#### UNITED STATES ARMY LOGISTICS

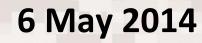
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LTG Raymond V. Mason Deputy Chief of Staff, G-4 Headquarters, Department of the Army







ALWAYS READY.

#### ALWAYS THERE.

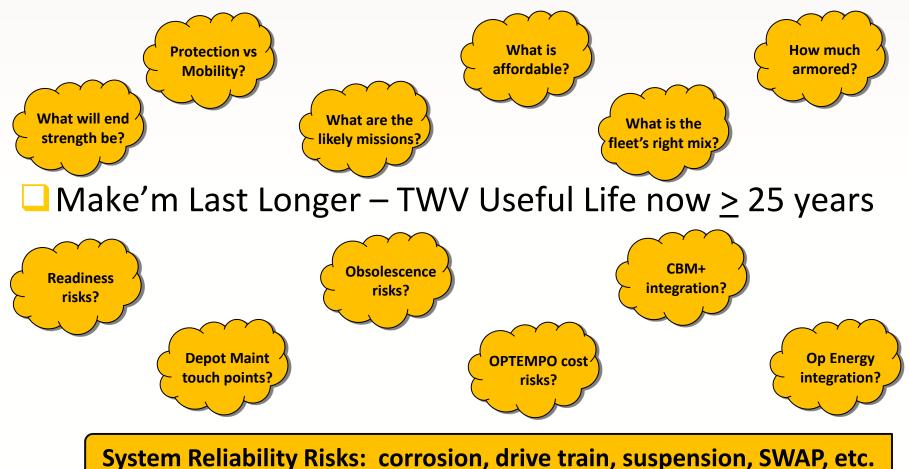
### <u>Agenda</u>

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

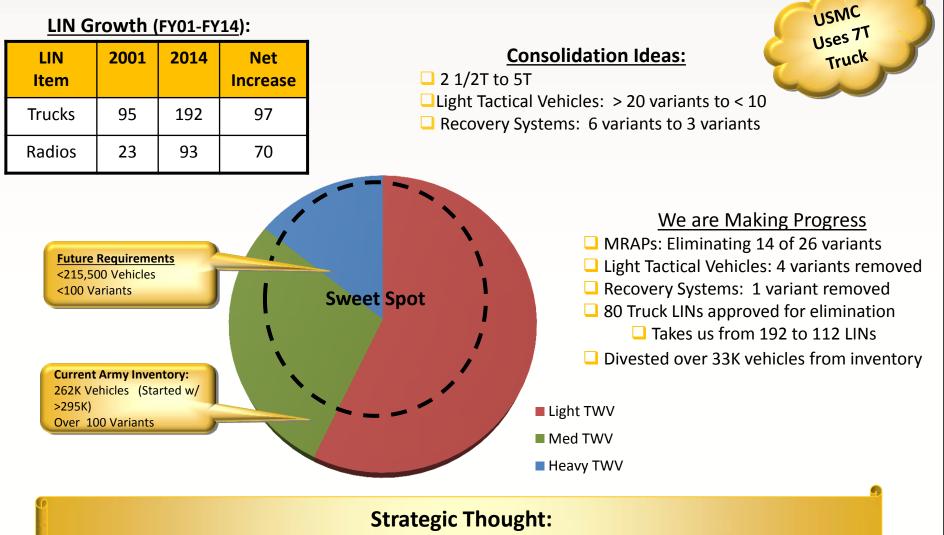
## **TWV Overarching Themes**

Fleet is Currently Healthy and Relatively Young

Right Size the Fleet to Support Army 2025 and Beyond



### **Minimizing Hardware Solutions**

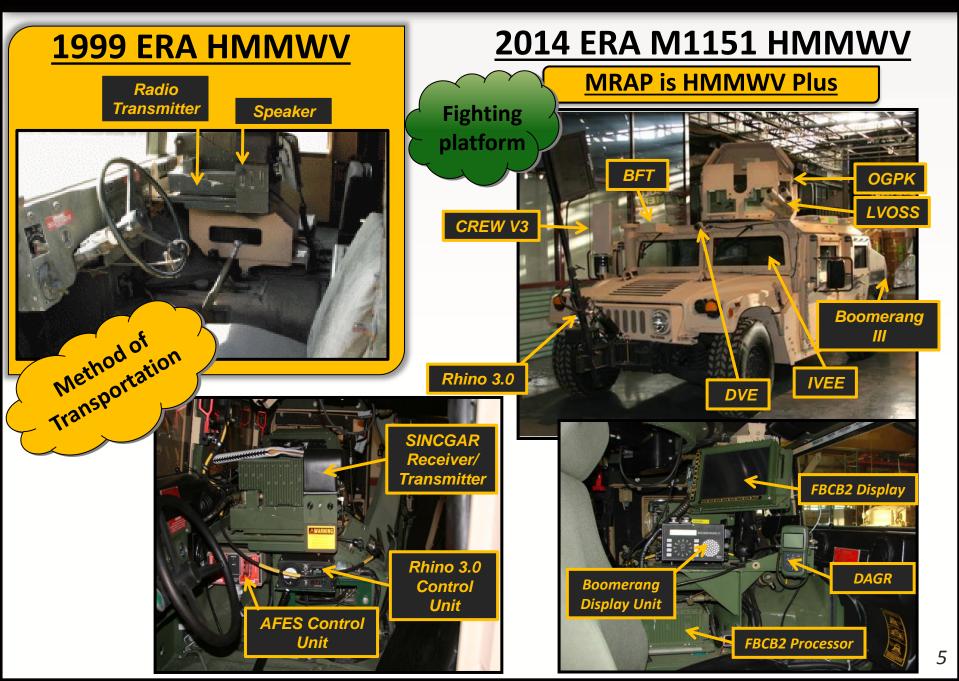


TRADOC examine collapsing multiple operational requirements onto single platforms

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### **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**.

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### 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

