

Naval Audit Service



Audit Report



Introductory Flight Screening Program

This report contains information exempt from release under the Freedom of Information Act. Exemptions ~~(b)(5)~~ and ~~(b)(6)~~ apply.

*Releasable outside the Department of the Navy
only on approval of the Auditor General of the Navy*

~~This report is temporarily being
marked FOIA (b)(5) in its
entirety because it contains
predecisional budgetary
information. If the report is
requested under FOIA, we will
review the report and redact only
specific portions for withholding.~~

N2011-0007
3 December 2010

Obtaining Additional Copies

To obtain additional copies of this report, please use the following contact information:

Phone: (202) 433-5757
Fax: (202) 433-5921
E-mail: NAVAUDSVC.FOIA@navy.mil
Mail: Naval Audit Service
Attn: FOIA
1006 Beatty Place SE
Washington Navy Yard DC 20374-5005

Providing Suggestions for Future Audits

To suggest ideas for or to request future audits, please use the following contact information:

Phone: (202) 433-5840 (DSN 288)
Fax: (202) 433-5921
E-mail: NAVAUDSVC.AuditPlan@navy.mil
Mail: Naval Audit Service
Attn: Audit Requests
1006 Beatty Place SE
Washington Navy Yard DC 20374-5005

Naval Audit Service Web Site

To find out more about the Naval Audit Service, including general background, and guidance on what clients can expect when they become involved in research or an audit, visit our Web site at:

<http://secnavportal.donhq.navy.mil/nauditservices>



DEPARTMENT OF THE NAVY
NAVAL AUDIT SERVICE
1006 BEATTY PLACE SE
WASHINGTON NAVY YARD, DC 20374-5005

7510
N2009-NIA000-0123.000
3 Dec 10

MEMORANDUM FOR COMMANDER, U.S. PACIFIC FLEET
CHIEF OF NAVAL PERSONNEL

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

Ref: (a) NAVAUDSVC Memorandum 7510, N2009-NIA000-0123.000, 9 Apr 09
(b) SECNAVINST 7510.7F, "Department of the Navy Internal Audit"
(c) SECNAVINST 5200.34E, "Management of Audit Decision and Follow-Up Functions"

Encl: (1) Status of Recommendations and Funds Potentially Available for Other Use
(2) Background, Scope, Methodology, and Pertinent Guidance

Appendix: (A) Management Response from Commander, Naval Air Forces
(B) Management Response from Chief of Naval Air Training
(1 September 2010)
(C) Management Response from Chief of Naval Air Training
(29 January 2010)
(D) Management Response from Chief of Naval Personnel
(E) Warning Order for Program Objective Memorandum, Fiscal Years
2013-2017 (POM 13)

1. **Introduction.** This report provides results of the subject audit announced in reference (a). It provides our finding and recommendations, summarized management responses, and our comments on the responses. Enclosure 1 provides the status of the recommendations. The full text of management responses is included in the Appendices A through D.

a. The Commander, Naval Air Forces did not concur with Recommendation 1, to eliminate the Introductory Flight Screening program. Therefore, this recommendation is considered undecided and is being elevated to Commander, U.S. Pacific Fleet for action. In accordance with reference (b), Commander, U.S. Pacific Fleet is required only to provide comments on the undecided recommendation within 30 days, but may comment on other aspects of the report, if desired.

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

b. The Chief of Naval Personnel agreed with Recommendation 2 and agreed with potential monetary benefits of \$34.6 million that arise from the elimination of the Introductory Flight Screening program. On 25 August 2010, the Office of the Chief of Naval Operations (Integration of Capabilities and Resources) issued a Warning Order for Program Objective Memorandum, Fiscal Years 2013-2017 (Program Objective Memorandum 13), showing the elimination of the Introductory Flight Screening as Program Objective Memorandum 2012 Final Efficiency (see Appendix E). In their response to Recommendation 2, the office of the Chief of Naval Personnel notes, “[Program Objective Memorandum] 12 issue 50242 subsequently eliminated the [Introductory Flight Screening] program, which results in savings of \$24 million over the [Future Years Defense Plan]. These funds have already been put to other use.” Recommendation 2 is considered open with a final target completion date to coincide with either Commander, U.S. Pacific Fleet’s confirmation that the Introductory Flight Screening program has been eliminated, or submission of the President’s budget to Congress in February 2011 showing that the Introductory Flight Screening program has been eliminated (whichever is sooner).

c. Please provide all correspondence to the Assistant Auditor General for Installations and Environment Audits, Ron Booth, ronnie.booth@navy.mil, with a copy to the Director, Policy and Oversight, Vicki McAdams, vicki.mcadams@navy.mil. Please submit correspondence in electronic format (Microsoft Word or Adobe Acrobat file), and ensure that it is on letterhead and includes a scanned signature.

2. Reason for Audit. Our overall audit objective was to verify that the Department of the Navy’s (DON’s) quantitative requirement for the T-6A/B Texan II – Joint Primary Aircraft Training System aircraft was supported by logical assumptions and accurate, complete, reliable, and up-to-date information. This topic was generated by the Auditor General of the Navy and subsequently agreed to by Chief of Naval Operations N882, Head of Maritime Aviation, Unmanned Aerial Systems and Aviation Training Plans and Programs. During the Joint Primary Aircraft Training System audit, Chief of Naval Operations N882 personnel suggested we verify that the Navy’s Introductory Flight Screening Program was worthwhile in terms of reducing pilot attrition during primary flight training. This report addresses that issue.

3. Communication with Management.

a. We met with representatives of Chief of Naval Operations N88 and the Chief of Naval Air Training on 6 August 2009 to discuss the preliminary results of our audit of the Joint Primary Aircraft Training System program, which included a discussion of our results for Introductory Flight Screening.

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

b. We issued a discussion draft report on 31 December 2009. Chief of Naval Air Training personnel met with the Naval Audit Service auditors via a Naval Audit Service site visit to Naval Air Station Corpus Christi, TX on 3 March 2010 to discuss the results of our audit and provide additional information on the Introductory Flight Screening program.

4. Federal Managers' Financial Integrity Act. The Federal Managers' Financial Integrity Act of 1982, as codified in Title 31, United States Code, requires each Federal Agency head to annually certify the effectiveness of the agency's internal and accounting system controls. In our opinion, the conditions noted in this report do not warrant reporting in the Auditor General's annual Federal Managers' Financial Integrity Act memorandum identifying management control weaknesses to the Secretary of the Navy.

5. Background

a. The Introductory Flight Screening program was established to screen all Student Naval Aviators, which includes Student Naval Pilots and Student Naval Flight Officers, for the skills and attributes required to successfully complete primary flight training. The Introductory Flight Screening program utilizes the Jeppesen Private Pilot Syllabus in accordance with Chief of Naval Air Training Instruction 3501.1B, "Introductory Flight Screening (IFS) Program," dated 7 September 2007. This familiar civilian flight syllabus is on an accelerated timeline conforming to the introductory flight screening mandate. Federal Aviation Administration-certified flight instructors evaluate Introductory Flight Screening students according to Jeppesen stage and flight specific guidelines as dictated by Federal Aviation Administration Private Pilot Practical Test Standards on an introductory flight screening timeline. The syllabus must be completed within 50 days for post-commission and 100 days for pre-commission students. The initial solo must be "off the deck" by 13.5 flight hours (waiverable to 15 hours) and the solo cross country/program requirements completed by 25 hours (waiverable to 27.5). The Student Naval Pilot and the Student Naval Flight Officer are to execute the same program, except in regard to the solo requirements. Student Naval Pilots must pass the safe-to-solo portion of the training, but Student Naval Flight Officers unable to pass the initial safe-to-solo flight shall fly the remainder of the solo flights with a co-pilot.

b. The Chief of Naval Air Training plans for the number of aviation students who will attend Introductory Flight Screening. Each of these students will receive 25 hours of flight screening, associated ground training and materials at a Federal Aviation Regulations Part 141-certified flight school. Pilot schools will execute a Federal Aviation Administration approved special operations course meeting the requirements outlined in the Chief of Naval Air Training Instruction 3501.1B. Students selected for Naval aviation training must successfully complete the Introductory Flight Screening

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

program requirements prior to beginning Aviation Preflight Indoctrination at the Naval Aviation Schools Command.

c. See Enclosure 2 for additional information.

6. **Conclusions and Summary of Audit Results.**

a. We calculated that the Navy could spend as much as \$40.7 million¹ over the Future Years Defense Plan on the Introductory Flight Screening program. However, they cannot show that the Introductory Flight Screening program has achieved its intended purpose to appreciably lower student attrition in primary flight training. Primary flight students began receiving Introductory Flight Screening on 10 January 2003. The data retained by the Navy shows that the Introductory Flight Screening program identified and prevented 259 Student Naval Aviators from attending primary pilot training during the period of Fiscal Years 2004 through 2009 at a cost of approximately \$31.73 million or about \$122,508 per attrite. Due to the high average cost per attrite and the Introductory Flight Screening attrition rate of only 3.5 percent, we recommend the Navy discontinue the program and put the estimated \$38.7 million² to other use.³

Cost of the Introductory Flight Screening Program

b. From Fiscal Years 2004 to 2009, the Introductory Flight Screening program has cost the Navy approximately \$31.73 million to enroll 7,438 students in Introductory Flight Screening, or about \$4,266 per enrollee. The effect of this investment has been to attrite 259 students during this 6-year period. For the 6-year period, the Navy spent approximately \$122,508 on the Introductory Flight Screening program per student attrited. Additionally, 31 of the 259 attrites were dis-enrolled because they were "Not Physically Qualified;" a condition that, we believe, would have been detected without the Introductory Flight Screening program, during Aviation Preflight Indoctrination. If the number of Not Physically Qualified attrites are eliminated from the count, the Introductory Flight Screening program is responsible for preventing 228 students likely to attrite from beginning primary pilot training. Consequently, this would increase the Navy's costs to approximately \$139,165 per attrite.

¹ The Chief of Naval Personnel and the Naval Audit Service subsequently agreed to an estimated cost of the Introductory Flight Screening program to be \$34.6 million over the Future Years Defense Plan.

