Fleet Readiness Centers
Status Update, October 2008

CAPT Tim Matthews
CO, Fleet Readiness Center Southeast
Agenda

- Quick History (how we got here)
  - BRAC Law
  - The Merger
  - Expected Outcomes and Benefits

- Current Status
  - The Dreaded Org Chart
  - Cost Avoidance Numbers
  - Success Stories

- Future Challenges
  - Meeting the numbers—New Strategies
  - Fiscal construct
Quick History
BRAC Law Mandates FRCs

- Disestablishes I-Levels & Depots, Stands up Fleet Readiness Centers
- Moves Depot Capability Forward
- Mandates 6 Geographically Aligned Fleet Readiness Centers
- Mandates Savings
Integrated Intermediate & Depot Maintenance

**I-LEVEL**
- 6,000+ Sailors & Marines
- 20 IMAs
- 6,000 Engine / Module / Accessory Repairs
- 580,000 Component Repairs
- $2.0 Billion Operation Mission Funded

**D-LEVEL**
- 10,000 Civilians
- 3 Depots
- 1,500 Engine / Module Repairs
- 70,000 Component Repairs
- 700 Aircraft Repairs
- $2.0 Billion Operation NWCF Funded
FRC Locations

FRC NORTHWEST
WHIDBEY ISLAND
AIMD Whidbey Island

FRC WEST
LEMOORE
AIMD Lemoore
NADEP NI Det Lemoore
Site Fallon
NADEP NI Det Fallon
Site Forth Worth
AIMD Atlanta
NAS JRB Fort Worth
Site China Lake
AIMD China Lake

FRC SOUTHWEST
NORTH ISLAND
AIMD North Island
NADEP North Island
NADEP NI Det NI
Site Miramar
MAI 5-11 & 16
Site Point Mugu
AIMD Point Mugu
Site Pendleton
MALS-39
NADEP NI Det Pendleton
Site Yuma
MALS-13
NADEP NI Det Yuma

FRC SOUTHEAST
JACKSONVILLE
NADEP JAX
NADEP JAX Det Cecil Field
AIMD JAX
AIMD Brunswick
Site Mayport
AIMD Mayport
NADEP JAX Det Mayport
NAWCAD LKE Det Mayport
Site Key West
AIMD Key West

FRC MID-ATLANTIC
OCEANA
AIMD Oceana
NADEP CP Det Oceana
NADEP JAX Det Oceana
Site Norfolk
AIMD NAS Corpus Christi
NADEP JAX Det Norfolk
NAWCAD LKE Det Norfolk
Site Pax River
Site New Orleans
AIMD Atlanta
NAS JRB New Orleans
Site NAF Washington
AIMD NAF Washington

FRC EAST
CHERRY POINT
NADEP Cherry Point
MALS-14 Cherry Point
Site New River
MALS-26 & 29 New River
NADEP CP Det New River
Site Beaufort
MALS-31 Beaufort
NADEP JAX Det Beaufort
Site Quantico
HMX-1 Quantico
Site Robins AFB
MALS-42 AIMD Atlanta
Site McGuire AFB
AIMD Willow Grove
Site Stewart ANGB
MAI 5-49

* Sites in red indicate closing activities
FRCS - CREATING VALUE
- Expected Enterprise Benefits -

- Movement of Depot Capability Forward Will:
  - Lower Enterprise Cost Through:
    - Reduced Duplicate / Repeated Maintenance Activity
    - Reduced Manpower Requirements at Depot and IMA
    - Reduced Materiel Cost

- Integrated Depot And IMA Command And Control Will Enable:
  - Single Maintenance Entry Point for Depot and IMA
  - Improve Readiness Through:
    - Reduced Turn-around Times
    - Less Work In Process (WIP)
    - Improved Reliability / Increased Time On Wing
  - Site Consolidation
  - Enterprise Policy, Standards, and Metrics
  - Streamlined Feedback of Flight Line Materiel / Readiness Issues into Modified Maintenance Practices and Improved Materiel Design
High-Velocity Repair Loop
-Moving Depot Capability Closer to the Flightline-

Reduced Cost, Decreased Turnaround Time, Increased Knowledge
Current Status
FRC’s: Current Org Status

- IOC OCT 2006
- FOC OCT 2008
- 15SEP08 CNO Letter officially established COMFRC
- Multi-UIC Structure
- 4 Budget Submitting Offices (BSO’s)
- Next: FRC OPNAVNOTE’s and MF&T
Alignment Approach

Command and control alignment established from COMFRC to CNAF and NAVAIR

- Alignment of all IMA resources to CNAF
- Alignment of all Reserve resources to CNRFC

IMA
- Output Priority
- IMA Management
- 1A1A Management (Flying Hour Funding)
- IMA MPN Management (CNAP & CNAL)
- IMA RPN Management (CNAFR)
- CFP/FFC BSO/MCA
- CNRFC BSO/MCA

Depot
- Industrial Workforce Management
- Industrial Maintenance Planning
- 1A5A Mgmt (Depot Maintenance)
- Working Capital Fund Management
- NAVAIR BSO/MCA
- Technical Authority

