cost	FY 99 Quantity	FY 99 Total Cost
A.	**Equipment**						
A(1)	- Replacement		**$1.6**		**$4.5**		**$3.4**
A(2)	- Productivity		**$0.0**		**$0.0**		$0.0
A(3)	- New Mission		**$2.0**		$0.0		$0.0
A(4)	- Environmental Compliance		**$0.0**		**$0.0**		$0.0
	SUBTOTAL		**$3.6**		**$4.5**		**$3.4**
B.	**ADPE & Telecomm**		$8.0		$8.8		$9.8
B(1)	-Computer Hardware (Production)		**$36.0**		**$26.2**		$44.9
B(2)	-Computer Software (Operating System)		**$2.1**		**$5.0**		**$7.2**
B(3)	-Telecommunications		**$5.3**		**$4.7**		**$6.2**
B(4)	-Other Computer		**$3.2**		$8.1		**$6.4**
	SUBTOTAL		**$54.6**		$52.8		**$74.5**
C.	**Software Development**		**$52.1**		**$55.3**		**$64.3**
C(1)	-Planning and System Design		**$9.4**		**$3.1**		**$2.2**
C(2)	-System Development		**$43.0**		**$66.7**		**$18.7**
C(3)	-Deployment		**$4.4**		$3.9		$5.8
C(4)	-Management and Technical Support		**$3.1**		**$2.7**		**$2.5**
	SUBTOTAL		**$112.0**		**$131.7**		**$93.5**
D.	**Minor Construction**		**$6.9**		**$7.6**		**$8.7**
	TOTAL		**$177.1**		$196.7		$180.1

Exhibit Fund-9a Business Area Capital Investment Summary

BUSINESS AREA CAPITAL INVESTMENT SUMMARY
Component: Air Mobility Command (AMC)
Business Area: Transportation
Date: February 1998
($ in Millions)

Line Number	Item Description	FY 97 Quantity	FY 97 Total Cost	FY 98 Quantity	FY 98 Total Cos	FY 99 Quantity	FY 99 Total Cost
A.	Equipment						
A(1)	- Replacement		$0.5		$3.3		$2.1
A(2)	- Productivity		$0.0		$0.0		$0.0
A(3)	- New Mission		$2.0		$0.0		$0.0
A(4)	- Environmental Compliance		$0.0		$0.0		$0.0
	SUBTOTAL		$2.5		$3.3		$2.1
B.	ADPE & Telecomm						
B(1)	-Computer Hardware (Production)		$28.0		$17.0		$31.8
B(2)	-Computer Software (Operating Syste		$1.2		$4.1		$5.2
B(3)	-Telecommunications		$4.9		$4.2		$5.5
B(4)	-Other Computer		$3.2		$8.1		$6.4
	SUBTOTAL		$37.3		$33.4		$48.9
C.	Software Development		$28.4		$29.7		$33.8
C(1)	-Planning and System Design		$0.0		$0.0		$0.0
C(2)	-System Development		$0.0		$0.0		$0.0
C(3)	-Deployment		$0.0		$0.0		$0.0
C(4)	-Management and Technical Support		$0.0		$0.0		$0.0
	SUBTOTAL		$28.4		$29.7		$33.8
D.	Minor Construction		$5.5		$6.2		$7.5
	TOTAL		$73.7		$72.6		$92.3

Exhibit Fund-9a Business Area Capital Investment Summary

BUSINESS AREA CAPITAL INVESTMENT SUMMARY

Component: Military Sealift Command
Business Area: Transportation
Date: February 1998
($ in Millions)

Line Number	Item Description	FY 97 Quantity	FY 97 Total Cost	FY 98 Quantity	FY 98 Total Cost	FY 99 Quantity	FY 99 Total Cost
A.	Equipment						
A(1)	- Replacement		$0.0		$0.0		$0.0
A(2)	- Productivity		$0.0		$0.0		$0.0
A(3)	- New Mission		$0.0		$0.0		$0.0
A(4)	- Environmental Compliance		$0.0		$0.0		$0.0
	SUBTOTAL		$0.0		$0.0		$0.0
B	ADPE & Telecomm						
B(1)	- Computer Hardware (Production)		$1.6		$1.5		$1.4
B(2)	- Computer Software (Operating Systems)'		$0.0		$0.0		$0.0
B(3)	- Telecommunications		$0.0		$0.0		$0.0
B(4)	- Other Computer		$0.0		$0.0		$0.0
	SUBTOTAL		$1.6		$1.5		$1.4
C.	Software Development						
C(1)	- Planning and System Design		$0.0		$0.0		$0.0
C(2)	System Development		$4.8		$4.9		$4.4
C(3)	- Deployment		$0.5		$0.7		$2.7
C(4)	- Management and Technical Support		$0.0		$0.0		$0.0
	SUBTOTAL		$5.3		$5.6		$7.1
D.	Minor Construction		$0.0		$0.0		$0.0
	TOTAL		$6.9		$7.1		$8.5

BUSINESS AREA CAPITAL BUDGET SUMMARY
Component: Military Traffic Management Command
Business Area: Transportation
Date: February 1998
($ in Millions

Line Number	Item Description	FY 97 Quantity	FY 97 Total Cost	FY 98 Quantity	FY 98 Total Cost	FY 99 Quantity	FY 99 Total Cost
A.	Eiquipment > $1 OOK						
A(1)	- Replacement		$1.1		$1.2		$1.3
A(2)	- Productivity		$0.0		$0.0		$0.0
A(3)	- New Mission		$0.0		$0.0		$0.0
A(4)	- Environmental Compliance		$0		$0.0		$0.0
	SUBTOTAL		$1.1		$1.2		$1.3
B.	ADPE & Telecomm		$8.0		$8.8		$9.8
B(1)	- Computer Hardware (Production)		$0.0		$0.0		$0.0
B(2)	- Computer Software (Operating Systems)		$0.0		$0.0		$0.0
B(3)	- Telecommunications		$0.0		$0.0		$0.0
B(4)	- Other Computer		$0.0		$0.0		$0.0
	SUBTOTAL		$8.0		$8.8		$9.8
C.	Software Development		$23.7		$25.7		$30.5
C(1)	- Planning and System Design		$0.0		$0.0		$0.0
C(2)	- System Development		$0.0		$0.0		$0.0
C(3)	- Deployment		$0.0		$0.0		$0.0
C(4)	- Management and Technical Support		$0.0		$0.0		$0.0
	SUBTOTAL		$23.7		$25.7		$30.5
D.	Minor Construction		$0.8		$0.9		$0.8
	TOTAL		$33.6		$36.6		$42.4

BUSINESS AREA CAPITAL INVESTMENT SUMMARY

Component: Defense Courier Service
Business Area: Transportation
Date: February 1998
( ) Millions)

Line Number	Item Description	FY 97 Quantity	FY 97 Total Cost	FY 98 Quantity	FY 98 Total	FY 99 Quantity	FY 99 Total
A.	Equipment						
A(1)	- Replacement		$0.0		$0.0		$0.0
A(2)	Productivity		$0.0		$0.0		$0.0
A(3)	New Mission		$0.0		$0.0		$0.0
A(4)	- Environmental Compliance		$0.0		$0.0		$0.0
	Subtotal		$0.0		$0.0		$0.0
B.	ADPE & Telecomm						
B(1)	- Computer Hardware (Production)		$0.0		$0.0		$0.0
B(2)	- Computer Software (Operating Systems)		$0.0		$0.0		$0.0
B(3)	- Telecommunications		$0.0		$0.0		$0.0
B(4)	- Other Computer		$0.0		$0.0		$0.0
	Subtotal		$0		$0		$0
C.	Software Development						
C(1)	- Planning and System Design		$0.0		$0.0		$0.0
C(2)	- System Development		$0.0		$0.0		$0.0
C(3)	Deployment		$0.0		$0.0		$0.0
C(4)	- Management and Technical Support		$0.0		$0.0		$0.0
	Subtotal		$0		$0		$0
D.	Minor Construction		$0.6		$0.5		$0.4
	TOTAL		$0.6		$0.5		$0.4

Exhibit Fund-9a Business Area Capital Investment Summary

BUSINESS AREA CAPITAL INVESTMENT SUMMARY

Component: United States Transportation Command
Business Area: Transportation
Date: February 1998
($ in Millions)

Line Number	Item Description	FY 97 Quantity	FY 97 Total Cost	FY 98 Quantity	FY 98 Total Cost	FY 99 Quantity	FY 99 Total Cost
A.	Equipment						
A(1)	- Replacement		$0.0		$0.0		$0.0
A(2)	- Productivity		$0.0		$0.0		$0.0
A(3)	- New Mission		$0.0		$0.0		$0.0
A(4)	- Environmental Compliance		$0.0		$0.0		$0.0
	SUBTOTAL		$0.0		$0.0		$0.0
B.	ADPE & Telecomm						
B(1)	- Computer Hardware (Production)		$6.4		$7.7		$11.7
B(2)	- Computer Software (Operating Systems)		$0.9		$0.9		$2.0
B(3)	- Telecommunications		$0.4		$0.5		$0.7
B(4)	- Other Computer		$0.0		$0.0		$0.0
	SUBTOTAL		$7.7		$9.1		$14.4
C.	Software Development						
C(1)	- Planning and System Design		9.4		3.1		2.2
C(2)	- System Development		38.2		61.8		14.3
C(3)	- Deployment		3.9		3.2		3.1
C(4)	- Management and Technical Support		3.1		2.7		2.5
	SUBTOTAL		$54.6		$70.8		$22.1
D.	Minor Construction		$0.0		$0.0		$0.0
	TOTAL		$62.3		$79.9		$36.5

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimate

B. Component/Business Area/Date	C. Line No. & item Description	D. Activity identification
AMC/Transportation/February 1998	A. Equipment	Various TWCF Units

	FY 97			FY 98			FY99		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement			$539.4			$3,345.0			62,055
A(2) Productivity									
A(3) New Mission			$1,971.6						
A(4) Environmental									
Subtotal			$2,511.0			$3,345.0			$2,055
B. ADPE/Telecomm									
B(1) Computer Hardware									
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications									
B(4) Other Computer									
Subtotal			$0.0			$0.0			$0
C. Software Development									
C(1) Planning/Design									
C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			$0.0			SO.0			$0
D. Minor Construction									
Subtotal			$0.0			$0.0			$0
TOTAL			$2,511.0			$3,345.0			$2,055

Uarrative Justification

	FY97		FY98		FY9
PVI Vacuum Machine	$ 158.4	BPIE Flightline Maint	$3,345.0	BPIE Flighttine Maint	$2,055.
Doppler Profiler	6191.2				
Storage Rack	$189.8				
Mobile VORTAC	$1,971.6				

Equipment replacement funds are used to support Base Procured Investment Equipment (BPIE) items for flightline maintenance. New Mission funding was used to buy two mobile VORTACs, which permit Civil Reserve Air Fleet (CRAF)/contract airline deployment into forward areas during contingencies under Instrument Meteorological Conditions. In the FY98 President's Budget we programmed $1.35M in both FY97 and FY98 to buy one VORTAC each year. During FY97 execution we reprogrammed $ 1M from BPIE to new mission requirements in order to purchase both VORTACs that fiscal year. We then moved the $1.3M projected for new mission funding to BPIE funding in FY98 t o support unfunded FY97 BPIE requirements. FY99 BPIE requirements are programmed at a level-of-effort baseline.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)							A. Budget Submission FY 1999 Amended Budget Estimates		
B. Component/Business Area/Date AMC/Transportation/February 1998				C. Line No. & Item Description Advanced Computer Flight Plan (ACFP)			D. Activity Identification HQ AMC, Scott AFB IL		
	FY 97			FY 99			FY99		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			50.0			$0.0			$0
B. ADPE/Telecomm									
B(1) Computer Hardware						$1,300.0	2	$ 150.0	$300
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications									
B(4) Other Computer									
Subtotal			$0.0			$1,300.0			$300.
C. Software Development									
C(1) Planning/Design									$300.
C(2) System Development									$850.
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			50.0			$0.0			81,150.
D. Minor Construction									
Subtotal			$0.0			so.0			$0.0
TOTAL			$0.0			$1,300.-			$1,450 .0

Narrative Justification:

Project Description: ACFP is AMC's Command and Control (C2) program designed to generate wind optimized flight plans for the USAF. System planned to run off a host computer at Scott AFI Aircrews and flight planners access system through Local User interface (LUI) software running on personal laptops or desktop systems through the Scott AFB Local Area Network, Digital Dal Network (DDN), or through dial-up of a commercial switching service. Software provides atrcrews and flight planners with wind optimized flight plans that takes into account desired routin established airways, air refueling tracks, and avoid areas.

Requirements: Purchase new hardware to support AMC contingency requirements for flight plan generation. Modernize existing flight planning software to support previously identifie requirements for airlift support.

Interfaces:

- Provides information to : C-17 mission computer, and AF Mission Support System (AFMSS).

Receives information from: Air Weather Service Global Weather Central Database, NIMA Digital Aeronautical Flight Information Files, Racal Flight tnformation Regions Database.

