Presentation to the
National Defense Industrial Association
22nd Annual National Logistics Conference & Exhibition

Major General Loren Reno, USAF
Vice Director, Defense Logistics Agency
The Defense Logistics Agency:

- World-wide, world-class organization designed to support the warfighters’ logistics needs from factory to foxhole, and back.
- DLA is owner-operator of several of our **National Treasures**
  - Defense Distribution System
  - Procurement infrastructure for 95% of DoD requirements
  - Defense fuels infrastructure
  - DLA workforce
- Industry is a key partner in bringing best value to the warfighter
- BRAC and the logic in the QDR are refining the approach to how DLA provides logistics to the joint force
Improving Value to Customers

- We maintain an end-to-end view of the DoD supply chain,
- We optimize the path from factory to foxhole and back
- Strategic inventory and stock positioning programs are on track
- Cost Recovery Rate best ever, DLA personnel levels lowest ever
Changing With Customer Needs

- DLA J-4 (Customer Operations) is a recent creation/evolution
- Customer linkage improves forecast…and satisfaction
- Positioned Customer Service Reps and Liaison Officers at key force junctures for effective communications.
- Road Map and Strategic Plan-in place and operating
  • Pace change, track progress
  • Tied to balanced scorecard
Flexible Supporting Deployed Forces

- Established DDKS: In-Theater Distribution Depot
- Adapting Fuel GLOCs to changes in theater
- Standing up in-theater OEF/OIF Retrograde capacity
OEF & OIF Support

- MNF-I
- DCST-IZ (33)
- CFLCC
- DCST-KU (46)
- CJTF-76
- DCST-AF (14)
- Defense Distribution Depot - Kuwait
- ARCENT Customer Support Representative
- NAVCENT Customer Service Representative
- CENTCOM Forward
- Defense Energy Support Center-Middle East
- Defense Reutilization Marketing Service - UAE
- OEF & OIF Support
BRAC Adding Efficiency

- Defense Distribution System improvements
  - 4 Strategic Distribution Platform (SDP)/Multiple Forward Distribution Point (FDP) plan
  - Supply support in Services’ depot maintenance activities transferring to DLA
- Consolidating supply chain procurement where feasible
  - Depot-level reparables
  - Most consumable items
  - Privatizing of commodities
BRAC Adding Efficiency

Oklahoma City
Barstow
Corpus Christi
Hill
Puget Sound
San Joaquin
San Diego
Susquehanna
Tobyhanna
Albany
Jacksonville
Columbus
Red River
Anniston
Richmond
Norfolk
Cherry Point
Warner Robins

OCONUS
- Japan
- Korea
- Guam
- Hawaii

OCONUS
- Germany
- Italy
- Kuwait

Strategic Distribution Platforms
BRAC SDPs
BRAC FDPs
Distribution Center
OCONUS Distribution Center
BRAC Closure
BRAC Adding Efficiency

Increased Support and Surge Capability

CCP X 2 → CCP X 4

Decreased Inventory and Warehousing

51.2 Million Square Feet

-15.1 M sqft Warehouse Space
-23.3 M Item Cube

36.1 Million Square Feet
All ICPs except Lackland transfer DLR procurement and almost all consumable management to DLA
Transformational Change
Consolidate Procurement of DLRs

- Disestablishes 3 Service ICPs through consolidation
  - FT Monmouth, Ft Huachuca, Rock Island
  - Establishes Aberdeen as a new ICP site
- Transfers essentially all consumable item management to DLA
- Keeps engineering functions with Services
- Realigns procurement management responsibility of Class IX Depot-level reparables (DLRs) to DLA
- Achieves savings through
  - reduced inventory investment
  - leveraging larger purchases
  - increased use of Performance Based Agreements (PBA)
New Paths to Better Support

- Humanitarian Assistance
- Depot Afloat & Deployable Depot
- Prime Vendor
- Lean Six Sigma
- RFID and other investments in Technology
- Successful ERP in BSM 2.2
Hurricanes Katrina, Rita, and Wilma

Total Value of DLA Support = $409M

Pakistani Earthquake

Total Value of DLA Support = $14.6M

Operation UNIFIED ASSISTANCE

Total Value of DLA Support = $53.0M

**Summary:**

$476.6M for disaster relief in 2005, $409M for hurricane support

- 83% Class I Subsistence
- 5% Class IV Construction
- 4% Class IIIB POL
- 4% DRMS
- 2% Class VIII Medical
- 1% Class IX Repair parts
- 1% Class II Individual Equip
Summary

– Takeaways
  • DLA is focused on improving service and value
  • BRAC has given us enormous opportunities
  • DLA is using/leading best practices
  • DLA is responding to new strategic environment

