



B/Gen Bishop Brief BOG, Mar 01

Summary/Key Points

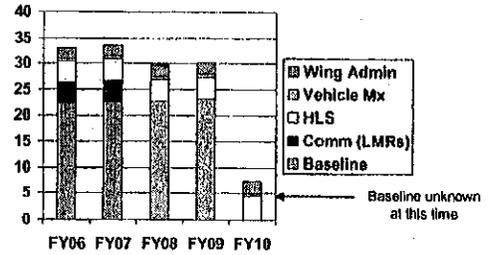
- ◆ USAF has insulated CAP from Budget drills
- ◆ Tremendous progress made to correct baseline
- ◆ Door open for further adjustments to FY 02 Budget
- ◆ CAP & Air Force committed to working together

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FY06 – 10 POM CAP's Submission

O & M



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FY06 – 10 POM Calendar

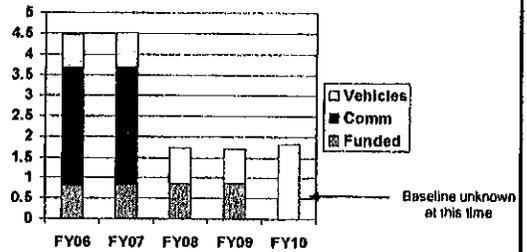
- Nov 03 AU/XP scrubs inputs
- Jan 04 AU/CC approves input to AETC
- Feb 04 FY05 President's Budget released - Forms Baseline for POM
- Mar 04 AETC/CC approves input to AF
- Jun 04 AF Board approves POM
- Jul 04 CSAF/SECAF approve POM

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FY06 – 10 POM CAP's Submission

Other Procurement

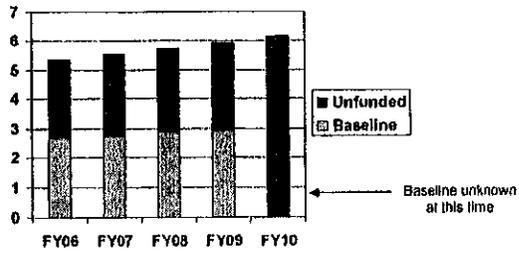


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FY06 – 10 POM CAP's Submission

Aircraft Procurement



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Finance Committee Meeting Minutes
11/13/03
Marriott Waterside Hotel
Tampa, Florida

1. Attendees:

Col Don Angel, Chairman
Col Robinson, Col Pineda, Col Greenhut, Col Todd, Col Meighan, Jr., Members
Col Kauffman, Col Allenback, and Susan Easter, Advisors
Also attending; Col Charles, Col Glasgow, Col Skiba, Col Bergman, Col Bess, Col Groshong, Don Rowland, Stan Leibowitz, and Gina Cone

2. Col Allenback and Col Kauffman discussed the need for a corporate Investment Policy that would implement goals for minimum and maximum amounts to be held in unrestricted investment fund. Also discussed:

- Loss of revenues totaling \$83,000 from AFROTC
- OMB Circulars requirement to allocate estimated \$60,000 in salaries to corporate budget
- Need \$100,000 for Hawk Mountain sewage system (already funded \$20,000)
- Caution issued for CAPMart revenue. P&L statements will be reviewed monthly.
- Decision to migrate CAPMart from Great Planes software to Navision
- Planned giving program – national foundation

3. Committee discussed various options to cut expenses:

- Decrease frequency of CAP News. Discussion of implementing quarterly newspaper with on-line news. Eventual goal is to go to a quarterly magazine. Consensus to go to every other month plus daily e-newsletter. Results in savings of \$144,000.
- Reduce DDR outreach funding (funding membership dues for cadets) – Decrease from 835 cadets to 555 due to budget constraints. Consensus agreement. Results in savings of \$10,000.
- Chairman to discuss decreasing the chaplain's travel budget to mirror funds allocated to region CCs and possibility of hosting 4 chaplain region colleges per year instead of 8 annually. Saves \$14,000 from conference expense and \$2,500 from Dean of Chaplain's travel.
- Decrease Advanced Technology travel from \$25,000 to \$15,000 and educational materials from \$10,000 to \$8,000. Eliminate \$10,000 computer and equipment purchase.
- Defer new CAP Exhibit. Saves \$35,000.
- Increase new senior member dues \$5 to cover initial membership senior packet.

Budget is balanced with proposed changes

4. Col. Allenback briefed a recommendation for a COLA adjustment for National Headquarters employees. Money is already allocated in POM and appropriated budget. Recommendation was made to adopt 3.0% COLA.

5. Susan Easter noted 6 wings/regions are lacking Finance Officers. Goal is to reduce burden and workload on Finance Officers and increase retention. There will be 45 Wings and Regions included under the national audit umbrella. By the end of fiscal 2004 all eligible Wings will be included in the national audit.

- CAWG developed Quicken program for use by squadrons. FLWG will be reviewing for possible implementation in their wing. Committee also suggested testing the process in a small wing.
- Plan to develop volunteer finance advisory committee with representation from each region. Finance Committee concurs agrees.

6. Meeting adjourned at 1815.

Submitted by:

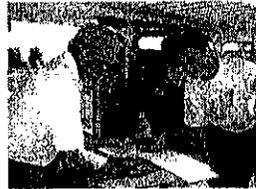
DONALD ANGEL, COL, CAP
Chairman, CAP Finance Committee



Cadet Orientation Flights

NEC Briefing
NOV 03 – Tampa

Presented by:
Col Rex Glasgow, NCR/CC



The Requirements

Analyzed four areas of interest

- Finance
- Cadet Programs
- Operations
- Regions, Wings and Squadrons

A Review Team

- Collaborative effort of headquarters staff and volunteers from the field
- Committee meeting at Nat'l HQ, 28 Oct-1 Nov 03
 - Col Rex Glasgow, NCR/CC
 - Col Austyn Granville, NYWG/CC
 - Lt Col Warren Vest, VAWG/Orientation Flight Coordinator
- Various other Wings commented by phone and email

Framing the Challenge

Process using CAPF 7 and CAPF 7T is:

- Too Complex
- Error-prone
- Labor intensive
- Too slow



Considerations



- Assumptions
 - Funds continue to be allocated to regions, then to wings
 - Flying syllabus not changed, only the reimbursement and reporting procedures
- Guidelines
 - Make it simple and easy to use
 - No increase in volunteer work load
 - Collect only needed information
 - Satisfy the audit requirements
 - Effective 3rd quarter FY 2004

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The Process



- Pilot uses worksheet to transfer data to computer or Wing representative
- Wing CC or O-Flight Coordinator validates entries and certifies flights; submit batch
 - Notification sent to WG/FM and NHQ/FM, DO, CP
 - Creates a printout to be mailed or faxed to NHQ/FM
 - Budget and Flight data updated
- NHQ/FM sends EFT when paper copy arrives
- A flight could be reimbursed in as little as 3 days
 - Fly and enter data Saturday
 - Certify and fax
 - EFT on Tuesday (in a perfect world)

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What Is The Solution?