Software Development Life-cycle Costs: $2,350,000

Software: IOC- FY 97/3, FOC -FY02/3

Hardware: IOC -FY97/3, FOC FY 02/3

impact If Not Funded: Impact if hardware not purchased: Significant delays in generation of flight plans for AMC missions during contingency operations. Delays in operational missions as crew wait for flight plans to be processed. Current validated requirement is for 250 flight plans per hour; current hardware provides only 125 per hour. Continued use of obsolete hardware incapable c supporting AMC mission requirements. Hardware maintenance costs will escalate due to continued use of obsolete computer hardware. Current equipment will be over five years old. Impact software development not funded: Unable to comply with SecDef Year 2000 (Y2K) testing and fixing direction. Delay in migrating the software to open systems, increasing operating costs due t Proprietary hardware platforms. Will slow efforts to achieve full operational capability (FOC), increasing future development costs. Efforts to provide new three dimensional model will b significantly delayed;new model will save more fuel than current model and potentially lower overall airlift transportation costs. Will he unable to support full two-way integration with AFMSS an reduce current planner workload resulting from duplication of effort. Aircrews will not have easy access to optimized flight planning from home stations, enroutes, or deployed locations-.eas access could increase aircraft fuel savings by 6700K annually. Will be unable to integrate weather and Notice to Airman (NOTAM) information for the flight planner. Efforts to automate the filin of flight Plans for aircrews will stop; cannot reduce aircrew workload or centralize flight planning operations as required by the Tanker Airlift Control Center (TACC) and AMC's mission plannin Concept of Operations.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ In Thousands)							A. Budget Submission FY 1999 Amended Budget Estimates		
B. Component/Business Area/Date AMC/Transportation/February 1998				C. Line No. & Item Description Command and Control Information Processing (C2IPS)			D. Activity Identification HQ AMC, Scott AFB IL		
	FY 97			FY 98			FY99		
Element of cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.0			$0.0			$0.0
Bl. ADPE/Telecomm									
B(1) Computer Hardware			19,160.7	6		$2,330.0	14		$ 12,099.0
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software						$2,591.0			$2,908.0
B(3) Telecommunications									
B(4) Other Computer						$6,002.0			$5,733.0
Subtotal			$19,160.7			$10,929.0			$20,740.0
C. Software Development									
C(1) Planning/Design			$7,963.1			$7,266.0			$6,100.0
C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development						$500.0			$200.0
C(4) Mgt/Tech Support									
Subtotal			$7,963.1			$7.766.0			$6,300.0
D. Minor Construction									
Subtotal			$0.0			SO.0			$0.0
TOTAL			$27,123.8			518.695.0			$27,040.0

Narrative Justification:

Project Description:

- Provides automated data, message handling, and decision support aids to improve AMC's C2 capability
- Provides critical summary level intransit visibility information for use by senior decision makers.
- Consists of both fixed and deployed nodes supporting peacetime and wartime/contingency needs.
- IOC: Software - June 1992. Hardware - June 1992. FOC: Software - TBD. Hardware - TBD. C2IPS is to integrate with the Theater Battle Management Core Systems (TBMCS) in accordance with the TBMCS Program Management Document. Migration to an Air Mobility Command corporate environment in accordance with the AMC C4 Master Plan (1996) is in planning stages. Full Operational Capability determination is dependent upon future migration planning and development within the Theater Battle Management program and Air Mobility Command.
- Software Development Life-cycle Costs: $57,086,000. Total Life Cycle Cost estimated at $523M. Software development funding (including funding of ESC/AVI System Program Office) also received via TBMCS program: 98 $2.3M, 99 $22.216M, 00 -$12.403M, 01 $2.391M, 02 $2.391M, 03 -$2.491M. These funds will be used by AFMC/ESC/AVI in the development of required C2IPS system interface capabilities and system functionality associated with the TEMCS program open systems migration.

Interfaces: GO-81, Computer Aided Aircrew Scheduling System (CAASS), Aerial Port Automated Command and Control System (APACCS), Contingency Theater Automated Planning System (CTAPS), TRANSCOM Regulating and Command and Control Evacuation System (TRAC2ES), ELFEL, Combat Intelligence System (CIS), Satellite Communications (SATCOM) and Global Decision Support System (GDSS).

Impact If Not Funded:

- Inability to efficiently manage airlift and aerial refueling resources
  - DESERT STORM, OPERATION JUST CAUSE, etc. repeatedly demonstrate the criticality of land limitations of unit and theater level air mobility command and control capability
- No real-time visibility of schedules, arrivals, departures, and summary level load information.
  - Inability to access dynamic communications networks that utilize DDN, AUTODIN, HF radio, UHF satellite, and wireline communications
  - Networks provide the critical communications connectivity needed during contingencies
- C2IPS equipment is required to implement a worldwide air mobility command and control network in support of AMC, ACC, USAFE, and PACAF.
- Jeopardize system conformance to DII COE in FY01-03.
- Failure to migrate to planned TBMCS and Air Mobility Command corporate C2 environments.
- Direct Impact on Warfighters: Limited in-theater C2 interfaces with air mobility C2 info
- Stovepipe system inefficiencies if client/server architecture is not developed and fielded, including high equipment replacement costs.
- High Equipment Replacement Costs

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in .Thousands)									A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date AMC/Transportation/February 1998				C. Line No. & Item Description Combined Air Mobility Planning System (CAMPS)				D. Activity Identification HCI AMC, Scott AFB IL	
		FY 97			FY 98			FY99	
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0			$0.0			$0.0
B. ADPE/Telecomm									
B(1) Computer Hardware					$1,200	$1,200.0	1	$1,200.0	$1,200.0
B(1) Computer Hardware (JTCCMigration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications									
B(4) Other Computer									
Subtotal			$0.			$1,200.0			$1,200.0
C. Software Development									
C(1) Planning/Design									
C(2) System Development	1	$501.5	$501.		$3,316	$3,316.0	1	$3,686.0	$3,086.0
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			$501.			$3,316.0			$3,686.0
D. Minor Construction									
Subtotal			$0.			$0.0			$0.0
TOTAL			$501.5			$4,616.0			$4,886.0

Narrative Justification:

Project Description: AMC's primary system used for planning, analysis, and scheduling of mobility assets in peacetime, crisis, contingency, and wartime. Provides AMC's planners and schedulers with the automated tools necessary to analyze mobility requirements and to plan for and schedule these requirements. Current system runs on a local area network (LAN) of SUN Microsystem file servers and workstations in a client/server environment. Includes workstations and file servers operating on each of the separate command and control (C2) LANs at HQ AMC (Unclassified, SECRET, and Top Secret). Recommended as a migration system by USTRANSCOM's Joint Transportation Corporate Information Management (CIM) Center (JTCC) and approved by OSD. Program includes funds for software migration to a Defense Information Infrastructure-Common Operating Environment (DII-COE) compliant corporate environment and for hardware procurement to improve technological efficiency and system performance.

CAMPS Software: IOC . 1998, FOC - 2003; CAMPS Hatdwara: IOC . 1998, FOC - 2003

Estimated Life-Cycle Cost of Software Development Efforts:

1. CAMPS: $18,233,000 (total of FY96-03 costs)

2. AMC Deployment Analysis System (ADANS): $41,689,000 (total of FY86-97 costs) (Note: ADANS is one of two legacy AMC C2 systems being migrated to CAMPS.)

Interfaces: Global Command and Control System (GCCS) for Time Phased Force Deployment Data (TPFDD) requirements and resulting mobility schedules. Global Transportation Network (GTN) for Special Assignment Airlift Mission (SAAM) and air refueling requirements. AMC's primary execution C2 system, the Global Decision Support System (GDSS), for airlift schedules. AMC's Channel Requirements Quota System (CRQS) for airlift channel requirements. AMC's Passenger Reservation and Manifesting System (PRAMS) for airlift schedule information.

Impact If Not Funded: Negative impact to USAF INFORMATION SUPERIORITY core competency. USTRANSCOM and joint customers will lose visibility into airlift scheduled to meet joint requirements through CAMPS interface with GCCS. We will be unable to maintain and improve complex airlift planning and scheduling software algorithms to meet changing USTRANSCOM/AMC requirements. AMC will lose the capability to efficiently plan and schedule airlift missions to meet real-world requirements. Additionally, we will be unable to insert new, innovative decision support tools to improve the entire mobility planning process; hampering the support of RAPID GLOBAL MOBILITY. AMC will be unable to modify the CAMPS software to improve integration with and information flow to both joint and AMC C2 systems, leading to the potential for the loss of critical C2 data between these systems. Training time will increase (current system not user friendly) due to vulnerable reliance on operator/user experience. As experience level of operators drops (as is the current AF wide trend), more automation is necessary to supplement lost experience. Hardware maintenance costs will increase and efficiencies provided by new technologies will be lost due to continued use of outdated system platforms, AMC will have to continue to manage and maintain two separate programs for airlift and mobility planning resulting in increased overhead costs and loss of OEM savings. Lose expected benefits of new migrated system including: increased efficiency in use of limited airlift assets, reduced flying of "empty" or low cargo weight missions, better contingency support through more efficient planning. Improved asset tracking, and improved response to supported CINC's requirements. Lack of funding will degrade overall warfighting capabilities and not allow us to address these CJCS JOINT VISION 2010 trends.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)								A. Budget Submission FY 1999 Amended Budget Estimate
Component/Business Area/Date MC/Transportation/February 1998				C. Line No. & Item Description Commercial Ops Integrated Sys (COINS)				D. Activity Identification HQ AMC, Scott AFB IL
		FY 97			FY 98			FY99
ament of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Equipment									
1) Replacement									
2) Productivity									
3) New Mission									
4) Environmental									
ibtotal			$0			so			$0.
ADPE/Telecomm									
1) Computer Hardware									
1) Computer Hardware (JTCC Migration)									
1) Computer Hardware (DTEDI)									
2) Computer Software									
31 Telecommunications									
4) Other Computer									
ibtotal			$0			$0			SO.
Software Development									
1) Planning/Design									
2) System Development			$30		$126.5	$253		$130	$261.
2) System Development (JTCC Migration)									
2) System Development (DTEDI)									
3) Development									
4) Mgt/Tech Support									
ibtotal			$30			$253.0			$261.0
Minor Construction									
btotal			$0.			$0.0			$0.0
TOTAL			$30			$253.0			$261.0

irrative Justification:

oject Description:
AMC unique, multi-user. online information system supporting contracting commercial airlift to augment AMC's airlift
-- Primary activities include: requirements entry, contractual document generation, payment accounting, and report generation
-- Contractual documents include contracts, purchase orders, delivery orders, modifications, and contract line items.
-- Payments executed and tracked against invoices from contractors
-- Provides capability to examine history of ail contract actions and produce statistical data

ftware Development Life-cycle Costs: $1,369,500

C/FOC: Jun 95

erfaces:
Provides a batch transmission interface with the Procurement Management Reporting System (PMRS) at Wright-Patterson AFB.

pact if Not Funded:
Serious system degradation:
- Loss of contractor support would cripple efforts to implement mandated changes.
Inability to implement constantly changing Federal Acquisition Regulations (FAR) would have major implications.
Inability to implement substantial new requirements will render the system ineffective.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimates

B. Component/Business Area/Date
AMC/Transportation/February 1998

C. Line No. & Item Description
Deployed SATCOM

D. Activity Identification
HQ AMC, Scott AFB IL

	FY 97			FY 98			FY99		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.0			$0.0			$0.0
B. ADPE/Telecomm									
B(1) Computer Hardware	6	877.0	$462.0						
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications			$1,326.0			$0.0			$0.0
B(4) Other Computer									
Subtotal			$1,788.0			$0.0			$0.0
C. Software Development									
C(1) Planning/Design									
C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			$0.0			60.0			$0.0
D. Minor Construction									
Subtotal			$0.0			$0.0			$0.0
TOTAL			$1,788.0			$0.0			$0.0

Narrative Justification:

Project Description: Commercial SATCOM provides communications connectivity for deployed AMC units, both initial and theater connectivity. It provides vital information concerning passenger, cargo, and aircraft status from deployed locations to HQ AMC and USTRANSCOM. The multichannel INMARSAT terminals provide voice and data connectivity between the Theater Airlift Control Elements (TALCEs), AMC aircraft, and the Tanker Airlift Control Center (TACC) for humanitarian deployments and backup for large TALCE contingency deployments. UHF SATCOM line buys power supplies, remote control kits, and vehicle mounting kits. Civil Reserve Air Fleet (CRAF) aircraft require reliable communications with theater units, this initiative adds a ground based commercial communications suite based on COTS equipment currently being installed in civilian (CRAF) aircraft. Softwali TALCE tents and power/heat/AC for deployed C3 operations. Extends the MARC shelter operations.

interfaces:

Command and Control Information Processing System (C2IPS), Global Decision Support System (GDSS), Global Transportation Network (GTN), Theater Deployable Communications (TDC), Consolidated Aerial Port System II (CAPS II), and Deployed CAPS (DCAPS)

Provides communications connectivity to: C2IPS, CAPS II, airborne commercial SATCOM systems (Aero-C, for ground unit connectivity to aircraft), TALCE operations, weather, Intelligence, mobile Aerial Port Flights, co-located Army, Navy, and Marine personnel

Connects the TALCEs to Theater Deployable Communications (TDC) for reachback to the CONUS.

Civilian ACARs network for civil airline fleet communications.

Impact If Not Funded:

Current ITV computer equipment will exceed expected five year useful life cycle. Maintenance and operational costs increase exponentially after expected life cycle.

Increased automated C2 and transportation system (ITV) information will not be passed to the appropriate controlling agencies.

C2IPS requires more channel capacity than currently exists in the TALCE/Mobility Air Reporting and Communications (MARC). and no new military communications systems are projected for the TALCEs

Without UHF SATCOM power supplies, deployed units must rely on batteries...an expensive logistics problem

CRAF aircraft will continue to have insufficient communications with theater controllers. subjecting CRAF aircraft to potentially hazardous conditions (such as trying to land during a SCUD attack).