– Bottom Line: exciting/challenging moment… we need your help!
Defense Logistics Agency Response to the New Strategic Environment

• Questions?
Defense Logistics Agency Response to the New Strategic Environment

- Backup
DLA Mission

Vision:
Uninterrupted hardware and troop support to the warfighter through end-to-end supply chain integration – delivering a seamless flow of materiel and information to all authorized users
### Global War Fighter Engagement

<table>
<thead>
<tr>
<th>Teams/People</th>
<th>NAMs</th>
<th>CAMs</th>
<th>CSRs</th>
<th>LNOs</th>
<th>Planners</th>
<th>DCST</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army</td>
<td>1</td>
<td>2</td>
<td>38</td>
<td>1</td>
<td></td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>Marines</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Navy</td>
<td>1</td>
<td>2</td>
<td>26</td>
<td>1</td>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Air Force</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>1</td>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>JCS/Combatant Commanders</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>14</td>
<td>13</td>
<td>5 / 66</td>
<td>101</td>
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<tr>
<td>Homeland Security</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
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<td>4</td>
</tr>
<tr>
<td>International Programs</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td><strong>9</strong></td>
<td><strong>14</strong></td>
<td><strong>92</strong></td>
<td><strong>18</strong></td>
<td><strong>13</strong></td>
<td><strong>66</strong></td>
<td><strong>212</strong></td>
</tr>
</tbody>
</table>
# Sustaining OIF & OEF

## Total Requisitions

<table>
<thead>
<tr>
<th>DSC</th>
<th>Cum Reqs</th>
<th>Cost (Bil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSCC</td>
<td>4,366,556</td>
<td>$ 1.938</td>
</tr>
<tr>
<td>DSCP</td>
<td>7,023,222</td>
<td>$ 9.720</td>
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<tr>
<td>DSCR</td>
<td>1,357,556</td>
<td>$ 1.871</td>
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<tr>
<td>Total</td>
<td>12,747,334</td>
<td>$ 13.53</td>
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</tbody>
</table>

## Reconstitution (Summary)

<table>
<thead>
<tr>
<th>DSC</th>
<th>Cum Reqs</th>
<th>Cost (Mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSCC</td>
<td>1,085,400</td>
<td>$ 267.07</td>
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<tr>
<td>DSCP</td>
<td>1,424,452</td>
<td>$ 495.44</td>
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<tr>
<td>DSCR</td>
<td>502,043</td>
<td>$ 316.15</td>
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<tr>
<td>Total</td>
<td>3,011,895</td>
<td>$ 1,078.67</td>
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## Troop Support

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th>Cost (mil)</th>
</tr>
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<tbody>
<tr>
<td>Cold Weather</td>
<td>-</td>
<td>$ 434.40</td>
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<tr>
<td>Cots</td>
<td>1,078,040</td>
<td>$ 76.60</td>
</tr>
<tr>
<td>GP Med Tent</td>
<td>644</td>
<td>$ 1.60</td>
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<tr>
<td>GP Large Tent</td>
<td>919</td>
<td>$ 3.46</td>
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</table>

## Mod Tent System

<table>
<thead>
<tr>
<th>Color</th>
<th>Quantity</th>
<th>Cost (mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td>6,338</td>
<td>$ 49.50</td>
</tr>
<tr>
<td>Tan</td>
<td>2,653</td>
<td>$ 22.70</td>
</tr>
</tbody>
</table>

## Humanitarian

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
<th>Cost (mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat (mil\lbs)</td>
<td>3.48</td>
<td>$</td>
</tr>
<tr>
<td>HDRs (mil\meals)</td>
<td>5.77</td>
<td>$</td>
</tr>
<tr>
<td>Blankets</td>
<td>45,467</td>
<td>$</td>
</tr>
<tr>
<td>Dates (lbs)</td>
<td>49,000</td>
<td>$</td>
</tr>
</tbody>
</table>

## DLA Personnel Deployed

<table>
<thead>
<tr>
<th>Location</th>
<th>Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCST-KU</td>
<td>46</td>
</tr>
<tr>
<td>DCST-IZ</td>
<td>33</td>
</tr>
<tr>
<td>DCST-AF</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>57</td>
</tr>
</tbody>
</table>

## OIF & OEF Total

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materiel Release Orders</td>
<td>10,905,774</td>
</tr>
<tr>
<td>Short Tons</td>
<td>1,117,314</td>
</tr>
</tbody>
</table>

### Value (Billion)

- Materiel Release Orders: $ 62.03
- Short Tons: $ 3.27

(Includes movement of Service owned materiel)
Unique Challenges in OEF

- Russian Red Wheat
  - Requirements Challenge: Refugees use wheat in local meals. Determining the type of wheat they would use was a challenge as there are hundreds of types of wheat including 7 different types of Russian Red, after much discussion any type of Russian Red Worked
  - They wanted 40lb burlap bags...industry only made 100lb bags. Settled on 60lb plastic bags

- Horse Saddles
  - Had to be English vice Western Style. We had to find a local source that made the type of style they preferred

- Holiday Meals for Afghanistan Refugees
  - In Preparation for a Religious Holiday we thought it would be a good idea to provide Dates. This simple offer became very difficult as we struggled with how the dates would be packaged, and what was acceptable. California Date growers wanted their logo on the packaging.