Web-based nearly paperless system

- One informal worksheet at the airport during the flights
 - Used to transfer flight information to computer
 - Throw away when done
- Errors trapped at the source
- One computer-generated sheet for the permanent file
- All other recording and processing is electronic
- Restricted applications under e-services

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Reporting



- Standard reports available automatically
- Special reports as desired

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Advantages

- Reduced payment time to wings
- Accurate information
- Maximum automation
- Real-time budget monitoring available at HQ, Regions, and Wings
- Good audit trail
- Prevents overruns

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Tentative Major Milestones

- Complete requirements definition and business rules confirmation – 1 December 2003
- Complete first draft coding and commence local testing – 1 February 2004
- Finalize coding and commence testing with a few wings on real data – 1 March 2004
- Initial Operational Capability – 1 April 2004 beginning of 3Q FY04

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Considerations

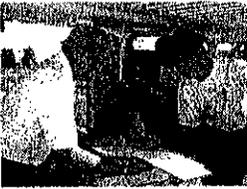
- Initially desired to "outsource"
- This information must tie into the present database
- CAP employee required to interface and work with outside company
- CAP software engineer completed NCSA registration and payment automated process
- Decided to work in-house with assignment of Ms Erica Daniels and prioritization

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Cadet Orientation Flights



Thank you,
Questions?



Change 1 to CAPR 77-1 (1 September 2003)

8. Safety (added)

1. HQ CAPLG will supply all COVs, purchased after 1 January 2004, with the following equipment.

- a. First aid kit
- b. Fire extinguisher
- c. Flashlight
- d. 2 Highway flares
- e. Tire pressure gage
- f. Booster cables
- g. Safety triangles
- h. Rear window backup viewing prism (12 pax, or larger, vans only)

m. All COVs will be equipped with the following equipment, regardless of the date of purchase.

- a. First aid kit
- b. Fire extinguisher
- c. Tire pressure gage

10. COV Appearance, Identification, and Marking. (added)

- g. The roofs of all corporate vehicles purchased after 1 January 2004 will be marked in the following manner. The last three digits of the vehicle identity number shall be placed on the roof of the COV proportional to the size of the vehicles roof with the top of the numbers toward the front of the vehicle. The numerals will be black decals furnished by CAPLG. The receiving Region or Wing will notify CAPLG of the new identity numbers required within 30 days of receipt of each new COV.
- h. The roofs of all COVs will be marked with the last three digits of their vehicle identity number by 1 January 2006. Owning headquarters may order decals from CAPLG (as they become available) or apply the identity numbers by painting them on COV roofs. Numerals on white COVs will be black. All COVs that are other than white will be marked with roof identity numbers of a contrasting color.



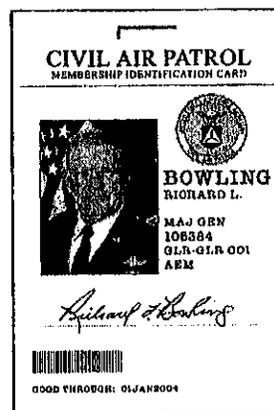
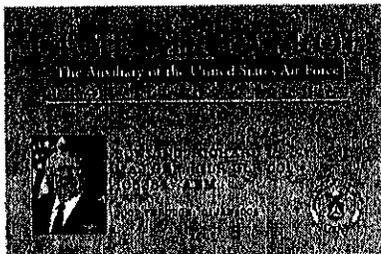
Old Business Membership Cards

- ◆ August NB disapproved all-in-one card concept
- ◆ Tabled consideration of picture on current card
- ◆ Three options
 - ◆ Keep current membership card and wait for Air Force response on DOD card
 - ◆ Digital picture on plastic card printed at NHQ
 - ◆ Additional cost for equipment - \$80,000 to \$100,000
 - ◆ Digital or passport type photo on paper/laminated card prepared at local level.
 - ◆ Cards could be issued on-demand
 - ◆ Design and info pulled from website
 - ◆ If digital in record can print or paste on 1 X 1 photo
 - ◆ Laminating machines could be provided to each unit - \$75 ea

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Proposed Card Designs



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AGENDA ITEM -

LM

Action

**SUBJECT: Aircrew Decorations
PCR/CC – Col Groshong**

INFORMATION BACKGROUND:

The Civil Air Patrol has many awards to recognize the outstanding contributions of our members in many areas. For outstanding performance in our assigned duties we have the Meritorious and Exceptional awards and the Distinguished Service Medal. However there are no awards that recognize unique and outstanding contributions from our aircrews when involved in flight operations. As an example, if an aircrew encounters a mechanical problem with an aircraft, and is able to cope with that situation and save not only their lives but a valuable corporate asset, we have no way to recognize these actions. The Meritorious or Exceptional Service awards have been used in the past but they really do not fit.

The Air Force has the Air Medal and the Distinguished Flying Cross for recognition of such actions. Historically, on rare occasions, CAP pilots have been awarded the Air Force Air Medal when involved in Air Force missions.

PROPOSED NEC ACTION:

The NEC approve, in concept, the development of a Civil Air Patrol Distinguished Flying Cross and Air Medal to be developed by the appropriate committee, and the National Historian in coordination with National Headquarters Staff. Due to the complexity and importance of these awards, a preliminary report should be presented to the winter 2004 National Board setting the summer 2004 National Board as a target date for final approval.

ESTIMATED FUNDING IMPACT:

To be determined.

REGULATIONS AND FORMS AFFECTED:

To be determined.

CAP NATIONAL HEADQUARTERS' COMMENTS:

This level of award has been considered by the NEC/NB on two other occasions. Neither proposal was adopted. If this level of recognition is desired, than an alternative could be the concept of a Distinguished Aviator Award as proposed in attachment 1. HQ agrees that this item should go to committee and suggest that the attached proposal be included for consideration by the committee.

COMMITTEE RECOMMENDATION:

NEC ACTION:

**SUBJECT: USAF Recruiting
PCR/CC – Col Groshong**

INFORMATION BACKGROUND:

The Civil Air Patrol cadet program is recognized as one of the nation's premier youth programs and thousands of our senior cadets annually elect to begin a career in the military services. The United States Air Force Recruiting Service does little to tap this potentially rich source of outstanding officers and enlisted personnel. In fact an informal information survey indicates that more of our cadets join other services than enlist in the Air Force. This situation is deplorable, particularly in light of the fact that CAP is the auxiliary of the USAF.

Additionally USAF recruiters should be encouraged, as a regular part of their duties, to refer interested citizens to local CAP units as potential members if they do not meet Air Force enlistment/recruiting guidelines. At present, no link or referral process currently exists in the USAF Recruiting service.

PROPOSED NEC ACTION:

The NEC requests that the CAP National Headquarters staff research this situation and prepare a presentation for the winter Board of Governors meeting. This presentation should include any and all guidance that Air Force recruiters receive regarding CAP cadets, reference to the Air Force Recruiting web site, and recommendations of suggested remedies.

