

# Logistics Reset Sustainment



Are we meeting the Challenge?

The DoD Perspective

Alan Estevez | Principal Assistant Deputy Under Secretary of Defense  
Logistics & Materiel Readiness

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# *Reset Requirements*



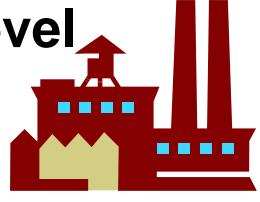
**Driven by . . .**

- **OP-Tempo**
- **Environment**
- **Battle Damage/Losses**



# Defining DoD Reset

Depot-Level



Restoring and enhancing combat capability . . .



Repair  
Rebuild  
Replace

Fix/Zero hours-miles

Procure new items

Insert new technology

Units ready for future missions



Field-Level



# *Costs of Reset*

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

**Pending DoD FY 2008  
GWOT Supplemental  
contains \$46.4B for  
Reconstitution requirements:  
\$13.7B has been funded to date**



- **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

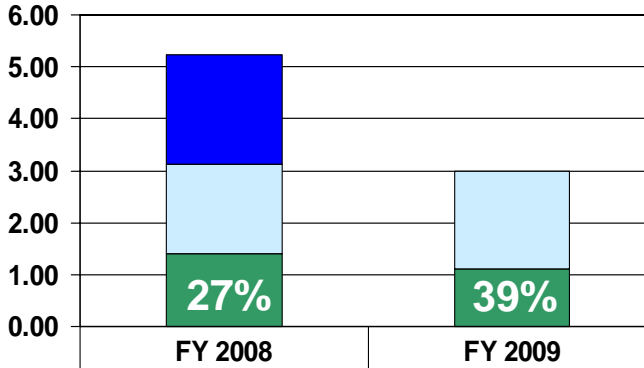


# Depot Maintenance Baseline versus Supplemental Budgets

## ARMY

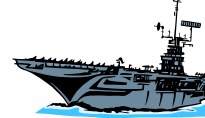


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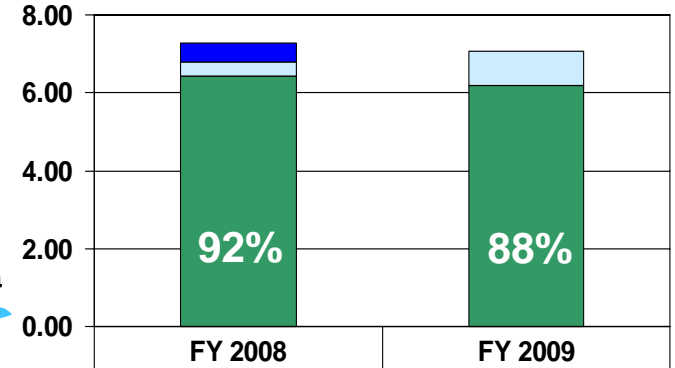


Supplemental (F)	2.10	
Supplemental (U)	1.72	1.87
Army Baseline	1.40	1.12

## NAVY



(\$B)