- Color of Humanitarian Daily Rations
  - Originally the rations were bright yellow, but had to be changed to Salmon so they would not be confused with the Anti-Personnel Cluster Bombs

- Halal Meals
  - Muslim Meals Originally Designed for Guantanamo Detainees, also used in Afghanistan
Support to Hurricane Relief

Final
27 Feb 06

**FEMA Requisitions**
- 50K Cots
- 15K H&C Packs
- 60K Blankets

**Distribution of Water:**
- 2.2M Units (~ 1.5M liters)

**CLASS III Fuels:** $17.0M
- DoD: 7,500 gals
- FEMA/Govt: 4.5M Gallons

**CLASS VIII Medical:** $8.9M
- 2238 lines for USNS Comfort
- $3.5M Materiel to McGee, MS

**CLASS IX Parts:** $5.5M
- 16.1K Requisitions

**Reutilization:** $22.5M
- Bedding: For 1100 People
- 34 Generators: $1.7M
- 966 Requisitions:

**Subsistence:** $324.5M
- FEMA MREs 25.24M Meals
- Military MREs 4.7M Meals
- Comm Meals 28.04M Meals

**Personnel Deployed:** 22
- N-DDOC: 4
- JTF-Katrina: 9
- JTF-Rita: 1
- NORTHCOM: 7
- FEMA: 1

**Total Value of DLA Support = $409M**

**CLASS IV:** $31.0M
- DAPS: Forms, Flyers
- 405K Copies

**DLA Distribution from:**
- 25 of 26 DLA Depots

**Maps:** 56,906 Sheets
MRE Inventory Schedule

#Cases (Millions)

- 2005:
  - 1.9M (Aug-05)
  - 5.0M (Sep-05)
  - 1.964M (15 Nov On hand)
- 2006:
  - 4.1M (1 Dec-05)
  - 3.1M (1 Jan-06)
  - 5.0M (Total Level)

- Increase: Services War Reserve Level (1.9M) via Direct Appropriation to DWCF ($60.7M)

- 7 Sep commercial meals

- 28 Aug-05, 14 Sep-05, 1 Oct-05, 1 Nov-05, 1 Dec-05, 1 Jan-06, 1 Feb-06, 1 Mar-06, 1 Apr-06, 1 May-06
DLA TSUNAMI Support
27 Dec 04 – 15 Feb 05

Total Rollup in sTONS

- Total DLA Reqs = 8,789
- Total Dollar Value = $53.0 M
- Total DLA sTons = 841

Project Code 9GH only

22.8 M Gallons
Kashmir Earthquake Relief

Chaklala PAF Islamabad, Pakistan

CLASS II Clothing & Textiles:
- Insect Nets: Qty 300 - $8.6K
- Bed nets: Qty 771 - $58.4K
- Tents: Qty 60 - $644.2K
- Clothing: 85 Docs - $37.6K

CLASS IX Parts:
- 130 Docs; $71.9K

CLASS VIII Medical:
- 5 NSNs; 6 Docs; $1.6K

DRMS Materiel: Value $3,261K
- DSCA HAP - Blankets, Tents, Sleeping Bags, Medical Material
- CFLCC Blankets, Tents, Cots

CLASS III Fuel:
- Bulk - DESC Into-plane Contracts in Pakistan
- Pkg POL: 7 NSNs - $3.2K

CLASS I Subsistence:
- Troop Support -- $267.2K
  - 3,072 Cases MREs
  - 5,400 (1.5L) bottles water

Personnel Deployed In the Vicinity:
- C-DDOC: 6 (1 in Pakistan)
- DCST-KU: 11
- DCST-AF: 9
- DLA-CENTRAL FWD: 2

DSCA Requisition:
- Tents: Qty 1300 - $3.8M
- Blankets: Qty 200K - $6.05M
- Space Heaters: Qty 600 – 355.3K

MAP: AFGHANISTAN
PAKISTAN
CHINA
INDIA
NEPAL
NORTH-WEST FRONTIER

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