² While the total expenditure for flight screening in the Future Years Defense Program will be approximately \$40.7 million, the inclusion of students who would have been screened out during Introductory Flight Screening will reduce overall DON savings by approximately \$2 million. The potential monetary benefits are therefore approximately \$38.7 million.

³ Subsequently, Chief of Naval Personnel and Naval Audit Service have agreed that the value of the Introductory Flight Screening program and, therefore, the funds put to other use over the Future Years Defense Plan, is \$34.6 million.

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

Student Attrition During Introductory Flight Screening

c. The Introductory Flight Screening program identified and attrited 259, or 3.5 percent of the 7,438 Student Naval Aviators enrolled in the Introductory Flight Screening program during Fiscal Years 2004 through 2009. Without the Introductory Flight Screening program, these 259 Student Naval Aviators would have enrolled directly in Aviation Preflight Indoctrination training, and upon successful completion of Aviation Preflight Indoctrination, would have begun primary pilot training. Since these 259 did not successfully complete Introductory Flight Screening, it is concluded that they would not have completed Aviation Preflight Indoctrination and primary pilot training. Of the 259 students who were dismissed from the Introductory Flight Screening program, 31 were no longer physically qualified to be Student Naval Aviators. We believe that these 31 students would have been identified during other physical exams conducted before and during Aviation Preflight Indoctrination and before student enrollment in primary flight training. Therefore, we do not believe the Introductory Flight Screening program should be credited with successfully screening these 31 students. As a result, Introductory Flight Screening can be credited with successfully screening out 228 Student Naval Aviators during Introductory Flight Screening. Student attrition during Introductory Flight Screening fluctuated from a low of 2.7 percent attrition for Student Naval Pilots in Fiscal Years 2006 and 2007, to a high of 8.8 percent for Student Naval Flight Officers during Fiscal Year 2008. Introductory Flight Screening attrition remained relatively flat for Student Naval Pilots, varying between 2.7 percent to 4.3 percent from Fiscal Years 2004 through 2009. The curriculum requirements changed⁴ in Fiscal Year 2007 and the Introductory Flight Screening rate for Student Naval Flight Officer increased from 2.9 percent to 8.8 percent. The rate fell to 6.4 percent in Fiscal Year 2009. The following tables provide details regarding Student Naval Aviator attrition rates during Introductory Flight Screening.

⁴ The new instruction change in Introductory Flight Screening made a more standardized curriculum for instructors to follow. It allowed for objective grading and benchmarking of the Introductory Flight Screening students. In addition, the curriculum of the program was made more rigorous and the number of flight schools were reduced.

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

Table 1: Status of Student Pilots Attending Introductory Flight Screening

FY	Students Enrolled	Attrites		Reason for Attrition		Flt Hrs Per Attrite	Total IFS Cost \$	Cost Per Attrite \$	
		#	%	NPQ	Other			With NPQs	W/o NPQs
2004	1,114	35	3.1%	7	28	12.4	3,509,623	100,275	125,344
2005	1,070	46	4.3%	9	37	12.2	4,401,670	95,688	118,964
2006	1,013	27	2.7%	3	24	13.9	4,492,629	166,394	187,193
2007	760	21	2.8%	1	20	13.5	3,534,004	168,286	176,700
2008	1,089	42	3.9%	2	40	11.1	5,339,312	127,126	133,483
2009	1,009	29	2.9%	1	28	11.2	5,159,299	177,907	184,261
FY 04-09	6,055	200	3.3%	23	177	12.2	26,436,537	132,183	149,359

Key to Acronyms: FY – Fiscal Year
 NPQ – Not Physically Qualified
 Flt. Hrs. – Flight Hours
 IFS - Introductory Flight Screening
 W/o – Without

Table 2: Status of Student Naval Flight Officers Attending Introductory Flight Screening

FY	Students Enrolled	Attrites		Reason for Attrition		Flt Hrs Per Attrite	Total IFS Cost \$	Cost Per Attrite \$	
		#	%	NPQ	Other			With NPQs	W/o NPQs
2004	48	0	0.0%	0	0	0.0	123,169	0	0
2005	229	6	2.6%	2	4	1.9	634,254	105,709	158,563
2006	302	0	0.0%	0	0	0.0	902,495	0	0
2007	208	6	2.9%	0	6	11.7	741,734	123,622	123,622
2008	362	32	8.8%	4	28	11.1	1,742,659	54,458	62,238
2009	234	15	6.4%	2	13	9.8	1,148,667	76,578	88,359
FY 04-09	1,383	59	4.3%	8	51	9.9	5,292,978	89,711	103,784

Key to Acronyms: FY – Fiscal Year
 NPQ – Not Physically Qualified
 Flt. Hrs. – Flight Hours
 IFS - Introductory Flight Screening
 W/o – Without

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

Table 3: Status of Student Naval Pilots and Student Naval Flight Officers For Fiscal Years 2004 through 2009

	Students Enrolled	Attrites		Reason for Attrition		Flt Hrs Per Attrite	Total IFS Cost \$	Cost Per Attrite \$	
		#	%	NPQ	Other			With NPQs	W/o NPQs
Pilots	6,055	200	3.3%	23	177	12.2	26,436,537	132,183	149,359
NFOs	1,383	59	4.3%	8	51	9.9	5,292,978	89,711	103,784
Total	7,438	259	3.5%	31	228	11.6	31,729,515	122,508	139,165

Key to Acronyms: NFOs – Naval Flight Officers
NPQ – Not Physically Qualified
Flt. Hrs. – Flight Hours
IFS - Introductory Flight Screening
W/o – Without

Other screening tools

d. If DON cancels the Introductory Flight Screening program, they will continue to have other tools that screen potential Student Naval Aviators prior to primary flight training. The Aviation Selection Test Battery is used by the Navy Personnel Command and Commandant of the Marine Corps to select candidates for the Navy and Marine Corps pilot and flight officer programs. The current version of the Aviation Selection Test Battery was designed to predict performance and attrition through the beginning phases of aviation training for Student Naval Aviators. The entire test battery consists of six subtests: math skills; reading skills; mechanical comprehension; spatial apperception; aviation and nautical information; and an aviation supplemental test. Each Aviation Selection Test Battery subtest is designed to measure abilities that are essential for success in an aviation environment. Examinees who take the entire test battery receive four scores that are derived from combinations of the subtests. The following four scores are used for the selection of aviation and officer candidates: Academic Qualifications Rating; Pilot Flight Aptitude Rating; Flight Officer Flight Aptitude Rating; and Officer Aptitude Rating. Decisions regarding aviation selection are based on the combination of two scores. Pilot selections are based on Academic Qualifications Rating and Pilot Flight Aptitude Rating scores and Flight Officer selections are based on Academic Qualifications Rating and Flight Officer Flight Aptitude Rating scores.

i. In addition to the Aviation Selection Test Battery, the prospective student attends Aviation Preflight Indoctrination which is the first step in flight training for student officers. Aviation Preflight Indoctrination is a challenging 6-week course that develops a foundation of aviation knowledge and skills that will prepare flight students for the demanding flight syllabus in the flying squadrons. The syllabus consists of 177.5 hours of academic and survival instruction condensed into 31 days of training, challenging students both physically and mentally.

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

ii. Also, as part of the selection process, the Naval Aerospace Medical Research Laboratory performs cognitive, psychomotor, and psycho physiological research aimed at improving aviation selection standards. Naval Aerospace Medical Research Laboratory conducts research efforts in aerospace medicine to address human biological systems and phenomena including sensory processes, adaptation syndromes, therapeutic drug efforts, atmospheric physiology, including hypoxia, and various preventative medicine issues relevant to aerospace and other operational environments.

Impact of Eliminating the Introductory Flight Screening Program

e. Canceling the Introductory Flight Screening program would allow the Chief of Naval Personnel to put \$6,786,000 of Operations and Maintenance funds to use elsewhere each year. In addition, the impact on primary flight training would be less than a 0.31 percent increase in total flight hours associated with primary pilot training.

i. We calculated this \$6,786,000 estimate by multiplying the number of students expected to enroll in Introductory Flight Screening annually, times the \$5,200 tuition cost. Total funds put to better use over the six-year Future Years Defense Plan is estimated at approximately \$38.7 million.⁵ Chief of Naval Air Training currently estimates that 1,305 students will enroll in Introductory Flight Screening annually. In addition, the current Fiscal Year 2010 average tuition cost for Introductory Flight Screening training is \$5,200. If the Introductory Flight Screening program were to be discontinued, these funds could potentially be put to other use by DON.

ii. Relying on historical data shown above, we believe that the Introductory Flight Screening student attrition rate will continue to average about 3.5 percent over the Future Years Defense Plan or 3.1 percent, not counting Not Physically Qualifieds. Assuming a 3.1 percent attrition rate in Introductory Flight Screening for the estimated annual student enrollment of 1,305 students per year, means that the Introductory Flight Screening program can be expected to successfully screen 41 Student Naval Aviators each year from attending primary pilot training, not counting those Not Physically Qualified.

iii. Historically, the students that did not complete Introductory Flight Screening because they dropped out or were asked to leave, did so after they had flown an average of 11.6 flight hours. Assuming all of the attrites in Introductory Flight Screening, estimated as 41 per year, with the exception of those not physically qualified, would drop out similarly during primary Flight Training, only about 476 flight hours would be added

⁵ While the total expenditure for flight screening in the Future Years Defense Program will be approximately \$40.7 million, the inclusion of students who would have been screened out during Introductory Flight Screening will reduce over-all DON savings by approximately \$2.0 million. The potential monetary benefits are therefore approximately \$38.7 million. Subsequently, Chief of Naval Personnel and Naval Audit Service have agreed the total funds put to other use are \$34.6 million.

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

annually to primary flight training. The impact appears to be an increase of about 0.31 percent of 153,812 hours currently planned for primary flight training. When coupled with Chief of Naval Air Training's estimated 6-year (Fiscal Years 2010 through 2015) average flight hour cost of \$707.79 for the T-6A in primary flight training, this increase in flight hours per year equates to an increase of \$336,908⁶ in primary training costs, or about 5 percent of the estimated annual cost of Introductory Flight Screening.

7. **Recommendations and Corrective Actions.**

Our recommendations, summarized management responses, and our comments on the responses follow. The complete texts of the management responses are in the Appendices.

