

HONORABLE ALAN F. ESTEVEZ | ASSISTANT SECRETARY OF DEFENSE
LOGISTICS & MATERIEL READINESS



NATIONAL DEFENSE INDUSTRIAL ASSOCIATION
MIAMI, FLORIDA
28 MARCH 2012

MILITARY



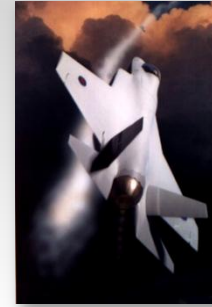
- Smaller
- Leaner
- Technologically Advanced

CAPABILITY



- Quickly confront and defeat aggression from any adversary – anywhere, anytime

PROTECT & PRIORITIZE



- Key investments in technology and new capabilities

STRATEGIC GUIDANCE

REBALANCE GLOBAL POSTURE



Include:

- Asia-Pacific
- Middle East

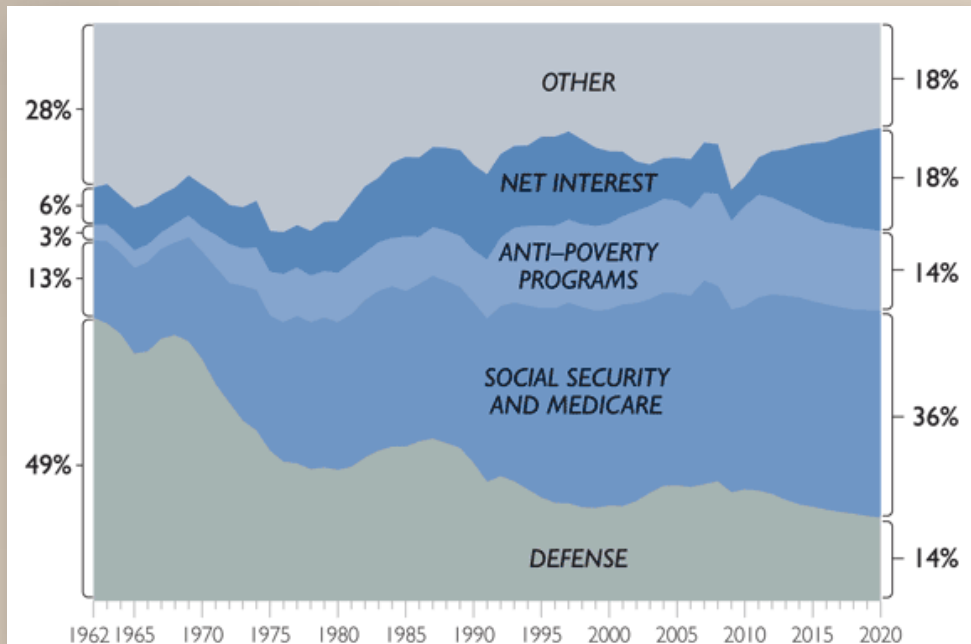
DIPLOMACY



- Build innovative partnerships
- Strengthen key alliances & partnerships from Europe to Latin America to Africa