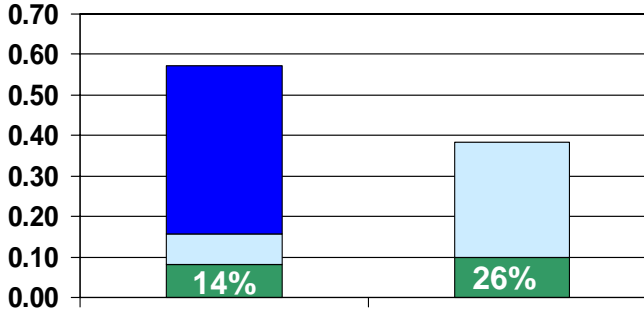


Supplemental (F)	0.49	
Supplemental (U)	0.35	0.87
Navy Baseline	6.44	6.20

## USMC

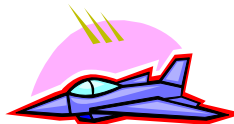


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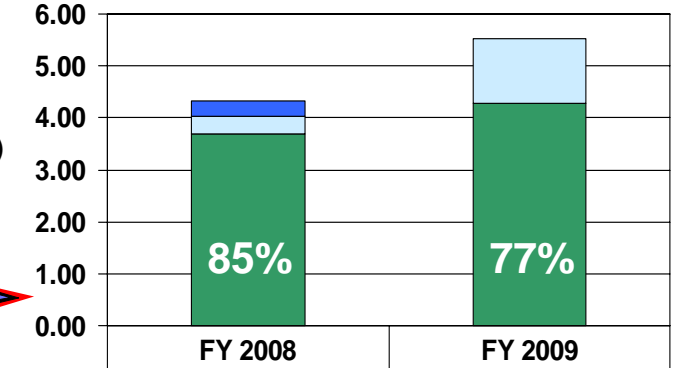


Supplemental (F)	0.42	
Supplemental (U)	0.07	0.29
Marine Corps Baseline	0.08	0.10

## USAF



(\$B)