We recommend that the Commander, Naval Air Forces:

Recommendation 1. Discontinue the Introductory Flight Screening Program.

Commander, Naval Air Forces/Chief of Naval Air Training response to Recommendation 1. Do not concur. Commander, Naval Air Forces maintains a requirement for Introductory Flight Screening in its current form. Commander, Naval Air Forces/Chief of Naval Air Training acknowledges that the fiscal return on investment from Introductory Flight Screening may not be positive. In addition, Commander, Naval Air Forces/Chief of Naval Air Training are aware that there have been concerns regarding the effectiveness of Introductory Flight Screening in meeting its objectives and have led to systemic changes in the administration and conduct of the Introductory Flight Screening program. However, Introductory Flight Screening has provided intangible benefits through improved preparation of students to start military flight training and positioning minority and female students for success in training.

Commander, Naval Air Forces/Chief of Naval Air Training believes that Introductory Flight Screening training will support the knowledge and skill sets necessary to succeed in the Joint Primary Aircraft Training System (T-6) based syllabi. Introductory Flight Screening completion has been a U.S. Air Force pre-requisite since the development of the T-6 Joint Primary Aircraft Training System program. Although no studies exist to show the Introductory Flight Screening program has improved student performance, Commander, Naval Air Forces/Chief of Naval Air Training intend to make the completion of Introductory Flight Screening a T-6B primary flight training pre-requisite requirement.

⁶ Calculation may not total due to rounding.

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

Introductory Flight Screening has had an impact on positive diversity in the Naval Aviation community. Prior to Introductory Flight Screening, minorities and females attrited out of primary flight training at higher rates than majorities and males. Since the implementation of Introductory Flight Screening, minorities and females attrition rates are roughly the same or lower than majorities and males.

As outlined above, Commander, Naval Air Forces/Chief of Naval Air Training does not concur with the recommendation and maintains a requirement for Introductory Flight Screening in its current form.

Naval Audit Service comment on the Commander, Naval Air Forces/Chief of Naval Air Training response to Recommendation 1. Commander, Naval Air Forces/Chief of Naval Air Training acknowledged that the Introductory Flight Screening program has not been cost effective and they have had concerns regarding the effectiveness of Introductory Flight Screening in meeting its objectives. The Introductory Flight Screening program was established as a cost effective method of reducing pilot attrition during primary pilot training, and it has not achieved that purpose.

The Introductory Flight Screening program was not established to reduce minority and female attrition nor was it established to provide the knowledge and skill sets to succeed in Joint Primary Aircraft Training System (T-6) flight training. It is our opinion that these other “intangible” benefits of the program mentioned by Commander, Naval Air Forces/Chief of Naval Air Training cannot be attributed to the Introductory Flight Screening program. Commander, Naval Air Forces/Chief of Naval Air Training has not performed controlled studies to show that Introductory Flight Screening is responsible for the “intangible” benefits.

Although the U.S. Air Force has an Introductory Flight Screening program, the U.S. Air Force did not establish an Introductory Flight Screening program to prepare students for primary flight training in the T-6 Joint Primary Aircraft Training System aircraft. The U.S. Air Force has had an Introductory Flight Screening program since the 1950s and the ultimate goal has been to reduce the number of candidates who did not successfully complete pilot training.

It should be noted that on 25 August 2010, the Office of the Chief of Naval Operations (Integration of Capabilities and Resources) issued a Warning Order for Program Objective Memorandum, Fiscal Years 2013-2017 (Program Objective Memorandum 13), showing the elimination of the Introductory Flight Screening as Program Objective Memorandum 2012 Final Efficiency

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT N2011-0007)**

(see Appendix E). Further, in their response to Recommendation 2, the office of the Chief of Naval Personnel notes, “[Program Objective Memorandum] 12 issue 50242 subsequently eliminated the [Introductory Flight Screening] program, which results in savings of \$24 million over the [Future Years Defense Plan]. These funds have already been put to other use...”

Because Commander, Naval Air Forces /Chief of Naval Air Training did not agree to eliminate the Introductory Flight Screening program, this recommendation is undecided and is elevated to the Commander, U.S. Pacific Fleet for action.

We recommend that the Chief of Naval Personnel:

Recommendation 2. Apply the \$38.7 million funds earmarked for the Introductory Flight Screening Program, to other use.

Chief of Naval Personnel response to Recommendation 2. Concur in principle. If the decision is made to discontinue the Introductory Flight Screening program as suggested in Recommendation 1, we concur with applying \$34.6 million of funds associated with the Introductory Flight Screening program to other use. Program Objective Memorandum 10 reduced funding for the program by \$10.6 million by reducing the flight hours per student from 25 to 15, which reduced the estimated cost per student to \$3,800. Program Objective Memorandum 12 issue 50242 subsequently eliminated the Introductory Flight Screening program, which results in savings of \$24 million over the Future Years Defense Plan. These funds have already been put to other use and we consider this recommendation closed as of 26 July 2010. Please Note: the \$38.7 million cited in the audit report was calculated assuming the Introductory Flight Screening program was funded at 100 percent of the requirement. The \$34.6 million figure included in Chief of Naval Personnel’s response reflects the actual amount included in the budget.

Naval Audit Service comment on the Chief of Naval Personnel response to Recommendation 2. The Chief of Naval Personnel concurred in principle with the Naval Audit Service recommendation to apply the funds earmarked for the Introductory Flight Screening program to other use. We agree with Chief of Naval Personnel’s rationale and methodology for estimating that the budgeted cost for the Introductory Flight Screening program is currently \$34.6 million. Although Program Objective Memorandum 10 supposedly reduced the Introductory Flight Screening funding by \$10.6 million, the Introductory Flight Screening program, which is funded through unfenced (i.e., not dedicated solely to a particular program) Operations and Maintenance,

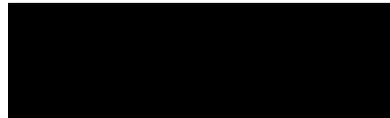
FOR OFFICIAL USE ONLY

Navy appropriation, had not been reduced from 25 hours to 15 hours until after audit field work began in May 2009. Specifically, up through 25 January 2010, the Introductory Flight Screening program remained a 25 hour program for pilots and Naval Flight Officers. Because the program was not reduced until after we began communicating our audit results to program representatives, we consider the \$10.6 million savings a result of the audit.

The Chief of Naval Personnel response notes that the Program Objective Memorandum 12 50242 eliminated the Introductory Flight Screening Program and that the funds have been put to other use, and that they consider the recommendation to be closed. Further, Chief of Naval Operations N8's Warning Order of 25 August 2010 listed elimination of the Introductory Flight Screening as a Program Objectives Memorandum 2012 Final Efficiency. However, based on the Commander, Naval Air Forces/Chief of Naval Air Training nonconcurrency with discontinuing the Introductory Flight Screening program (Recommendation 1), the recommendation will remain open until either (a) Commander, U.S. Pacific Fleet provides confirmation that the program has been discontinued, or (b) the submission of the President's budget to Congress (scheduled to take place by 28 February 2011) reflects the elimination of the program (whichever is sooner).

9. Any requests for this report under the Freedom of Information Act must be approved by the Auditor General of the Navy as required by reference (b). This audit report is also subject to followup in accordance with reference (b).

10. We appreciate the cooperation and courtesies extended to our auditors.



XXXXXXXXXXXXXXXXXX
Assistant Auditor General
Installations and Environment Audits
Naval Audit Service

FOIA (b)(6)

Copy to: [Next page]

Subj: **INTRODUCTORY FLIGHT SCREENING PROGRAM (AUDIT REPORT
N2011-0007)**

Copy to:

UNSECNAV

DCMO

OGC

ASSTSECNAV FMC

ASSTSECNAV FMC (FMO)

ASSTSECNAV IE

ASSTSECNAV MRA

ASSTSECNAV RDA

CNO (VCNO, DNS-33, N40, N41)

CMC (RFR, ACMC)

DON CIO

CNAF

NAVINSGEN (NAVIG-4)

AFAA/DO

Enclosure 1:

Status of Recommendations and Funds Potentially Available for Other Use

Recommendations								FUNDS POTENTIALLY AVAILABLE (In \$000s)				
Finding	Rec. No.	Page No.	Subject	Status ⁷	Action Command	Target or Actual Completion Date	Interim Target Completion Date ⁸	Category ⁹	Claimed Amount	Agreed To	Not Agreed To	Appropriation ¹⁰
1	1	9	Discontinue the Introductory Flight Screening Program.	U	Commander, U.S. Pacific Fleet	1/3/2011						
1	2	11	Apply the \$38.7 million funds earmarked for the Introductory Flight Screening Program, to other use.	O	Chief of Naval Personnel	2/28/11 ¹¹		B	34,600	¹²		17x1804

⁷ / O = Recommendation is open with agreed-to corrective actions; C = Recommendation is closed with all action completed; U = Recommendation is undecided with resolution efforts in progress.

⁸ If applicable.

⁹ / A = One-time potential funds put to other use; B = Recurring potential funds put to other use for up to 6 years; C = Indeterminable/immeasurable.

¹⁰ / = Includes appropriation (and subhead if known).

¹¹ The final completion date may be sooner depending on whether the Commander, U.S. Pacific Fleet, in their communication regarding Recommendation 1, confirms that the Introductory Flight Screening program has been discontinued.

¹² Agreed to savings will be determined after the Navy's budget is submitted by the President to Congress, expected in February 2011, or when Commander, Pacific Fleet confirms that the Introductory Flight Screening program has been discontinued.

Enclosure 2:

Background, Scope, Methodology, and Pertinent Guidance

Background

The Introductory Flight Screening program was officially established on 10 January 2003 to precede Aviation Preflight Indoctrination and subsequent primary flight training for student pilots. It was implemented to decrease flight-related attrition and drop-on-request rates in primary flight training. Introductory Flight Screening initially screened only Student Naval Pilots, but subsequently expanded screening to all Student Naval Aviators, which includes Student Naval Pilots and Student Naval Flight Officers, to ensure that only those students with the skills and attributes required to successfully complete primary flight training actually enter the Aviation Preflight Indoctrination and primary flight training segments of Naval aviator training. Successful completion of the Introductory Flight Screening program became a mandatory prerequisite to attending Aviation Preflight Indoctrination at the Naval Aviation Schools Command, except for those students possessing a Private Pilot Certificate or higher (e.g., Commercial Pilot or Airline Transport Pilot certificates). Students possessing these certificates have already met the program completion requirements and are considered “validators.” These “validators” proceed directly to Aviation Preflight Indoctrination. According to the Chief of Naval Air Training, the number of “validators” the Navy accepts each year is approximately 11.5 percent of the total Student Naval Aviators enrolled each year.

