



NDIA Logistics Symposium

30 March 2011

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Deputy Program Executive Officer, F-35 Program Office





2011 >> Sustainment

- Continuation of Technical Baseline Review with Sustainment O&S Focus
- Driving R&M Improvements via Business Processes
- Building Global Sustainment Baseline to Support Future Cost and Performance Trades
- Maturing Governance Processes to Ensure O&S Cost Accountability and Transparency
- Refining Supply Chain Strategy
 - SCM BCA and System Engineering and Logistics Technical Review
- Completing ALIS / Legacy Systems Comparative Analysis
- Corporately Maturing Strategy via Wargames with Services, Partners, OSD, Industry and Congressional Participants



F-35 Sustainment Strategy

- Achieve Best Value Solution for US Services and International Partners
- Design, Develop, Deliver and Sustain a Single, Integrated, Global System of Sustainment Products, Processes, and Business Practices
- Leverage Global Resource Base to Take Advantage of Stakeholder Capabilities, Human Capital and Best Practices
- Drive Life Cycle Focus With Emphasis on Reduction of Costs
- Create Mutually - Beneficial Enterprise That - With Relevant Metrics and Incentives - Operates, Manages, and Supports The Global System
 - Meet user-defined and PSM-supported readiness and cost objectives

Targeted Improvements Will Drive Down LCC/O&S Costs

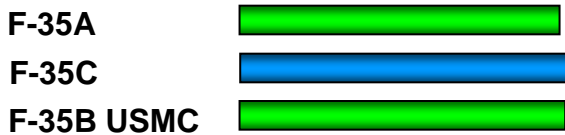


Key Performance Parameters for Sustainment

Sortie Generation Rate KPP



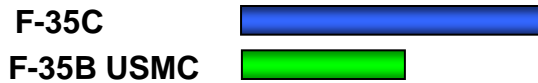
Mission Reliability KPP



Logistics Footprint KPP — Weight



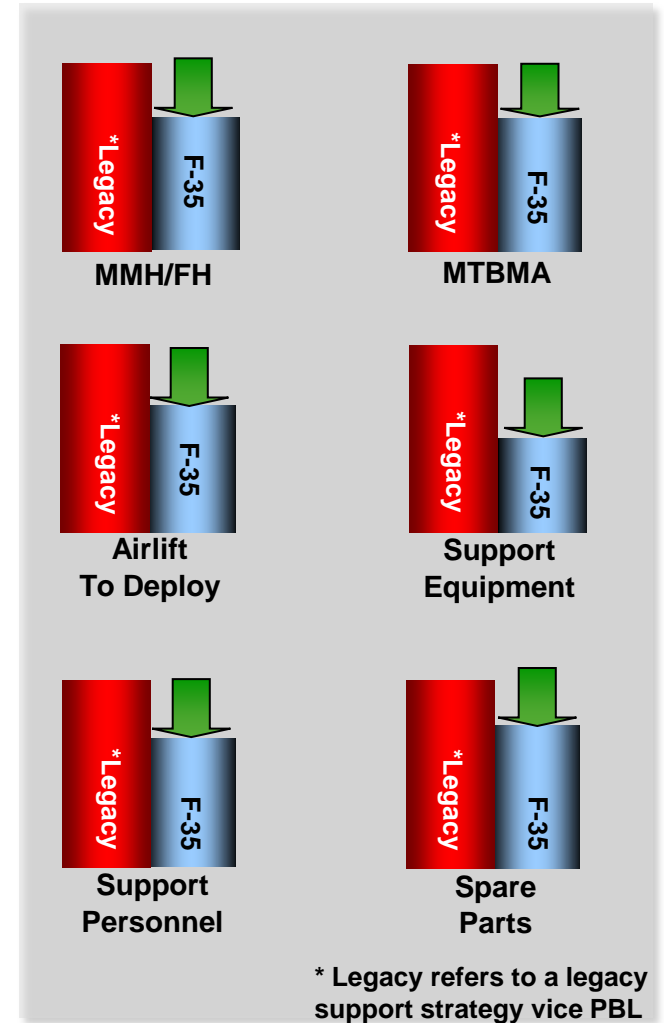
Logistics Footprint KPP — Volume



Logistics Footprint KPP — C-17 Loads



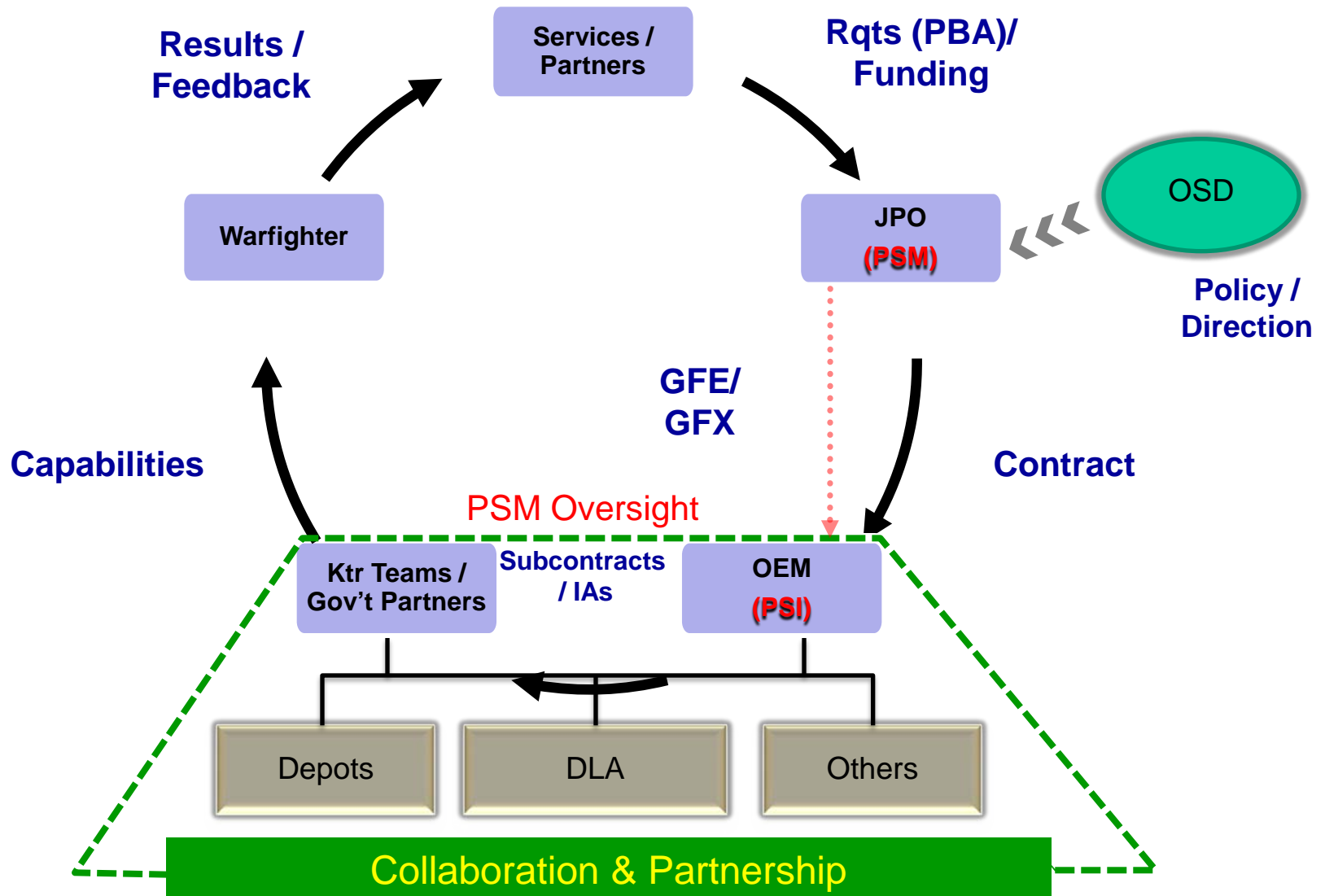
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KPPs Drive Performance & Reduced Support Costs



