Advanced Planning Briefing to Industry
Brigadier General F. Kelley
30 April 2012
Let’s use this opportunity

Getting Here Wasn’t Easy

Ask the Difficult Questions

Have the Hard Conversations

Work Towards Solutions
1) Continue to provide the best trained and equipped Marine units to Afghanistan. This will not change. This remains our top priority!

2) Rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations.

3) Better educate and train our Marines to succeed in distributed operations and increasingly complex environments.

4) Keep faith with our Marines, our Sailors and our families.

“U.S. forces will conduct a sustainable pace of presence operations abroad, including rotational deployments and bilateral and multilateral training exercises. “

“…we are determined to maintain a ready and capable force, even as we reduce our overall capacity. We will resist the temptation to sacrifice readiness in order to retain force structure, and will in fact rebuild readiness in areas that, by necessity, were deemphasized over the past decade.”

“As DoD takes steps to reduce its manpower costs, to include reductions in the growth of compensation and health care costs, we will keep faith with those who serve.”
1) Getting the requirements right  
2) Making every dollar count  
3) Performing to plan  
4) Minding the health of the industrial base  
5) Strengthening the acquisition workforce

“This imperative will shape a number of Departmental disciplines, ranging from establishing warfighting requirements to the way our forces train together”

“the Department must continue to reduce the “cost of doing business.” This entails reducing the rate of growth of manpower costs, finding further efficiencies in overhead and headquarters, business practices, and other support activities before taking further risk in meeting the demands of the strategy. “

“...in adjusting our strategy and attendant force size, the Department will make every effort to maintain an adequate industrial base and our investment in science and technology.”
National Defense Outlays

Constant FY2005 dollars

$B

Notes: Outlays lag budget reductions by about 2-4 years
68% of the data falls within one standard deviation

Source: 2012 President’s Budget Historical Tables
| Grand Total | AC CT | AC LCL | AC ACROG | AC PS | CMO | COS | IP | DCMC | WDD/MDF | DC SAT | DCW | MCTSSA | PEOL | PM AAA | PM TRASYS | PM LAV |
|------------|------|-------|----------|-------|-----|-----|----|------|--------|--------|------|------|-------|------|--------|----------|--------|
| Outflow FY12 | $81,454 | $175 | $1,612 | $4,505 | $3,363 | $23,287 | $2,887 | $2,370 | $6,158 | $27,503 | $3,316 | $2,248 | $91 | $589 | $2,506 |
| # Civ On-board (does not include interns) | $1,177 | $1 | $40 | $98 | $187 | $7 | $323 | $152 | $64 | $367 | above | above | above | above | above | above |
| Total Outflow Per Person (CIV and MIL) | $127 | $1 | $37 | $80 | $177 | $284 | $93 | $64 | $320 | above | above | above | above | above | above |

**Operating Costs:**

- **AC/PM Contract Support**: $18,449
- **IT**: $112,224
- **Base Operations**: $4,943
- **Leases**: $6,069
- **Training for Command Personnel**: $2,557
- **Travel/Supplies**: $81,839
- **CivPers Labor**: $79,928
- **Total Operating Costs**: $135,009

**AC/PM Contract Support per Day**

- **IT per day**: $43
- **Base Operations per day**: $19
- **Leases per day**: $23
- **Training per day**: $10
- **CivPers per day**: $307

**Average CivPers Salary**

- $137 / 260 work days/yr

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**Command Cost of Doing Business SK** (2 Dec 11)

