

DLA-USTRANSCOM Partnership Distribution Initiatives

Ms. Scottie Knott
Deputy Director
DLA Logistic Operations
March 1, 2005

DPO Partnership

DPO Executive Council
(OSD-USTC-JS/J-4-DLA)

DTTF



TCDC

Execution

J3

E2E

J5

IT

J6

Financial

J8

Human

COS

Integrated
Distribution

DLA
LEAD

J-3

TRANSCOM Lead

- Asset Visibility
- E2E Distribution Architecture

- Global Stock Positioning ★
- Executive Agent/E2E Supply Chain ★
- DVD ★
- Supply & Trans Priority ★
- Strategic Distribution Optimizers ★

- Port Standardization J-37
- C2 J-3/4

- Metrics J-35
- D&D J-4
- Theater Dist. Arch J-35

- Processes J-8
- Systems

- Comm Plan J-1
- Professional Education

DPO Structure

Legend: J-XX DLA Organization supporting IPT ★ DLA led IPT ☆ JS J4 led IPT ☆ OSD led IPT

DDC Contributions to the War Fight

Pure Pallet:

- Consolidate materiel on 463L pallets for a specific unit or group of units for direct delivery to the War Fighter.
 - Worked with CENTCOM to designate 47 USA and 3 USMC Pure-Pallet units.
 - Concept identified as contributing factor in reducing order-ship-time for 463L pallets.

Shipped nearly 40,000
463L Pallets last 12
months supporting OIF

Built New Depot and Positioned Stock:

- Move materiel closer to the War Fighter to reduce order-ship time and minimize transportation costs.
 - Established Defense Distribution Depot Kuwait (DDKS) Sep 2004
 - 8,266 NSNs in stock as of 18 Feb 2005

Cost Avoidance
\$52.7M
C-17 Equivalents = 328

Global War on Terrorism:

- MRO's processed: 10,445,942
- Short Tons: 1,249,657
- Dollar Value: \$38.9B

DDC Roll-Up
- Open Storage: 21,4M sq ft
Inventory: \$88.2B
Lines: 6.1M
NSNs: 3.9M
Employees: 8,191

Global Stock Positioning

Objective:

➤ Reduced customer wait time, reduce transportation costs and demand for critical airlift through the pre-positioning of inventory forward and the enhancement of in-theater distribution capabilities

Part of DoD Integrated Distribution Strategy



Progress To Date:

- Seven forward depots
- DLA Afloat Distribution Centers concept
- Deployable Depot concept
- Theater distribution center operation

DLA Distribution – Flexibility to Support Current & Future Logistics Concepts

Fixed Based Forward Stocks

Location	Actual # of Lines	Projected # of Lines
Germersheim	28,000	28,000
Pearl Harbor	9,300	9,300
Sigonella	4,300	4,300
Yokosuka	18,500	18,500
Guam	2,100	2,100
Kuwait	5,400	40,000
Korea	300	14,900

Annual Requisitions	
Germersheim	1,202,000
Pearl Harbor	126,296
Yokosuka	130,500

Projected Yearly Req'n	
Sigonella	105,000
Kuwait	609,000
Guam	77,000
Korea	200,000

Pearl Harbor



Germersheim



Sigonella



Kuwait



Korea



Yokosuka



Guam



Sites and Items Selected Based On Customer Requirements And Business Case Analysis