ESTIMATED FUNDING IMPACT:

To be determined.

REGULATIONS AND FORMS AFFECTED:

To be determined.

CAP NATIONAL HEADQUARTERS' COMMENTS:

National Headquarters is currently working several initiatives with USAF Recruiting Services. We suggest that, after the current initiatives are further explored, a report be given to the 2004 winter National Board. The National Board can then vote to send the agreed upon proposals to the summer 2004 meeting of the Board of Governors.

COMMITTEE RECOMMENDATION:

NEC ACTION:

HQ Civil Air Patrol - USAF



Air Force Policy Directive 10-8

Col Russ Hodgkins
CAP-USAF/CV

Russell.Hodgkins@maxwell.af.mil

14 November 2003

U.S. AIR FORCE

Integrity - Service - Excellence

**AFPD 10-8
Homeland Security**

CAP-USAF

- New Policy Directive for Air Force Homeland Security (HLS) policy
 - Complete rewrite of AFPD 10-8
 - Changes name from *Air Force Support to Civil Authorities to Homeland Security*
- Provides clear guidance on role of Air Force Auxiliary
- Foundation to relationship between AF/XOHA and CAP-USAF
- Strengthens concept of "Centralized Control, Decentralized Execution"
- Sheds light on *Posse Comitatus* issue

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Notes, Warnings, and Cautions

WARNING

Homeland security policy is evolving.

CAUTION

Doctrinal foundations and definitions are not finalized.

NOTE

This briefing is subject to change.

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Air Force Policy Directive Spectrum

CAP-USAF

| | | |
|---------------------------|---------------------|---------------|
| CAP Programs and Missions | | |
| | | |
| | AFPD 10-27 | |
| AFPD 10-8 | | |
| Emergency Services | Aerospace Education | Cadet Program |

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AFPD 10-8 Overview

GAP-USAF

- Directive establishes Air Force Homeland Security (HLS) policy
 - Implements Public Law, Executive Orders, and Department of Defense (DoD) Directives
 - Provides overarching guidance to apply the principles, capabilities, and competencies of air and space power to **Homeland Defense (HLD)**, **Civil Support (CS)**, and **Emergency Preparedness (EP)** missions within the United States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands
 - Establishes policy and responsibilities for all types of military support to civil authorities including Law Enforcement Agencies (LEAs)
- Provides the policy guidance and applies to all active, Air National Guard, Reserve, civilian, contract and Auxiliary Air Force personnel

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Three Components of Homeland Security

GAP-USAF

| Homeland Security | | |
|--|--|---|
| ...prevention, preemption, and deterrence of, and defense against, aggression targeted at U.S. territory, sovereignty, domestic population, and infrastructure as well as the management of the consequences of aggression and other domestic emergencies. | | |
| Homeland Defense | Civil Support | Emergency Preparedness |
| ...protection of U.S. territory, domestic population and critical infrastructure against military attacks emanating from outside the United States. | ...activities and measures taken by DoD and any civil government agency in planning, preparing, or responding to the consequences of civil emergencies or attacks, including national security emergencies | ...steps taken to minimize the damage and recover from any disasters, both manmade and natural, before these occur. |

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Key Air Force HLS Concepts

GAP-USAF

- HLS is not exclusively a military task
 - Integrated and mutually supporting effort among federal, state, and local agencies and the private sector, designed to prevent, protect from, and respond to threats to national security and domestic incidents
- Air Force HLS responsibilities include:
 - Organizing, training and equipping forces that may be presented to the appropriate Combatant Command for the defense of United States sovereignty, territory, population and critical defense infrastructure
 - Assuring the ability to project forces and provide assistance requested by civil authorities to prevent, protect against, and respond to threats to national security and domestic incidents
 - Providing the capability to ensure uninterrupted continuity of mission essential functions within the Air Force and the DoD
 - Supporting LEAs to the maximum extent practical as permitted by law

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Clear Guidance to Air Force Auxiliary

GAP-USAF

- The Deputy Chief of Staff for Air and Space Operations (AF/XO) will... provide oversight to the Air Force Auxiliary (Civil Air Patrol) to:
 - Develop plans, policies, procedures, concepts of operation, and budgets to organize, train, equip and employ the Air Force Auxiliary to prevent, protect from and respond to HLS threats or domestic incidents
 - Establish and maintain appropriate MOUs with federal, state and local agencies, private sector organizations, the National Guard and other military elements to address support that either party might provide to prevent, protect from and respond to HLS threats or domestic incidents
 - Maintain the capability to fulfill Air Force requests and to assist federal, state and local agencies to prevent, protect from and respond to HLS threats or domestic incidents
 - Brief active duty Air Force, Air National Guard and Air Force Reserve installation commanders on CS policies and procedures

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Directive Policy Guidance

CAP-USAF

- It is Air Force HLS policy to:
 - Promote unity of effort between Active, federalized Air National Guard, Reserve, civilian, contract and Auxiliary Air Force personnel operating under Title 10, United States Code (USC), and non-federalized Air National Guard personnel operating under 32 U.S.C. or state active duty, while exercising "coordinating authority" through the designated Assistant Commander to the Joint Task Force (JTF) Component Commander of Air Force Forces (COMAFFOF) responsible for domestic incident management.
 - Demonstrate the command and control (C2) of Air Force forces assigned and deployed alongside federal, state and local law enforcement personnel

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Posse Comitatus Issues

CAP-USAF

- Military, civilian, contract and Auxiliary Air Force personnel participating in civil support operations will remain under military operational control at all times
 - The only exception allowed in AFPD 10-8 is for Air National Guard personnel operating in non-federal capacity under Title 32 USC
- Civil support operations appears to include all support to law enforcement agencies
 - AFI 10-801 and 10-802 will be updated
- *Posse Comitatus* doctrine applies equally to Civil Air Patrol as active-duty Air Force

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Summary

CAP-USAF

- AFPD 10-8 impacts CAP's Emergency Services program
 - Fully integrates CAP into Homeland Security Mission
- Provides clear guidance on role of Air Force Auxiliary
- Strengthens concept of "Centralized Control, Decentralized Execution"
- Clears up *Posse Comitatus* issues

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HQ Civil Air Patrol - USAF



**CAP-USAF
OPERATIONS
UPDATE**



**HQ CAP-USAF
Director of Operations
Lt Col Randy Mathis**

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Introduction




- Helicopter and Fixed Wing Qualified
- 3 years at Joint Special Operations Command
- Commanded 2 Squadrons
 - Test Support and Test Operation
 - Airborne Security Operations with NVGs and FLIR
- 3 years @ DEA as DoD Liaison
- 3 years as PLR/CC
- HQ CAP-USAF last 5 Month

**Assistance, Liaison, and
Oversight**




MISSION STATEMENT

To assist you in training and employing a Safe, Responsive and Reliable Force to support the Commander U.S. Northern Command in his Homeland Security and Civil Support missions.