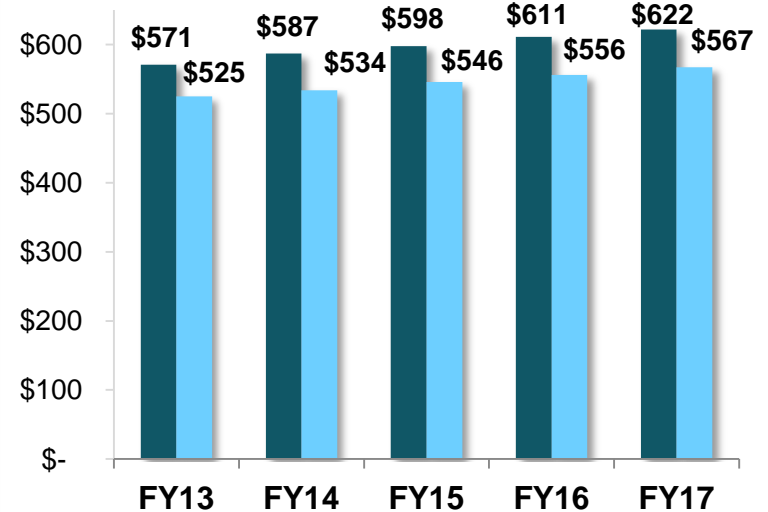
DoD Funding

Federal Spending Trends 1962 to 2020



SOURCE: Office of Management and Budget
of the United States Government
FY2011 data

DoD Budget Outlook FY12 & FY13



- Planned spending based on FY13 budget
- Planned spending contained in FY12 budget

(In billions of dollars)