 **OCONUS Depots**

**FY 04 – 11
\$464.3 Million Net Cost Avoidance**

DLA Afloat Distribution Center

**Projecting
Distribution
Forward**

**Air
Sustainment
Shipments
\$4.50/lb**



**Strategic Distribution
Centers**

**Surface
Sustainment
Shipments
\$.22/lb**

**High Transportation
Cost**

Fills the Gap

**Long Delivery
Lead Time**

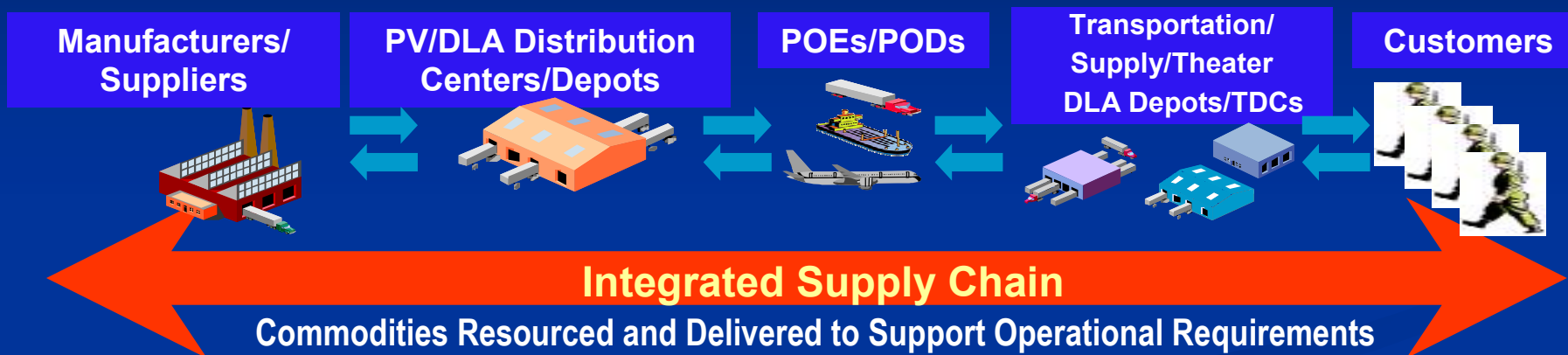
The mission of the DLA Afloat Distribution Center is to provide a forward-positioned, mobile capability to distribute necessary classes of supply to support U.S. Military forces in a designated region across the range of military peacetime exercises and contingency operations.

Leverages Peacetime Capabilities to Meet Wartime Operations

Executive Agent/E2E Supply Chain

DUSD(L&MR) Tasking:

➤ Lead a disciplined joint process to deliver improve, uninterrupted "end-to-end" commodity-based support to the warfighter through increased supply chain integration, efficiency and effectiveness



What we're doing -

- ✓ Mapping by Commodity
- ✓ Focusing on Seams and Gaps
- ✓ Linking to Distribution Asset Visibility

DLA Executive Agent:

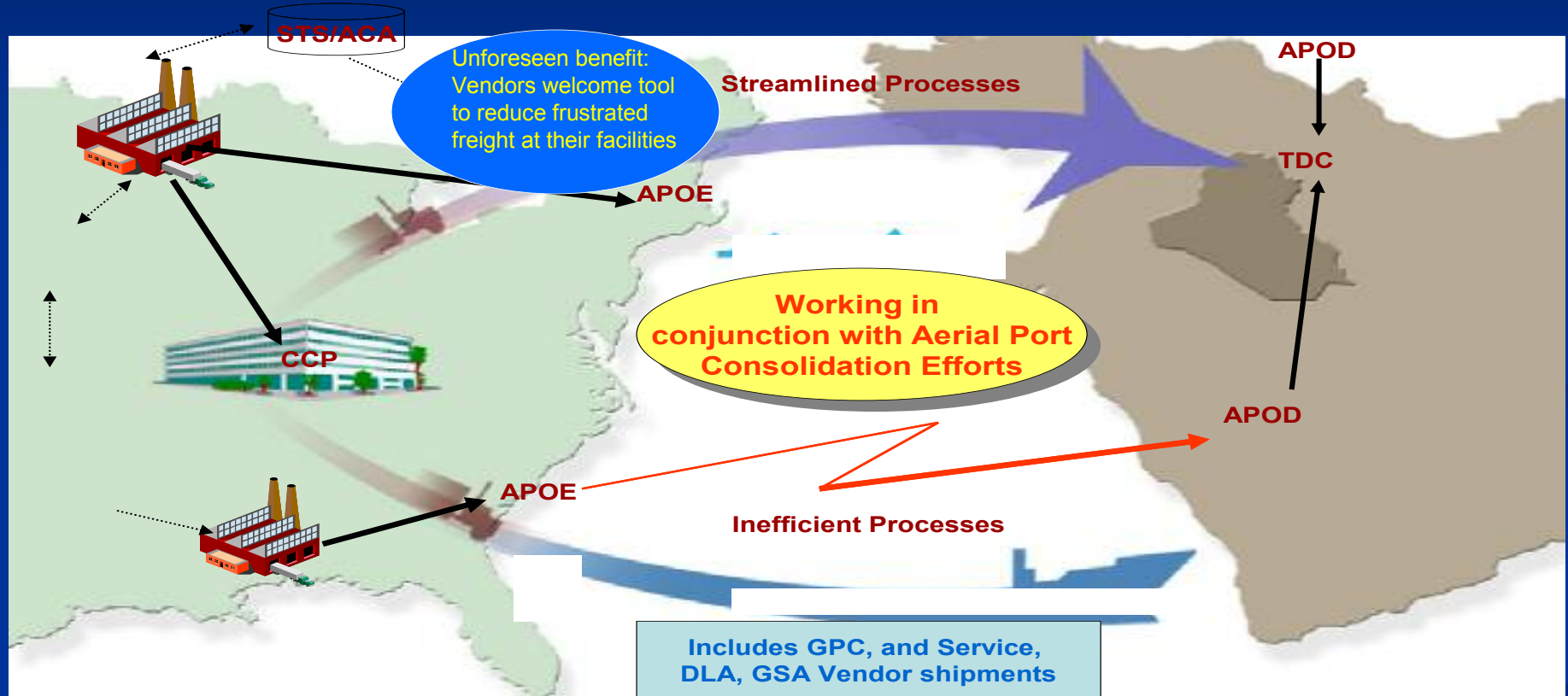
- ✓ Class I - Subsistence
- Class II – Individual Equipment (Pending)
- ✓ Class III - Bulk Fuels
- Class IV – Construction and Barrier Materiel (Pending)
- ✓ Class VIII - Medical Materiel