Overview




- What you have been doing
- U.S. Northern Command (NORTHCOM)
- The USAF Auxiliary and CAP-USAF Relationship with NORTHCOM and 1st Air Force/CONR
- How it suppose to work
- Future Focuss
- Technology Needs
- Issues
- Summary

**Emergency Services Missions
Current Tasking and Approval Process**




- **Search & Rescue**
 - Requested by States
 - Tasked & Approved by AFRCC and JRCCs
 - 911T Com out immediate response - WG/CC & SD
 - Funded by CAP O&M money
 - Examples
 - Air Search
 - Ground Search
 - Non-distress ELT Search

**Emergency Services Missions
Current Tasking and Approval Process**




- **Disaster Relief Missions**
 - Requested by State OES
 - Tasked & Approved by:
 - AFNSEP
 - Preexisting State/CAP/USAF MOU
 - CAP-USAF
 - Funded by agency or federal funds
 - Mission Examples:
 - Damage Assessment
 - Photo Recon
 - Transportation
 - Search and Locate

Emergency Services Mission Counterdrug



- Counterdrug Missions
 - Requested And Validated by LFA
 - Federal - DEA, BICE, USFS, DOI, HIDTA, USCG, USAF
 - State - DPS, State Police, State Bureau of I
 - Local - Sheriff & County Police
 - Tasked & Approved by NOC and CAP-USAF
 - Previously Funded by CTA
 - Mission Examples:
 - Marijuana Eradication - Aerial Recon, Com Support, Transportation
 - Radar evaluation
 - Intercept training support
 - Aerial Recon/Photo Support - Marine, Boarder Support

Emergency Services Mission Homeland Security/Support to LEAs



- Homeland Security Missions/Support to LEAs
 - Requested by:
 - Federal Agencies - FEMA, BICE, USCG, TSA, Military Commanders
 - State Agencies - OES
 - Tasked & Approved by NOC and CAP-USAF
 - Funded by requesting agency or CAP O&M
 - Mission Examples:
 - 2002 Olympics - Aerial and Photo Recon
 - Monitoring Critical Infrastructure - NY waterways and water storage facilities
 - Monitoring Ground and Airspace over US Navy Sub pens in WA

Emergency Services Mission Support to Military Commanders



Support to Air Force & DoD Commanders

- Requested by:
- Commander responsible for supported activity
- Tasked & Approved by NOC and CAP-USAF
- Fund by unit requesting support

Emergency Services Mission Support to Military Commanders



- Mission Examples:
 - Radar evaluation missions - NEADS, SEADS, WADS, 84 RADS (Note: Previously conducted & funded under CD)
 - Fighter intercept support - NEADS, SEADS, WADS, 84 RADES, HI & NY ANG (Note: Previously conducted & funded under CD)
 - NCR Amalgam Virgo & Crawford, TX ADA radar evaluation
 - Low Level Route Surveys
 - 45th Space Wing Range Support
 - 25th AOS Enlisted Terminal Controller training support - HI
 - 274th AOS Forward Air Controller - NY NG
 - 414th CTS Red Flag Range Support Orientation support - Nellis



MOA with 1st Air Force/CONR



- First Step in joining the NORTHCOM process
- NOC is the centerpiece
 - CAP COP - Twice weekly
 - Contingency Operations - could go to 24/7 ops
- Selected CAP Mission will go ATO (info only)
- CAP-USAF Rep on AOC CS Desk during CONOPs
- CAP-USAF Reps in ACCE at JTFs

Standardize Equipment & Training

- Assets are now National and Regional
- They must look and operate the same
- This will improve reliability and sustainability
 - Moving assets an area with no capability
 - Moving multiple assets in to high use event
- Get your technology fielded
- Be able to effectively use it

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Build a Strong C2

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Build a Strong C2

- The NOC has become a CRITICAL C2 Node
- They are the centerpiece of the 1st AF MOA
- FAILURE IS NOT AN OPTION
- They are operating at maximum capacity now
 - When someone is gone thing don't get done

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NOC Requirements

- They need priority for manning
- They need priority for automation support
- They need authority to screen and direct missions
 - John Salvador/Rick McDow have my full confidence and they need yours if the NOC is to succeed
 - 1st AF will depend on them to screen mission and make cuts on mission requests before they go up channel
- They need help from the field – mission that can be worked ahead of time should be
- This way they will be able to work critical short notice mission

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Training Emphasis

- Better Training Plans
 - Evaluate Annual training needs – safety issues, upgrades, deficiencies, aircrew and staff requirements
 - Build the training plan to support requirements
- Realistic Wing Level Training
- Emphasize training with your technology
- Train Liaisons and Agency Liaisons
- Resource Planning

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Training Emphasis

- Risk Management
- Communications
 - Consider restructuring communication mission base com
 - Model after modern Tactical Operations Center
 - Communicators should provide effective communications to operational decision makers
- Train effective liaison and agency liaison staff member

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Parallel CAP-USAF Training

CAP-USAF

- 1 Dec -- Training Conference for Dos/DTs
- SAR/Mission Base/ICS and mission aircrew procedures
- Guided Exercises
- New Exercises – FEMA based templates
- Working with CAP ES and AFRCC to fully integrate all training SMC, ES Academy, Inland SAR, CAP-USAF Guided Exercises and CAP-USAF Evaluation
- All will be designed to foster training

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Future Technology

CAP-USAF

- Interoperable Radios
- Look at C2 equipment for the NOC and Wing /Unit operations centers
- Possible night enhancement capabilities
- HIS

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CAP Operational Issues

CAP-USAF

- CS Tasking/Approval process
- CD Tasking/Approval process
- HLS Tasking/Approval process
- Funding

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The Big Stuff

CAP-USAF

- Be Flexible... changes are coming
- Build a strong effective Command and Control
 - The NOC needs support if it is to be responsive to the customers and the members
 - Wing and Unit C2
- Effective Training and Exercise

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Headquarters U.S. Air Force Auxiliary

Performing Missions For America



Executive Director's Update

**U.S. AIR FORCE
AUXILIARY**



Awards and Recognition

- ◆ American Society of Association Executives Summit Award
- ◆ National Aeronautical Association "Champion of Public Benefit Flying"
- ◆ Communication Concepts, Inc APEX Awards for Publication Excellence for *PresentTense*, *CAP News* and the *2002 Annual Report to Congress*.



