Tactical Wheeled Vehicle Sustainment

NDIA TWV Conference

6 May 2014

LTG Raymond V. Mason
Deputy Chief of Staff, G-4
Headquarters, Department of the Army
Agenda

- Overarching Themes
- Minimizing Hardware Solutions
- TWV Evolution
- Sustainment Cost Factors
- Key Take Aways
TWV Overarching Themes

- Fleet is Currently Healthy and Relatively Young
- Right Size the Fleet to Support Army 2025 and Beyond
- Make’m Last Longer – TWV Useful Life now ≥ 25 years

System Reliability Risks: corrosion, drive train, suspension, SWAP, etc.
Minimizing Hardware Solutions

**LIN Growth (FY01-FY14):**

<table>
<thead>
<tr>
<th>LIN Item</th>
<th>2001</th>
<th>2014</th>
<th>Net Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>95</td>
<td>192</td>
<td>97</td>
</tr>
<tr>
<td>Radios</td>
<td>23</td>
<td>93</td>
<td>70</td>
</tr>
</tbody>
</table>

**Consolidation Ideas:**
- 2 1/2T to 5T
- Light Tactical Vehicles: > 20 variants to < 10
- Recovery Systems: 6 variants to 3 variants

**We are Making Progress**
- MRAPs: Eliminating 14 of 26 variants
- Light Tactical Vehicles: 4 variants removed
- Recovery Systems: 1 variant removed
- 80 Truck LINs approved for elimination
  - Takes us from 192 to 112 LINs
- Divested over 33K vehicles from inventory

**Future Requirements**
- <215,500 Vehicles
- <100 Variants

**Current Army Inventory:**
- 262K Vehicles (Started w/ >295K)
- Over 100 Variants

**Sweet Spot**

**Strategic Thought:**
TRADOC examine collapsing multiple operational requirements onto single platforms
Sustainment Cost Factors

- Today’s Modular Army is more complex than the “Army of Excellence” of the early 2000s....and the Army of 2020 will be more complex than the Army of today.
  - As the level of complexity increases, so does cost.

- Sustainment is the enabler for “complex” systems to continue to function as designed. Without adequate sustainment funding – the systems will not be ready when needed.

- Increasing sustainment requirements in a more constrained resource environment requires tough decisions and acceptance of risk.
  - Critical to ensure “right” systems receive resources at “right” time.

- Training Strategy & Force Structure will impact the overall costs of sustainment.

- EOH percentages have increased but funding has decreased.
Key Take Aways

- The Army has maximized OCO to modernize and sustain the TWV fleets
  - Approximately 50% has been Recapitalized or replaced
    - *Significantly reducing average fleet age*
  - TWV Economic Useful Life extended up to 25 years by Army Acquisition Executive
  - Aging mitigation...divestiture, JLTV and continued commitment for depot maintenance

- Sustainment will have an increasingly important role
  - Transition to Army 2025 and Beyond (limited OPA$)
  - Shift from procurement to sustainment
  - Decreasing resources

- Sustainment cost mitigation strategies
  - Reduce supply chain by maximizing multi-role equipment
  - Reduce Divestiture Obstacles/Friction Points
  - Suppress the urge to retain Non-Standard Equipment above requirements
  - Create a better balance of CLS & Organic Support
  - Manage post production software support

- Network increases Depot Maintenance and Sustainment Systems Technical Support (SSTS) Costs

<table>
<thead>
<tr>
<th>FY</th>
<th>LTV</th>
<th>MTV</th>
<th>HTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
<td>13</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>FY14</td>
<td>9</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>
Discussion...Thoughts
BACKUP SLIDES
Evolution of Army TWV Requirements

**Modularity & Grow the Army**
TWV and TWV based capabilities pushed down to BDEs

- AOE: Division Based Army - Truck based capabilities primarily reside at Div & Corps

**O/H Inventory 280k**

- TWV Studies and Force Structure reductions (including 980k force projection) = 57,000 TWV reductions (~22%):
  - TWV Studies (-) 38k (~15%)
  - Force Structure (-) 16k (~6%)
  - TDA Redux (-) 3k (~1%)

- 1M Force to 980K Force represents a 2% decrease in troop strength but a 5.1% decrease in TWVs

---

**Army TWV Requirements TOE and TDA**

- TWV Studies I, II, III; and TAA 14-18 (-) 29,200
- Army 2020 TWV IV Reduction Study (-) 13,363

---

- FY00: 209.2k
- FY08: 243.9k
- FY10: 261.6k
- FY17: 219.1k

---

- TWV Study Reduction Quantities Decrease Over Time as Risk Increases (more risk to individual units)
- TWV Reductions also come as a result of Force Structure Reductions (least risk to individual units)

---

*FY19 TDA Req = 26.6k / Auth = 18.7k (Source: DAMO-FMP)
**980k force, projected TWV reductions = 11k (Source DAMO-FMP)
**TWV Divestiture Projected vs. Divested**

**OH Balance compared to Goals**

**TWV Divestiture FY14 Progress**

- **Monthly Requirement:** 610

**CSA stretch goal:** reduce TWV requirements to 215K; ~40K TWV’s identified as excess to requirements

**TWV Divestiture Tracking by FOV (FY 11 and 13 EXORDS)**

**TWV divestiture directives issued in:**

- **FY 11 & 13 TWV EXORDs:**
  - Inventory Target = 249K TWVs
- **Family of Systems (FOS) Reviews and BCT/490 to Achieve Stretch Goal by FY 20**
- **>33K Vehicles Divested since Feb 2012**
- **Initiating an ARCIC Led Study to Identify Additional Risk Based Reductions**

**Divestiture Directed by Multiple HQDA EXORDs and LCMC Directed Actions**

*SOURCE: DLA Turn-in Listing as of 5 Apr 2014.*
How Can Industry Buy Excess Vehicles

☐ Two avenues available for OEMs to acquire TWV’s

 Sale/Exchange under DoD Regulatory Authority
  • Cannot be excess to total Army requirements
  • Requested by the PEO and approved by the (ASA) ALT
    ➢ In this case funds can be used to support the purchase of a like TWV (i.e. a medium truck for a medium truck)
  • Must be sold at fair market value
  • Managed and announced through www.gsaauctions.gov

 Excess vehicles may be purchased from DLA Disposition Services Sales Contractor
  • Government Liquidation has current contract – sales conducted on www.govliquidation.com
  • It’s on open market competition