F-35 Sustainment Performance-Based Process





JSF Agile Logistics Infrastructure

Main Operating Bases

USAF / USN / USMC / International



Maintenance/Logistics Enhancements

- Reduced Manpower
- 2 + Level Maintenance
- Reduced Footprint
- Increased R&M
- Direct Access to Contractor Support
- Engineering, Tech Data & Training



Technological Enablers

- PMA
- PHM
- ALIS

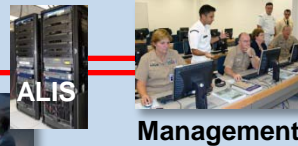


Forward Operating Locations/Ships

USAF / USN / USMC / International



Partnering



Management



Customer Support

- Program Management Activities
- Depot Partnering
- Performance Based Contract
- Sustaining Engineering
- Configuration Management
- Total Asset Visibility
- System Security

Best Value Repair Source

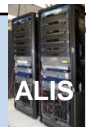


Joint Depot Level Maintenance

- Best Value Source of Repair (Gov/OEM)
- Statutory Compliant
- No Scheduled Depot Maintenance
- Direct access to Sustaining Engineering, Tech Data & Training via ALIS
- Total Asset Visibility



Commercial Transportation

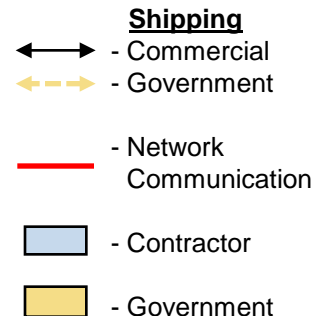


Network

Regional Warehousing



- Replacement Spares to MOB
- Moves Replacement Spares onto FOL/Ship