IMF - Intermediate Maintenance Activity
MPN - Military Personnel, Navy
RPN - Reserve Personnel, Navy
BSO - Budget Submitting Office
MCA - Manning Control Authority
PROPOSED FRC Alignment
FRC SOUTHEAST EXAMPLE
FRC Artisans Moved Forward
(as of 24 Sep 08)

68 Total

6,702 Interdictions and $120M Cost Avoidance To Date
COST AVOIDANCE FOR ALL FRC SITES

FY 08 TRENDLINE
FY 08 GOAL $61MIL

MILLIONS $

OCT  NOV  DEC  JAN  FEB  MAR  APR  MAY  JUN  JUL  AUG  SEP

FY07 MONTH 1.33  2.12  2.23  2.49  2.16  4.09  5.2  7.47  5.4  6.95  8.18  3.49
FY07 TOTAL 1.33  3.45  5.68  8.17 10.33 14.42 19.62 27.09 32.49 39.5  47.7  51.2
FY08 MONTH  5.1  5.8  5.44  6.86  7.65  7.03  8.79  5.66  8.07  7.29  8.3
FY08 TOTAL  5.1 10.9 16.3  23.2  30.9  38   46.7  52.4  60.4  67.7  76
FRC Success Stories
FRCE: V-22 Center Body

- V-22 Center Body Assembly repair moved to MALS-26
  - Repaired 64 V-22 Center Body Assemblies at FRC East (FYTD)
    - AVDLR Cost Avoidance $4.1M, Repair Cost $350K, Return on investment 12:1
  - Equipment procured, delivered and set up 22 Aug 2008
  - V-22 Center Body Shop Established 25 Aug 2008

Repairs closer to Flight-line = faster repairs = increased readiness
FRCMA: ATFLIR

- 43 EOSUs Inducted FYTD
- 36 Completed (RFI/BCM)
- 35 RFI’d = 97%
- 1 BCM’d = 3%
- 7 in Backlog
  (IW/AWM/AWP)
- Avg Overall RTAT
  (RFI/BCM) = 28 days
- Fleet Ao = 87%

FRC Level 2 technical ability continues to mature on this challenging Weapon System. Partnership with FRCSE, NATEC and Raytheon artisan contributing to this success.
FRCSE: Mayport Structures

- 3 Depot Artisans in Structural Repair Shop
- Artisans repair H-60 floorboards, rotor blades, air inlet assy’s
- BCM’s have fallen by over 50%, over $2M savings since inception
- Invaluable training for Level 2 sailors
- Tip to Tail PBL Contract
FRCNW

- ALQ-99 TJS: Depot Artisans from Crane integrated in 64B
- EA-6B Flight Surfaces: Depot Artisans integrated with sailors to repair structural components (Stabs, Panels, canopies, etc.).
- Repair and Return of F-18 ARI's with FRC West. 30 units repaired to date utilizing on-site depot artisan.
- $33M Total BCMI Savings To Date!
FRCW: Radar COE

- 3 Depot Artisans in WC 63X (APG-65/-73)
- Artisans: Fault Isolation on 42 SRA’s
- Provide training to sailors/marines
- Total Cost Avoidance to date: $1.7M

- Increase in “First Pass Yield” from 10% to over 60%
- Reliability - Focus on “Bad Actors”
  - 8 “Bad Actors” Interdicted
  - 2 via repair and return from NORIS PMI line
  - No returns to the maintenance cycle as of Sep ‘08
FRCSW: APX-100

Results to Date:

• Infrastructure Reduction
  
  Eliminated 3rd Shift Operation  \rightarrow  5 Civilian FTE’s Reassigned
  
  Closing Bldg 1485  \rightarrow  Replacement Value: $8M

• Repair Velocity
  
  Reducing TRR  \rightarrow  From 138 Days to 4 Days

A template to integrate the AIMD & Depot using AIRSpeed methodologies

One IT Solution  One Supply solution
Future Challenges
BRAC Planned Savings (in thousands over FYDP)

Cumulative:
- BCM: $637M
- AS: $345M
- MPN: $113M
- CIV: $42M
- SUP: $53M
- BOS: $6M
FRC BCM-I Future Strategies

- The Challenge: FY09 and beyond savings targets
  - Maintenance Expansion
    • DMISA and Commercial Work
  - Maintenance Improvement
    • Rapid Action Teams
    • Centers of Excellence
    • Airspeed
FRC BCM-I Future Strategies (cont)

- The Challenge: FY09 and beyond savings targets
  - Maintenance Contraction
    - Consolidation
    - Super R & R
    - Direct to Repair
    - Repair of Repairables
Funding Streams

- “Hybrid” Funding Construct
- Constrains some potential integration actions
- Work arounds actively pursued
- Tim’s opinion: yes, it’s working, but we should push for a change in the future
In Summary

- FRC Concept is working: $309M in Cost Avoidance to date
- Sailor and Artisan interaction is enhancing technical skills
- Big Challenges ahead with savings targets
- We’re not done yet!

Many opportunities to enhance warfighter support yet to be explored!
BACKUPS
FRCSE Structure

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**COMPETENCIES**

- Production
- Production Support
- Quality