Linked to USTRANSCOM
End to End Distribution
Architecture IPT

Direct Vendor Delivery (DVD) Processes

Objective:

➤ Smooth transition of vendor shipment into DTS entry points and handling nodes, including advance notice of shipments and ITV



What's been done?

- ✓ Worked to develop on-line training
- ✓ Developed Business Rules
- ✓ Issued Guide for Overseas Shipments
- ✓ Trained Agency Card Coordinators

What's Next

- GPC Pilot Underway to support integration of GPC shipments into DTS
- Validate and Implement pilots GPC integrated solution
- Improve Level 6 data on DVD shipments
- Develop metrics

Distribution Optimizer

DLA AMC Air Cargo Consolidation

Objective:

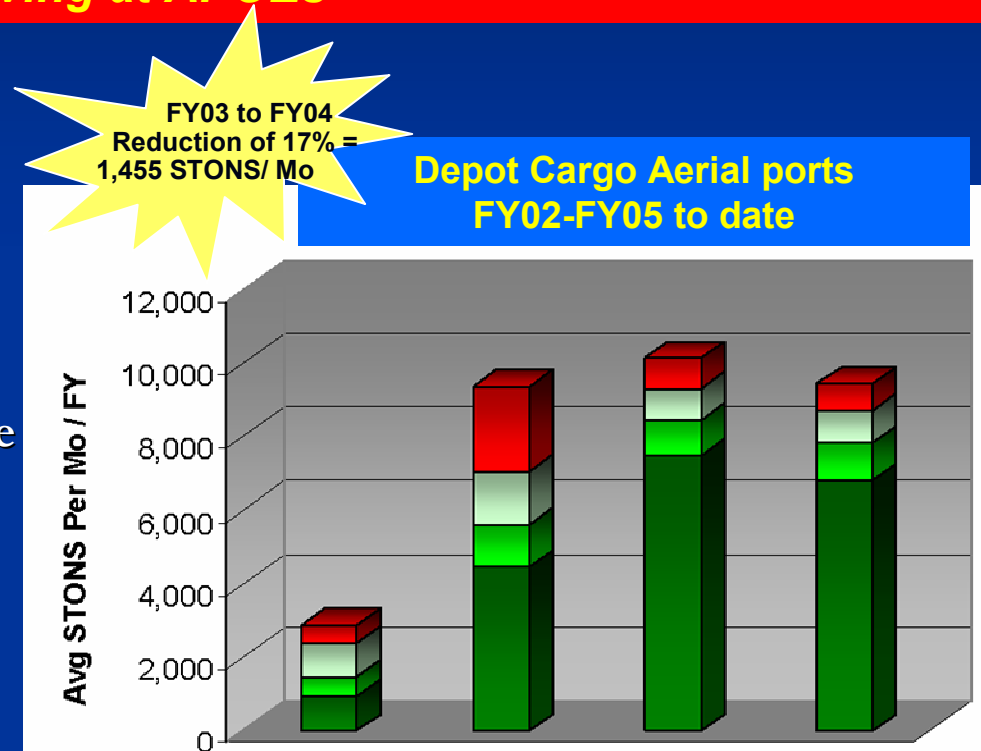
➤ Maximize pure pallets to customers by ensuring all CCP eligible materiel is consolidated at the CCPs before arriving at APOEs

Progress To Date:

- Modified DLA distribution system to:
 - Provide 463-L pallet dimensions
 - Provides e-mail notification to the AMC aerial ports
 - Automatically route CCP-eligible Army and USMC requisitions to the consolidation points

Next Steps

- Work with Navy and AF for possible consolidation
- Develop advanced predictive solution provide estimate of cargo that will arrive at ports



Cargo Category / FY	FY02	FY03	FY04	FY05
■ Loose, CCP Eligible	17%	25%	8%	8%
■ Loose, Svc less - Army	32%	16%	8%	9%
■ Loose, APOE Only	18%	12%	10%	11%
■ Air Pallets	32%	48%	74%	72%