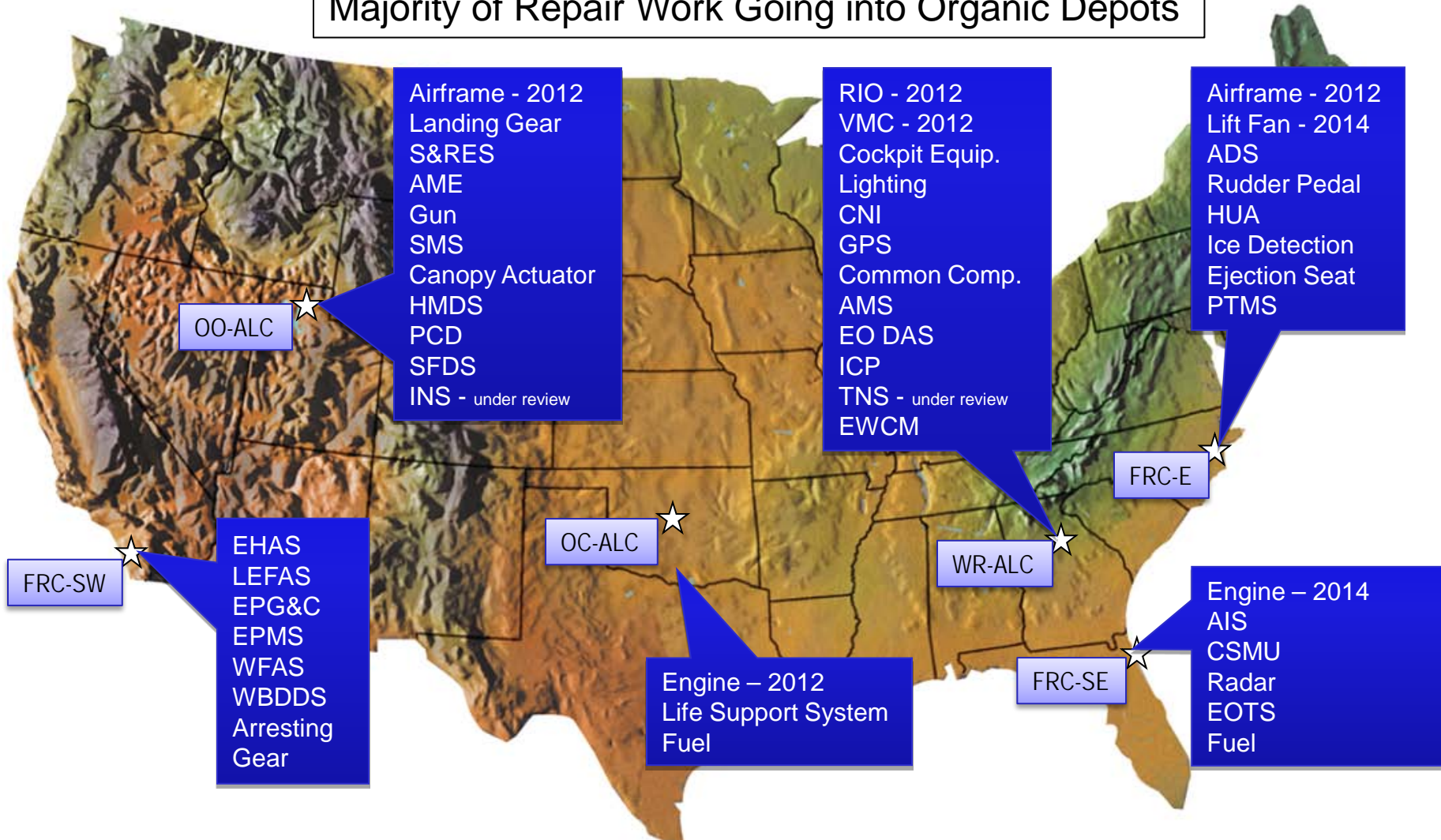


Striking Best Value Solution Using Industry & Organic Equities



US Core Depot Source of Repair Assignments

Majority of Repair Work Going into Organic Depots

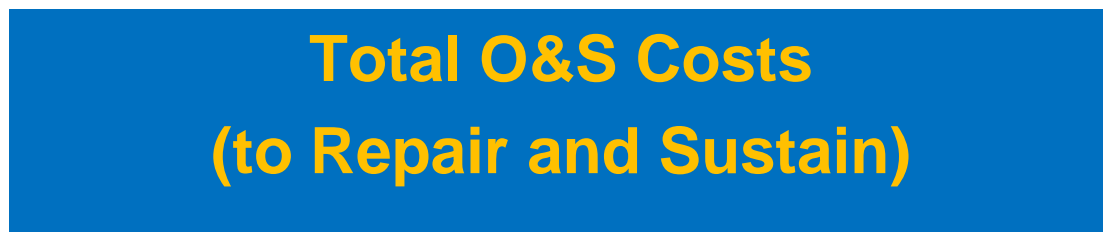




Foundation of Life Cycle Costs



Form the Foundation for O&S Costs



Cost Drivers: DLR (28%), Personnel (17%), POL (12%), Sustaining Support (14%)

**Life Cycle
Cost
Estimate**



Targeted Life Cycle Cost Reduction Efforts

- **Implement Affordability Initiatives**
 - Incentivize R&M improvements & cost reductions in target areas (ie. SE, spares)
- **Reduce the Cost of Sustainment Products**
 - Price Improvement Curves, multiyear contracts, competition
- **Capture Emergent Service Requirement Changes and Leverage Opportunities As Part of a Joint/Partner Solution**
- **Sustainment Technical Baseline “Deep-Dives” into Support Equipment, Spares, and Manpower**
 - Focused effort to identify efficiencies and resulting savings
- **Incorporate PBL Efficiencies into The Annual Life Cycle Cost Estimate**
- **Update Life Cycle BCA: Compare Strategy and Alternative Concepts**

Reducing LCC Projections Top Priority of F-35 Stakeholders



Questions?