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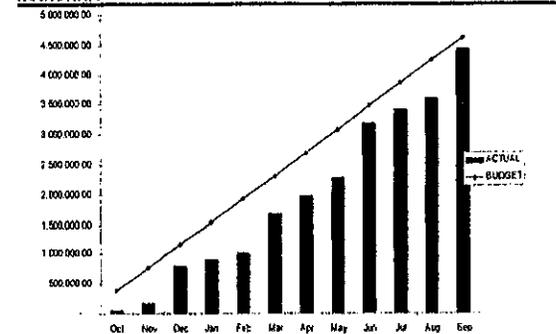


FY03 Close-out & FY04 Budget Review

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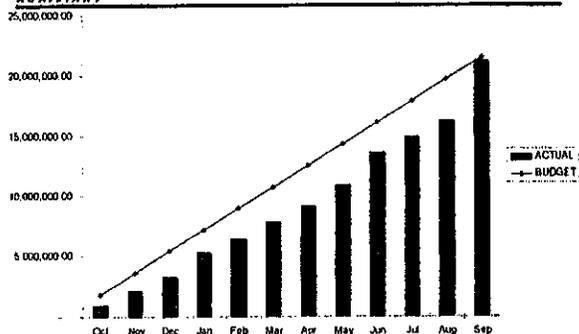
Corporate Spend FY03



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Appropriated Spend FY03



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Investments

(as of 31 October 2003)

| | Cost | Market Value | % Change |
|------------------|--------------------|--------------------|--------------|
| CAP Res. Funds | \$1,453,120 | \$1,800,326 | 1.87% |
| CAP Unres. Funds | \$2,881,653 | \$2,995,992 | 2.58% |
| Donor Res. Funds | \$149,434 | \$160,749 | 7.57% |
| Totals | \$4,484,208 | \$4,597,068 | 2.52% |

\$1,500,000 was liquidated for NASCAR.

\$42,381.72 was liquidated for Cadet Scholarships.

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U.S. AIR FORCE AUXILIARY

CAP FY 04 Appropriated Budget

| <u>O&M Target</u> | <u>Target</u> | <u>Revised</u> |
|-----------------------|------------------------|-------------------|
| O&M | 20,483,000 (- 551,000) | 19,932,000 |
| Counterdrug | 1,500,000 | 1,500,000 |
| | 21,983,000 | 21,432,000 |
| Procurement | | |
| Aircraft | 2,540,000 | 10,540,000 |
| Vehicles | 786,000 | 786,000 |
| FY 04 Total | 25,309,000 | 32,758,000 |

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U.S. AIR FORCE AUXILIARY

Funding Impact

- ◆ \$551,000 cuts in O&M across FYDP
 - ◆ 10% staff reduction
 - ◆ Reduced supplies (\$35K)
 - ◆ Reduce SAR/DR flying by 1,000 hours (\$98K)
 - ◆ Communications equipment (\$50K)
 - ◆ Cadet and other programs insulated

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U.S. AIR FORCE

Summary/Key Points

From briefing by Brig. Gen. Rod Bishop, USAF

- ◆ USAF has insulated CAP from Budget drills
- ◆ Tremendous progress made to correct baseline
- ◆ Door open for further adjustments to FY 02 Budget
- ◆ CAP & Air Force committed to working together

Integrity • Service • Excellence

U.S. AIR FORCE AUXILIARY

HQ Transformation Results

- ◆ Headquarters Transformation
 - ◆ Reorganized from 9 to 6 directorates
 - ◆ Staff reduced from 193 in September 2002 to 153 in January 2004
 - ◆ Estimated \$1.8 million in payroll reduction
 - ◆ Moving toward "resiliency"

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Business Plans/LTOs

FY04 Business Plan
New Initiatives Proposals

| Initiative | Priority | Category | Start Date | End Date | Responsible Officer | Feedback Mechanism |
|---|----------|-----------|------------|----------|---------------------|--|
| Develop a new strategy for the CAP program | High | Strategic | 2003 | 2004 | Brig. Gen. Bishop | Feedback from CAP members and stakeholders |
| Develop a new strategy for the Counterdrug program | High | Strategic | 2003 | 2004 | Brig. Gen. Bishop | Feedback from CAP members and stakeholders |
| Develop a new strategy for the SAR/DR program | High | Strategic | 2003 | 2004 | Brig. Gen. Bishop | Feedback from CAP members and stakeholders |
| Develop a new strategy for the Communications program | High | Strategic | 2003 | 2004 | Brig. Gen. Bishop | Feedback from CAP members and stakeholders |
| Develop a new strategy for the Cadet program | High | Strategic | 2003 | 2004 | Brig. Gen. Bishop | Feedback from CAP members and stakeholders |

NOTE: Compliance inspections will be used as a Feedback Mechanism for each initiative listed in each LTO category.

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Corporate Partner Program

Progress - 2003

Corporate Partner Program - online for 5 months
(implemented 15 June 03)

Corporations

22 corporations are currently in consideration of proposals:

- ◆ Cessna
- ◆ Goodrich
- ◆ Wachovia
- ◆ North Carolina Electric Cooperative
- ◆ Pfizer
- ◆ ExxonMobil
- ◆ Bellsouth
- ◆ AirBP
- ◆ Cirrus Aircraft
- ◆ Liberty Aircraft

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 **Corporate Partner Program**

Progress - 2003

Corporations (continued)

- ◆ Becker Avionics
- ◆ Hartzell Propeller
- ◆ Tanair Aircraft Services
- ◆ ARNAV Systems
- ◆ Rosen Sunvisor Systems
- ◆ Precise Flight
- ◆ Goodyear
- ◆ Michelin
- ◆ Lear Chemical
- ◆ Lycoming
- ◆ PHT Precision Hose Technology
- ◆ Vantage Plane Plastics

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 **Corporate Partner Program**

Progress - 2003

CAP Members
Information has been distributed to 60 CAP members in 30 Wings.

Legislators
Relationships being developed with state legislators to generate corporate support in their districts.

Discount Programs
Efforts to institute discount programs wherever possible. Currently, aviation fuel discount programs are being negotiated with multiple providers to cover entire CAP geographical footprint.

Forecast - 2004
As the economy revives in 2004, most analysts expect a greater overall interest in corporate philanthropy. Will focus on major market awareness.

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 **NASCAR**

2003 NASCAR Update
Through 10 October
2003 Investment: \$2,000,000

- ◆ In-focus television time: 1 hour, 34 minutes
- ◆ Viewer audience: 71,959,472
- ◆ Race attendance: 2,054,200
- ◆ Television-time \$ value: \$5,253,830*

*Does not include Lewis, Jr.'s 3 appearances on NASCAR TV shows.