Under the Introductory Flight Screening program, “non-validator” Student Naval Aviators will receive 24 (minimum) to 25 hours (maximum funded) of civilian aviation flight training using general aviation light aircraft with associated ground training from the Federal Aviation Regulations Part 141, “Pilot School.” The goal is that students screened by the Introductory Flight Screening program will achieve measurable improvements in Student Naval Aviator/Student Naval Flight Officer quality, confidence, and situational awareness by hands-on flight experience in civilian aviation, or drop out or be removed from aviator training before proceeding into Aviation Preflight Indoctrination and primary flight training.

Funding for the Introductory Flight Screening program is provided by the Naval Education and Training Command. Naval Aviation Schools Command provides the day-to-day Introductory Flight Screening management. Chief of Naval Air Training is the owner of the program; however, they are only responsible for (1) providing oversight and review of Introductory Flight Screening management and procedures and (2) approving or disapproving program requirement waivers. Chief of Naval Air Training is a

subordinate command of the Commander, Naval Air Forces. All command decisions for Introductory Flight Screening fall under Chief of Naval Air Training; therefore, Commander, Naval Air Forces is the command authority. Naval Education and Training Command is a subordinate command of the Chief of Naval Personnel.

Prior to the introduction of Introductory Flight Screening, a potential Student Naval Aviator, once commissioned, reported directly to Aviation Preflight Indoctrination at Naval Air Station Pensacola, FL, and after successful completion of Aviation Preflight Indoctrination, to primary flight training at either Naval Air Station Whiting Field, FL, Naval Air Station Corpus Christi, TX or Naval Air Station Pensacola, FL. Aviation Preflight Indoctrination is a 6-week session where potential aviators are taught and tested in classroom academics, physical fitness, water and land survival, and aviation physiology. After Aviation Preflight Indoctrination, the Student Naval Aviator enters primary flight training, in which the student flies the primary flight trainer aircraft (the T-34C or T-6A). Upon completion of primary flight training, the Student Naval Pilot is selected for the Rotary, Maritime, or Strike pipeline. A similar selection sends the Student Naval Flight Officer to the Maritime or Strike pipeline. With the inception of Introductory Flight Screening, it was reasoned that, if a screening process such as Introductory Flight Screening was added to the accession ladder of an Student Naval Aviator, the Navy could potentially reduce the overall training time per student, as well as have students who would otherwise attrite out of aviator training during Aviation Preflight Indoctrination or primary flight training, attrite earlier. This, in turn would reduce the costs of the primary flight training program. See Figures 1 and 2 for the current Student Naval Aviator pipelines.

Figure 1 Student Naval Pilot Pipeline

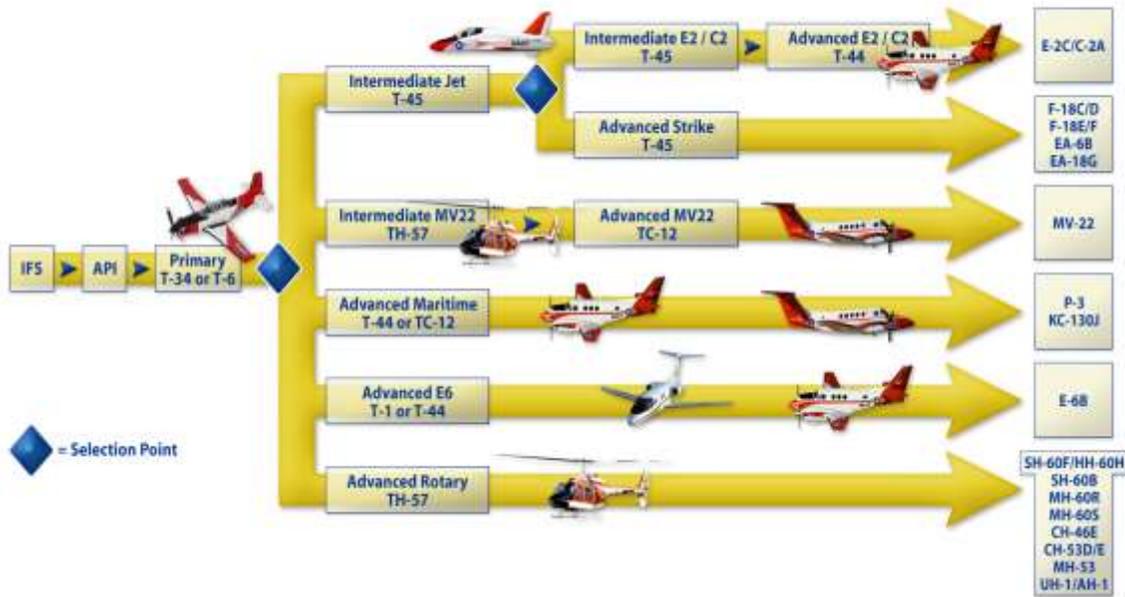
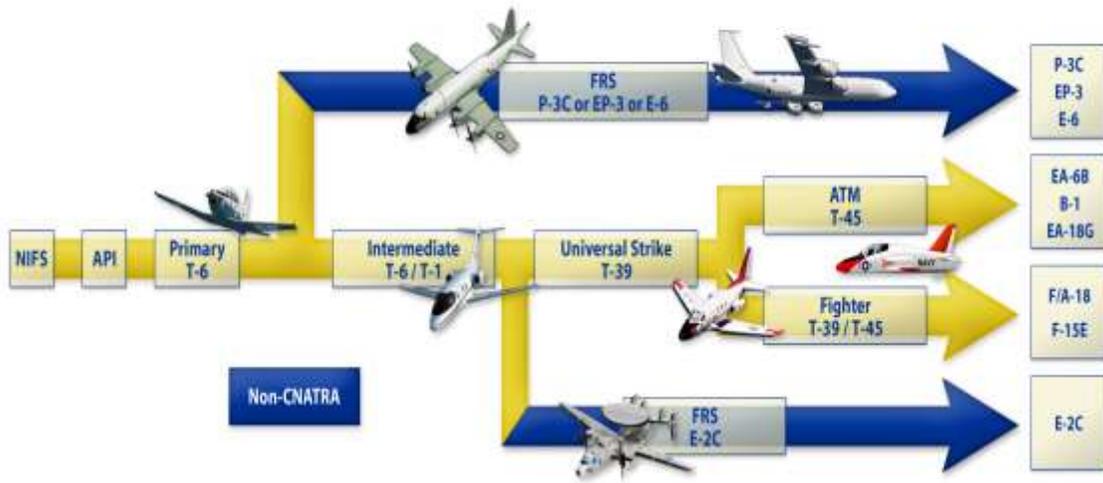


Figure 2 Student Naval Flight Officer Pipeline



Scope

Our audit focused on the effect that the Department of the Navy's (DON's) Introductory Flight Screening program had on Student Naval Aviator attrition. We primarily looked at the impact of the Introductory Flight Screening program during the period from Fiscal

Years 2004 through 2009. We conducted our audit work from 5 May 2009 until 14 July 2010.

We conducted audit work at the following commands:

- Commanding Officer, Naval Aviation Schools Command, Pensacola, FL;
- Commander, Naval Education and Training Command, Pensacola, FL; and
- Chief of Naval Air Training, Corpus Christi, TX.

Methodology

We obtained, reviewed, and evaluated a contractor's report dated October 2000, on "Process Improvement in Accession of Prospective Student Naval Aviators." This study was commissioned by Chief of Naval Air Training to address the causes of the Navy's unacceptable attrition rates in primary flight training.

We obtained and reviewed an analysis conducted by the Navy's Human Performance Center for Chief of Naval Air Training, dated 9 June 2006, entitled "Introductory Flight Screening Fixed Base Operator Effectiveness."

We obtained and reviewed the "Introductory Flight Screening Analysis: Impact on Attrition and Return on Investment (ROI)," dated 17 July 2009, conducted by the Chief of Naval Air Training staff.

We obtained, reviewed, and analyzed historical Introductory Flight Screening data from the Naval Aviation Schools Command Corporate Enterprise Training Activity Resource System database, pertaining to the number of Introductory Flight Screening students in the program from Fiscal Years 2002 to 2009. Due to the scope of this report, we did not test the reliability of the Corporate Enterprise Training Activity Resource System.

We obtained and reviewed historical Introductory Flight Screening cost data for Fiscal Years 2004 through 2009, which were included in Naval Education and Training Command's Corporate Automated Resource Information System database. Fiscal Years 2007 through 2009 cost data was accessed on 4-5 March 2010. Fiscal Years 2004 through 2006 cost data was accessed on 9 April 2010. Due to the scope of this report, we did not test the reliability of Corporate Automated Resource Information System.

We obtained and reviewed a Chief of Naval Air Training planning document for the future number of students the Navy plans to send through Introductory Flight Screening in Fiscal Years 2010 through 2015.

We obtained and verified the spreadsheets and calculations used by Chief of Naval Air Training personnel to estimate the Naval Aviation Training Command's Future Years Defense Plan Flight Hour Program, as of 29 December 2008, during our work on the Joint Primary Aircraft Training System Quantitative Requirements audit.

We obtained and reviewed a Chief of Naval Air Training planning document, from 8 June 2009, which pertained to the estimated flight hour cost for the T-34C, T-6A, and T-6B for Fiscal Years 2009 and 2010. We did not test the reliability of these estimates.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Due to the scope of the audit being limited to only an analysis of the effectiveness of Introductory Flight Screening as it relates to the Joint Primary Aircraft Training System, an analysis of the internal controls as it pertains to management's oversight of the Introductory Flight Screening program was not conducted.