Softwall TALCE procures tents with power and heating/cooling for TALCE UTCs. Provides office-like environment for C3 systems being fielded. Also provides additional workspace for deployed operations. Failure to fund impacts TALCE deployability and results in failed SORTS status.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimate:

I. Component/Business Area/Date
AMC/Transportation/February 1998

C. Line No. & Item Description
G081/CAMS

D. Activity Identification
HQ AMC, Scott AFB IL

	FY 97			FY 98			FY99		
lement of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
. Equipment									
(1) Replacement									
(2) Productivity									
(3) New Mission									
(4) Environmental									
ubtotal			$0.0			$0.0			$0.
. ADPE/Telecomm									
(1) Computer Hardware	20	$40.0	$800.0	20	$50.0	$999.6	20	$50.0	$999.6
(1) Computer Hardware (JTCC Migration)									
(1) Computer Hardware (DTEDI)									
(2) Computer Software				15	$1.6	$24.0	15	$1.6	$24.0
(3) Telecommunications			$617.0			$376.0			6479.0
(4) Other Computer									
ubtotal			$1,417.0			$1,399.6			$1,602.6
Software Development									
(1) Planning/Design	1	$218.0	$218.0	1	$300.0	$300.0			$300.0
(2) System Development	1	$218.0	$218.0						
(2) System Development (JTCC Migration)									
(2) System Development (DTEDI)									
(3) Development	1	$218.0	$218.0	1	$250.0	$250.0			$277.0
(4) Mgt/Tech Support	1	$221.0	$221.0	1	$350.0	$350.0			$360.0
ubtotal			$875.0			$900.0			$927.0
Minor Construction									
ubtotal			$0.0			$0.0			so.0
OTAL			$2,292.0			$2,299.6			$2,429.6

arrative Justification:

roject Description:

Maintenance system responsible for tracking ail maintenance actions scheduled, in-progress, and completed
-- Connectivity to 36 major stateside AMC wings and 13 enroute locations
-- Resides on a central database at Tinker AFB
-- The Defense Megacenter-Oklahoma City provides mainframe computer support on a fee-for-service basis.
Allows for faster and more accurate accomplishment of maintenance actions on the strategic airlift and tanker fleet
-- increase in aircraft availability . per a 1989 study - an 8% increase for stateside alone.
The GO81 program, initiated under the Airlift Service industrial Fund (ASIF), transferred to DBOF-T in FY89.
Capital investment funds are necessary to provide LG Infrastructure (LAN), client/server capability, move to an open environment, complete Broker, and continue enhancement of maintenance apsbilities such as reducing the weight of airlift and tanker aircraft by providing digital capabilities vice technical manuals as well as purchase mobile terminals. remote access servers, bar-coding quipment, and graphical user interface software to enhance data entry into the system.

lardware/Software IOC: FY1998/FOC: FY2004

oftware Development Life-cycle Costs: $10,331,900

terfaces:

Global Decision Support System (GDSS), -Command and Control information Processing System (C2IPS)
Standard Base Supply System (SBSS), -Reliability and Maintainability Management information System (REMIS)

pact If Not Funded:

Capability to identify and allocate in-commission AMC aircraft by tapping one database will be lost
-- Telephone calls to individual units will be required to determine aircraft status.
-- Tanker Airlift Control Center (TACC) and mobility planners will not have the data necessary to make sound decisions.
Aircraft maintenance systems will not be logistically supportable.
Will not be able to implement DoD directed joint Computer-Aided Acquisition and Logistics Support (CALS) which would impede integration with deploying C2 systems.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1 999 Amended Budget Estimate

B. Component/Business Area/Date
AMC/Transportation/February 1998

C. Line No. & Item Description
Global Air T ; ortation Execution System (GATES)

D Activity Identification
.Q AMC, Scott AFB IL

Element of Cost	FY 97 Quantity	FY 97 Unit Cost	FY 97 Total Cost	FY 98 Quantity	FY 98 Unit Cost	FY 98 Total Cost	FY99 Quantity	FY99 Unit Cost	FY99 Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.0			$0.0			$0
B. ADPE/Telecomm									
B(1) Computer Hardware			6390.3			$2,673.0			$4,123
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)			$50.0			$100.0			$75
B(2) Computer Software			$198.2			$564.0			$996
B(3) Telecommunications	6	8107.9	$539.6		$107 9	$431.6			$68
B(4) Other Computer			$23.2						
Subtotal			$1,201.2			$3,768.6			$5,262
C. Software Development									
C(1) Planning/Design									
C(2) System Development	1	$8,859.4	$8,859.4		$7,075 c	$7,075.0		$4,140.0	$4,140
C(2) System Development (JTCC Migration)			$872.0		$625 C	$625.0		$348.c	$348
C(2) System Development (DTEDI)			$350.0			$300.0			$225
C(3) Development	30	$12.0	6360.0						
C(4) Mgt/Tech Support			$301.0			5275.0			$125
Subtotal			610.742.4			$8,275.0			$4,838
D. Minor Construction									
Subtotal			$0.0			$0.0			$0
TOTAL			$11,943.6			913.043			$10,100.0

Narrative Jurtlficatlon: Global Air Transporta ı Execution stem (GATI lirectly supports AMC's mobility operations worldwide. AC, as the DoDsingle manager for airlift, requires timely and accurate information gathered from worldwide locations to plan, execute and monitor multi-theater airlift. GATES will provide the Tanker Airlift Control Center, HQ AMC, and USTRANSCOM with integrated functionality to deploy and sustain forces globally. Migration to an open environment is a critical step in achieving portability. reusability, and cost reduction for communications and computer systems.

Project Description: GATES is the AMC program developing an integrated, open, transportation system providing visibility of cargo and passenger assets moved by AMC. It will migrate ar modernize HQ AMC transportation systems from the proprietary Honeywell/Wang DPS 90 mainframes to an open system platform/environment. Applications software will be developed based on capturing AMC's transportation business processes and integrate complete systems requirements. GATES is in concert with AMC C4 Systems Master Plan to achieve an open systems, integrated command architecture by adopting standard protocols, software development standards, interfaces, Commercial Off-the-Shelf Software (COTS), and Government Off-t Shelf Software (GOTS) in a cost effective manner.

Software Development Life-cycle Costs: $56,052,260

Interfaces: Conus Freight Management (CFM), Defense Finance and Accounting System (DFAS), Airlift Service Industrial Fund Integrated Compter System (ASIFICS), Command and Contro Information Processing System (C2IPS), Global Transportation Network (GTN), Transportation Coordranted-Automated Information Management System (TC-AIMS II), Cargo Movement Operations System (CMOS), Global Desicion Support System (GDSS), Commercial Reservation System (CRS), Worldwide Port System (WPS), Transportation Operational Personal Property Standard System (TOPS), etc.

Software Initial Operating Capability (IOC): Nov 97

Software Full Operating Capability (FOC): Nov 98

Hardware Initial Operating Capability (IOC): Nov 97

Software Full Operating Capability (FOC): Nov 98

Impact If Not Funded: Insufficient funding for this program will force HQ AMC to continue to depend on the current closed, expensive, proprietary transportation systems environment. Ah and JTCC customers will continue to be denied the improved data quality, data standardization, and intransit visibility essential for C2 efficiency and decision making. Lack of funding will prevent AMC compliance with DoD 3 Year migration mandate and delay AMC's transportation systems from properly implementing applications that support the Common Operating Environment (COE). An increase in long term maintenance costs by delaying implementation of an integrated architecture with supporting increased functionality will occur,

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BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimates

B. Component/Business Area/Date
AMC/Transportation/February 1998

C. Line No. & Item Description
Global Decision Support Sys (GDSS)

D. Activity Identification
HQ AMC, Scott AFB IL

	FY 97			FY 98			FY99		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.			60.			$0.
B. ADPE/Telecomm									
B(1) Computer Hardware			$1,105.			$1,306.			$1,535
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software			$345.			$279.			$100.
B(3) Telecommunications									
B(4) Other Computer			$139.						
Subtotal			$1,589.			$1,585.			$1,635
C. Software Development									
C(1) Planning/Design									
C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4)Mgt/Tech Support			$201.			$947.0			$2,020.0
Subtotal			$201.			$947.0			$2,020.0
D. Minor Construction									
Subtotal			$0.			$0.0			$0.0
TOTAL			$1,790			$2,532.0			$3,655.0

Narrative Justification:

Project Description:

HQ AMC's primary Command and Control (C2) system with 20 developmental, test, and operational GDSS host computers fielded providing C2 information to lower echelons via C2 Information Processing System

-- Disseminates aircraft schedules, tracks aircraft departures and arrivals, flight following functions, and provides automated tools to aid decision making process

Supports customers in the Tanker Airlift Control Center (TACC), Alternate TACC (ATACC), Air National Guard Readiness Center (ANGRC), Air Force Reserve (AFRES) Headquarters, Air Force Special Operations Command (AtSOC), Air Combat Command (ACC), Pacific Air Force (PACAF), United States Air Forces Europe (USAFE), and several thousand mobility customers at over 6 worldwide locations

Automation bridge tying critical time phased requirements, planning, scheduling, mission planning, mission execution, and joint systems into a cohesive C2 system

Software IOC - FY89, Hardware IOC FY89; Software FOC - FY96, Hardware FOC FY06

Software Development Life-cycle Costs: $51,380,000 -- Software development costs included in FYDP due to increasing requests for external interfaces requiring development efforts. Funding is increased in FY99 to start software modifications necessary to run on upgraded equipment planned in FYOO.

Interfaces:

AMC Systems:

-- Command and Control Information Processing System (C2IPS), AMC Deployment Analysis System (ADANS), Combine Mating and Ranging Planning System (CMARPS), Broker, Aerial Port Automated C2 System (APACCS), Global Aerial Transportation Execution System (GATES)

Other Systems:

-- Air Weather Network, ARINC Data Network Service (ADNS), Air Terminal C2 System (ATCCS), AUTODIN, Global Transportation Network (GTN), Global Command and Control System (GCCS)

Projected Systems:

-- Corporate Database, Secret GTN, TRANSCOM Regulating and C2 Evacuation System (TRAC2ES), L-Band Satcom, SAAMS

Impact If Not Funded:

AMC's Tanker Airlift Control Center (TACC) mission will be significantly impaired

All other sites supported by GDSS will have significantly reduced capability to perform C2 of AMC resources

Ability to identify and allocate AMC's valuable resources will be significantly reduced

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)									A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date Air Mobility Command (AMC)/Transportation/February 1998				C. Line No. & Item Description L-Band SATCOM					D. Activity Identification HQ AMC, Scott AFB IL
	FY 97			FY 98			FY99		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.0			$0.0			$0.0
BADPE/Telecomm									
B(1) Computer Hardware						63,015.E			$3.64'7.8
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications						51,407.E			$1,668.7
B(4) Other Computer									
Srbtotal			$0.0			$4,423.4			$5,316.5
C Software Development									
C(1) Planning/Design									
C(2) System Development	1	$412.0	$412.0			$1,586.0			$526.5
C(121 System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Srbtotal			$412.0			$1,586.0			$526.5
D. Minor Construction									
Srbtotal			$0.0			$0.0			$0.0
TOTAL			$412.0			$6,009.4			$5,843.0

Narrative Justification:

Project Description:

- C-5, C-141, & KC-IO: SATCOM (Inmarsat Aero-C) interface between airborne aircraft and the Tanker Airlift Control Center (TACC), also extends to the TALCEs
  - -- Laptop computer used to send and receive email-like messages in the aircraft, including passenger and cargo manifest information
  - -- Automatic position reporting updates to Global Decision Support System (GDSS) for airlift C2 information
  - -- Satisfies Air Mobility Master Plan deficiencies for airborne C2 and communications connectivity -- IOC Feb 97, FOC 3/FY98

C-I 7, KC-1 35, & C-I 30: Ground-based SATCOM (Inmarsat M-Phone) interface between aircraft and the TACC, also extends to the TALCEs

- -- Laptop computer used to send and receive email-like messages prior to departure and/or after arrival including passenger and cargo manifest information
- -- Partially satisfies remote In-Transit Visibility (ITV) deficiency connectivity . . IOC 2/FY97, FDC 4/FY00

future connectivity to wings and command posts for airlift C2 information

Total life cycle cost for software development: $3.8M

FY01+ funds are for transition to the Datalink SATCOM and HF data system

-- The Datalink system provides the connectivity and aircraft upgrades to allow AMC aircraft to fly in the commercial oceanic tracks. the excess SATCOM capability will be used for C2.

urrent system design allows the switch to the new system, the fundline allows AMC to make use of the extra aircraft status information available through Datalink and to make use of the atalink capability.

terfaces:

Tanker Airlift Control Center (TACC) Operations Cells (via Email) and Global Decision Support System (GDSS) , to update Global Transportation Network (GTN)

Provides aircraft position reports for C-5, C- 14 1, & KC- 10 and passenger and cargo manifest reports per USTRANSCOM direction

npact If Not Funded:

Program already minimally funded, any reduction in funding will seriously degrade the entire system by limiting hardware purchases, software upgrades/corrections, and system support.

-- The result would be excessive system degradation and down time which would eliminate the system's reliability from both TACC and aircrew perspectives.

C2 connectivity will not move to the follow-on commercial SATCDM system projected for installation under the Automatic Dependent Surveillance (Datalink) program.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ In Thousands)									A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date Air Mobility Command (AMC) /Transportation/February 1998				C. Line No. & Item Description Objective Wing Command Post (OWCP)					D. Activity Identification HQ AMC, Scott AFB IL
	FY 97			FY 98			FY99		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.0			$0.0			$0.
8. ADPE/Telecomm									
B(1) Computer Hardware						$0.0			$0.
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications	7	$350.0	$2,450.0			$817.0			$1,117
B(4) Other Computer			$1,949.0	4	$300.0	$1,200.0			$600.
Subtotal			$4,399.0			$2,017.0			$1,717
C. Software Development									
C(1) Planning/Design									
'C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			$0.0			$0.0			$0.
D. Minor Construction									
Subtotal			$0.0			60.0			$0.
TOTAL			$4,399.0			$2,017.0			$1.717.0

Narrative Justification: Objective Wing Command Post C4 Initiatives IOC: FY95 FOC: FY03; however, due to Air Staff directed realignments, added sites may require C4 system upgrades. There are no software development efforts associated wlth this program.

Project Description: The Objective Wing Command Post provides modernization and standardization of C4 systems in all AMC command posts (CP) and en route Air Mobility Control Centers (AMCC). These C2 agencies are functionally responsible for emergency actions, mission management/mission monitoring, maintenance coordination, and operational reporting in support of t AMC Global Reach Mission. The units they support are responsible for airlift of troops, cargo, and passengers (including the President and members of the Cabinet), as well as aerial refuelin and aeromedical evacuation. The CPIAMCC serves as the focal point for coordinating and controlling all actions required to prepare an AMC mission aircraft for departure, as well as providir coordination of maintenance, aerial port, and operational services for all transient aircraft. In FY98, an additional $1.6M is required via submission of an IUR to further accelerate the en rout per direction of AMC/CC. Currant timelines reflect obtaining additional funding in FY98 to further accelerate console en routes.

FY 97 funds provide Consoles for Ramstein, Mildenhall, Yokota, Rhein Main, Kadena, Elmendorf, and Lajes.
FY 97 funds also provide Contract Engineering Support with Eastern Communications, Incorporated (ECI).
FY 97 funds also provide FLV at Dover, McGuire, and Travis AFBs as well as Contract Engineering Support with ECI.
FY 98 funds provide Console upgrades at Rota.
FY 98 funds also provide FLV upgrades at Elmendorf, Lajes, Andarsen, and Rota; Digital Recorders (4), and ECI Engineering Support.
FY 99 funds provide console upgrades at Dover and McGuire; FLV at Osan and Howard; ECI Engineering Support.

Interfaces: Standard interfaces to telephone consoles inckrde High Frequency (HF), Very High Frequency (VHF), Ultra High Frequency (UHF), UHF Satellite Communications (SATCOM), and Land Mobile Radios (LMRs), as well as pagers and voice recorders.

