DLA-USTRANSCOM Partnership
Distribution Initiatives

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Pure Pallet:
- Consolidate materiel on 463L pallets for a specific unit or group of units for direct delivery to the War Fighter.
  - Worked with CENTCOM to designate 47 USA and 3 USMC Pure-Pallet units.
  - Concept identified as contributing factor in reducing order-ship-time for 463L pallets.

Built New Depot and Positioned Stock:
- Move materiel closer to the War Fighter to reduce order-ship time and minimize transportation costs.
  - Established Defense Distribution Depot Kuwait (DDKS) Sep 2004
  - 8,266 NSNs in stock as of 18 Feb 2005

Global War on Terrorism:
- MRO’s processed: 10,445,942
- Short Tons: 1,249,657
- Dollar Value: $38.9B

Cost Avoidance
- $52.7M
- C-17 Equivalents = 328

DDC Roll-Up
- Open Storage: 21,4M sq ft
- Inventory: $88.2B
- Lines: 6.1M
- NSNs: 3.9M
- Employees: 8,191

Shipped nearly 40,000 463L Pallets last 12 months supporting OIF
Global Stock Positioning

Objective:
- Reduced customer wait time, reduce transportation costs and demand for critical airlift through the pre-positioning of inventory forward and the enhancement of in-theater distribution capabilities

Part of DoD Integrated Distribution Strategy

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- Reduced customer wait time, reduce transportation costs and demand for critical airlift through the pre-positioning of inventory forward and the enhancement of in-theater distribution capabilities

Progress To Date:
- Seven forward depots
- DLA Afloat Distribution Centers concept
- Deployable Depot concept
- Theater distribution center operation

DLA Distribution – Flexibility to Support Current & Future Logistics Concepts
Fixed Based Forward Stocks

<table>
<thead>
<tr>
<th>Location</th>
<th>Actual # of Lines</th>
<th>Projected # of Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germersheim</td>
<td>28,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Pearl Harbor</td>
<td>9,300</td>
<td>9,300</td>
</tr>
<tr>
<td>Sigonella</td>
<td>4,300</td>
<td>4,300</td>
</tr>
<tr>
<td>Yokosuka</td>
<td>18,500</td>
<td>18,500</td>
</tr>
<tr>
<td>Guam</td>
<td>2,100</td>
<td>2,100</td>
</tr>
<tr>
<td>Kuwait</td>
<td>5,400</td>
<td>40,000</td>
</tr>
<tr>
<td>Korea</td>
<td>300</td>
<td>14,900</td>
</tr>
</tbody>
</table>

Annual Requisitions
- Germersheim: 1,202,000
- Pearl Harbor: 126,296
- Yokosuka: 130,500

Projected Yearly Reqn
- Sigonella: 105,000
- Kuwait: 609,000
- Guam: 77,000
- Korea: 200,000

Sites and Items Selected Based On Customer Requirements And Business Case Analysis

FY 04 – 11
$464.3 Million Net Cost Avoidance
The mission of the DLA Afloat Distribution Center is to provide a forward-positioned, mobile capability to distribute necessary classes of supply to support U.S. Military forces in a designated region across the range of military peacetime exercises and contingency operations.
Executive Agent/E2E Supply Chain

**DUSD(L&MR) Tasking:**
- Lead a disciplined joint process to deliver improved, uninterrupted "end-to-end" commodity-based support to the warfighter through increased supply chain integration, efficiency, and effectiveness.

**Integated Supply Chain**
Commodities Resourced and Delivered to Support Operational Requirements

*What we’re doing -*
- Mapping by Commodity
- Focusing on Seams and Gaps
- Linking to Distribution Asset Visibility

**DLA Executive Agent:**
- ✓ Class I - Subsistence
- ✓ Class III - Bulk Fuels
- ✓ Class VIII - Medical Materiel
- ✓ Class II – Individual Equipment (Pending)
- ✓ Class IV – Construction and Barrier Materiel (Pending)

Linked to USTRANSCOM End to End Distribution Architecture IPT
Objective:
- Smooth transition of vendor shipment into DTS entry points and handling nodes, including advance notice of shipments and ITV

What’s been done?
- Worked to develop on-line training
- Developed Business Rules
- Issued Guide for Overseas Shipments
- Trained Agency Card Coordinators

What’s Next
- GPC Pilot Underway to support integration of GPC shipments into DTS
- Validate and Implement pilots GPC integrated solution
- Improve Level 6 data on DVD shipments
- Develop metrics
Objective:
- Maximize pure pallets to customers by ensuring all CCP eligible materiel is consolidated at the CCPs before arriving at APOEs

Progress To Date:
- Modified DLA distribution system to:
  - Provide 463-L pallet dimensions
  - Provides e-mail notification to the AMC aerial ports
  - Automatically route CCP-eligible Army and USMC requisitions to the consolidation points

Next Steps
- Work with Navy and AF for possible consolidation
- Develop advanced predictive solution to provide estimate of cargo that will arrive at ports

<table>
<thead>
<tr>
<th>Cargo Category / FY</th>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
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<tbody>
<tr>
<td>Loose, CCP Eligible</td>
<td>17%</td>
<td>25%</td>
<td>8%</td>
<td>8%</td>
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<tr>
<td>Loose, Svc less - Army</td>
<td>32%</td>
<td>16%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Loose, APOE Only</td>
<td>18%</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Air Pallets</td>
<td>32%</td>
<td>48%</td>
<td>74%</td>
<td>72%</td>
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