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 **NASCAR**

04 Option:

- ◆ CAP maintain a presence in the NASCAR Busch Series for the 2004 season through Associate Sponsorship
- ◆ \$500,000 investment taken from current investment funds to be utilized as follows:
 - \$425,000 to Lewis Motorsports for associate sponsorship to include CAP name on car for all 34 races and primary sponsorship for 4 races
 - \$75,000 program support, to include advertising, special trackside events, and travel

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 **NASCAR**

Possible venues:
Four primary races to include:

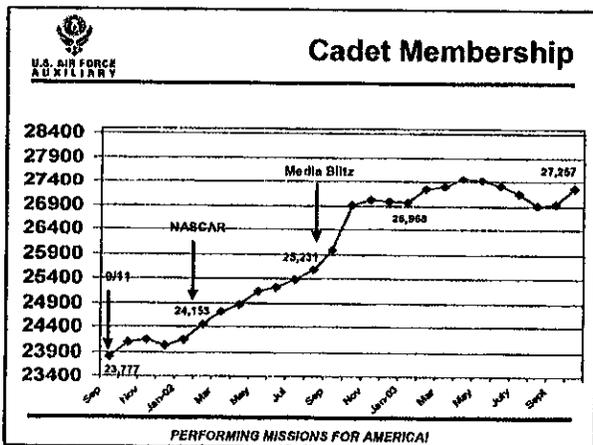
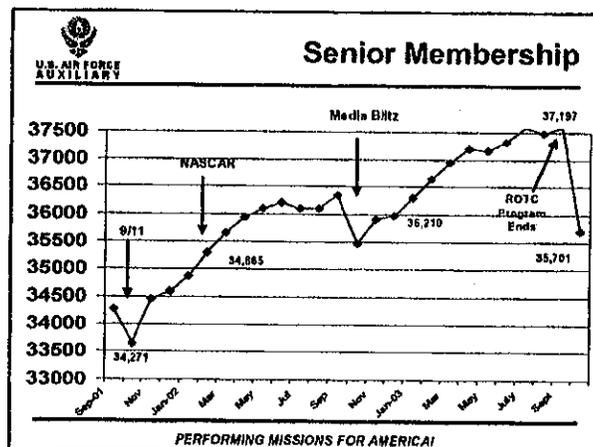
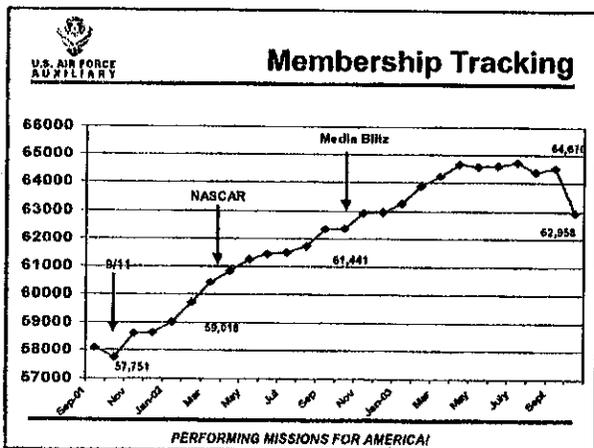
| Location | 03 TV Time | 03 Viewer Aud. | 03 TV \$ Value |
|-----------------|--------------|----------------|----------------|
| Nashville | 12.5 minutes | 1.3 million | \$683,720 |
| Gateway (IL) | 12.1 minutes | 2.9 million | \$621,740 |
| Pikes Peak (CO) | 7.1 minutes | 3 million | \$565,430 |
| Dover (DE) | 5.5 minutes | 1.9 million | \$261,915 |
| Totals | 37.2 minutes | 9.1 million | \$2,131,905 |

The better a driver runs at a track, the more television time he receives. Lewis, Jr. has historically done well at these four tracks which gives CAP a better opportunity for television exposure.

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 **Membership Update**

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- ### Membership Directory
- ◆ Harris Publications began contacting members in July
 - ◆ Second phase now underway
 - ◆ Postcards/emails requesting members validate their information
 - ◆ Over 12,000 members have updated their information
 - ◆ Approximately 1,133 have opted out through CAP
 - ◆ Third phase begins 1 December
 - ◆ Harris telephones senior members who have not responded
 - ◆ Telephone contact with Harris is only way to purchase
 - ◆ Will not be sold to any one outside CAP
 - ◆ Publication date is April 2004
 - ◆ All proceeds will go to the Cadet Program!
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- ### CAPMart
- ◆ Improved service
 - ◆ Formal CAP and customer service training
 - ◆ Reduce back orders
 - ◆ Customer feedback to better meet member's needs
 - ◆ Fully integrated ON-LINE system in place
 - ◆ Revised catalog available 1 January
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- ### Additional On-line CAP News
- CAP news service on web 1 January 2004
- ◆ Real-time online updates/access
 - ◆ Updates daily as submissions received
 - ◆ Accommodates all PAO news/feature submissions
- Civil Air Patrol News to continue
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Strategic Communications, FY03

TOTAL PRINT MEDIA IMPRESSIONS: 71 million

| | |
|--|---|
| <p>Major National Magazines:</p> <ul style="list-style-type: none"> ◆ Aviation Week (4) ◆ Air Force Magazine (2) ◆ Homeland Defense Journal (2) ◆ Today's Officer ◆ Afterburner-News ◆ Sport Aviation ◆ Aviation for Women (3) ◆ Private Pilot ◆ Flying Magazine (2) ◆ VFW Magazine ◆ AOPA Pilot (5) ◆ AOPA Flight Training (2) ◆ Air & Space Smithsonian ◆ Engineering Times | <p>On-line, Web Sites:</p> <ul style="list-style-type: none"> ◆ Air Force News (8) ◆ AvWeb (7) ◆ Associated Press (9) ◆ Aero News. Net (2) ◆ In-flight USA (6) ◆ Defense Week ◆ Aerospace Online ◆ Crosswalk.com ◆ EAA E-Hotline ◆ Government Computer News ◆ Private School Business |
|--|---|

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Strategic Communications, FY03 (Continued)

| | |
|--|--|
| <p>Major Newspapers:</p> <ul style="list-style-type: none"> ◆ Washington Post (3) ◆ Boston Globe (3) ◆ New York Daily News ◆ Denver Post ◆ Atlanta Journal-Constitution (2) ◆ Milwaukee Journal Sentinel (3) ◆ Air Force Times (2) ◆ Los Angeles Times ◆ Tampa Tribune ◆ The Star-Ledger (Newark, NJ) (2) ◆ The Daily Oklahoman (3) ◆ Times-Picayune (New Orleans) ◆ The Cincinnati Inquirer | <p>Network Television:</p> <ul style="list-style-type: none"> ◆ MSNBC ◆ NBC ◆ CBS Evening News ◆ Fox News <p>Other:</p> <ul style="list-style-type: none"> ◆ CAPabilities video and brochure (shown at tradeshows, AFXO, 1AF/CC, NorthCom - 5,000 brochures distributed) ◆ 62nd Anniversary PSA ◆ Won 3 Apex awards for publication excellence |
|--|--|

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2003 Annual Report to Congress proposed theme



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NCASE Site Locations

- ◆ Establish 3 year conference rotation
 - ◆ 2005 - Northeast; Washington DC
 - ◆ 2006 - Southeast; Orlando FL
 - ◆ 2007 - West of the Mississippi
- ◆ Largest concentration of AE members and established programs east of the Mississippi
- ◆ Rotation gives CAP 2 years to develop AE base in the west to increase chances for a successful program
- ◆ West choice will be determined by success in building membership/program base