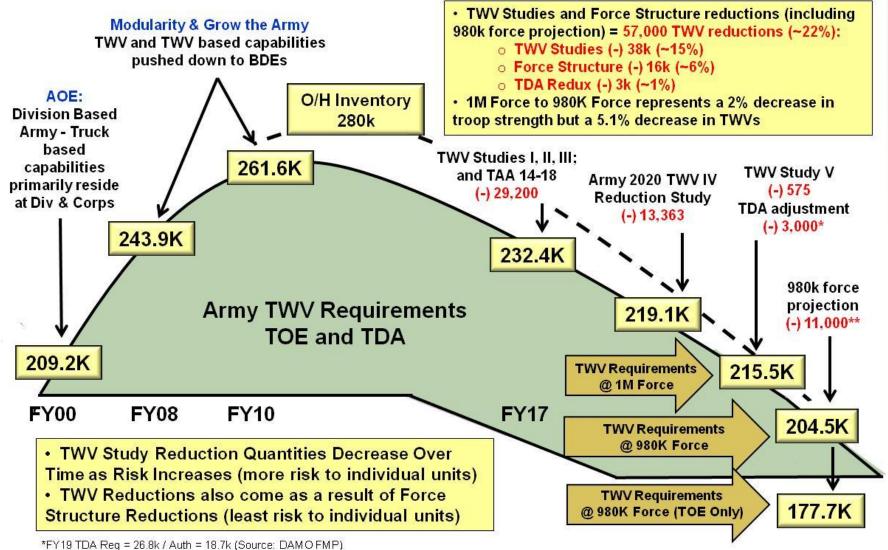
Network increases Depot Maintenance and Sustainment Systems Technical Support (SSTS) Costs

FY	LTV	MTV	HTV
FY04	13	10	10
FY14	9	8	7

# Discussion...Thoughts

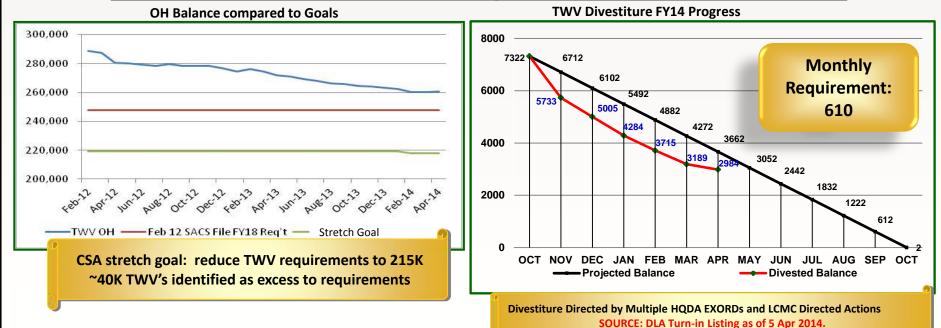
## **BACKUP SLIDES**

### **Evolution of Army TWV Requirements**

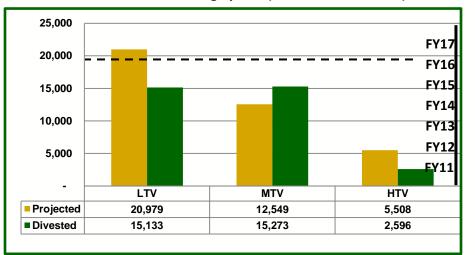


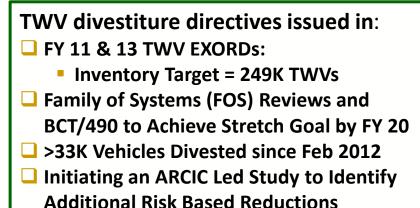
\*\*980k force, projected TVV reductions = 11k (Source DAMO-FM)

#### **TWV Divestiture Projected vs. Divested**



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





#### 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 <u>www.gsaauctions.gov</u>
  - Excess vehicles may be purchased from DLA Disposition Services Sales Contractor
    - Government Liquidation has current contract sales conducted on <u>www.govliquidation.com</u>
    - It's on open market competition