Logistics Reset Sustainment

Are we meeting the Challenge?
The DoD Perspective

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Reset Requirements

Driven by . . .
- OP-Tempo
- Environment
- Battle Damage/Losses
Defining DoD Reset

Restoring and enhancing combat capability . . .

Units ready for future missions

Procure new items

Insert new technology

Repair

Rebuild

Replace

Fix/Zero hours-miles

Depot-Level

Field-Level

Combat Operations
Costs of Reset

- Past costs exceed $56B
  - Army - $38B
  - Marine Corps - $10.9B
  - Navy - $4.3B
  - Air Force – $1.9B

Future costs . . .
- Army estimates $13+ billion per year required for the foreseeable future
- Marine Corps estimates annual future funding requirements of $3+ billion
- Navy assumes three years to complete reset after hostilities end at added cost of $11+ billion

Pending DoD FY 2008 GWOT Supplemental contains $46.4B for Reconstitution requirements: $13.7B has been funded to date
Depot Maintenance
Baseline versus Supplemental Budgets

**ARMY**

\[
\begin{align*}
\text{FY 2008} & \quad \text{FY 2009} \\
\text{Supplemental (F)} & \quad 2.10 \quad 1.72 \\
\text{Supplemental (U)} & \quad 1.87 \quad 1.40 \\
\text{Army Baseline} & \quad 1.40 \quad 1.12 \\
\end{align*}
\]

- 27% funded, 39% unfunded

**NAVY**

\[
\begin{align*}
\text{FY 2008} & \quad \text{FY 2009} \\
\text{Supplemental (F)} & \quad 0.49 \quad 0.35 \\
\text{Supplemental (U)} & \quad 0.87 \quad 0.29 \\
\text{Navy Baseline} & \quad 6.44 \quad 6.20 \\
\end{align*}
\]

- 92% funded, 88% unfunded

**USMC**

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\begin{align*}
\text{FY 2008} & \quad \text{FY 2009} \\
\text{Supplemental (F)} & \quad 0.29 \quad 0.07 \\
\text{Supplemental (U)} & \quad 0.29 \quad 0.07 \\
\text{Marine Corps Baseline} & \quad 0.08 \quad 0.07 \\
\end{align*}
\]

- 14% funded, 26% unfunded

**USAF**

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\begin{align*}
\text{FY 2008} & \quad \text{FY 2009} \\
\text{Supplemental (F)} & \quad 0.29 \quad 0.35 \\
\text{Supplemental (U)} & \quad 1.25 \quad 0.29 \\
\text{Air Force Baseline} & \quad 3.68 \quad 4.28 \\
\end{align*}
\]

- 85% funded, 77% unfunded

(F) = Funded; (U) = Unfunded
Reset Depot Maintenance Issues

• Legislatively mandated “50-50” compliance
  – Substantial additional workloads into DoD depots;
  – Substantial additional workloads for contractor supported systems
  – Balance Management Required

• Public Private Partnerships
  – Provide flexibility and opportunity
  – PPP $ may count on the both sides of 50-50

• Interservice workload
  – May be opportunities to improve capacity utilization factors
  – Depot Source of Repair (DSOR) decisions drive opportunities
Production in DoD Maintenance Depots

- FY98-02 capacity reduction driven by BRAC 95 closures of major depots
- Major production increases seen beginning in FY04 – driven by Army and USMC
  - Army 24M DLH from 10.3M
  - USMC 3M DLH from 2.2M
- Overall, depots operating at about 101% of capacity, but Army depots at ~115%

Baseline capacity = single-shift, five-day week; FY07 DoD baseline capacity = 93M DLH
Meeting the Reset Challenge

Collaboration + Integration = Success

Industry

Commercial Vendors

ICPs

DLA

Service

GSA

Wholesale Storage

Transportation

DLA Distribution Depots

Service Shops

Depot Shop

Unserviceable Inventory

Intermedate Supply

Consumer Supply

Military Ops

Disposal Salvage

Intermedate Maint

Consumer Maint

Transportation

Field Level Supply & Maint Sites

Inventory Control Points

Major Maintenance Depots
Questions