During the audit, we also reviewed the Chief of Naval Air Training's ethics program. We determined that Chief of Naval Air Training had an effective ethics program in place in terms of the systems, processes, procedures, etc., to reasonably ensure compliance with Department of Defense 5500.7-R, "Joint Ethics Regulation," and Executive Order 12674, "Principles of Ethical Conduct for Government Officers and Employees."

There have been no previous audits on Introductory Flight Screening, so no followup is required.

Pertinent Guidance

Chief of Naval Air Training Instruction 3501.1B, "Introductory Flight Screening Program," dated 7 September 2007, states, "IFS [Introductory Flight Screening] was implemented to decrease flight-related attrition and drop-on-request rates in primary flight training by identifying Student Naval Aviator/Student Naval Flight Officers who lack the determination, motivation, or aeronautical adaptability required to succeed in primary flight training."

Director, Military Personnel Plans and Policy Division (N13) of Chief of Naval Operations, Policy Decision Memorandum 01-003, "Introductory Flight Screening (IFS) for All Student Naval Pilots (SNP)," dated 10 January 2003; and Program Authorization

106, Revised June 2004, made successful completion of the Introductory Flight Screening program by all Student Naval Pilots a mandatory prerequisite to attending Aviation Preflight Indoctrination.¹³

A Chief of Naval Air Training -commissioned report on “Process Improvement in Accession of Prospective Student Naval Aviators,” dated October 2000, recommended establishing a Fixed Base Operator-based Introductory Flight Screening program consisting of 25 total flight hours (including 3 solo flights) in a light aircraft with a civilian certified flight instructor for all Student Naval Aviator candidates. The contractor concluded that Student Naval Aviators needed to experience aviation via a cost effective, general aviation flight syllabus before reporting to Aviation Preflight Indoctrination. They stated that the greatest increase in probability of student success occurs in the first 25 hours of flight time. The contractor recommended that a 25-hour syllabus for Introductory Flight Screening with required solo flight be used for Introductory Flight Screening due to it fitting Chief of Naval Air Training’s training needs and being the most cost effective program.

¹³ This requirement was later expanded through instructions to include all Student Naval Pilots and Student Naval Flight Officers.

Appendix A:

Management Response from Commander, Naval Air Forces



DEPARTMENT OF THE NAVY
COMMANDER NAVAL AIR FORCES
BOX 367051
SAN DIEGO, CALIFORNIA 92135-7251

7510
Ser N00/ 1468
16 Sep 10

FIRST ENDORSEMENT on Chief of Naval Air Training ltr 7510
Ser N7/0950 of 01 Sep 10

From: Commander, Naval Air Forces
To: Auditor General of the Navy, Naval Audit Service
Subj: INTRODUCTORY FLIGHT SCREENING PROGRAM (IFS) DRAFT AUDIT
REPORT RECLAMA

1. Forwarded. Do not concur with the recommendations of
reference (a). Commander, Naval Air Forces maintains a
requirement for Introductory Flight Screening in its current
form as discussed in this letter as well as in reference (c).



FOIA (b)(6)

Appendix B:

Management Response from Chief of Naval Air Training (1 September 2010)



DEPARTMENT OF THE NAVY
CHIEF OF NAVAL AIR TRAINING
250 LEXINGTON BLVD SUITE 102
CORPUS CHRISTI, TX 78419-5041

7510
Ser N7/0950
1 Sep 10

From: Chief of Naval Air Training
To: Auditor General of the Navy, Naval Audit Service
Via: Commander, Naval Air Forces

SUBJ: INTRODUCTORY FLIGHT SCREENING PROGRAM DRAFT AUDIT REPORT
RECLAMA

Ref: (a) Navy Audit Service Memorandum 7510, N2009-NIA000-0123.000 of 14 Jul 2010
(b) Navy Audit Service Memorandum 7510, N2009-NIA000-0123.000 of 31 Dec 09
(c) CNATRA ltr 7510, Ser N7/0049 of 29 Jan 10

1. Thank you for the opportunity to review the Draft Audit Report N2009-NIA000-0123.000. Given the nature of on-going discussions with the Commander, Naval Air Forces (CNAF) regarding the future direction for the Introductory Flight Screening Program (IFS), we are interested in the findings and recommendations from this effort.

2. After reviewing reference (a) the exceptions noted for reference (b) and detailed in reference (c) remain germane. Additionally the following exceptions are noted:

a. The costing data detailed in reference (a) is no longer valid. The most recent IFS cost after single-siting the program to the Pensacola area is approximately \$3200 per enrolled student vice the FY 2004-2009 cost of \$4266 and the FY 2010 estimate of \$5200 considered in the report. Program length has been shortened to 13.5 (waiverable to 15.0) flight hours per student vice the 25 (waiverable to 27.5) used to figure cost data in reference (a). This flight hour cut was enacted after detailed Chief of Naval Air Training/Naval Education and Training Command (CNATRA/NETC) analysis determined negligible return on investment (ROI) on any additional flight hour investment past the 13.5 hour solo. This reduces overall GROSS projected IFS program cost to \$4.2M in FY12. This data, along with T-6 vice T-34 cost figures was used to update the analysis referenced in the NAVAUDSVC report. The results increase the total IFS offset from \$2.2M to \$2.7M, reducing the NET IFS total price tag to \$1.5M for FY12. Using historical comparisons with

SUBJ: INTRODUCTORY FLIGHT SCREENING PROGRAM DRAFT AUDIT REPORT
RECLAMA

other CNATRA platforms, T-6 cost data will inevitably rise as the program matures, further increasing the offset and reducing net program cost.

b. The impact of IFS on positive diversity in the Naval Aviation community continues to be downplayed. Prior to IFS, minorities and females attrited out of primary flight training at higher rates than majorities (16% vs. 11%) and males (21% vs. 11%). Since the implementation of IFS, minorities and females attrition rates are roughly the same or lower than majorities and males.

c. IFS training supports the knowledge and skill sets necessary to succeed in the JPATS (T-6 based) syllabi. IFS completion has been a USAF prerequisite since the development and inception of the T-6 JPATS program. Navy has not officially documented IFS as a JPATS requirement; however, the additional complexity and improved performance of the T-6 over the legacy T-34 platform make increased difficulty a near certainty. No data yet exists on non-IFS student performance in T-6 programs to verify this assumption since all students that have completed or are currently enrolled in the JPATS syllabi have completed IFS training. With that said, it is my intent to make the completion of IFS a T-6B primary flight training pre-requisite requirement.

3. As outlined in reference (c) and discussed above, CNATRA does not concur with the recommendations of reference (a) and maintains a requirement for IFS in its current form.

[REDACTED]

FOIA (b)(6)

Appendix C:

Management Response from Chief of Naval Air Training (29 January 2010)



DEPARTMENT OF THE NAVY
CHIEF OF NAVAL AIR TRAINING
CNATRA
250 LEXINGTON BLVD SUITE 102
CORPUS CHRISTI TX 78419-5041

7510
Ser N7/0049
29 Jan 10

From: Chief of Naval Air Training
To: Auditor General of the Navy, Naval Audit Service
Via: Commander, Naval Air Forces

SUBJ: INTRODUCTORY FLIGHT SCREEN PROGRAM (DISCUSSION DRAFT
AUDIT REPORT N2009-NIA000-0123.000)

Ref: Navy Audit Service Memorandum 7510, N2009-NIA-0123.000 of
31 Dec 09

Encl: (1) CNATRA errata: Preutilization Discussion Draft of
Audit Report N2009-NIA000-0123.000
(2) Pilot Training Pipelines Chart
(3) NFO Training Pipelines Chart

1. Thank you for the opportunity to review the Preutilization Discussion Draft of Audit Report N2009-NIA000-0123.000. Given the nature of on-going discussions with the Commander, Naval Air Forces (CNAF) regarding the future direction for the Introductory Flight Screening Program (IFS), we are interested in the findings and recommendations from this effort.

2. The Chief of Naval Air Training, in 2003, developed the Introductory Flight Screening program with several objectives:

a. To reduce attrition in primary flight training by providing early identification of those students with less than adequate motivation or fear of flying.

b. To provide Navy and Marine Corps students the prerequisite knowledge and skills to successfully complete joint primary flight training at USAF commands.

c. To "level the playing field" for minority and female students. As recommended by the Rosenfeld study briefed to the Vice Chief of Naval Operations in 1997, IFS was to provide all students, to include minorities and female students, flight experience before primary training. Historically, far fewer minority and female students than white males arrive at flight training with prior flight experience.

FOR OFFICIAL USE ONLY

SUBJ: INTRODUCTORY FLIGHT SCREEN PROGRAM (DISCUSSION DRAFT
AUDIT REPORT N2009-NIA000-0123.000)

3. The studies by LCDR Morrison (2004) and the Navy Human Performance Center (2006) as well as various internal analyses by the Naval Aviation Schools Command and the CNATRA staff have highlighted concerns regarding the effectiveness of IFS in meeting these objectives, and have led to systemic changes in the administration and conduct of the program. Based upon these analyses and recent surveys of students and instructor pilots, we believe that while the fiscal return on investment from IFS may not be positive, IFS has provided intangible benefits through improved preparation of students to start military flight training and positioning minority and female students for success in training.

4. Pending the outcome of discussions between Commander, Naval Air Forces and Commander, Naval Education and Training Command, CNATRA maintains a requirement for IFS in its current form.

5. Enclosure (1) identifies specific concerns from our review of the subject draft Audit Report. Enclosures (2) and (3) provide updated Pilot and NFO training pipeline charts.



FOIA (b)(6)

CNAFRA errata: Preutilization Discussion Draft of Audit
Report N2009-NIA000-0123.000

1. Para 1a: We take exception to the projected savings of \$43.8M. As is later established, see para 6a(1), this amount was based upon using only the \$7.3M FY2008 cost basis, without regard for lower FY2009 actual costs or other projections of out-year cost savings or efficiencies. The use of \$43.8M as the projected savings/cost avoidance is widespread throughout the report.
2. Para 5a: Revise sentence to reflect that the JPATS also trains Marines, Coast Guard, and international military students.
3. Para 5b: As written paragraph does not correctly identify the target training population and fails to mention the alternate track for those students with prior flight time.