Impact If Not Funded: Failure to fully fund this program will result in continued stovepiping of C4 systems at each CP/AMCC. C4 system upgrades based upon individual "fixes" will greatly mpair full implementation of AMC standards developed from the CP Template produced by AFC4A. The nonstandard systems developed would negatively impact CP/AMCC controller trainin at a critical lime, during the transition from officer to enlisted senior controllers. Taken together. substandard and nonstandard C2 systems will greatly degrade the CP/AMCC ability to supp USTRANSCOM intransit visibility requirements and, therefore, AMC's Global Reach objectives,

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)										A. Budget Submission FY 1999 Amended Budget Estimates
Component/Business Area/Data Air Mobility Command (AMC)/Transportation/February 1998				C. Line No. & Item Description Systems Integration						D. Activity Identification HQ AMC, Scott AFB IL
	FY 97			FY 98			FY99			
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
A. Equipment										
A(1) Replacement										
A(2) Productivity										
A(3) New Mission										
A(4) Environmental										
Subtotal			$0.0			$0.0			$0.0	
13. ADPE/Telecomm										
B(1) Computer Hardware			$1,419.5			$1,420.0			$2,621.4	
B(1) Computer Hardware (JTCC Migration)										
B(1) Computer Hardware (DTEDI)										
B(2) Computer Software			$15.6			$15.6			$27.0	
B(3) Telecommunications			$1.9			$1.9			$2.8	
B(4) Other Computer										
Subtotal			$1,437.0			$1,437.5			$2,651.2	
C. Software Development										
C(1) Planning/Design			$577.7	1	$577.7	5577.7			$1,235.1	
C(2) System Development	5	$189.4	$947.0	5	$189.4	$947.0			$1,803.1	
C(2) System Development (JTCC Migration)	1	$1,028.0	$1,028.0	1	$1.028..0	$1,028.0			$2,418.0	
C(2) System Development (DTEDI)										
C(3) Development										
C(4) Mgt/Tech Support			$5,147.3			$4,084.2			$8,644.0	
Subtotal			$7,700.0			$6,636.9			$14,100.2	
D. Minor Construction										
Subtotal			$0.0			$0.0			$0.0	
TOTAL			$9,137.0			$8,074.4			$16,751.4	

Narrative Justification:

AMC's Global Reach mission requires the transportation of cargo. passengers, and fuel anywhere in the world at any time. As a result, there are increasing demands for information sharing on a global scale. It is no longer enough to satisfy one functional area's information needs. Information must be shored across functions, locations, and organizations. In contrast, AMC's current systems operate with independent command and control systems developed for specific functional areas. These systems were built using different sets of requirements and design specifications. Thus, information sharing between systems is only possible through a proliferation of costly interfaces between systems. Even then, the information passed between systems is often unreliable due to timing and translation errors. Furthermore. inconsistencies in systems documentation makes managing the impact of change difficult if not impossible.

Project Descdption:

AMC's Air Mobility Master Plan (AMMP) spells out AMC's long range goal of fielding a seamless, integrated. global Air Mobility C4 System. This project examines AMC's missions to identify en integrated set of requirements for this Air Mobility system of the future. These requirements will lead to a series of architectures and plans that will guide future systems development and feed into DoD wide initiatives. There are five specific tasks:

Task 1 - An enterprise wide architecture of all functions associated with Air Mobility. Since this model has such a wide scope, it will be limited in detail. The primary purpose of these models is to provide long term planning of information systems development.

Task 2 - Functional area models that will be limited in scope to a specific function or set of functions. These models will provide greater detail on the specific needs and requirements for a functional area, and will facilitate the transition from architecture to design.

Task 3 Define and manage the interfaces between the command's current information systems. Includes interoperability testing of new functional software releases.

Task 4 - Design and development of the corporate system. Includes detailed baselining of current systems and reengineering or redeveloping them to include AMC architectures and standards.

Task 5 - Develop an integrated toolset for systems analysis, design, development, and maintenance.

Software Development Life-cycle Costs: $67,956,900.

Interfaces: HQ AMC Standardization interfaces with all DoD data standardization. Directly, our standardization effort interfaces with HQ AMC, Air Force, TRANSCOM, Defense Mapping Agency (DMA) and Defense Information System Agency (DISA). To data/process modeling tools (IDEF0 and IDEF1X), HQ AMC data standardization tool (AFIRDS) and Air Force and DoD level Repositories. To transportation and DoD C2 systems. A FOC date of FY03 was determined by using the proposed candidate application schedule. To provide a single IOC date is not feasible because System Integration is an integrated project not a single system. As each system functionality is integrated into AMC corporate database there will be a cost saving.

Impact If Not Funded: Our current stovepipe systems will continue to deliver inaccurate and untimely, information to the people performing and served by the airlift and air refueling missions. AMC risks being inoperable with other MAJCOM elements and in noncompliance with both the Air Force and DoD standardization and migration programs.

ATTACHMENT TO SYSTEMS INTEGRATION EXHIBIT **FUND-9B**

IOC/FOC OF SYSTEMS INTEGRATION TASKS

SOFTWARE DEVELOPMENT TASKS	FY97	FY98	FY99	FY00	FY01
Task1 - Network Performance and Sizing Study		Phase1 IOC	Phase2IOC	Phase3 IOC	Phase4 IOC
Task 2 - C2/Transportation Model Integration		IOC			
Task 2 C2/Transportation Model Integration		IOC			
Task 2 C2/Transportation Model Integration			IOC		
Task 2 C2/Transportation Model Integration				IOC	
Task 2 CL/Transportation Model integration					IOC
Task 2 C2/Transportation Model Integration					
Task 2 C2/Transportation Model Integration					
Task 3 IDD 2.0A - C2 Maintenance Release	IOC	FOC			
Task 3 IDD 3.0A C2 Maintenance Release		IOC		FOC	
Task 3 IDD 4.0A - C2 Maintenance Release				IOC	
Task 3 IDD 5.0A C2 Maintenance Release					
Task 3 C2 System Table Management	IOC				
Task 3 C2 System Performance Metrics	IOC				
Task 3 Automatic Database Replication		IOC			
Task 3 - C2 System Joint Interoperability					
Task 4 AMC Common Funct Analysis & Design		IOC			
Task 4 Corp Appl Analy and Design (1Apps)	IOC				
Task 4 - Corp Appl Analy and Design (1 Apps)		IOC			
Task 4 - Corp Appl Analy and Design (1Apps)			IOC		
Task 4 Corp Appl Analy and Design (1Apps)				IOC	
Task 4 Corp Appl Analy and Design (1 Apps)					IOC
Task 4 . Corp Appl Analy and Design (1 Apps)					
Task 4 - Corp Appl Analy and Design (1 Apps)					
Task 5 - Requirements Analysis and Design Tools	Phase1 IOC	Phase2 IOC	Phase3IOC	Phase4 IOC	Phase5 IOC

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)									A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date Air Mobility Command (AM				C. Line No. & Item Description ible Communications (TDC)					D. Activity Identification HQ AM
				Y 98			FY99		
Element of Cost					Unit Cost	Total Cost	Quantity	Unit	
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.0			$0.0			$ 0.
B. ADPE/Telecomm									
B(1) Computer Hardware		$2 000.(	$4,000.0		$2,000.0	$2,000.0	2	$2,000.(	$4 000.
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications					$1,200.0	$1,200.0	2	$1,100.(	$2,200.0
B(4) Other Computer			$1,071.0			$920.0			$70 0
Subtotal			$5,071.0			$4,120.0			$6,270 0
C. Software Development									
C(1) Planning/Design									
C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			$0.0			$0.0			$0
D. Minor Construction									
Subtotal			$0.0			$0.0			$0
TOTAL						$4,120.0			$6,270.0

Narrative Justification:

Project Description:

- System composed of a high capacity tri-band SATCOM terminal (LMST) and communications computer infrastructure package (ICAP)
  - -- Joint, interoperable, lightweight, modular, high capacity, and deployable
  - -- Consists of data, voice, and message communications capability
- Reduces size, and reliance on shortfalled sustainment communications capability.
  - -- Reduces demand on airlift for initial communications by two-thirds
  - -- Provides smaller initial capability than larger sustaining communications provided by ACC
- Provides connectivity back to the Tanker Airlift Control Center (TACC) and USTRANSCOM
- Supports Global Reach Laydown initiative
- Commercial Off the Shelf (COTS) Technology, no development software
- Initial Operating Capability(IOC)-FY98, Full Operational Capability(FOC)-FY03

Interfaces:

- Supports Global Transportation Network (GTN), Command and Control Information Processing System (C2IPS), Global Decision Support System (GDSS), Core Automated Maintenance System (CAMS), and Joint Deployable Intel Support System (JDISS)
  - -- Connectivity provided to Defense Information Systems Network (DISN), Defense Data Network (DDN), AUTODIN, MILNET, DISNET1
- Provides communications with ACC and any co-located Army or Navy units (TDC will support Joint Mobility Assistance Team (JMAT))

Impact If Not Funded:

- TDC responds to DoD Defense Planning Guidance FY94-99 which calls for "improved integration of national, theater and tactical intelligence and C3 systems, and theater and tactical communication systems."
- Contingency communications elements will not be able to provide initial bare-base deployable communications (TDC- New capability)
  - -- No base level communication support and very limited C2 communication support available to AMC deployed forces at bare base or austere stage, enroute, or off-load locations within the first 30 days of a deployment
- Sustaining communication equipment shortfalled will continue to ax limited airlif capabili ies; tactic communications equipment will continue to experience problems with limited military satellite availability

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimates

B. Component/Business Area/Date
AirMobility Command (AMC)/Transportation/February 1998

C. Line No. & Item Description
Ling A N

D. Activity Identification
HQ AMC, Scott AFB IL

	FY 97			FY 98				FY99	
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0.			$0.			$0
B. ADPE/Telecomm									
B(1) Computer Hardware			$592	12	$50.0	$600	2	$49	$1,188
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software	1	$50	$600.	12	$50.0	$600.	2	$46	$1,108
B(3) Telecommunications									
B(4) Other Computer									
Subtotal			$1,192.			$1,200.			$2,296
C. Software Development									
C(1) Planning/Design									
C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			$0			$0.			$0.0
D. Minor Construction									
Subtotal			$0.			$0.			$0.0
TOTAL			$1,192			$1,200			$2,296.8

Narrative Justification:

Project Description:

Provides programmed resources to give bases standardized capabilities
-- Provides greater interoperability within the command and units
Provides all AMC users the ability to collect, retrieve, create, store, share, and present information electronically
-- Improve personnel effectiveness and efficiency.
Command-wide desktop computer based electronic network designed to access both command and control C2 information and office automation functions from one computer
-- Implements departmental (intra-building) LANs and office information system capabilities
-- Provides centralized management of software resources
Real-time information transfer/sharing capability
Provides computer hardware (servers, and network interface hub equipment), and network operating system (NOS)
Provides intra-building infrastructure, cabling, connectors, and ancillary equipment to complete network
Initial Operating Capability (IOC) and Full Operating Capability (FOC) dates are not applicable to this program that provides equipment for the intra-building infrastructure at every AMC base and en route locations only.

Interfaces: Global Decision Support System (GDSS), Command and Control Information Processing System (C2IPS), Defense Messaging System (DMS-AF), Electronic Data Interface (EDF), Combat Information Transport System (CITS), Other functional command systems (example: GO81)

Impact If Not Funded:

Decrease in AMC's ability to provide accurate information in a timely manner to meet critical mission requirements.
Lack of standardization and interoperability throughout the command and units
-- Difficulty in implementing downward directed systems
Lack of ability to grow electronically to meet the demand

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)								A. Budget Submission FY 1999 Amended Budget Estimates	
B. Component/Business Area/Date Air Mobility Command (AMC)/Transportation/February 1998				C. Line No. & Item Description Minor Construction				D. Activity Identification HQ AMC, Scott AFB IL	
		FY 97			FY 98			FY99	
Element of Cost	Quantity	Unit Cost	Total Cos	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment									
A(1) Replacement									
A(2) Productivity									
A(3) New Mission									
A(4) Environmental									
Subtotal			$0			$0			$0
B. ADPE/Telecomm									
B(1) Computer Hardware									
B(1) Computer Hardware (JTCC Migration)									
B(1) Computer Hardware (DTEDI)									
B(2) Computer Software									
B(3) Telecommunications									
B(4) Other Computer									
Subtotal			$0			$0			$0
C. Software Development									
C(1) Planning/Design									
C(2) System Development									
C(2) System Development (JTCC Migration)									
C(2) System Development (DTEDI)									
C(3) Development									
C(4) Mgt/Tech Support									
Subtotal			$0.			$0			$0.
D. Minor Construction			$5,515	26	$240.0	$6,240			$7,530
Subtotal			$5,515			$6,240			$7,530.0
TOTAL			$5,515 .5			$6,240.0			$7,530.0

Narrative Justification:

Project Description: This program provides for the construction and alteration projects equal to or greater than $100K but less than $500K for TWCF facilities. This is work identified as necessary to support the mission of TWCF designated units.

Interfaces:

Impact If Not Funded: Without this funding, necessary construction and alterations to TWCF facilities will not be accomplished. This will have a detrimental effect on the TWCF mission.

