

CHAPTER 2

ALLOWANCE CHANGE PROGRAMS AND PROCEDURES

2.1 **Background**. A basic requirement of outfitting account management is control over the approval and introduction of new/changed allowances for Navy ships and other authorized users. A first level of control is provided by the requirement that only approved allowances are eligible for outfitting program support. An additional level of control is provided by procedures that require review and approval of allowances and support plans by NAVSEA 04L4 or a designated agent before programs can be implemented. This chapter prescribes outfitting program management and operating procedures to be used in developing, approving, and implementing new/changed allowances for Navy ships and other authorized users. Responsibility for allowance development and maintenance of Fleet Ballistic Missile (FBM) Weapon Systems allowance documents rests with the Strategic Systems Project Office (SSPO), and any changes to a FBM Weapon Systems allowance will be approved/disapproved by SSPO. Naval reactor plant allowance development and maintenance is the responsibility of the Deputy Commander for Nuclear Propulsion (NAVSEA 08). Any changes to the Q COSAL will be made by NAVSEA 08.

2.2 **Changes and Modifications to Installed Equipment**. Actions concerned with approval of equipment changes or modifications (whether implemented as a Ship Alteration (SHIPALT), Ordnance Alteration (ORDALT), Field Change (FC), Machinery Alteration (MACHALT), etc.) requiring outfitting support shall be performed as outlined in paragraphs 2.2.a through 2.2.f.

a. **Chief of Naval Operations (CNO)/Systems Command (SYSCOM) Approval**. Prior to approval and programming of procurement for any program involving change or modification to installed equipment, the equipment acquisition/modification manager shall attest to the CNO/SYSCOM authorizing authority that:

(1) All Integrated Logistics Support (ILS) elements have been addressed, including planned procurement of Provisioning Technical Data (PTD);

(2) All required spares, repair parts, and equipage have been or will be identified;

(3) Initial outfitting material will be available in the supply system for drawdown on or before the Material Support Date (MSD) for new equipment or:

(a) prior to start of the first overhaul;

(b) prior to another availability in which an equipment modification will be completed;

(c) or through some form of interim support; and

(4) Outfitting account funds will be available to provide all required support authorized under the outfitting program. This will be accomplished through maintenance of PSD.

b. **Program Support Data (PSD)**. The preparation and submission of PSD in accordance with the governing NAVSUPSYSCOM (NAVSUP) instruction will play an integral part in the certification and approval process for the requirements of paragraph 2.2.a.

(1) PSD must be developed for each new end-item acquisition requiring NAVICP support or interim spares funding. PSD is also required when upgrades to acquired end-items will change the mix of allowed spares and repair parts.

(2) Acquisition managers will prepare and submit PSD once an item has been identified in the Department of Defense (DOD) planning system.

(3) PSD will be provided to NAVICP via PARTS by NAVSEA 04L4 for use by NAVICP financial and program managers in the development and justification of NWCF "Buy-In" and OPN "Buy-Out" NAVICP-supported outfitting requirements and the Hardware Systems Command (HSC) interim budget.

(4) NAVSEA 04L4 will review and certify PSD, ILS, and outfitting information.

c. **Annual Dental Allowance List (ADAL) and Annual Medical Allowance List (AMAL)**. Funding levels will be established in coordination with the Naval Medical Logistics Command (NAVMEDLOGCOM). Effective 1 October 1993, requirement validity is based on the inclusion of the 9L cognizant material in NAVMEDLOGCOM's annual requirements file. Requisitions will be valid for the applicable ADAL or AMAL material only for the fiscal year in which the ADAL or AMAL was published.

d. **Emergent/Quick-Reaction Programs**. Some emergent or quick-reaction programs may not be compatible with the normal PSD preparation, submission, and review procedures. The equipment managers for these programs remain responsible for providing the necessary requirements information in accordance with NAVSEA 04L4 guidance. These requirements are to be coordinated prior to implementation on an individual basis with NAVSEA 04L4 and the Office of the Chief of Naval Operations (OPNAV) sponsor to ensure funding is available.

e. **Funding Outfitting Requirements**. Funding for outfitting equipment changes/modifications will vary depending on whether the equipment is installed before or after the MSD.

(1) The acquisition manager is responsible for funding and providing interim support for outfitting of installations made before the MSD, including back orders that exist at MSD.

(2) Outfitting for installations after the MSD will be funded by the outfitting account.

f. **Fleet Allowance Change Programs**. Coordinated Shipboard Allowance List (COSAL) and Coordinated Shore-Based Allowance List (COSBAL) user activities have responsibility for reporting certain COSAL/COSBAL deficiencies (as referenced in paragraph 1.10.13) using the Fleet COSAL Feedback Report (FCFBR), or requesting changes to "baseline allowances" using the Allowance Change Request (ACR) or the Allowance Change Request-Fixed (ACR-F) for requesting changes to "fixed allowances" of Depot Level Repairables (DLRs). Procedures for

submission and control of FCFBRs, ACRs, and ACR-Fs are prescribed in NAVSEA 9090-1500. Casualty Report (CASREP) and 3M program data submitted by the Fleet is accumulated and used for identifying and analyzing Fleet maintenance support problems so that corrective action may be initiated. In addition, the Automated COSAL Improvement Program (ACIP) is used to identify and resolve COSAL inaccuracies involving the absence of repair parts on APLs. NAVICP performs Allowance Parts List/Allowance Equipage List (APL/AEL) maintenance actions, as required, to reflect results of FCFBR, ACR and ACIP processing decisions. APL/AEL changes are distributed by NAVICP to COSAL/COSBAL user activities in the form of new/revised APLs/AELs, Automated Monthly COSAL Maintenance Action Reports (AMCMARs) or Automated Shore Interface (ASI) data. COSAL/COSBAL user activities complete the process by updating their "baseline allowance lists" with the authorized allowance change documents provided by NAVICP.