Suggested revision:

b. The IFS program was established on 10 January 2003 to precede Aviation Preflight Indoctrination (API) and subsequent Primary flight training for student pilots. It was implemented to decrease flight-related attrition and drop-on-request rates in Primary flight training. IFS initially was planned to screen Student Naval Pilots (SNPs), but subsequently was expanded all Student Naval Aviators (SNAs), which includes SNPs and Student Naval Flight Officers (SNFOs), to ensure that only those students with the skills and attributes required to successfully complete Primary flight training actually enter the API and Primary flight training segments of Naval Aviator training. Successful completion of the IFS program is a mandatory prerequisite to attending API at the Naval Aviation Schools Command, except for those students possessing a Private Pilot Certificate or higher, e.g., Commercial Pilot or Airline Transport Pilot certificates.

4. Para 5c: Line 1 change "SNPs" to "SNAs"
5. Para 5f: The Aviation Selection Test battery is used as a component of the selection process for the selection of applicants for officer aviation programs by the Navy and Marine Corps. While each service requires an applicant to achieve a certain minimum AQR or FAR/FOFAR score, the

Enclosure (1)

selection processes for each service's accession programs establish further criteria.

6. Figure 1 Student Naval Pilot Pipeline is obsolete. Corrected versions for SNPs and SNFOs are provided as enclosures (2) and (3) respectively.

7. Para 5g: Should be revised to reflect that the audit addressed both SNP and SNFO attrition.

8. Paragraph 5j: The Navy Human Performance Center conducted the 09 Jun 06, "IFS Fixed Base Operator (FBO) Effectiveness" for CNATRA. The "IFS Analysis: Impact on Attrition and Return on Investment (ROI)" dated 17 July 2009, was conducted by the CNATRA staff.

9. Para 5p: The last line should be revised to reflect direction for completion by all SNAs vice SNPs.

10. Para 6c: As noted previously, we object to the extrapolation used to project a \$43.8M future cost.

11. Para 6c: The benefits upon improving time-to-train (by eliminating IFS) may be questioned given that approximately one-fourth of all students complete IFS before commissioning and that waiting time before API is also driven by graduation and commissioning cycles for the Naval Academy and Navy Reserve officer Training Corps spring graduates.

12. Para 7: Recommendation 2: As noted previously, we object to the extrapolation used to project a \$43.8M future cost.

13. Para 8: In that we have not received the discussion draft, the following comments with respect to concurrence with elements of the "Preutilization Discussion Draft" should be considered as "pre-decisional" for discussion.

a. As noted previously, we object to the extrapolation method used to project a \$43.8M future cost of IFS.

b. While the fiscal return on investment from IFS may not be positive, we believe that IFS has provided intangible benefits through improved preparation of students to start military flight training, as noted by recent surveys of instructor pilots and students.

c. Further, we believe that IFS has had a positive effect on improving the future diversity of Naval Aviation by leveling-the-playing field, i.e., by providing early flight training experience not otherwise available, thus positioning minority and female students for success in training. A recent CNATRA analysis of student performance suggests that for recent years there is no longer a significant difference in primary training attrition rates between white students and minority students or between male and female students.

Appendix D:

Management Response from Chief of Naval Personnel



DEPARTMENT OF THE NAVY
CHIEF OF NAVAL PERSONNEL
WASHINGTON, D.C. 20370-5000

3750
Ser 00/ 161
8 Sep 10

From: Chief of Naval Personnel
To: Assistant Auditor General for Installations and Environment Audits
Subj: MANAGEMENT RESPONSE TO NAVAL AUDIT SERVICE DRAFT AUDIT REPORT N2009-NIA000-0123.000, "INTRODUCTORY FLIGHT SCREENING PROGRAM" OF 14 JULY 2010
Ref: (a) NAVAUSVC memo 7510/N2009-NIA000-0123.000 of 14 Jul 2010 w/subject report

- Encl: (1) Management Response on Subject Draft Report
1. As required by reference (a), enclosure (1) provides responses to recommendation 2 of subject report.
 2. The point of contact in this matter is [REDACTED] DCNO (N1)/BUPERS Audit Liaison/BUPERS-001G3, [REDACTED] or via E-mail at [REDACTED]

Copy to:
CHNAVPERS (BUPERS-001G)

FOIA (b)(6)

FOIA (b)(6)

NAVAUDSVC AUDIT REPORT N2009-NIA000-0123.000, "INTRODUCTORY FLIGHT SCREENING PROGRAM" DATED 14 JULY 2010

FINDING 1: Cost of the IFS Program

RECOMMENDATION 2: That CHNAVPERs apply the \$38.7 million funds, earmarked for the Introductory Flight Screening Program, to other use.

CHNAVPERs MANAGEMENT RESPONSE: If the decision is made to discontinue the Introductory Flight Screening Program as suggested in recommendation #1, we concur with applying \$34.6 million of funds associated with the IFS program to other use.

POM 10 issue 25143 reduced funding for the program by \$10.6 million by reducing the flight hours per student from 25 to 15, which reduced the estimated cost per student to \$3,800. POM 12 issue 50242 subsequently eliminated the IFS program, which results in savings of \$24 million over the FYDP. These funds have already been put to other use and we consider this recommendation closed as of 26 July 2010.

Please note: The \$38.7 million cited in the audit report was calculated assuming the Introductory Flight Screening Program was funded at 100% of the requirement. The \$34.6 million figure included in the CHNAVPERs response reflects the actual amount included in the budget (\$24M + \$10.6M = \$34.6M).

Appendix E:

Warning Order for Program Objective Memorandum, Fiscal Years 2013-2017 (POM 13)



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, DC 20350-2000

POM 13 WARNORD
Ser NS/10U159093
25 Aug 10

MEMORANDUM FOR DISTRIBUTION

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

Ref: (a) SECDEF Memo of 12 Jul 10, FY 12 Defense Planning and Programming Guidance
(b) SECDEF Memo of 4 Jun 10, Improving Department of Defense Business Operations

Encl: (1) POM 12 Deferred Efficiency Candidates
(2) POM 12 Final Efficiencies List

1. Situation. The Chief of Naval Operations (CNO) is responsible for providing the programmatic basis for an executable Navy program and budget for submission to the Office of the Secretary of Defense (OSD) and inclusion in the President's Budget (PB) for Fiscal Year (FY) 2013. At this time, the priorities for the Secretary of Defense are contained in the Defense Planning and Programming Guidance, provided in reference (a), and recommended improvements to business operations that began in POM 12 are provided in reference (b).

2. Mission. Build the Program Objective Memorandum for FY13 through FY17.

3. Concept of Operation. Plan to complete the Navy's internal planning and programming process in spring 2011 to allow time for Department of Navy budget development.

4. Commander's Intent.

a. Purpose. Deliver a fiscally balanced, defendable Navy program for FY13 through FY17 submission to OSD, implementing CNO guidance and priorities. In areas where deviations from guidance and objectives occur, the program will clearly identify associated risks and rationale.

b. Method. Reducing business operations costs throughout the entire Navy is of primary importance for POM 13. Resource

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

sponsors and Budget Submitting Organizations (BSOs) shall place overarching emphasis on reducing the cost of staffs, overhead and their business at all echelons and installations. The impacts of a constrained fiscal environment, and SECDEF directed Department of Navy efficiencies and cost savings in reference (b), require all resource sponsors and BSOs to assess their organizations and business operations for valid budget level savings to generate a balanced, integrated, whole Navy Program for POM 13. The process outline in the events described below provides an earlier, more tightly coupled POM 13 integration process than during past PPBE cycles. The intent of the fall 2010 CNO Executive Boards (CEBs) is to review and re-visit deferred POM 12 efficiencies in managing our people, infrastructure and readiness, as well as propose new initiatives for leadership consideration. The result of these CEBs will inform and set trade space for the POM 13 PLANORD.

(1) Efficiencies and Initiatives proposed but not executed in POM 12 (enclosure (1)) shall be re-evaluated, reworked and re-proposed by the cognizant Resource Sponsor as part of the Total Force, Enterprise Information Technology Management (EITM), Readiness and Infrastructure, and Warfighting and Business Efficiencies CEBs. Status of Efficiencies accepted in POM 12, (enclosure (2)) shall also be presented at these CEBs. OPNAV N4 is the Total Ownership Cost (TOC) process owner. Each Resource Sponsor will coordinate their efficiency initiatives with N4 and N1, as applicable, prior to their CEBs.

(2) Resource Sponsors (RS) shall begin assessing new programmatic options for developing assets in POM 13 to support RS specific Tail-to-Tooth strategy and reference (b) directed savings, prioritizing procurement and RDTEEN across their entire portfolio. All resource sponsors shall present alternative, prioritized options and trades as excursions for leadership discussion assuming 2% and 5% Navy TOA reductions.

(3) All resource sponsors and BSOs shall use the Intelligent Workbook (IW) for identifying and submitting all programmatic changes to military, civilian and contractor billets and functions to support POM 13 assessments, reviews and SPP builds. SYSCOMs/PEOs, Providers and BSOs shall ensure all IW data is accurate and mapped in accordance with published IW business rules, and further identify all Contractor Support Services (CSS) personnel for engineering, technical, analytical, administrative and business financial management billets by HQ

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

staff or program, and provide to N1 in support of the Total Force Personnel CEB.

(4) In order to accomplish this mission, I intend to follow the model of a Joint Task Force, taking maximum advantage of the supported and supporting relationships. The specific phases and deliverables will be defined in the Planning Order (PLANORD). The Navy Strategic Plan for POM 13 (NSP 13) will serve as the authoritative document for Navy priorities and should also be used for general risk guidance for POM 13. Resource Sponsors will use an open and collaborative environment in working level meetings with N80, N81 and N82 as the elements of the Initial and Final SPPs are developed.

c. End-state. Navy consensus for a fiscally balanced and defensible POM for FY13 through FY17 that best meets NSP 13 guidance and other CNO objectives and achieves required readiness and warfighting wholeness.

5. Coordinating Instructions.

a. The following sequence of events details key events and deliverables that will comprise the program/budget cycle. Adhering to this sequence is essential to sustaining the synergy of the program/budget process. The delivery date of the Navy POM to FMB is not yet finalized and the final schedule will be promulgated via separate correspondence.