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EXHIBIT FUND-9B BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
MINOR CONSTRUCTION (ATCH)

PROJECT CATEGORY	FY97	FY98	FY99
A/C Ground Equip (AGE) Storage	166	250	2,143
Aerial Delivery System	127	280	311
Airfield Lighting	244	1,007	88
Air Freight Terminals	85	558	407
Air Frt/Pax Terminals	27	0	344
Air Passenger Terminal	1,255	0	0
Apron Parking	1,195	280	380
Avionics Shops	0	280	0
Blast Deflectors	2	280	87
Command Posts	25	200	137
Corrosion Control Facility	0	0	0
Fleet Services	496	0	68
Forward Supply	805	670	0
Fuel Hydrants	0	0	174
General Purpose Maint Shops	315	280	87
Load & Unload Area	0	860	0
Maintenance Docks	57	0	0
Maintenance Hangars	129	0	168
Oil Water Separator - Wash Rack	0	360	112
Organizational Maint Shops	187	250	348
Rate Fluctuations/Change Orders	0	0	1,300
Squadron Ops Facilities	126	0	0
Staging/Storage Yards	0	0	685
Test Cells	0	250	136
Vehicle Maintenance Shops	274	250	555
Weighing Scale	0	185	0
TOTAL	5,515	6,240	7,530

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimates

Component - Budget Area/Date
MSC/Transportation/February 1998

C. Line No & Item Description
B(1), C(2), & C(3) IC3 System

B. Activity Identification

Element of Cost	FY 97 Quantity	FY 97 Unit Cost	FY 97 Total Cost	FY 98 Quantity	FY 98 Unit Cost	FY 98 Total Cost	FY 99 Quantity	FY 99 Unit Cost	FY 99 Total Cost
IC3:									
B(1) ADPE Hardware		Varies	$862.0		Varies	$708.0		Varies	$500.0
C(2) Systems Development			$3,400.0			$4,099.0			$1,326.0
C(3) Software Deployment (OTS)		Varies	$338.0		Varies	$484.0		Varies	$700.0
MOBILE COMMUNICATIONS:									
B(1) ADPE Hardware						$218.0		Varies	$296.0
C(2) Systems Development									
DTEDI:									
B(1) ADPE Hardware			$80.0						
C(2) Systems Development			$320.0						
EDI:									
B(1) ADPE Hardware									
C(3) Software Deployment (OTS)			$750.0			$671.0			$474.0
TOTAL			$5,750.0			$6,180.0			$3,296.0

Narrative Justification:

IC3: Integrated Command, Control, and Communications Project (IC3) is MSC's migration program to integrate systems and business processes from deliberate planning through execution in a common operating environment. IC3 will become an extension of the GCCS infrastructure allowing MSC to reduce redundancy in hardware, software, and communications while maintaining compatibility with DOD, DON, and Transportation migration initiatives. IC3 systems will interface with Transcom's GTN to provide ship schedules, Transcom CINC Decision Support System (CDSS) to provide information for decision making, and Joint Flow and Analysis System for Transportation (JFAST) for execution and deliberate planning.
IC3 also will interface with joint systems such as Joint Planning and Execution System (JOPES) operating in GCCS for operations/ exercises/ contingency requirements and MTMC's WPS for ITV data. Above also includes efforts associated with EDI migration and DTEDI efforts. FY97-Initial Operational Capability (IOC). FY98-Full Operational Capability (FOC). Total Life Cycle Development cost FY95-FY03 = $9 million
MOBILE COMMUNICATIONS: Provides support for mobile command and control for standardized communications support for Sealift assets worldwide. FY98-IOC. FY02-FOC.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)										A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date MSC/Transportation/February 1998				C. Line No. & Item Description B(1), C(2), C(3) ICE						D. Activity Identification
	FY97			FY98			FY99			
Element of C	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Systems Development:										
C(2) Systems Development			$ 287.0			$ 100.0			$ 390.0	
LAN:										
B(1) ADPE Hardware		Varies	$ 621.0		Varies	$ 621.0		Varies	$ 650.0	
C(3) Software Deployme		Varies	$ 199.0		Varies	$ 199.0		Varies	$ 200.0	
Data Warehouse:										
C(2) Systems Development								Varies	$ 1,750.0	
C(3) Software Deployment (OTS)								Varies	$ 1,750.0	
Y2K										
C(2) Systems Development								Varies	$ 500.0	
TOTAL			$ 1,107.0			$ 920.0			$ 5,240.0	

Narrative Justification:

Integrated Command Environment (ICE) includes support for the following:

Systems Development Includes support for systems integration, test, implementation, documentation and training. Some of the systems involved include: Transportation Financial Management System (TFMS), the new USTRANSCOM financial management information system.

Integrated Acquisition Management System (IAMS) is MSC's implementation of DoD's Standard Procurement System (SPS)

FMS Financial Management Information System (FMIS) FY92 Initial Operational Capability (IOC) and Full Operational Capability (FOC)-FY97.

Total Life Cycle Development cost FY92 to FY97 is $9.7 million.

AMS (SP5) FY98- (IOC) and FY00-FOC. Total Life Cycle Development cost FY98 to FY00 is $3.5 million.

LAN: Provides equipment and software to implement LANs at all offices, area commands and headquarters. Software includes such items as Windows NT and Oracle; equipment includes servers, micros, printers, etc. FY92-IOC and FY02-FOC.

Data Warehouse: Provides support for MSC Data Warehouse implementation in support of the Defense Transportation System (DTS).

This technology will apply online analysis software On Line Analysis Software (OLAP) to the data supporting DTS. Involves the use of drill-down and graphic display techniques to data structured for direct fast retrieval and data mining by users, managers and staff. FY98-(IOC) and FY03-(FOC) , Total Life Cycle Development cost FY98 to FY03 is $11 million.

Y2K : costs associated with solving Year 2000 problem. Total Life Cycle Development cost FY98 to FY99 is $1.8 million.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission: FY 1999 Amended Budget Estimates
B. Component/Business Area/Date: TMC/Transportation/February 1998					C. Line No. & Item Description: A(11 REPLACEMENT							D. Activity Identification
	FY 97			FY 98			FY 99					
lement of Cost	Quantity	Unit Cost	Total Cosr	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Co!
.a. SAFETY AND ARGO HANDLING QUIPMENT			$1,132.0	3	NA	$1,200.0	2	NA	$1,300.0			
OTAL			$1,132.0			$1,200.0			$1.300.0			

arrative Justification:

MATERIAL HANDLING EQUIPMENT - FY 97

ll replacement equipment will be purchased for Sunny Point, a major MTMC terminal and a transshipment point for mmunition required by U.S. military personnel and NATO forces through the world. The terminal requires a new tanker ruck with forest fire firefighting capabilities. Current equipment has stress tears, has inadequate pump capacity and cannsken off hard surface roads. A replacement refuse truck is required as the current truck has mechanical problems and as metal fatigue. A container handler truck is required to load MILVANS at the wharf. The current tamper machine is eteriorating and has to be replaced. The current fire pumper has failed its fire flow certification test and is onstantly under repair. The new pumper will meet hose and water capacity replacing inadequate equipment.

MATERIAL HANDLING EQUIPMENT - FY 98

unny Point's full trucked tractor has exceeded its life expectancy. Uneconomical extensive maintenance is required ue to engine overheating problems. The current tractor also is prone to sink in wetland areas due to its high ground ressure. The new model will correct these deficiencies. Sunny Point requires an equipment truck. The vehicle ; required for the transportation of hazardous material equipment, chemical equipment, miscellaneous fire quipment and specialized rescue equipment. The vehicle would be used at an emergency scene to establish a ommand post, direct emergency operations, and rehabilitate fire personnel during emergency operations. Sunny

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)										A. Budget Submission FY 1999 Amended Budget Estimates		
B. Component/Business Area/Date MTMC/Transportation/February 1998				C. Line No. & Item Description A(1) REPLACEMENT						D. Activity Identification		
	FY 97			FY 98			FY 99					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cos
SAFETY AND RGO HANDLING UIPMENT ıtinued rative justification												

rative Justification:

MATERIAL HANDLING EQUIPMENT - FY 98 (cont.)

int requires equipment to perform high level fire fighting and rescue operations with the use of large amounts foam as well as large amounts of water. The fire department has no effective way to board ships with various types ɜ equipment. The gang way is very unsafe for taking aboard fire equipment to fight fires. The aerial platform delivers large amounts of foam and water as well as makes rescue easier by utilizing the platform to remove victims fro ssels. This piece of equipment will perform the same operations of container cranes, structures, and will give us the ɹuired reach for MTMC's Paceco Cranes

MATERIAL HANDLING EQUIPMENT. FY 99

nny Point requires a container handler truck as the current one has reached life expectancy and maintenance costs ɜ now reaching maximum allowed cost.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Estimates
3. Component/Business Area/Date MTMC/Transportation/February 1998					C. Line No. & Item Description B. ADPE & Telecomm, C. Soft Dev							D. Activity Identification
	FY 97			FY 98			FY 99					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
AUTOSTRAD 2000 (A-2000)												
B.c.(2) HARDWARE			#######			#######			#######			
B.b. SOFTWARE			#######			#######			#######			
TOTAL			#######			#######			#######			

Narrative Justification:

AUTOSTRAD 2000 (A-2000)

The Automated System for Transportation Data (AUTOSTRADJ 2000 is a program for Information Mission Area (IMA) core support o the entire MACOM. A-2000 supports all six disciplines in the Army's IMA: (1) Records Management (2) Visual nformation (3) Printing and Publications (4) Commercial off the shelf [COTS] hardware, software and local area networks LANs] (5) Communications, and (6) Library Management.

While major automated information systems (AIS) at MTMC are developed by Project Managers (PMs) under full DOD life cycle/MAISRC procedures, the A-2000 program provides the IMA common-user utilities that support the general MTMC population at large. The program utilizes competitively procured open system environment (OSE) products to bring a value-added benefit to basic services.

Specifically, the A-2000 program provides: a common-user open access data communications pathway for both routine office automation electronic mail as well as data transfers in and out of MTMC sites for main mission systems;
data access tools to allow the analytical staff access to all MTMC data and manipulate it as needed;
optical storage COTS ADPE to replace bulky filing cabinets while offering numerous retrieval advantages; CD-ROMs to replace hardcopy library stacks with electronic library services; CD-ROM-based electronic preparation and printing of forms; video teleconferencing to reduce travel costs; and low cost VI COTS products to produce better and cheaper work in-house than formerly possible with expensive systems or contractor shops.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission: FY 1999 Amended Budget Estimates

Component/Business Area/Date: TMC/Transportation/February 1998

C. Line No. & Item Description: B. ADPE & Telecomm, C. Soft Dev

D. Activity Identification:

	FY 97			FY 98			FY 99					
lement of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ONUS FREIGHT MANAGEMENT SYSTEM												
.c.(2) HARDWARE			######			$3,000.0			$2,000.0			
.b. SOFTWARE			######			$10.000.0			$10,050.0			
DTEDI						$1.2000			$1,000.0			
DTAL			######			$14.200.0			$13.050.0			

arrative Justification:

ONUS FREIGHT MANAGEMENT SYSTEM

eregulation of the transportation industry has increased the number and complexity of tenders of service filed by motor carries This initiative ill modernize DOD freight movements and audit procedures. The Military Traffic Management Command (MTMC) has initiated efforts to automate erouting of all shipments (under and over 10.000 pounds) CFM is necessary to provide transportation managers, auditors, and finance, :counting personnel with timely information on freight rates, shipment costs, carrier performance, and status of freight transactions. The CFM ystem will operate to minimize the Federal Government's bill of Lading (GBL) freight transportation costs, which were approximately $630 million fiscal year FY1990 The annual benefits lo the DOD Freight Program attributable lo the fully implemented CFM automation and the eclronic interfaces with the Defense Logistics Agency (DLA). General Services Administration (GSA), the Services, the efense Finance and Accounting Service (DFAS), and the carrier industry are expected to be $45,680K annually. These savings e in constant FY 92 dollars and are derived from Labor and Administrative Savings, $18,271K; Transportation Management avings, $18,298K; and Pre-payment Audit Savings, $9, 111K, based on CFM's validated Economic Analysis dated April 1992.

FM is designed to Improve DOD's domestic Defense Transportabon System (DTS) management and operations capability by providing automated ltomated support to transportation processing, planning and Interfaces wilh the commercial transportation system. These als will be attained by improving the accuracy and availability of shipment, carrier performance, and rate data; by ltomating shipment planning and document preparation; and by electronically exchanging current information with users from 'ansportabon Offices (TOs), carriers, DFAS. and MTMC Headquarters and Area Commands. The CFM System is a n-tactical system with which will be capable of handling a 100% surge mobilization capability CFM is a approved CIM migration system itial Operational Capability (IOC)-FY95 Full Operational Capability (FOC)-4Q FY02 Life Cycle Cost. An Economic Analysis currently being prepared, anticipate daft in 60 days.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date MTMC/Transportation/February 1998				C. Line No. & Item Description B. ADPE & Telecomm, C. Soft Dev								D. Activity Identification
	FY 97			FY 98			FY 99					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
COMMON OPERATING ENVIRONMENT (COE) and DATA STANDARDS												
c.(2) HARDWARE												
b. SOFTWARE									$3,715.0			
TOTAL									$3,715.0			

Narrative Justification:

COMMON OPERATING ENVIRONMENT (COE) and DATA STANDARDS

Military operations require the ability to respond to crisis situations anywhere in the world, on a moment's notice. Information must flow seamlessly and quickly among DoD organizations, CINCs, and command centers to the warfighter to assess operations and quickly develop new tactical strategies to deal with changes in the battlefield environment. Interoperability is essential in such a wartime scenario. The DoD Joint Technical Architecture (JTA) is a key element in DoD's overall strategy to achieve this capability. The JTA is the result of collaboration among the Services, Joint Staff, USD(A&T), ASD (CDI), DISA, DIA, and other elements of the Intelligence Community. Its open, standards-based approach offers significant opportunities for reducing costs, cutting development and fielding time through enhanced software portability, use of COTS, ease of systems upgrade, and hardware independence. The JTA standards specify the logical interfaces in command, control and intelligence systems, and the communications and computers that directly support the war-fighter. OSD memorandum, 22 Aug 96, mandates that all emerging systems and systems upgrades comply with the JTA guidelines. Funds are needed to meet JTA guidance, bring us into the Defense Information Infrastructure Common Operating Environment (DII COE), and the Common Data Environment (CDE).