2.3 Other CNO/SYSCOM Programs. There is a wide range of CNO/SYSCOM programs that generate outfitting requirements but do not fit properly into the categories discussed in paragraph 2.2. Examples of these programs include allowance computation procedures such as Fleet Logistics Support Improvement Program (FLSIP), FLSIP .5, FLSIP .5 Plus, Readiness Based Sparing (RBS), and special COSALs such as the Q COSAL. The general policy remains that all programs require NAVSEA 04L4 review for the POM submission and budgeting. A complete description of these programs and their unique procedures is beyond the scope of this directive. Paragraphs 2.3.a. through 2.3.f. identify selected major programs requiring outfitting account support.

a. Allowance Computation Methods. Several allowance computation procedures are currently in use, either Navy-wide or for specific ships or equipment:

(1) The FLSIP .5 program has the capability to reduce fleet shipboard inventories to an acceptable level without sacrificing readiness. A part qualifies for allowance if its expected usage is equal to or greater than the minimum criteria established for its military essentiality, or the part must have an assigned technical override. The FLSIP .5 Plus program incorporates the adback feature based on 3M and CASREP data.

(2) The Continuous Integrated Logistics Support - Targeted Allowance Technique (CILS-TAT) is the selective application of FLSIP .5 Plus allowances used to update the ship's Stock Record File (SRF). The CILS-TAT product will only provide optimized allowance adds/increases for those equipments that have experienced Not Carried (NC) 3-M demands within the past two years. It will also provide computed allowance decrements and/or deletes for non-candidate equipments and inactive equipments that have shown no 3-M demands within the past three years. The remaining SRF allowances will remain unchanged. The CILS-TAT product will only be provided to ships that meet the following criteria:

(a) COSAL Scheduling Metrics (CSM) analysis has shown that the ship needs a new allowance product.

(b) The Allowance Control Panel (ACP) has approved of the ship receiving a new allowance product.

(c) NAVSEA 04L4 has approved funding for the new allowance product.

(d) All configuration maintenance and reconciliation, accomplished through the application of a targeted validation analysis,

such as ILO's System Surgical Validation Analysis (SSVA), has been posted to CDMD-OA.

(3) The A₀ optimization technique or Readiness Based Sparing (RBS), including ACIM, TIGER and ARROWS, is designed to be used on a controlled and selected basis for the relatively few cases in which equipment requires a level of availability beyond that which existing supply support policies will provide. The A₀ techniques develop allowances that maximize operational availability for a given total cost or minimize total cost for a given A₀ goal.

b. **Major Re provisioning**. For some equipment, the APLs developed during initial provisioning of the equipment do not provide adequate support. Minor problems may be handled through FCFBRs or similar means. However, for cases with severe problems, the TSA and NAVICP may conduct a total re provisioning for the equipment, resulting in new APLs and allowances. These are typically distributed by NAVICP in the form of pen-and-ink changes and hull-tailored listings of new and/or revised APLs/AELs covering the affected items. Data are developed and submitted to NAVICP indicating the program requirements and a schedule for outfitting of revised allowances.

c. **Annual Q COSAL**. The Q COSAL supports the nuclear reactor plant on board Navy ships. NAVICP annually distributes a Q COSAL that replaces the ship's existing Q COSAL. NAVSEA 08 assists NAVSEA 04L4 with the information on Annual Q COSAL updates required for NAVSEA 04L4 budgeting.

d. **Weapon/Combat Systems Reviews**. The NOP includes support for special weapon/combat systems review programs involving improved allowance support for specific weapon/combat systems, e.g., Combat Systems Readiness Reviews and the Surface Missile System Review. A distinguishing feature of these programs is the use of field teams that check ship's allowance and allowance documentation against the most current allowances (obtained through the established CILS/TAT procedures), update the ship's records and documentation as required, and prepare outfitting account requisitions, using the procedures in Chapter 3 to fill allowance change deficiencies. Managers of the weapon/combat systems review programs are responsible for providing NAVSEA 04L4 with the information required for budgeting. In addition, managers of these programs must provide NAVSEA 04L4 with actual cost information on each field team visit once it has been conducted.

e. **Safety Programs**. Fleet-wide safety programs typically involve allowances for equipage items required for safety of ship's personnel (e.g., oxygen breathing apparatus or firefighting clothing). Program managers for these programs are responsible for providing NAVSEA 04L4 with the data required for budgeting.

f. **Other Special Programs**. These programs typically involve directed allowances for portable equipment or equipage to give ships improved personnel support or improved readiness capabilities (e.g., night vision devices; Chemical, Biological, Radiological (CBR) equipment; P-100 fire pumps; or other work center items).