SOURCE: U.S. Dept. Defense

Current Operations



**RAPID
ACQUISITION**

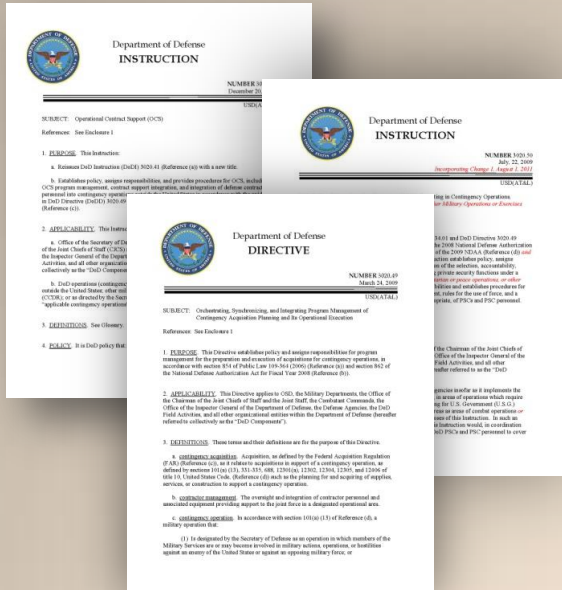


**RESPONSIVE
LOGISTICS**



Operational Contract Support

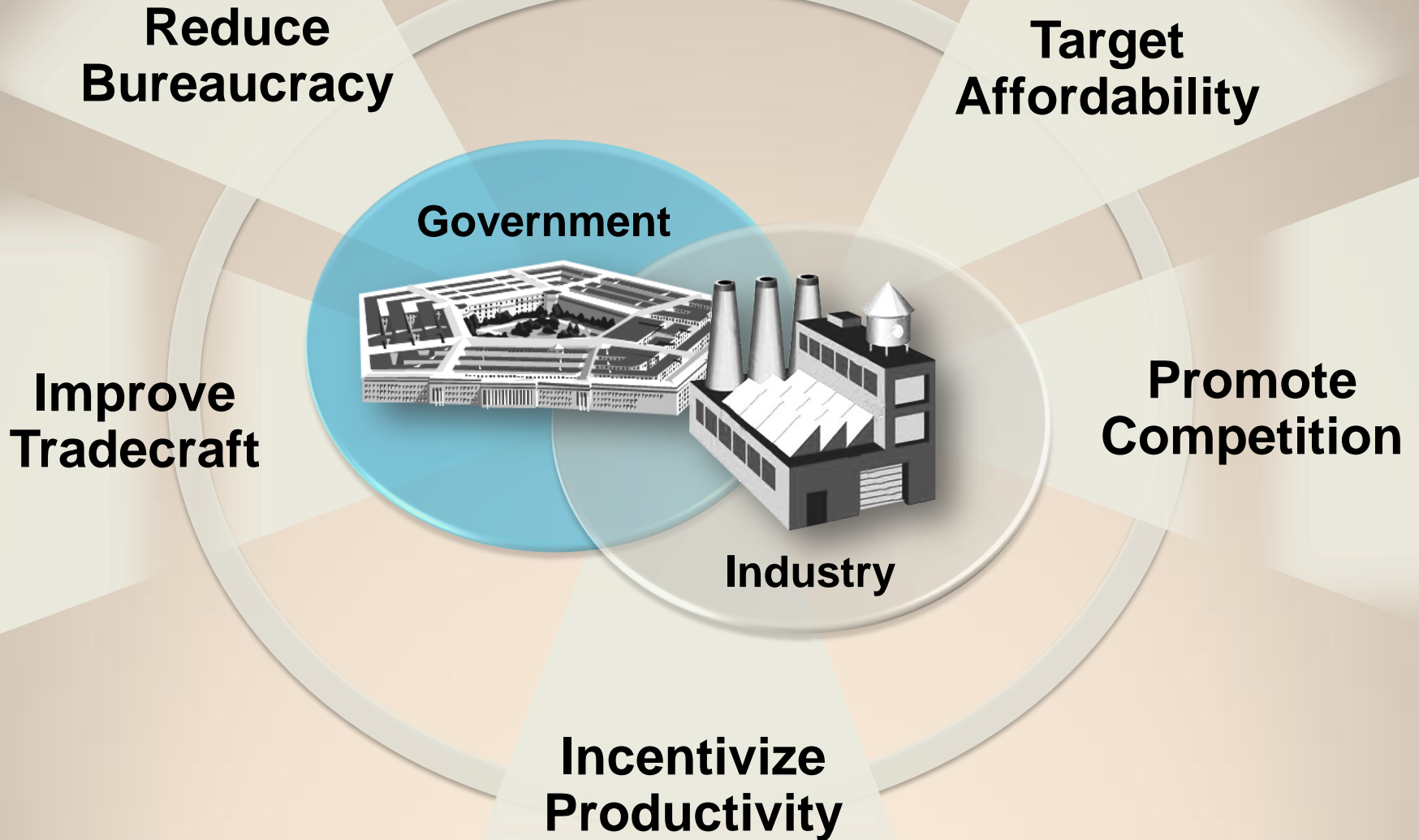
- Implemented an OCS framework



- Implemented critical programs (SPOT)
- Implemented contractor oversight



Better Buying Power



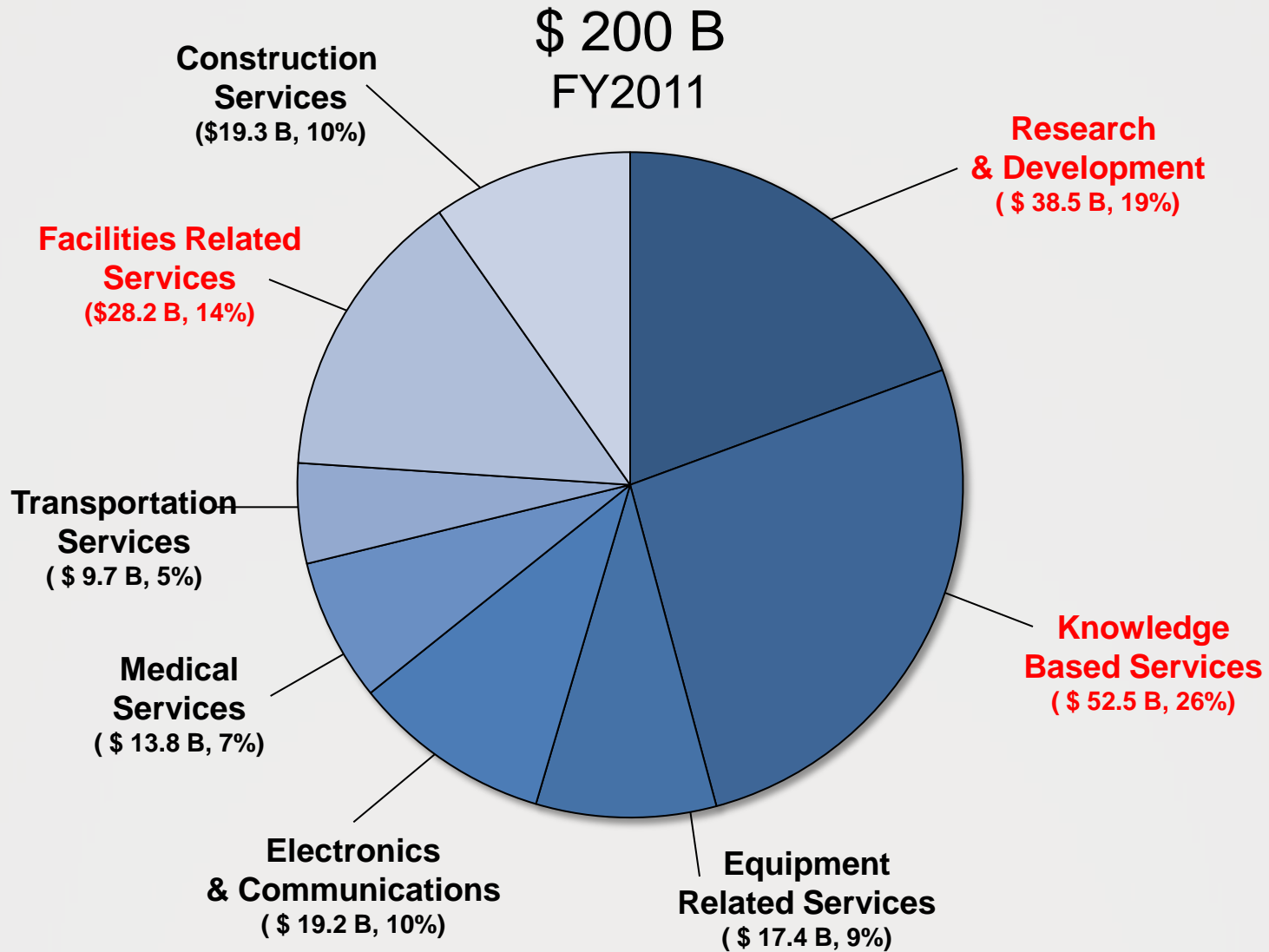
Better Buying Power – Affordability



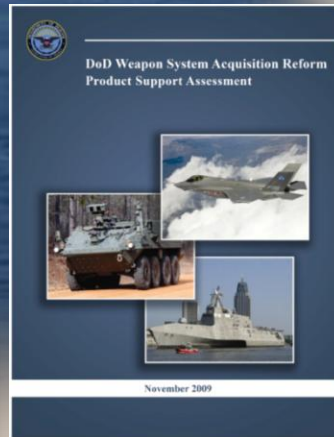
- **Mandate Affordability**
- **Implement Should Cost**
- **Eliminate Redundancy**
 - **Achieve Stable and Economical production rates**
 - **Manage Program Timelines**



Better Buying Power – Services



Product Support

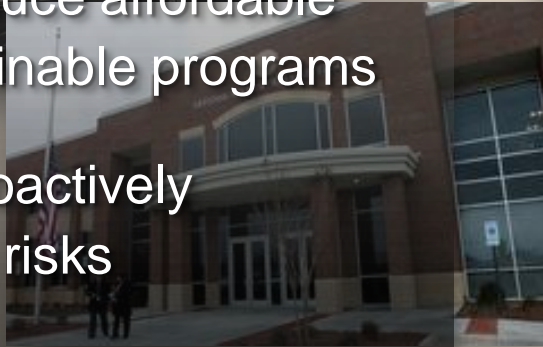


- Reduce lifecycle O&S costs
- Effective Program Oversight throughout the lifecycle
- Maximize use of well structured PBL arrangements
- Conduct sound Business Case Analysis

Properly Structured & Executed PBLs = Increased Readiness at Reduced Costs

Industrial Base

- Industry is part of DoD's Total Force Structure
- Must produce affordable and sustainable programs
- DoD is proactively analyzing risks



QUESTIONS