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date MTMC/Transportation/February 1998				C. Line No. & Item Description B. ADPE & Telecomm, C. Soft Dev								D. Activity Identification
	FY 97			FY 98			FY 99					
Element of cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cos
ENHANCED LOGISTICS INTRATHEATER SUPPORT TOOL (ELISTI												
l.c.(2) HARDWARE												
·.b. SOFTWARE			$467.0									
OTAL			$467.0									

larrative Justification:

:NHANCED LOGISTICS INTRATHEATER SUPPORT TOOL (ELIST)

:LIST, formerly Strategic Transportation Analysis Decision Support (STADSS), is the migration system for the Defense 'ransportation System feasibility planning modeling for deployment analysis in the theater. ELIST includes the ·quipment and transport line item level of detail necessary to evaluate deployability against critical aspects of the ransportation environment. The project enhances the current STADSS architecture by extending STADSS latasets to outside CONUS (OCONUS) areas and linking in a seamless, dynamic analytical suite t supports MTMC's mission by providing a theater transportation planning and analysis system for major leployments into and within a theater of operations. ELIST, as part of a force projection transportation nalysis system, compares the planned theater procedures, and the networks and facilities involved in deployment, rom home station in the U.S. or a forward deployed position, to the tactical assembly area in the theater of operations. :LIST produces a highly detailed analysis of the impact of changes in military forces and transportation systems nd infrastructure on the ability of the U.S. to project its forces worldwide in the times required for mission accomplish 'lanners can then adjust the arrival plan and/or the planned theater capability to create an operations plan that is upportable by the theater transportation. ELIST is an approved CIM migration system.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimates

. Component/Business Area/Data
1TMC/Transportation/February 1998

C. Line No. & Item Description
B. ADPE & Telecomm, C. Soft Dev

D. Activity Identification

lement of Cost	FY 97 Quantity	FY 97 Unit Cost	FY 97 Total Cost	FY 98 Quantity	FY 98 Unit Cost	FY 98 Total Cost	FY 99 Quantity	FY 99 Unit Cost	FY 99 Total Cost	Quantity	Unit Cost	Total Cogt
ITRANSIT VISIBILITY (ITV) PROGRAM												
.c.(2) HARDWARE			$879.0			######			######			
DTEDI Hardware			$115.0									
.b. SOFTWARE			$5,957.0			######			######			
DTEDI Software			$479.0			$400.0			$400.0			
OTAL			$7,430.0			######			######			

larrative Justification:

NTRANSIT VISIBILITY (ITV) PROGRAM

'he Intransit Visibility (ITV) Program funds a number of initiatives such as development of new automated capabilities lesigned to support ITV, establishment of interfaces between MTMC and a variety of DoD, Service, USTRANSCOM, and :s components, and commercial carrier industry systems; transitioning legacy systems to standard integrated migration ystems; development of enhancements to satisfy new requirements; insertion of technology such as Automated nformation Technology (AIT) and Electronic Data Interchange (EDI) to improve and expand on intransit isibility reporting; supporting USTRANSCOM, DoD and DA data standardization and functional business rocess improvement objectives; and systems integration activities at various operating echelons. Specific nitiatives are: (1) development of the Integrated Booking System (IBS), which will replace four inefficient, bsolete systems. IBS will provide a standard traffic management baseline to support booking operations vorldwide and (2) the integration of a stow planning capability into WPS, initiated in FY 94 and FY 95 funding provided by the / Strategic Mobility Plan (ASMP). IBS and ICODES are approved CIM migration systems.

nitial Operational Capability (IOC)-3Q FY96 Full Operational Capability (FOC)-3QFY98 Life Cycle Cost: Does not have 'alidated economic analysis. Currently system funding for completion to include sunk cost is $6.686 million.

CODES: IOC-1 QFY97 FOC-30 Sep 98, 4Q FY98 Life Cycle Cost: Economic Analysis is being prepared.
BS: IOC- 4Q FY97 FOC- 4QFY99 Life Cycle Cost: Economic Analysis is being prepared.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)									A. Budget Submission FY 1999 Amended Budget Estimates		
B. Component/Business Area/Date MTMC/Transportation/February 1998				C. Line No. & Item Description B. ADPE & Telecomm, C. Soft Dev					D. Activity Identification		
	FY 97			FY 98			FY 99				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TRANSPORTATION OPERATIONAL PERSONAL PROPERTY STANDARD SYSTEM												
3.c.(2) HARDWARE			$385.0			######			######			
4.b. SOFTWARE			######			######			######			
TOTAL			######			######			######			

Narrative Justification:

TRANSPORTATION OPERATIONAL PERSONAL PROPERTY STANDARD SYSTEM

TOPS is an installation level system that automates and standardizes the personal property movement, storage and management functions at transportation offices throughout the DOD. It is a DOD directed program, funded in DBOF.
TOPS is projected to generate savings in excess of $29M annually after full implementation at 280 CONUS sites.
Extension worldwide is expected to result in total program savings of $45M annually. Deployment to OCONUS sites is scheduled to begin in FY 95; worldwide implementation projection for completion in FY 97. TOPS provides the capability to support intransit visibility by providing shipment status information to TOPS sites during emergency situations through its central data base, the Worldwide Household Goods Information System for Transportation (WHIST). TOPS potential for expediting Non-combatant Evacuation Operations (NEO) was identified during the Panama crisis. In addition, TOPS directly supports DOD's quality of life objectives for the movement of personnel worldwide. TOPS is an approved CIM migration system.

Initial Operational Capability (IOC) 1Q FY89 Full Operational Capability (FOC) 2Q FY98 Life Cycle Cost: $170.7million in FY95 constant dollars and $197.5million then year dollars

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Esti...ates
B. Component/Business Area/Date MTMC/Transportation/February 1998						C. Line No. & Item Description B. ADPE & Telecomm, C. Soft Dev						D. Activity Identification
	FY 97			FY 98			FY 99					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
WORLDWIDE PORT SYSTEM (WPS)												
3.c.(2) HARDWARE			######			$ 500.0			######			
4.b. SOFTWARE			######			######			######			
TOTAL			######			######			######			

Narrative Justification:

WORLDWIDE PORT SYSTEM (WPS)

The WPS is a Military Traffic Management Command (MTMC) automated information system (AIS) initiative essential to effective force projection and intransit visibility of unit and sustainment cargos. At the center of the new Army strategy for rapid power projection to meet unspecified threats, WPS is one of several systems that provides movement control support to the Army's Strategic Mobility Program (ASMP) initiated as a result of lessons learned from Operation Desert Storm/Shield and the Congressionally mandated Mobility Requirements Study (MRS). When fully fielded, WPS will support MTMC ocean terminals and U.S. Navy port activities worldwide, US Army Forces Command reserve component Transportation Terminal Units and active component Automated Cargo Documentation Detachments with worldwide warfighting support missions. Compact and transportable, WPS substantially increases the ability of the Defense Transportation System to provide intransit visibility information to the warfighting CINCs and USTRANSCOM, while reducing the personnel required to operate the system and the transportation required to deploy the system to remote places.

WPS will replace four (4) aging AIS that support the ocean terminal management and cargo documentation missions during peace and war. The replaced AIS include the obsolete Terminal Management System (TERMS) in CONUS, and the Department of the Army Standard Port System - Enhanced (DASPS-E) whose significant deficiencies were identified during Operation Desert Shield/Storm. Overall life cycle costs are projected at $199 million in current year (FY93) dollars. WPS is an approved CIM migration system. Initial Operational Capability (IOC)-2Q FY93 Full Operational Capability (FOC)-2Q FY97. Life Cycle Cost: $111.97 million FY94 constant dollars and $139.8 million in FY94 then year dollars.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousand:s)										A. Budget Submission FY 1999 Amended Budget Estimates		
3Component/Business Area/Date MTMC/Transportation/Fe ıary 1998				C. Line No. & Item Description D. MINOR CONSTR :TION						D. Activity Identification		
	FY 97			FY 98			FY 99					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cos	Quantity	Unit Cost	Total Cos	Quantity	Unit Cos	Total Cost
2. 1303rd MAJOR PORT COMMAND SUNNY POINT)			9B00.C	4	NA	$900.0	4	NA	$800.(			
TOTAL			$800.0			$900.0			$800.0			

MINOR CONSTRUCTION - SUNNY POINT FY 97

4s determined in an Explosive Safety Survey in 1994, several Lightning Protection System (LPS) deficiencies were noted. Based on report and findings the installation is required to install a lightning protection system.
ards, 3 wharves, the truck pads, and the north wharf. Failure to do so puts MTMC in violation of the DOD 6055.9 regula ion.

MINOR CONSTRUCTION - SUNNY POINT FY 98

he facility requires construction of a trailer parking area. The current area is to be demolished in FY 96 as art of the Facilities Layaway Program. Sunny Point needs top fenders on the South wharf. During the process of ıooring vessels to the apron, vessels have come in contact with the top portion of the concrete structures, especially ıring the falling tide when most of the concrete structure is unprotected. Public Works Utility Shop, Bldg 4, equires rehabilitation as it currently violates many of the current safety and building requirements. This will reduce ener onsumption and correct plumbing deficiencies. Continuing to install a lightning protection, the facility ill install the system at the 300-Series Truck Holding Pads

MINOR CONSTRUCTION - SUNNY POINT FY 99

unny Point will continue to correct LPS deficiencies as determined in an Explosive Safety Survey in 1994.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)										A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date DCS/Transportation/February 1998				C. Line No. & Item Description						D. Activity Identification
	FY 97			FY 98			FY99			
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
HQ Training Facility	1	$451	$451							
DCSS-Norfolk	1	$130	$130							
DCSS-Korea				1	$250	$250				
DCSS-Jacksonville				1	$130	$130				
DCSS-Yokota				1	130	$130				
DCSS_McGuire								$400	$400	
TOTAL			$581.0			$510.0			$400.0	

Narrative Justification:

HQ Training Facility: Add classroom and support area structure for the DCS Training Facility. Every person assigned to DCS is required to attend at least one two-week course; station commanders attend an additional week. Currently, we rent facilities at an off-post hotel. The rented facilities are not adequate for DCS unique classroom needs.

DCS-Norfolk: Constuct 500 square foot addition to provide a training/conference room to facilitate courier and customer training. Provide adequate administrative space for couriers to plan and evaluate missions and perform collateral duties. Currently, 13 couriers share approximately 600 square feet of administrative space.

DCS-Korea: Enlarge SCIF to accommodate igloos for the new overnight contract(UPS) mission. This station now serves as the gateway for all material destined for Korea and Japan.

DCS-Jacksonville: Construct a 600 square foot addition to provide a breakroom and adequate administrative space for couriers to plan and evaluate missions and perform collateral duties. Currently, 12 couriers share 310 square feet of administrative space.

DCS-Yokota: Construct an addition to the SCIF to provide couriers space to build pallets, distribute materials, and move around the roller system safely. Provide additional space for couriers to perform mandatory training and hold other meetings.

DCS- McGuire: Construct 1500 square foot facility as an addition for the merger of DCS Boston & McGuire as a result of BRAC 95 closure of DCS Boston. Addition is to give adequate space and security for the combined McGuire and Boston missions.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date USTC/Transportation/February 1998				C. Line No. & Item Description B(1), C(2) & C(3). AIT					D. Activity Identification TCJ4-LTF			
				FY97			FY98			FY99		
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADPE & TELECOM: TCJ4 Automated Identification Technology:												
B(1) HARDWARE						$459.0			$1,833.0			$2,377.0
SOFTWARE DEV:												
C(2) Sys Development						$1,125.0			$812.0			$552.0
C(3) Deployment						$0.0			$1,100.0			$1,000.0
TOTAL						$1,584.0			$3,745.0			$3,929.0

Narrative Justification: The Defense ITV Integration Plan developed by CINCTRANS and approved by DUSD(L) on 8 Mar 95 for implementation by th Services and agencies highlighted the requirement to use Automatic Identification Technology (AIT) as a means to augment data collection efforts. will be needed to support the day-to-day transportation business processes of shippers (ITO/TMO/MO and vendors), transhippers (CCPs and ports) ar eceivers (ITO/TMO/MO and theater transportation activities). The functionality provided by AIT must be integrated with Transportation Automated nformation Systems maintenance and development in order to satisfy management and control of cargo moving through the complex transportation etwork (government and industry). AIT will improve our ability to manifest, bill for payment, and support ITV needs of our customers. AIT is integ USTRANSCOM's GTN development and the DOD Total Asset Visibility (TAV) Program objectives. Benefits: When fielded, AIT integrated with AIS, ake the guess work out of what is in the shipping container or who is on the airplane. Rarely will we have to open containers to determine what is nside. (During Desert Shield/Storm, thousands of SEAVAN containers had to be opened to find out what was inside and who should it be delivered n-theater or returned to retrograde.) If not funded, there will be a great impact on the DOD transportation community's ability to satisfactorily perfo nission. Implementation of AIT is required for DOD to maintain an effective means of exchanging information relating to the movement status (ITV) ersonnel/cargo/personal property. Requirements are not duplicative of other USTRANSCOM funding submissions, nor previously budgeted.

AIT CAPITAL SUNK COSTS: Software Development $1.125M Hardware: $.460M

AIT CAPITAL PROGRAMMED COSTS: Software Development $4.844M Hardware $4.330M

AIT TOTAL COSTS: Software Development $5.969M Hardware $4.790M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)													A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date					C. Line No. & Item Description								D. Activity Identification
USTC/Transportation/February 1998					B(1),(2),(3),C(1),(2),(3),(4) GTN								
				FY97			FY98			FY99			
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
GTN:													
B(1) Hardware													
Interfaces/Queries						$3,095.(			$3,275.0			$1,828.0	
Development													
B(2) Software						$333.(			$131.0			$203.0	
B(3) Telecommunications													
Telecom Servers & Devices													
Security Devices													
C(1) Planning & Sys Design						$8,846.(			$3,080.0			$2,143.0	
C(2) Sys Development						32,923.(			$56,018.0			$7,785.0	
C(3) Deployment + A2						$3,895.(			$2,136.0			$2,126.0	
C(4) Mgt & Tech Spt						$2,864.(			$2,190.0			$1,954.0	
TOTAL						51,956.(			66,830.0			$16,039.0	

The Global Transportation Netw (GTN) requires application servers and workstations to make transportation i ormation available to users. Hard re will a support system administration, maintenance and operations. Commercial off-the-shelf software is essential for development. Telecom servers and devices are required to maintain continuity between GTN sites and to distribute transportation information to users at many different worldwide locations. Funding is required for encryption of data and MLS guards that prevent unauthorized release of classified information. Planning and system design are necessary to ensure GTN adequately satisfies the user requirements. System development is required to produce GTN software that meets the requirement in the system design. Deployment of GTN is required to provide medical evacuation, intransit visibility and command and control capabilities to users. Mgt and Tech Spt is required to develop and document functional and technical specifications for GTN development. Benefits have been determined by functional users. The ratio of benefits to cost is greater than one as documented in the Life Cycle/Cost Benefit Analysis (LCC/BA). Loss of funding would make worldwide collection and distribution of transportation information impossible. Direct automated transfer of data into the classfied portion of the GTN database would be lost. Classified portions of GTN information may not be available to users such as joint task force commanders operating in remote locations. Intransit visibility and command and control tools will be limited to a few independent prototypes. GTN capability at alternate sites or user sites would not exist. Increase in FY99 of $6.054M over the FY98 President's Budget is due to added capabilities of the GTN Reference Server, Commercial Transaction Interface, and to bring the funding level to the approved Service Cost Position. GTN Initial Operational Capability was achieved in Apr 97; full operational capability is projected for Aug 99. Tle Life Cycle Cost to the year 2009 is $376.702M.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Estimates
B Component/Business Area/Date USTC/Transportation/February 1998				C. Line No. & Item Description B(1), C(2),(4): Cmd C4S					D. Activity Identification			
				FY 97			FY98			FY99		
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Cmd C4S: TCJ6												
B(1) Hardware												
Upgrades									$200.0			**$200**
C(4) Mgt & Tech Spt												
MITRE						$191.0			$200.0			**$200**
Configuration Mgmt-TCJ6												
C(2). Sys Development						$400.0			$200.0			**$200**
TOTAL						$591.0			$600.0			$600