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Cadet Week

- ◆ **Concept:** Chief of Staff proclaims CAP Cadet Week
 - ◆ Invitation to visit AF bases
 - ◆ Strengthens ties between base and local CAP units
 - ◆ Insight into USAF career opportunities
- ◆ **Dates:** July 4-11
 - ◆ Coincides with NCC
 - ◆ Annual event
- ◆ **Suggested Activities:** Showcase USAF capabilities
 - ◆ Static Display/Simulator
 - ◆ Base Honor Guard demonstrations and instruction
 - ◆ Facility tours
- ◆ **Recommend NEC endorse the program**

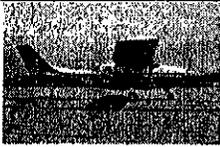
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Aircraft Purchases

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 **Aircraft Purchases**



Cessna 182 - \$277,493 each

- ◆ 15 on contract FY01 \$4.1m
- ◆ 18 Nov 03 delivery
- ◆ 27 to be ordered FY02 \$7.5m

GA-8 - \$397,737 each

- ◆ Four on order
- ◆ \$2.4m FY03 funds available
- ◆ \$2.8m of FY03 remaining for other aircraft procurement



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 **CAP Litigation Update**

CAP Litigation Update

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 **Member Litigation**

- ◆ **Allen v. CAP:** Filed 2/15/00. Defamation case by member. In discovery phase.
- ◆ **Nazzaro v. CAP:** Filed 4/12/02. Damages from accident at Ft. Dix obstacle course. Awaiting ruling on motion to dismiss.
- ◆ **Porco v. CAP:** Filed 12/17/02. Nuisance claim plus demand to inspect books. Motion to dismiss, with sanctions, pending.

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 **Corporate Litigation**

- ◆ **CAP v. Black Label Aviation:** Filed 9/10/98. CAP aircraft destroyed in hangar fire. Partial settlement against FBO. Suit still outstanding against owner of building.
- ◆ **Campbell & Shaw v. CAP:** Filed 1/4/99. Wrongful employee termination case. Judge dismissed 12 of 13 counts. CAP won jury trial on remaining count. Plaintiffs filed appeal 9/11/02. Decision vacated and remanded for further proceedings.

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 **Challenges Ahead**

Challenges Ahead

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 **Program Narrative**

- ◆ More appropriate instrument to define Grants/CAs
- ◆ Defines/Describes CAP Program "Large to Small"
 - ◆ Need, Objectives, Resources, Activities, and Metrics
- ◆ Incorporates most of existing CA's SoW
- ◆ Plan to submit to CAP-USAF, AF/XOHA for review; AF/XO for approval EOM Nov 03

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MIMS "Lite"

- ◆ Dec 03 committee meeting is "key"
 - ◆ Recommend business rule changes
 - ◆ Discuss regulation ambiguities/member interpretations
 - ◆ Ease rule complications
 - ◆ Look at MIMS feature-set and future feature priorities
 - ◆ Consider phased approach
 - ◆ Recommend what features to add when
- ◆ MIMS work since 03 NB
 - ◆ 30% bug fixes, 50% enhancements, 20 % process change
 - ◆ Much training (conferences, one-on-one, online)
- ◆ Air/ground crew data in MIMS now
 - ◆ 987,000+ tasks
 - ◆ Representing 68,000 specialties and qualifications

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"Operation Red Tape"

- ◆ Goal
 - ◆ Minimize use of paper forms (50% by 04 NB)
 - ◆ Ease the member administrative burden
- ◆ How
 - ◆ Functional Tiger Teams with "joker" on each team to review forms/ regulations/processes
 - ◆ Streamline business rules
 - ◆ Re-engineer processes and workflow
 - ◆ Automate where possible
- ◆ Update at Winter Board, complete by August 04

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"Operation Red Tape" (cont'd)

- ◆ Web-based, centralized and integrated; controlled access
- ◆ Push data input as close to the activity/event as possible
- ◆ Electronic Validation/Approval
- ◆ Reminders/notification of expirations, renewals, time/hour sensitive requirements
- ◆ Email, reports, DSS analysis information availability
- ◆ Online "policy reference" and "how-to" availability
- ◆ Transaction tracking (who, what, when); also history availability
- ◆ Minimized typing (drop-down menus, anticipated answers, calendars)
- ◆ With an internet connection, allows anytime/anywhere use
- ◆ General and restricted access application/module types

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e-JITI

- | | | |
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| <ul style="list-style-type: none"> ◆ WHY e-JITI ◆ Leading-edge document and content management ◆ Minimum 25% Cost Reduction ◆ Low-cost, turn-key solutions for all your publications ◆ Up to, and including, outsourcing your entire process ◆ Commercial Off-The-Shelf (COTS) software ◆ Tailored to your unique requirements ◆ Result: best in breed, lowest cost to you ◆ Assure regulatory compliance, bolsters safety ◆ Specialists with complex, heavily regulated industries ◆ Speeds digitization and distribution of information ◆ Move your fixed costs to variable costs. | <ul style="list-style-type: none"> ◆ PROFESSIONAL SERVICES ◆ Implement publication processes using Six Sigma methods ◆ Develop and convert all publications to leading edge electronic standards ◆ Technical writing and printing (every manual linked and tagged with one another) ◆ Manage (O&M) revisions and distribution ◆ Manage Japanese revisions and distribution, to include complete outsourcing of the process ◆ Manage all document changes, revisions and distribution ◆ Web-based, XML, open architecture document and content management systems ◆ Consultant services in Six-Sigma ◆ First Introductions ◆ Full Management and Operational ◆ Support for airline start-ups | <ul style="list-style-type: none"> ◆ HOW TO BEGIN ◆ An Initial Assessment Team for 3-Days (our eTEAM): <ul style="list-style-type: none"> ◆ Process Expert ◆ Accounting Expert ◆ Document/Content Services Expert ◆ IT Expert (if needed) ◆ Map out your macro processes, evaluate throughput ◆ Display the total cost/account of your document/line activities ◆ Evaluate your technology. Are you leveraging your information? ◆ Identify improvement opportunities, provide solutions for immediate ROI ◆ Make recommendations ◆ Expected savings ◆ Implementation timeline ◆ www.ejiti.com |
|--|---|---|

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Funding

- ◆ Stable funding for CAP programs
 - ◆ FY02 baseline validated and adjusted
 - ◆ FY04 O&M cut \$550,000 and across FYDP
 - ◆ APOM cut additional FY05 \$110,000 and FY07 \$210,000
- ◆ Challenging years for programs
 - ◆ Impact- made adjustments and reduced staff 10% in FY04 -- program cuts ahead
 - ◆ CAP should be "...insulated from budget drills..."