Supplemental (F)	0.29	
Supplemental (U)	0.35	1.25
Air Force Baseline	3.68	4.25

(F) = Funded; (U) = Unfunded

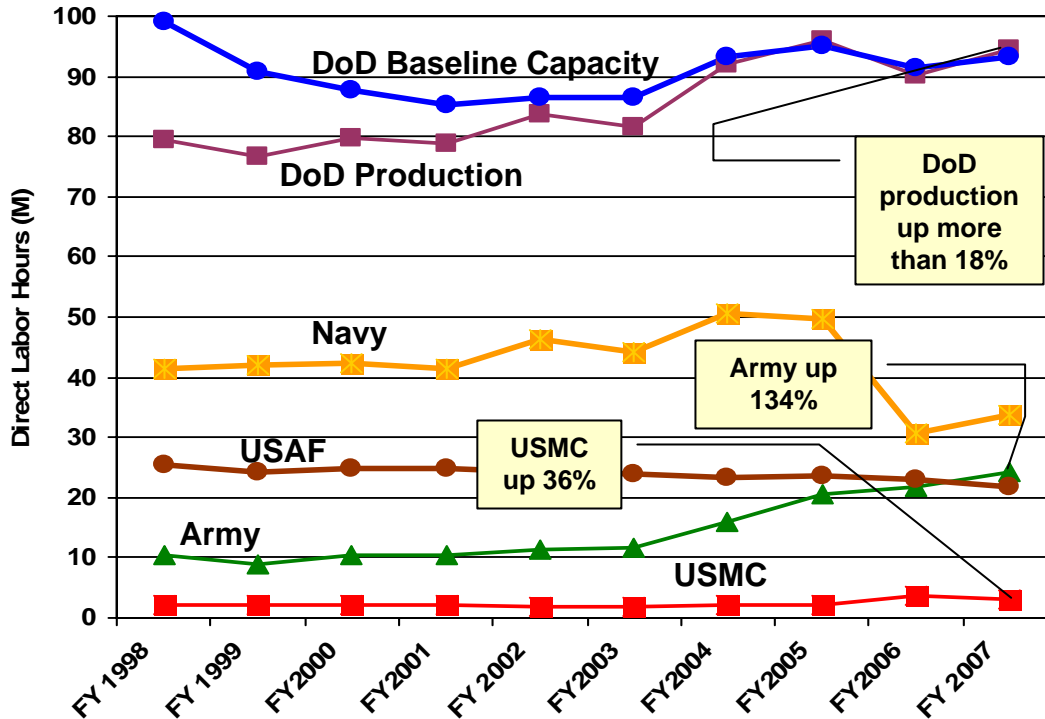


# *Reset Depot Maintenance Issues*

- **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%

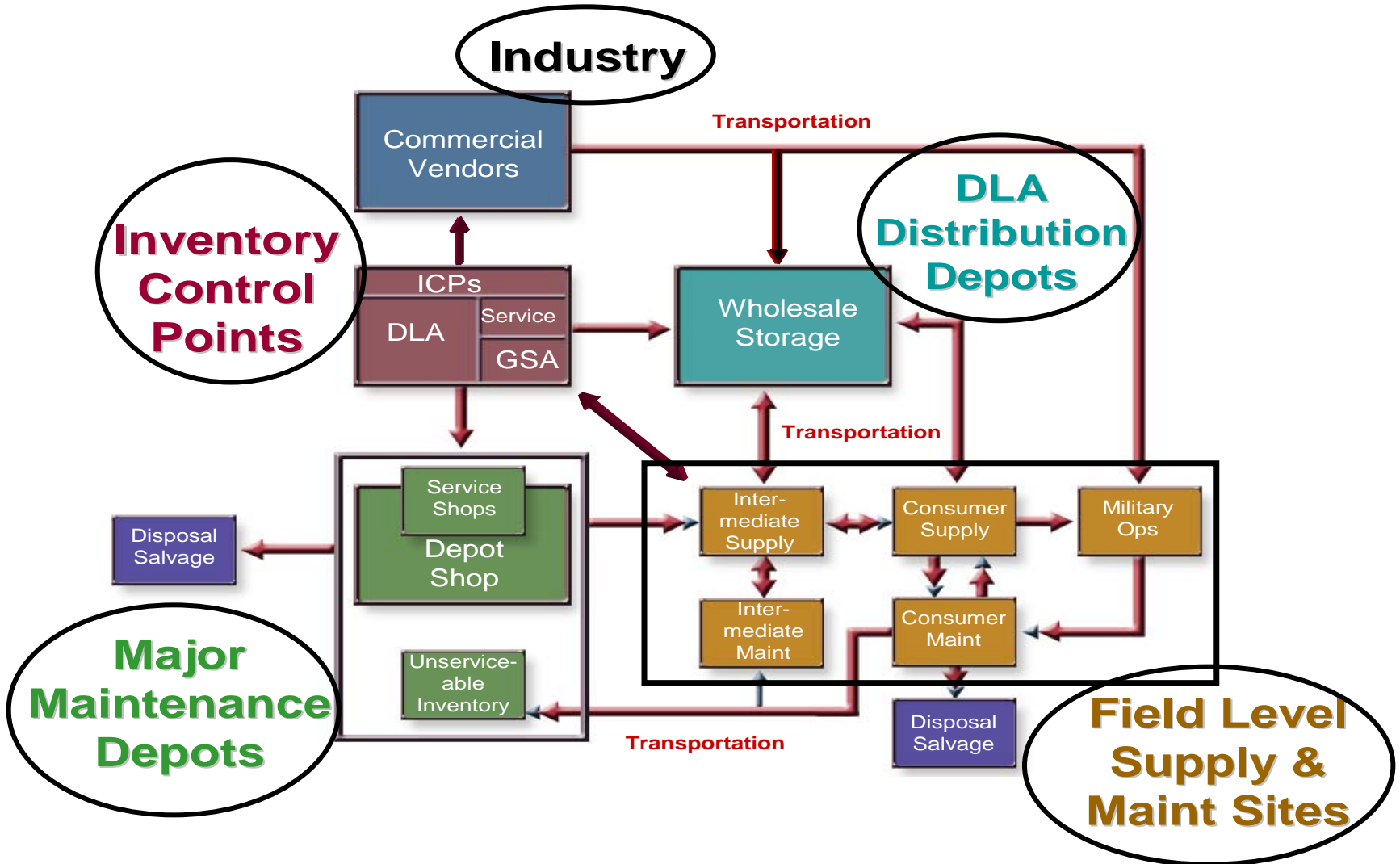


Baseline capacity = single-shift, five-day week; FY07 DoD baseline capacity = 93M DLH



# Meeting the Reset Challenge

## Collaboration + Integration = Success







# Questions