(N2/N6)	Intelligence Update
(N3/N5)	Navy Strategic Plan for POM 13 (NSP-13)
(N1, USFF, CPF, OCNR/N095, Providers, BSOs)	Total Force Personnel CEB
(N4, USFF, CPF, CNIC, N2/N6, N8F)	Readiness and Infrastructure CEB
(N81, SYSCOMs, NWCs, PEOS, N80)	Warfighting and Business Efficiencies CEBs
(N81)	Force Structure CEB to support Annual Shipbuilding and Aircraft Plans

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL
YEARS 2013-2017 (POM 13)

(N2/N6, N8F, N1, N4, N091, BSOs, SYSCOMS)	EITM CEB
(N81, USFF, CPF)	Front-End Assessment
(N80, VCNO)	POM 13 PLANORD
(N80)	Initial Fiscal Guidance (FRAGORD)
(N091, N8F, N2/N6)	DT/OT/LPT&E Efficiencies CEB
(N3/N5, USFF, N8F)	Brown Water Capabilities CEB
(N093)	Navy Medicine CEB
(N81, N2/N6, N8F, USFF, CPF)	Warfighting Capability Plan
(N1, N4, N2/6, N8F, N091, N093, DNS)	Initial Sponsor Program Proposals to VCNO
(Resource Sponsors)	Final Sponsor Program Proposals to VCNO
(N1, N4, N2/6, N8F, N091, DNS)	Resource Sponsor Database Turnover to N80
(N80)	POM 13 Snapshot to CNO
(N81, USFF, CPF)	Integrated Program Assessment
(N00X)	Conformance to POM-12 DPPG Assessment
(N82, N80, RS's, Service Cost Executive)	Pricing Validation Teams
(N80)	Program Integration
(N80)	POM Brief to CNO
(N8)	Submit CNO Approved Navy Program to FMB
(N82/FMB)	POM 13 Submission to OSD

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL
YEARS 2013-2017 (POM 13)

(N8) OSD Program-Budget Review
(OSD) BES / POM 13 Budget Lock
(OMB) Submit PB 13 to Congress

b. Event definitions.

(1) Intelligence Update. CNO N2/N6 will identify and prioritize intelligence gaps and threats, and provide an assessment of changes from previously predicted future threat environments. Identify threats that have diminished. The assessment will be coordinated with the NSP and identify near, mid and far term threats to naval forces in Joint, Coalition, and partner environments.

(2) Navy Strategic Plan (NSP). CNO N3/N5, with guidance from CNO, will provide a Navy Strategic Plan (NSP) for POM 13 (NSP-13). Based on the maritime strategy and informed by OSD guidance, this document provides CNO's strategic guidance for POM 13 development and is the authoritative document for Navy's POM 13 priorities. NSP-13 will provide strategic context and prioritized Capability/Risk Guidance for the Navy's POM 13 budget submission, as well as highlight areas for analytic study and identify non-materiel solutions to address critical shortfalls.

(3) Total Force Personnel Review. CNO N1, with support from USFF, COMPACFLT, OCNR/N095, Providers and BSOs, will provide a complete review of Total Force Manpower, including Military (AC/RC), civilians, and contractors, to determine most efficient allocation to maximize productivity and savings as provided in the Intelligent Workbook (IW). CNO N1/N095 will review Navy Reserve commands that may be overmanned, be underutilized, or provide duplicate functions, and propose the most efficient use of the Reserve Component. IW entries must be updated and certified by Resource Sponsor, Enterprises and BSOs in support of this review. N1 will provide, and solicit from BSOs, areas for further review that may provide additional, defensible efficiencies to those developed in POM 12 which Enterprises, Providers, and BSOs will be required to address in their N1 Program Requirements Reviews. In addition N1 will include recommendations and status of identifying Total Force tail to tooth manpower and a plan to complete as part of POM 13.

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

(4) Readiness and Infrastructure Assessment. CNO N4 will work with USFF, COMPACFLT, Commander Navy Installations Command (CNIC), and OPNAV N2N6F/N8F to assess Afloat and Ashore Readiness, identify efficiencies, and propose capability gap mitigations to maximize POM 13 effectiveness within expected fiscal guidance. Proposed efficiencies and savings shall build upon POM 12 Initiatives and be presented at the POM 13 Readiness and Infrastructure CEB. Efficiencies in shore infrastructure shall also be assessed and proposed for leadership decision, along with Courses of Action and expected savings. Scope of effort will include:

(a) CNO N3/N5 Global Force Management planning for FY's 13-14 will inform expected deployment schedules and be used in this assessment.

(b) OPNAV N46 will assess the effectiveness of CNIC's Future Shore Design and Future Base Operating Concept for supporting Shore TOC minimization. This assessment will inform POM 13 with reduced Ashore Readiness costs and associated reduced footprint, MILPERS, shore energy and CIVPERS changes (in conjunction with proposed contractor reductions). Plans for BAMS, P8, LCS, AEGIS Ashore, DPRI and JSF infrastructure integration will also be presented.

(c) CNO N4 will work with N1 and CNIC to establish changes to Bachelor Housing (BH) policy to include standard for future Permanent Party BH construction, assignment policy for E1-E5, impacts to Basic Allowance for Housing (BAH) account relative to assignment policy and inventory, and compliance with OSD guidance for BH standards. Establish a completion date for the BH Master Plan before submission of the N4 SPP to include the plan for investment in facilities quality improvement to eliminate all Q4 BH facilities by 2020.

(d) At a fall 2010 Resources and Requirements Review Board (R3B), CNO N4 will present all afloat readiness, shore readiness, and shore infrastructure model assumptions for approval.

(5) Warfighting and Business Efficiencies CEB. N81, with support from N80, will study the following areas and report results during Efficiencies CEB:

(a) Tail(overhead efficiencies):

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

1. OPNAV N81, with SYSCOMs in support, review current structure and alignment of SYSCOMs and Navy Warfare Centers. The main purpose of this study is to propose appropriate realignment to achieve Most Efficient Organization principles. The results of this study shall be presented and reviewed at a Provider Forum prior to CEB.

2. SYSCOMs and Heads of Contracting Agencies (HCAs) report to OPNAV N10 updated inputs to the Intelligent Workbook (IW) for CSS. Additionally, provide a separate breakout for Major Defense Acquisition Programs (MDAP), to include number of contracts for government support and contract work-year equivalents (CWYE). N10 will provide N81 with contractor data. N1 and SYSCOMs support N81 in the review and assessment of FY13-FY15 CSS data entered into IW. N81, with SYSCOMs in support, review and assess overhead costs to execute MDAP programs.

3. OPNAV N81, with SYSCOMs in support, compile the cost of competitive prototypes in Navy MDAP programs and the anticipated return on investment in life-cycle cost, schedule, and performance.

(b) Tooth (warfighting):

1. OPNAV N81, with USFF support, evaluate warfighting risk of Sustainable Deployment Model initiative and effect on inputs to Afloat Readiness model.

2. OPNAV N81, with USFF support, refine FYDP cost savings assuming a Sustainable Deployment Model construct.

3. OPNAV N81, with USFF and SYSCOMs in support, evaluate Military Sealift Command re-organization using Most Efficient Organization principles to reduce duplication of effort with SYSCOMs.

4. OPNAV N81, with CNAF and CNAFR support, evaluate consolidation and most efficient re-organization of VR Squadrons.

(c) Results from these studies will inform the WCP and IPA, providing VCNO and CNO with options for optimum Navy warfighting capability and credible savings for capability investment.

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

(6) Force Structure CEB. N81 will study and present the POM 13 Force Structure Analysis to support the Annual Report to Congress on Shipbuilding and Aircraft Plans. The study shall evaluate post-OEF/OIF force structure sizing.

(7) Enterprise Information Technology Management (EITM) CEB. N2/N6, with support and input from other Resource Sponsors, shall identify redundancies and opportunities for more cost-effective enterprise IT management to generate efficiencies and savings for re-investment into CNO priority warfighting capabilities. Resource sponsors, with support of associated SYSCOMs and Budget Submitting Offices, shall provide N2/N6 expected POM 13 IT investments as part of consolidated and centralized resource management of Enterprise IT Services. Issues to be addressed include: Enterprise Software Licensing (ESL), Navy Enterprise Portal (NEP), and Consolidated Afloat Networks and Enterprise Services (CANES) migration. N2/N6 shall assess and present validated costs savings and initiatives during EITM CEB. Accepted issues shall be validated and re-programmed during Resource Sponsor SPP development.

(8) Front-End Assessment (FEA). OPNAV N81, with support from USFF, will provide an integrated capabilities-based assessment, informed by the CNO N2/N6 Intelligence Update, NSP-13, Navy Provider Forum and Enterprise business efficiencies, CNO Guidance, and SECDEF priorities as directed in reference (a). The FEA will identify capability gaps and overmatches, and provide an assessment of the potential impact on the current Navy program associated with current operations and Combatant Commander demands. The FEA will identify areas where additional risk could be taken based on NSP-13 guidance and Joint, Coalition, and partner capabilities. Resource Sponsors will utilize its recommendations to guide the development of their Sponsor Program Proposals (SPPs).

(9) Developmental Testing / Operational Testing / Live Fire Test & Evaluation (LFT&E) CEB. OPNAV 091, with support of N2/N6, N8F, and SYSCOMs shall review the resources allocated to DT/OT/LFT&E on MDAF programs. The CEB shall present opportunities for efficiencies, risk assessment, cost savings and recommended statutory and policy changes.

(10) Brown Water Capabilities Study. OPNAV N3/N5, with support of USFF and N8F, will review the brown water operational environment between USN and USMC. The goal of the study is to review operational capabilities with the potential for savings

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

between the two services. Study results will be presented at a Brown Water Capabilities CEB.

(11) Navy Medicine Study. OPNAV N093 will study the Navy Medicine active component operational mission. The study will assess the impact on dependent and retiree benefit care and potential benefits/savings of realigning their care to TRICARE or the private sector. The results of this analysis shall be presented at a Navy Medicine Study CEB.