Narrative **Justification: Funds for technical service to ensure systems and networks are accredited, vital information is protected; technical expertise in configuration management, systems acquisition, and engineering and integration. Without funding, these functions will not be performed as USTC does not have technical security professionals. Fundi for hardware upgrades of ATM switching networks and planned replacement of Barco projectors for B&D. The USTRANSCOM presentation systems are extensively used on a daily basis for high level briefings and presentations. Audio visual technology is constantly being improved to enhance the presenter's ability to project his information in th blest possible way. To remain current with technology in future years, money must be budgeted to cover these upgrac ifh the seven conference rooms located throughout USTRANSCOM. Configuration Management: Funding will produce design and code changes from the baseline system and provide testing and fielding for each of the subsystems. Fund: are required to develop and maintain the Communication and Computer Requirements System (CCRS). Funding will provide for the database service and support as well as system improvements to satisfy future requirements.**

Capital **Sunk Costs: Hardware:** $.4M **Software:** $.5M
Programmed **Costs: Hardware:** $1.8M **Software:** $3.0M
T**otal Costs: Hardware:** $2.2M **Software:** $3.5M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date USTC/Transportation/February 1998				C. Line No. & Item Description B(1), B(2 C(2): Cmd Cente CCS					D. Activity Identification			
				FY 97			FY 98			FY 99		
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Command Center/GCCS: TCJ6												
(1) Hardware												
WS Eqmt						$1,203.						$1,500.0
Display/Dist Eqmt												
(2) Software						$500.			$500.			$700.0
(2) Sys Development						$500.			$500.			$700.0
TAL						$2,203.			$1,000.			$2,900.0

Narrative Justification:
Global Command and Control System GCCS: GCCS is a top-down directed program from OSD, managed by the JCS-J3/J6. To continue providing support for the CINC's command and control mission and to integrate the transportation functions into GCCS, it will be necessary to continue to upgrade the hardware/software architecture of GCCS for USTRANSCOM. FY 99 budget includes the GCCS life-cycle replacement for the initial suite o GCCS equipment, which includes USTRANSCOM's primary database server and application servers. This life-cycle replacement complies with the USTRANSCOM approved 4 year life-cycle replacement policy. Replacement of older hardware as well as future upgrades of software to keep current with the GCCS program, it will be necessary in order to provide efficient and timely service to the CINC and Component Commanders.

Capital Sunk Costs: Hardware: $3.3M
Software: $0.375M
Capital Programmed Costs: Hardware: $7.7M
Software: $3.8M
Total Costs (Sunk + Programmed) Hardware: $11 M
Software: $4.18M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimates

. Component/Business Area/Date
STC/Transportation/February 1998

C. Line No. & Item Description
B(1), B(2): Cmd Center/GCCS-T

D. Activity Identification

lement of Cost				FY 97 Quantity	FY 97 Unit Cost	FY 97 Total Cost	FY98 Quantity	FY98 Unit Cost	FY98 Total Cost	FY99 Quantity	FY99 Unit Cost	FY99 Total Cos
md Center/GCCS-T:												
(1) Hardware												
SERVER Eqmt												$200.
Display/Dist Eqmt												
(2) Software												$35.
(2) Sys Development												
OTAL												$235.

larrative Justification:
lobal Command and Control System Top Secret (GCCS-T) is a top-down directed program from OSD, managed by the JCS-J3/J6. To continue roviding support for the CINC's command and control mission and to integrate the transportation functions into GCCS.
CCS-T expands the GCCS capabilities to include TOP SECRET information. DISA is paying for the initial suite of equipment.
eplacement of older hardware as well as future upgrades of software to keep current with the GCCS-T program will be necessary in order to provide fficient and timely service to the CINC and Component Commanders.

unk Costs: Hardware: $.0 Software: $0
rogrammed Costs: Hardware $1.115M Software $0
otal Costs: Hardware: $1.115M Software: $0

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)													A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date USTC/Transportation/February 1998				C. Line No. & Item Description C(2). DTEDI						D. Activity Identification TCJ4-LTF			
				FY 97			FY 98			FY 99			
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cos	
TCJ4 SOFTWARE DEV: C(2) Sys Development						$600.0			$600.0			$800.	
TOTAL						$600.0			$600.0			8600.	

Narrative Justification. On 18 Jan 95, DUSD(L) designated USTRANSCOM to lead the Electronic Data Interchange (EDI) program for Defense transportation. This program is geared to making EDI transactions a standard practice for exchanging business information within DOD, the commercial transportation industry and other government agencies. Responsibilities include chairing the Defense Transportation EDI (DTEDI) committee; providing a single functional focal point to the commercial transportation industry on EDI implementation and related issues; coordinating with the Services, Agencies and DOD Electronic Commerce Integration Office (ECIO) to establish EDI priorities and identify technologies to meet DOD requirements; coordinating the integration of EDI with transportation AISs and AITs to meet the DOD requirements; resolving EDI data quality and standardization problems; providing DOD transportation functiona representation to standards coordinating committees as required; and coordinating the DTEDI implementation plan with DISA (JIEO) to ensure adherence with the standard EC/EDI infrastructure. Funding sources are needed to support the exchange of transportation business information throughout DOD, the Services, and industry by a variety of systems, American National Standards Institute Accredited Standards Committee X-I 2 EDI standards. Benefits: Promotes expansion of EDI implementation within the DOD. Facilitates DOD exchange of standard transactions with industry providers of transportation services. EDI will reduce the dependency on paper documents (bills of lading, manifests, discrepancy reports, and requests for booking). DOD Components will be able to use EDI for paperless processing of al day-to-day business related transactions and have a common approach to implementation of a single face to industry. Lack of funding will delay upgrade and implementation of technological advancements required for DOD to maintain an effective means of exchanging information to movement of personnel/cargo/personal property and impede development of a responsive tracking capability.

EDI Capital Sunk Costs: $600K Programmed Costs: $3.9M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)													A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date USTC/Transportation/February 1998							C. Line No. & Item Description C(1): Executive Info Sys						D. Activity Identification
				FY 97			FY 98			FY 99			
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Executive Info Sys: TCJ6													
C(1): Planning & Sys Design						$400.0							
TOTAL						$400.0							

Executive Info Systems: The Commander in Chief (CINC) USTRANSCOM has a continuing need to quickly and effectively assess the status of the command, its components, and other national transportation resources. CDSS ties existing heterogenous information systems, both automated and manual to provide the CINC with access to various information systems to provide decision support at the executive level. CDSS is a site unique application which runs on the Global Command and Control System (GCCS) architecture. As new information sources become available, it will be necessary to provide access to that information through the development of software interfaces. In addition, the potential user base is expected to continue to grow as the decision support system evolves not only in the number of executives which require the information, but also in the number of users required to support the system functionality. There is also an anticipated need for an increase in the amount of laptop capability for executive travel. A prototype model has been fielded; however, numerous enhancements are required to provide a more user friendly system.

Capital Sunk Costs: Software: $.5M
Capital Programmed Costs: $0
Total Costs: Software: $.5M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)									A. Budget Submission FY 1999 Amended Budget Estimates			
B. Component/Business Area/Date USTC/Transportation/February 1998				C. Line No. & Item Description C(4): TECH SUPPORT					D. Activity Identification TCJ5			
				FY 97			FY 98			FY 99		
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TCJ5: TECH SUPPORT												
C(4): Mgmt & Tech Support									$350.0			$350.0
TOTAL									$ 350.0			$ 350.0

Narrative Justification: Management and Technical support: MITRE scientific and technical support to assist USTRANSCOM technology focal point (TCJ5) with the tasks of finding, assessing, and demonstrating technologies in support of the Defense Transportation (DTS) operations. Program will move to operating budget in FY99. Sunk Costs: $0 Programmed Costs: $2.1M.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
($ in Thousands)

A. Budget Submission
FY 1999 Amended Budget Estimates

. Component/Business Area/Date
STC/Transportation/February 1998

C. Line No. & Item Description
B(1), C(2),: JMCG

D. Activity Identification

				FY 97			FY98			FY99		
ement of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cos
md C4S: TCJ6												
(1) Hardware Upgrades						$600.0			$1,080.0			$3,095.
(2) Software												$100
(1) Sys Design						$199.0						
(2). Sys Development						$800.0			$320.0			$1,450
OTAL						$1,599.0			$1,400.0			$4,645.

Narrative Justification: Joint Mobility Control Group (JMCG) is the organizational structure for reporting and tasking all ransportation requirements within DOD. System development funds are required for software development work on roupware and collaborative planning. Hardware funds are required to purchase classified LAN routers, Asynchronous ransfer Mode (ATM) switches, and servers for additional capability. Investment of these capital funds will produce a iore robust data communications system and allow JMCG to meet transportation requirement demands. Increase in Y99 funding is required due to the quick rise and fast growth of the JMCG's scope. The JMCG is the future of ISTRANSCOM's command and control architecture. Logbook is a groupware application that has proven vital to the ontinued operation and progress to the JMCG. Continued development of the application is required to support the MCG as the project develops; as a reengineering project, the JMCG required flexibility in C2 functionality and in intra-ommand center communications. Logbook provides that flexibility, but it also provides the ability to satisfy other, xternal requirements. The paperless office initiative, web-based data input requirements, and other applications when outing of documents is required in the course of everyday work, can all be performed by Logbook. Continued evelopment funds will be required to support the evolution of Logbook into these, and other, applications of the roupware environment.

Sunk Costs: Hardware: $1.225M Software: $1.21 M
Programmed Costs: Hardware $11.55M Software $5.5M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)												A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date JSTC/Transportation/Fe uary 1998					C. Line No. & Item Description C(2): Central Repository Info Sys (CRIS)							D. Activity Identification
					FY 97		FY98			FY99		
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
JTCC												
ADPE & TELECOM												
B(1 I Hardware												
B(2) Software												
SOFTWARE DEVELOP												
C(2) Sys Develop						$ 1.646.0			$ 1,250.0			$ 600.C
C(3) Deployment												
TOTAL						$ 1.546.0			$ 1,250.C			$ 600.(

Narrative Justification: Support Tools for Implementation of Technical Migration nhanced Systems nterfaces, Data Standardization, and Functional Process Improvements (FPI) For The Defense Transportation System. This integrated AIS initiative supports USTRANSCOM's efforts to oversee and implement the Deputy Secretary of Defense's mandate to move to migration transportation AIS systems and implement standard data for use across all systems, The three elements of this integrated initiative are as follows:

(1) Migration Systems Implementation: This element addressed the need to satisfy a small portion of the up-front investments in software development required to implement the 3 I March 1995 DUSDL decision to officially designate 23 systems as migration systems for transportation. Specifically, it provided FY96 funding to support the migration effort for the Joint Flow and Analysis System (JFAST) migration system.

(2) EDI & ITV Systems Interfaces: In conjunction with the migration implementation effort for FY96, this second element supported the initial requirement detinition and implementation process requirements associated with Electronic Data Interchange (EDI). OSD has assigned USTRANSCOM as he lead for developing a Defense ITV capability as part of the Defense Total Asset Visibility Plan. The specific EDI initiative supported for FY96 included he initial requirement definition and implementation process for EDI.

(3) Centralized Repository Information System (CRIS): The third element provides for the establishment of a CRIS capability within USTRANSCOM. All of JTCC's future year (i.e., FY97 and beyond) capital funding is focused on the continued development and support of the CRIS and Data Administration program. The CRIS program provides for the integrated management of Functional Process Improvement (FPI), Migration Systems, and Data Administration efforts across the entire spectrum ofcomputer systems that support the Defense Transportation System (DTS). Activities include the enhancement of both the cross service and cross functional flow of information that is required to ensure a successful, more responsive, and more efficient DTS as well as DoD. Streamlining and standardizing transportation data, systems, and terminology across all service and functional lines will eventually lead us to a DTS which can more easily facilitate the processing of all customer requirements by leading to more accurate data. The mapping of DoD Standard Data elements (stored in CRIS) to the EDI transaction sets is also a significant step in the development of EDI.

CAPITAL SUNK COSTS: Software Development: $2.6M
CAPITAL PROGRAMMED COSTS: Software Development: $5.4M
TOTAL COSTS (Sunk Costs + Program Costs): $8.0M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)									A. Budget Submission FY 1999 Amended Budget Estimates			
B. Component/Business Area/Date USTC/Transportation/February 1998				C. Line No. & Item Description B(1), B(2), C(1) & C(2): LAN					D. Activity Identification			
				FY 97			FY98			FY99		
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
LAN: TCJ6												
B(1): Hardware												
Infrastructure Upgrades						$1,0[illegible].0			$1,300.0			$2,050.0
B(2): Software						$1[illegible].0			$250.0			$600.0
C(1): Planning & Sys Design												
C(2): Software Develop												$300.0
						$ [illegible]			$1,550.0			$2,950.0

Narrative Justification: Local Area Network (LAN)

LAN: Hardware includes infrastructure upgrades to support increasing bandwidth requirements. This is to include fiber optic installation intelligent hub upgrades and wide area network connectivity with the component commands. The USTRANSCOM Command and Control Information System (C2IS) is comprised of classified and unclassified segments and wide area network (WAN) connectivity with its component commands. New software functionality to include work group capability and WAN connectivity with the components will be realized from capital investment in software. The current LAN assessment contract covers both unclassified and classified LANs but needs to be expanded to ensure successful implementation of enhancements. LAN infrastructure upgrade for the unclassified LAN is based on the current assessment to improve architecture from the ether net structure to a fiber optic structure.