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Challenges / Way Ahead

- ◆ Unprogrammed \$550k appropriated O&M shortfall
 - ◆ Stabilize CAP's funding baseline through POM and Budget Cycles
- ◆ \$400k cadet uniform shortfall
 - ◆ "Shoeless" cadets
 - ◆ Corporate Partner Program
- ◆ Threats to state funding
 - ◆ Corporate Partner Program, Programs and Grants
 - ◆ "Tiger Team" meets in Washington 3 December
- ◆ Deputy State Director/Wing Administrator
 - ◆ Partner with AF to meet AF/XO's expectation for implementation of the Wing Administrative Assistant support network
- ◆ "Traction"
 - ◆ AFAB Process, BAR, Program Narrative adoption

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“ARCHER”
**Hyperspectral Imaging
Program Update**

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Partnership Support



◆ Air Force Research Lab (AFRL)



◆ Naval Research Lab (NRL)



◆ Army Communications and Electronics Command (CECOM)

◆ U.S. Coast Guard R&D Center




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HSI – Spectral Technologies

Hyperspectral technology will:

- ◆ Discriminate between materials based on physical properties (manner in which light is reflected or emitted)
- ◆ Detect man-made materials on various backgrounds
- ◆ Identify different plant species by spectral signature
- ◆ Capable of specific material ID or detection of material smaller than pixel size

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CAP Mission Examples

- ◆ Search and Rescue: pieces of downed aircraft
- ◆ Counterdrug: marijuana spotting
- ◆ Disaster Relief: chemical spills, oil slicks, etc.
- ◆ Homeland Security: border and coastal patrol reconnaissance

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"ARCHER" Program Includes

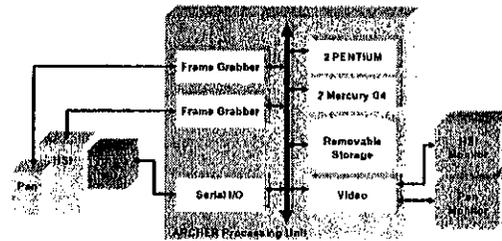
Airborne Real-time Cueing Hyperspectral Enhanced Recon

- ◆ 15 complete turnkey systems
 - ◆ Airborne Unit
 - ◆ Dual-sensor optical system with real time processing
 - ◆ Ability to record/store mission data for 7 + hours
 - ◆ Working to integrate CAP satellite transmission system
 - ◆ Ground Processing Unit (air transportable)
- ◆ Training in every CAP region & a dedicated training website

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ARCHER Block Diagram



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ARCHER Components

ARCHER InFlight Sensor

DALSA Piranha 2
LineScanner

NovaSol 1100 - 7
HST System

DEI Q - MIOITS III
GPS/MU

ARCHER InFlight Processing

AVT-168PRM-V
Flat Screens

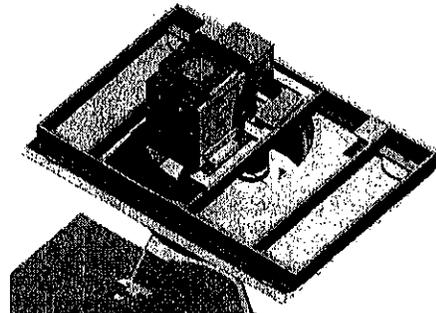
Quad Processor
Computer System

PVPAEO Power
Supply Unit

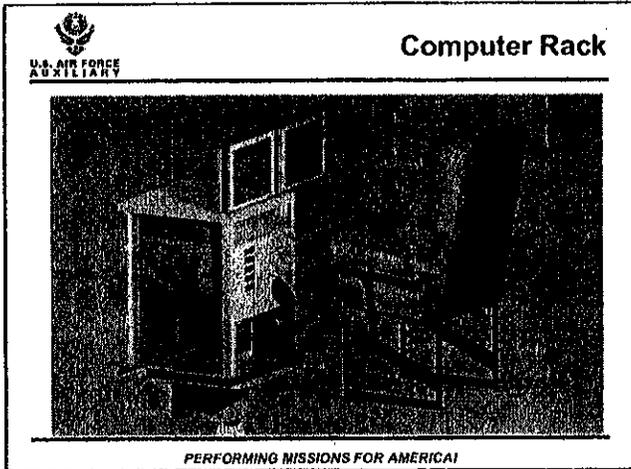
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Sensor Bracket



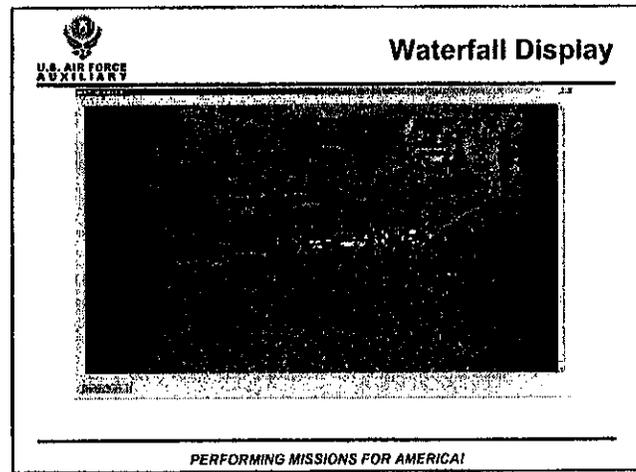
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Timeline

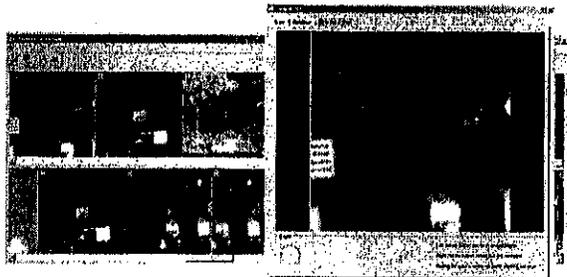
- ◆ 29 Oct 03: \$4.2 M contract signed with NOVASOL
- ◆ End of Feb 04: NOVASOL provides first article for operational test and evaluation (OT&E)
- ◆ HSI system to be installed on CAP GA-8 #2
- ◆ Mar- mid Apr: National Test Pilot School (CA) conducts OT&E
 - ◆ CAP together with support from AFRL, NRL, Army, and USCG help evaluate mission effectiveness
- ◆ 14 remaining systems delivered within 270 days of first article approval
- ◆ Extensive Federal and State agency interest

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Detection Viewer



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Opportunities and Challenges

- ◆ CAP will be the first to utilize airborne HSI for SAR, DR, CD and HLS applications
- ◆ NHQ has requested a funds extension for this program
 - ◆ Deliveries will be complete in FY05; Funds currently expire at the end of FY04
- ◆ Will need to procure additional aircraft that are capable of having HSI installed: NEC approved additional GA-8s on 15 Nov
- ◆ Hourly reimbursement rate charged to customers should reflect cost to maintain and refurbish HSI equipment in addition to aircraft cost

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Notable Comments

"All breakthrough technologies are critical to the Air Force in maintaining information superiority. I am convinced that hyperspectral sensor systems have the potential of providing revolutionary enhancements to our information systems and will facilitate the transformation of our intelligence, surveillance and reconnaissance (ISR) program."



GENERAL JOHN P. JUMPER
Chief of Staff, United States Air Force

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