(12) Warfighting Capability Plan (WCP). OPNAV N81, in collaboration with CNO N2/N6, OPNAV N8F, and USFF will deliver a Warfighting Capability Plan (WCP) which provides a fiscally informed and balanced overview of recommended capability changes from Navy POM 12 submission (informed by strategic guidance in NSP 13 and OSD POM 12 endgame decisions). The proposal will highlight the capability relationship with Joint, Coalition, and partner force requirements across all levels of operations and will incorporate any new guidance (Joint, OSD or internal to Navy). The WCP will include specific recommendations on where to take increased warfighting risk based on the NSP-13 capability risk guidance and Joint/Combined force capabilities.

(13) Initial Sponsor Program Proposals (SPP). Resource Sponsors will provide Initial Sponsor Program Proposal briefings to VCNO. All Resource Sponsors will submit balanced Initial SPPs in compliance with NSP-13, POM 13 PLANORD, fiscal constraints, FEA and WCP decisions / recommendations, and expected Global Force Management demand for FY13 and FY14. Special attention shall be given to Tail-to-Tooth strategy, RDTEEN and procurement prioritization, and proposing vertical program cancellations with acceptable warfighting risk to generate assets for CNO priorities.

(a) SPPs will identify Total Ownership Costs (TOC) of programs and include opportunities for TOC reduction, with specific savings identified by program element / line item using PBIS load sheets. Resource Sponsors shall validate TOC issues and associated savings from their BSOs.

(b) USFF, COMPACTFLT, Enterprises, Providers and BSOs will provide proposed military (AC/RC), civilian and contractor efficiencies / realignments to N1 as part of N1's SPP development process, including a review of the most optimal AC/RC mix including capability and cost effectiveness. In addition, these organizations will review the current mix of

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL YEARS 2013-2017 (POM 13)

military (AC/RC), civilians and contractors to determine the most efficient allocation to maximize productivity and savings, providing recommendations to N1. N1 and N4 will conduct a coordinated review of the recommendations and N1 will provide an initial recommendation of Total Force mix with their initial SPP. N095 will support N1's analysis of the Reserve Component mix.

(c) The goal of the initial SPP briefings is to inform VCNO of POM 13 trades involving balance, wholeness and compliance, and to solicit leadership guidance for Final SPP development and issues for CNO decision.

(14) Final Sponsor Program Proposals. Resource Sponsors will incorporate leadership direction from the VCNO Initial SPP briefings and submit a balanced PBIS database to OPNAV N80.

(15) Integrated Program Assessment. OPNAV N81, in coordination with USFF and COMPACFLT, will deliver an Integrated Program Assessment detailing Navy's proposed capabilities, integrated across all Resource Sponsors based on SPP submissions. The plan will assess alignment of Sponsor programs with respect to NSP-13, Navy and Joint, Coalition, and partner requirements, with the purpose of integrating the N1, N4, N2/N6, N8F and other Sponsors' programs into an optimum capability plan. The assessment may include alternative capability recommendations not proposed by Resource Sponsors. This assessment will be used to inform final program integration.

(16) Defense Planning and Programming Guidance (DPPG) Assessment. OPNAV N00X will assess alignment between Navy's strategy and program based on DPPG (reference (a)).

(17) Pricing Validation Teams. OPNAV N82 in conjunction with OPNAV N80, Resource Sponsors, and the Service Cost Executive will conduct pricing validation of selected Investment, Modeled and Revolving Fund accounts.

(18) Program Integration. OPNAV N80 will integrate all final SPPs to provide the single Navy resource plan for POM 13. Supported by the Resource Sponsors, N80 will present a series of briefings to leadership with options to align, and balance the Navy program with further leadership guidance, and receive CNO final decisions on outstanding program issues.

FOR OFFICIAL USE ONLY

Subj: WARNING ORDER FOR PROGRAM OBJECTIVE MEMORANDUM, FISCAL
YEARS 2013-2017 (POM 13)

[REDACTED]

[REDACTED]

FOIA (b)(6)

Vice Admiral, U.S. Navy
Deputy Chief of Naval
Operations (Integration of
Capabilities and Resources) (N8)

Distribution:

DNS, N1, N2/N6, N3/N5, N4, N091, N093, N095, N09X, N81, N82,
N85, N86, N87, N88, N89, N8F, N00X, N00Z, OCNR, OLA, CNI, ONI,
ASSTSECNAV (RDA), ASSTSECNAV (FMC), ASSTSECNAV (M&RA),
ASSTSECNAV (I&E), DEPUNSECNAV (BO&T), DEPUNSECNAV (PFOI),
COMUSFLTFORCOM, COMPACFLT, COMNAVIRFOR, COMNAVSURFOR,
COMNAVSUBFOR, COMNAVAIRSYSCOM, COMNAVSEASYSYSCOM, COMNAVNETWARCOM,
COMSPAWARSYSYSCOM, FLDSUPPACT WASHINGTON DC, COMNAVSUPSYSCOM,
COMNAVFACENCOM, DIRSSP WASHINGTON DC

POM 12 Deferred Efficiency Candidates

Lead / Source	Cog / RS	Deferred Efficiency
CNIC	N4	Consolidate Navy Regions
NAVSEA	N4	WCF Overhead Reduction
NAVSUP	N4	NWCF Aviation Spares efficiency
N1	N1	Optimize Special/Incentive Pays for non-line officers
N4	N1	Acceleration of simulation enhancements
USFF	N4	Increase use of CIVMAR manning on combatant ships
USFF	TBD	Single TYCOM for each warfare area
USFF	N4	USMC assume SWFLANT/SWFPAC security force protection responsibilities
CPF	N8	Evaluate disestablishing NALO
CPF	N8	SSN homeport shift: Guam to Hawaii
CPF	N8	Decommission one submarine tender
N1	N1	Eliminate billet growth from Acquisition Intern Program
N1	N1	Optimize Special/Incentive Pay Medical Corps
N2/N6	N2/N6	Navy Multi-band Terminal multi-year procurement contract
N8	N8	P-8 multi-year contract
N80	N4	Balance Flying hours program
CNIC	N4	Efficient use of Bachelor Housing
NAVSEA	N4	Service contract efficiencies – HQ
NAVSEA	N4	Service contract efficiencies – WCF
NAVSEA	N4	CSS net reduction
NAVSEA	N4	SPAWAR SYSCOM consolidation

POM 12 Deferred Efficiency Candidates

Lead / Source	Cog / RS	Deferred Efficiency
NAVSUP	N4	Evaluate establishing PEO for services
N095/N1	N095/N1	Evaluate disestablishing FTS community, realigning RC distribution under N1
N1	N1	Outsource NPS graduate education
N1	N1	Evaluated cost-effectiveness of concentrating fleet sailor training in FCA
N2/N6	N2/N6	Create Fleet Intelligence Centers
N2/N6	N2/N6	Telephone network efficiency (VOIP)
N8F	N8	Efficient consolidation of VR squadrons
NAVAIR	N4	NAVAIR Laboratories/NAWC efficiencies
NAVAIR	N4	Competitive prototyping efficiencies
N4	N4	Conduct ZBR all shore command/director positions
N4	N4	Evaluate future ERP implementations for ROI
N093	N1	Follow OSD lead on modification of TRICARE benefit
N1	N1	Flag officer billet efficiency
NAVFAC	N4	Provide prioritized list and cost-effectiveness of decentralized steam systems
CNIC	N4	Develop plan for consolidating infrastructure to eliminate excess capacity
CNIC	N4	Increase use of enhanced use facility leasing
NAVSEA	N4	Conduct pilot project for strategic sourcing of materials for private shipyards
NAVSEA	N8	Eliminate duplicative functions between PEO/SYSCOM
USFF	N4	Evaluate consolidating TACTRAGRUPAC with STRIKFORTRAGRUPAC
USFF	N4	Evaluate consolidating 3 rd Fleet into PACFLT
NAVSEA	N4	Evaluated consolidation of warfare centers
NAVSUP	N4	Follow OSD lead on consolidation of service exchanges
USFF	N4	Identify savings from fleet transition to supply-based force generation models (Ao)
N4	N4	Most Efficient Organization Efficiencies
N8F	N8	Alternative R&D reductions
NAVSUP	N4	NAVSUP reduce external bills
NAVSUP	N4	NAVSUP Savings

POM 12 Final Efficiencies

Lead / Source	Cog / RS	Efficiencies
CNIC	N4	Optimize facilities demolition program
NAVSEA	N4	NAVSEA overhead reduction
NAVSEA	N4	Align CVN 72-73 availability with shipyard capacity
NAVSUP	N4	Acquisition logistics support efficiencies
N1	N1	NPC and NETC overhead consolidation savings
N1	N1	Military billet seniority reduction staff corps officers
N1	N1	Efficient use of tuition assistance and GI bill
N1	N1	Parity of graduate education tuition charges
N1	N1	Efficient balancing of NJROTC program
DASN M&BS	N8	DDG-51 multi-year contract
N2/N6	N8	E-2D multi-year contract
ONR/N00X	N8	Alignment of Navy-funded university research to Navy missions
USFF	N4	Eliminate CONUS C-12
N4	N4	TOC reduction initiatives
N4	N4	Component and systems commonality savings
N2/N6	N2/N6	ONI billet efficiencies
NAVFAC	N4	NAVFAC organizational efficiencies
N1	N1	AT drill period reductions
N1	N1	ADSW reductions
NAVAIR	N4	Planned maintenance interval efficiencies
N00X	N1	Initial flight screening training elimination
ONR	N8	ONR WMD detection efficiencies
NAVAIR	N8	DT/OT/LFT&E test efficiencies
NAVSEA	N8	NAVSEA DT/OT oversight reduction
N4	N4	Optimize ship practices to reduce shore utility use
USFF	N4	Sustainable Deployment Model Construct
N4	N4	Efficient use of MPSRON
N8	N8	S&T Programs efficiencies
N81	N8	Streamline JCIDS
CNIC	N4	Base Operation overhead reduction
USFF	N4	Post-OEF NECC force structure efficiencies
N1	N1	Senior Executive efficiency
N2/N6	N2/N6	Afloat Network enterprise efficiency (CANES)
SPAWAR	N8	SPAWAR Warfare Center
SPAWAR	N4	SPAWAR General Fund (HQ)
ONR	N8	ONR Overhead

Enclosure 2

~~FOR OFFICIAL USE ONLY~~

Use this page as

BACK COVER

For printed copies
of this document

~~FOR OFFICIAL USE ONLY~~