

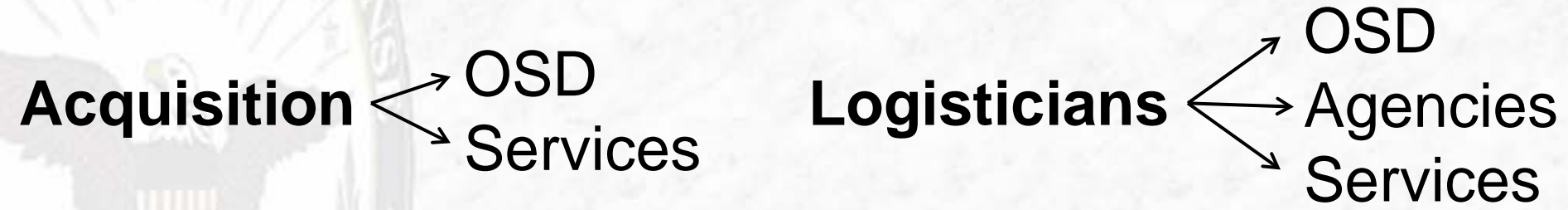
National Defense Industrial Association

Total Ownership Costs – Affordability?

Mr. Gary Motsek
Deputy Assistant Secretary of Defense
(Program Support)
April, 2011

Varying Perspectives

Within DoD: Lots of folks looking and working it
- different perspectives



**...and the Comptrollers
and the “Bean Counters”**

Environment

- 60% – 70% of TOCR is sustaining and maintaining, but Acquisition cost is the “sexy” piece
- Total sustainment costs have been lost in many cases due to dual (base + OCO (Supplemental)) appropriations
- SECDEF efficiency efforts have contributed to the “spotlight” back on total ownership costs
- No more “brute force” logistics

Leadership Concerns

- Need to reduce total costs; budget issues
- PBLs presently tie up dollars in year of execution. No PBL support pays the “must pay bills”; lack of flexibility
- “Stovepipe” systems (e.g. transportation, storage, maintenance manuals, maintenance systems) add to complexity and cost

SO.....

How do we maximize the efficiency and effectiveness of the entire enterprise?

Move from “Platform focus” —> Enterprise Efficiency and Effectiveness

The seal of the Department of Defense is partially visible on the left side of the slide. It features an eagle with wings spread, holding an olive branch and arrows, with a shield on its chest. The eagle is set against a background of stars and rays. The words "DEPARTMENT OF DEFENSE" and "UNITED STATES OF AMERICA" are visible around the perimeter of the seal.

Questions / Comments

Documents available at:

http://www.acq.osd.mil/log/PS/about_us.htm