Capital Sunk Costs: Hardware: $1.534M
Software: $.6M
Capital Programmed Costs: Hardware: $10.95M
Software: $1.5M
Total Costs: (Sunk + Programmed) : Hardware: $12.484M
Software: $2.1M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)													A. Budget Submission FY 1999 Amended Budget Estimates
I. Component/Business Area/Date ISTC/Transportation/February 1998				C. Line No. & Item Description B(1), B(2) & C(2). MISSI-MLS						D. Activity Identification			
				FY97			FY98			FY99			
lement of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cos	
Multi-Level Information Systems Security Initiative - Multi-Level Security (MISSI-MLS)													
(1) Hardware												$ 400.0	
(2) Software												$ 400.0	
(2) Sys Development/ ngineering													
												$ 800.0	

Narrative Justification: Multi-Level Information Systems Security Initiative - Multi-Level Security (MISSI-MLS):
unds are for development and fielding of a MISSI-MLS capability to achieve intersystem integration/interoperability within the
efense Transportation System. This includes information feeder systems, command and control, and decision support systems used by the joint
eployment community. Immediate capabilities identified by the functional users include transfer of E-Mail between unclassified and classified systems
utomation, and initial decision support capability. Longer term requirements include the ability to interoperate with transportation feeder systems in
ocal area and external transfer of data, voice and video. Impact of not funding this phased capability will significantly limit the availability of informati
equired by decision makers at all levels of command. MISSI-MLS capability will provide a major step towards full visibility of CINC assets with faster,
omplete information available for key command and control decision making.

Capital Sunk Costs: Hardware: $0.2M Software: $.2M
Capital Programmed Costs: Hardware: $2.4M Software: $4.8M
Total Costs: (Sunk + Programmed): Hardware: $2.6M Software: $5.0M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)													A. Budget Submission FY 1999 Amended Budget Estimates
B. Component/Business Area/Date USTC/Transportation/February 1998					C. Line No. & Item Description B(1), B(2) & C(2). TFMS								D. Activity Identification
				FY 97			FY 98			FY 99			
Element of Cost				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
TFMS - TCJ6													
B(1) Hardware													
B(2) Software													
C(2) Sys Development						$285.0			$1,900.0			$1,900.	
TOTAL						$285.0			$1,900.0			$1,900.0	

Narrative Justification: Required to provide J8 with an integrated Transportation Financial Management System (TFMS Will provide four modules to perform the following functions: accounting, financial forecasting, funds tracking, and management analysis. The first year of the program will include the purchase of hardware and the development of software for the financial forecasting module. The second year will provide for the development and modification of th accounting module. Part of the effort will include integrating the financial forecasting and accounting module. The thir year will include the development of the funds tracking and accounting modules. This effort will include an overall integration of all four financial modules. Impact if not funded: This program is designed to integrate the financial functions of USTRANSCOM and its component commands. Failure to fund this program will effect the overall effectiveness and efficiency of the TFMS. USTRANSCOM will be unable to provide the Chief Financial Officer with critical financial data in the correct format.

Sunk Costs: $1.9M. **Programmed Costs:** $8.7M **Total Costs:** $10.6M

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION ($ in Thousands)													A. Budget Submission FY 1999 Amended Budget Estimates
I. Component/Business Area/Date USTC/Transportation/February 1998				C. Line No. & Item Description B(3). Video-Teleconferencing						D. Activity Identification			
				FY97			FY98			FY99			
lement of Cost				uantity	Init Cost	otal Cost	Quantity	Unit Cos	otal Cos	uantity	Unit Cos	otal Co
I(3) Telecom - TCJ6													
'TC Rollabout													
'TC Enhancement													
'TC Desktop									$500.				
'TS						$384.0						$750	
OTAL						$384.0			$500.(			$750.	

larrative **Justification:** Video-Teleconferencing **Capability** (VT) rollabout: **The** acquis on **ot portable** rollabout **VTC ystems is required to enhance the ability of CINCTRANS to respond to any contingency at any location. Providing this apability will improve USTRANSCOM senior staff efficiency and defray the expenditure of TDY funds. VTC** nhancement: **Enhancements would improve CINCTRANS ability to communicate with USTRANSCOM and TCC ersonnel. The existing VTC Studio in the command (room 261, building 1900) allows for up to three discrete** eleconferences **using the same coder/decoder. In order to more effectively communicate with headquarters personnel, ey enhancements of the existing capabilities of the VTC studio must take place. By remoting to both the Seay ruditorium and the USTRANSCOM Command Center we significantly increase the audience size, as well as, fully acces** he **existing equipment capabilities.**

:apital **Sunk Costs: Hardware:** $.5M. **Capital Programmed Costs: Hardware:** $1.7M. **Total Costs: Hardware:** 2.25M

FY 1998 TWCF Capital Purchases
Deferrals, Cancellations, Substitutions
United Stated Transportation Command
(Dollars in Thousands)

	FY98 PB Amount	FY99 PB FY98 Amount	Delta
1. Transportation			
a. CPP Category: ADPE & Telecom/Command and Control Information Processing (C2IPS)(AMC)	$16,295	$10,929	($5,366)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Realigned funding to the appropriate CPP category in C2IPS software and transferred funding to L-Band SATCOM program ADPE & Telecom to offset acceleration of program.			
d. Explanation of CPP funding realignment/reduction: Realigned $2,766 to C2IPS software and transferred $2,600 to L-SATCOM to offset acceleration of the L-Band SATCOM program ADPE & Telecom.			
2. Transportation			
a. CPP Category: ADPE & Telecom/Global Air Transportation Execution System (GATES)(AMC)	$3,669	$3,769	$100
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Defense Transportation Electronic Data Interchange (DTEDI) Migration funding was centrally managed and has been realigned to the appropriate system.			
d. Explanation of CPP funding realignment/reduction: Program increased $100.			
3. Transportation			
a. CPP Category: ADPE & Telecom/L-Band SATCOM(AMC)	$0	$4,423	$4,323
b. Disposition of Program: Substituted			

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
c. Explanation for why program changed: Funds used to offset acceleration of the L-Band SATCOM program from FY99.			
d. Explanation of CPE? funding realignment/reduction: Program increased $4,323.			
4. Transportation (AMC)			
a. CPP Category: ADPE & Telecom/Objective Wing Command Post (OWCP)	$1,917	$2,017	$100
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Reprogrammed from OWCP software to align with appropriate CPP category.			
d. Explanation of CPP funding realignment/reduction: Program increased by $100.			
5. Transportation (AMC)			
a. CPP Category: ADPE & Telecom/System Integration	$1,890	$1,437	($453)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Funds used to offset acceleration of the L-Band SATCOM program.			
d. Explanation of CPP funding realignment/reduction: Realigned $453 to L-Band SATCOM ADPE & Telecom.			

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
6. Transportation (AMC)			
a. CPP Category: ADPE & Telecom/Theater Deployable Communications (TDC)	$5,120	$4,120	($1,000)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Funds used to offset acceleration of the L-Band SATCOM program.			
d. Explanation of CPP funding realignment/reduction: Realigned $1,000 under L-Band SATCOM ADPE & Telecom.			

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
7. Transportation (MSC)			
a. CPP Category: ADPE & Telecom/Inteqrated Command, Control and Communications Project(IC3)	$700	$900	$200
b. Disposition of Program: Substituted			
c. Explanation for why program changed: To realign requirements to the appropriate system due to program change. Funds in INMARSAT realigned to IC3.			
d. Explanation of CPP funding realignment/reduction: Funds realigned from INMARSAT.			
8. Transportation (MSC)			
a. CPP Category: ADPE & Telecom/Integrated Command Environment (ICE)	$0	$600	$600
b. Disposition of Program: Substituted			
c. Explanation for why program changed: To realign requirements to the appropriate system due to name change. Funds in Local Area Network transferred into ICE.			
d. Explanation of CPP funding realignment/reduction: Realignment of funding.			
9. Transportation (MSC)			
a. CPP Category: ADPE & Telecom/INMARSAT	$200	$0	($200)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: To realign requirements to the appropriate system due to program change.			
d. Explanation of CPP funding realignment/reduction: Funds realigned under IC3.			

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
10. Transportation (MSC)			
a. CPP Category: ADPE & Telecom/Local Area Network (LAN)	$600	$0	($600)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: To realign requirements to the appropriate system due to name change.			
d. Explanation of CPP funding realignment/reduction: Funds transferred to Integrated Command Environment (ICE).			
11. Transportation (MTMC)			
a. CPP Category: ADPE & Telecom/Conus Freight Management (CFM)	$4,500	3,000	($1,500)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Realign requirements under appropriate CPP category due to architecture redirection.			
d. Explanation of CPP funding realignment/reduction: Realigned under Intransit Visibility (ITV) Software Development.			
12. Transportation (HQ)			
a. CPP Category: ADPE & Telecom/Transportation Financial Manaqement System (TFMS)	$400	$0	($400)
b. Disposition of Program: Substituted			

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
c. Explanation for why program changed: To reprogram requirements to the appropriate CPP category. d. Explanation of CPP funding realignment/reduction: Reprogrammed to TFMS Software Development.			
13. Transportation (HQ) a. CPP Category: ADPE & Telecom/Global Transportation Network (GTN) b. Disposition of Program: Substituted c. Explanation for why program changed: Program increased to support GTN's accelerated requirements. d. Explanation of CPP funding realignment/reduction: Program increased $600.	$2,800	$3,400	$600
14. Transportation (HQ) a. CPP Category: ADPE & Telecom/Defense Transportation Electronic Data Interchange (DTEDI) b. Disposition of Program: Substituted c. Explanation for why program changed: Defense Transportation Electronic Data Interchange (DTEDI) Migration funding was centrally managed in HQ and has been realigned to the appropriate systems. d. Explanation of CPP funding realignment/reduction: Program decreased $300.	$300	$0	($300)

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
15. Transportation (AMC) a. CPP Category: Software Development/Command and Control Information Processing (C2IPS) b. Disposition of Program: Substituted c. Explanation for why program changed: To realign requirements to the appropriate CPP category. d. Explanation of CPP funding realignment/reduction: Reprogrammed from C2IPS ADPE & Telecom.	$5,000	$7,766	$2,766
16. Transportation (AMC) a. CPP Category: Software Development/Global Air Transportation Execution System (GATES) b. Disposition of Program: Substituted c. Explanation for why program changed: Defense Transportation Electronic Data Interchange (DTEDI) funding was centrally managed and has been realigned to the appropriate systems. d. Explanation of CPP funding realignment/reduction: Program increased $300.	$7,975	$8,276	$300
17. Transportation (AMC) a. CPP Category: Software Development/L-Band SATCOM b. Disposition of Program: Substituted	$424	$1,586	$1,162

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
c. Explanation for why program changed: Funding realigned to accommodate the acceleration of the integration of software on new hardware buys.			
d. Explanation of CPP funding realignment/reduction: Program increased $1,162.			
18. Transportation (AMC)			
a. CPP Category: Software Development/OWCP	$100	$0	($100)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: To realign requirements to the appropriate CPP category.			
d. Explanation of CPP funding realignment/reduction: Transferred to OWCP hardware.			
19. Transportation (AMC)			
a. CPP Category: Software Development/System Integration.	$8,184	$6,637	($1,547)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Funds used to offset acceleration of the L-Band SATCOM program.			
d. Explanation of CPP funding realignment/reduction: Realigned to offset acceleration of the L-Band SATCOM program. Aligned $1,200 to L-Band SATCOM			

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
Software Development and $347 to ADPE & Telecom.			
20. Transportation (MSC)			
a. CPP Category: SW Development/Integrated Command, Control and Communications Project (IC3)	$4,100	$5,300	$1,200
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Defense Transportation Electronic Data Interchange (DTEDI) Migration funding was centrally managed and has been realigned to the appropriate systems.			
d. Explanation of CPP funding realignment/reduction: Program increased $1,200.			
21. Transportation (MSC)			
a. CPP Category: Software Development/Integrated Command Environment (ICE)	$0	$300	$300
b. Disposition of Program: Substituted			
c. Explanation for why program changed: To realign requirement to the appropriate system due to name change. Funds in System Development and LAN transferred to ICE.			
d. Explanation of CPP funding realignment/reduction: Program funds were realigned.			
22. Transportation (MSC)			
a. CPP Category: Software Development/System Development	$100	$0	($100)

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Realigned funding to the appropriate system due to system name change. Funds transferred to new system ICE.			
d. Explanation of CPP funding realignment/reduction: Program funds were realigned.			
23. Transportation (MSC)			
a. CPP Category: Software Development/Local Area Network (LAN)	**$200**	**$0**	$(200)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Realigned funding the appropriate system due to system name change. Funds transferred to new system ICE.			
d. Explanation of CPP funding realignment/reduction: Program funds were realigned.			
24. Transportation (HQ)			
a. CPP Category: Software Development/Defense Transportation Electronic Data Interchange (DTEDI)	**$3,800**	**$800**	$(3,000)
b. Disposition of Program: Substituted			
c. Explanation for why program changed: DTEID funding was centrally managed and has been realigned to the appropriate systems.			
d. Explanation of CPP funding realignment/reduction: Program decreased $3,000.			

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
25. Transportation (HQ)			
a. CPP Category: Software Development/Transportation Financial Management System (TFMS)	**$1,500**	$1,900	$40(
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Reprogrammed $400 from TFMS-ADPE & Telecom to align with appropriate category.			
d. Explanation of CPP funding realignment/reduction: Reprogrammed from ADPE & Telecom to Software Development.			
26. Transportation (HQ)			
a. CPP Category: Software Development/Global Transportation Network (GTN)	**$14,600**	**$63,445**	**$48,845**
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Reprogrammed to support GTN's increased acceleration of requirements.			
d. Explanation of CPP funding realignment/reduction: Funding increased $48,845.			
27. Transportation(MTMC)			
a. CPP Category: Software Development/Conus Freight Management (CFM)	$10,000	$11,200	**$1,200**

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	FY98 PB Amount	FY99 PB FY98 Amount	Delta
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Defense Transportation Electronic Data Interchange (DTEDI) Migration funding was centrally managed in HQ and has been realigned to the appropriate systems.			
d. Explanation of CPP funding realignment/reduction: Program increased by $1,200.			
28. Transportation(MTMC)			
a. CPP Category: Software Development/Intransit Visibility (ITV)	$5,300	$7,200	$1,900
b. Disposition of Program: Substituted			
c. Explanation for why program changed: Realigned $1,500 from ITV ADPE & TELCOM to align with appropriate CPP category and $400 transferred from DTEDI which was centrally managed.			
d. Explanation of CPP funding realignment/reduction: Program increased by $1,900.			