<table>
<thead>
<tr>
<th>PSS Break-out SK</th>
<th>Grand Total</th>
<th>PG10</th>
<th>PG11</th>
<th>PG12</th>
<th>PG113</th>
<th>PG14</th>
<th>PG15</th>
<th>PG16</th>
<th>PM Ammo</th>
<th>PM GCSS</th>
<th>PM MRAP</th>
<th>PM TRANSYS</th>
<th>MCTSSA</th>
<th>PEOL</th>
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<tbody>
<tr>
<td>Outflow in FY12</td>
<td>$112,176</td>
<td>$81,454</td>
<td>$1,008,010</td>
<td>$822,504</td>
<td>$901,831</td>
<td>$303,035</td>
<td>$1,417,35</td>
<td>$436,567</td>
<td>$393,957</td>
<td>$839,953</td>
<td>$132,172</td>
<td>$5,181,427</td>
<td>$63,212</td>
<td>$5,676</td>
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<td>MCTSSA Realignmen</td>
<td>$0</td>
<td>$-700</td>
<td>$-23,010</td>
<td>$4,196</td>
<td>$-2,043</td>
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<td>$0</td>
<td>$-670</td>
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<td>Net Outflow in FY12</td>
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<td>$985,000</td>
<td>$818,308</td>
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<td>$436,567</td>
<td>$393,957</td>
<td>$839,953</td>
<td>$131,502</td>
<td>$5,181,427</td>
<td>$63,212</td>
<td>$36,295</td>
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<td>Civ On-board (does not include interns)</td>
<td>2,009</td>
<td>$584</td>
<td>253</td>
<td>71</td>
<td>113</td>
<td>81</td>
<td>52</td>
<td>102</td>
<td>89</td>
<td>78</td>
<td>6</td>
<td>56</td>
<td>186</td>
<td>243</td>
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<tr>
<td>Total Outflow Per Person (CIV Only)</td>
<td>$4,592</td>
<td>$126</td>
<td>$3,648</td>
<td>$7,577</td>
<td>$5,487</td>
<td>$2,658</td>
<td>$2,049</td>
<td>$3,358</td>
<td>$3,426</td>
<td>$7,891</td>
<td>$1,302</td>
<td>$82,245</td>
<td>$972</td>
<td>$195</td>
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<td># Military</td>
<td>413</td>
<td>$55</td>
<td>17</td>
<td>37</td>
<td>51</td>
<td>33</td>
<td>17</td>
<td>28</td>
<td>26</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>81</td>
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<tr>
<td>Total # Mill &amp; Civ on-board</td>
<td>2,422</td>
<td>639</td>
<td>270</td>
<td>196</td>
<td>214</td>
<td>112</td>
<td>69</td>
<td>130</td>
<td>115</td>
<td>74</td>
<td>6</td>
<td>65</td>
<td>185</td>
<td>234</td>
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</tbody>
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**Operating Costs:**

- **PG/PM Contract Support**: $457,838
- **Travel/Supplies**: $35,140
- **PSS Other (IT/Base Ops/Leases/Training)**: $24,684
- **CivPers Labor (incl reimb billets)**: $274,147

**Total Operating Costs**: $791,809

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**Average CivPers Salary**

- $137 / 260 work days/yr
Work is our New Currency
lighten\textsuperscript{2} \textit{vb}

1. to make or become \textbf{less heavy}
2. to make or become \textbf{less burdensome or oppressive}; mitigate
3. to make or become more cheerful or lively

It starts with you...it will take time but it has to begin with you …you guys have to be the 5 micron filter for our efforts to LIGHTEN THE MAGTF.”

General James F. Amos
Commandant of the Marine Corps
Software Development Strategy

Enterprise Resource Planning (ERP)

Engineering Change Request (ECP) at the Component Level

“and do the other things. Not because they are easy, but because they are hard.”

— John F. Kennedy
This is a good news story...

You, Industry, Understand the environment

...so do we

Together, by being Deliberate, Disciplined, Providing Visibility to each other and Collaborating at every Opportunity

...we will solve this
WE WILL ALWAYS WANT MORE...

VEHICLES  TIME
GADGETS  COMMUNICATION
AND IT’S ALL WEAPONS
OPTIONS  SPEED
POWER  FLEXIBILITY
PROTECTION

WITHOUT OUR MOST IMPORTANT SYSTEM...
No Organization Cares
More About Your Success…Than MCSC

Thank you
For your
Hard work