

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

DLA Land and Maritime

The logo of the Defense Logistics Agency (DLA) is centered in the background. It features a bald eagle with wings spread, perched atop a shield with vertical red and white stripes. Above the eagle is a yellow banner with the word "LOGISTICS" in blue. The entire emblem is set against a light blue globe with latitude and longitude lines.

Captains of Industry Forum 2016 DLA Land and Maritime Supplier Conference



Purpose Statement



- DLA Land and Maritime focus is on implementing the tenets of Better Buying Power (BBP)
- Share information on three relevant strategic sustainment topics
- Discuss potential solutions to ensure cost effective Warfighter support
- Networking Reception follows COI Forum in Exhibit Hall from 4:00 - 5:30 PM





Agenda



- Welcome and Introductions
- Strategic Topics
 - Cyber Security
 - Collective actions necessary to secure our supply chains
 - Future Sustainment Requirements for our Military Service customers
 - Overviews of Land-based and Sea-based forces
 - Cost and Pricing / Commerciality Determinations
 - Commercial Item / Market Pricing
 - Certified Cost or Pricing Data (CCPD)
 - Opportunities to improve cycle-time
- Open Discussion / Amphenol Update

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The logo features a globe with a yellow banner at the top reading "LOGISTICS" and a bald eagle with wings spread in the center. The eagle is superimposed on a stylized American flag with red and white stripes. The globe is light blue with white grid lines.

Cybersecurity “A Collective Effort” COI Meeting

Linus Baker
August 2016



Agenda



- Enabling and fostering information sharing
 - Supply Chain (*e.g., commodity*) specific collaboration – Communities of Interest
- Defining cyber defense standards for industrial base partners (*e.g., DFARS clauses, NIST SP 800-171, DIBNet cyber incident reporting*)
- Encouraging private sector efforts to promote general awareness, education, and training
- Promoting a strong cyber workforce within industry and government



Enabling and Fostering Information Sharing



114TH CONGRESS
1ST SESSION

S. 754

AN ACT

To improve cybersecurity in the United States through enhanced sharing of information about cybersecurity threats, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

2

SECTION 1. TABLE OF CONTENTS.

2 The table of contents of this Act is as follows:

Sec. 1. Table of contents.

TITLE I—CYBERSECURITY INFORMATION SHARING

- Sec. 101. Short title.
- Sec. 102. Definitions.
- Sec. 103. Sharing of information by the Federal Government.
- Sec. 104. Authorizations for preventing, detecting, analyzing, and mitigating cybersecurity threats.
- Sec. 105. Sharing of cyber threat indicators and defensive measures with the



Cybersecurity Information Sharing Act of 2015 is intended to have private industry share information with the federal government about hackers and cyber intrusions so they can all be more adept at thwarting network attacks

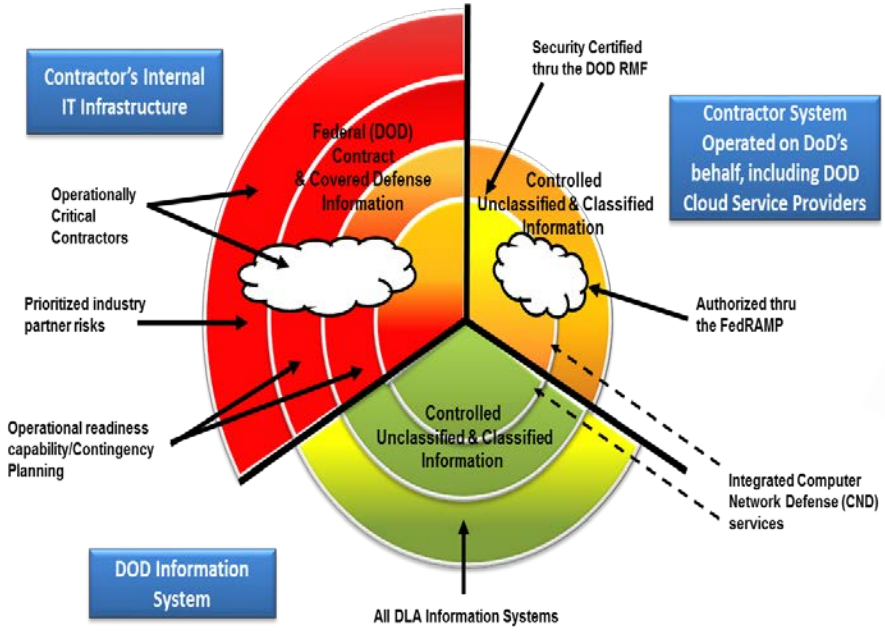
Cybersecurity information sharing is currently limited to a select few sharing programs, e.g., DOD-Defense Industrial Base Collaborative Information Sharing Environment (DCISE), or between small networks of companies that trust each other. Instead of limited and fragmented information sharing, an ideal cybersecurity approach would foster trusted and widespread sharing.

Appropriate classification of information and providing more clearances to appropriate personnel in the private sector.

The government must be compelled to share information and intelligence with the private sector much more quickly and completely than it currently does



Defining Cyber Defense Standards



NIST Special Publication 800-171
Initial Public Draft

Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations

RON BOSS
KELLEY GOMPSEY
Computer Security Division
Information Technology Laboratory
National Institute of Standards and Technology

PATRICK VISCUSO
MARK TIEDER
Information Security Oversight Office
National Archives and Records Administration

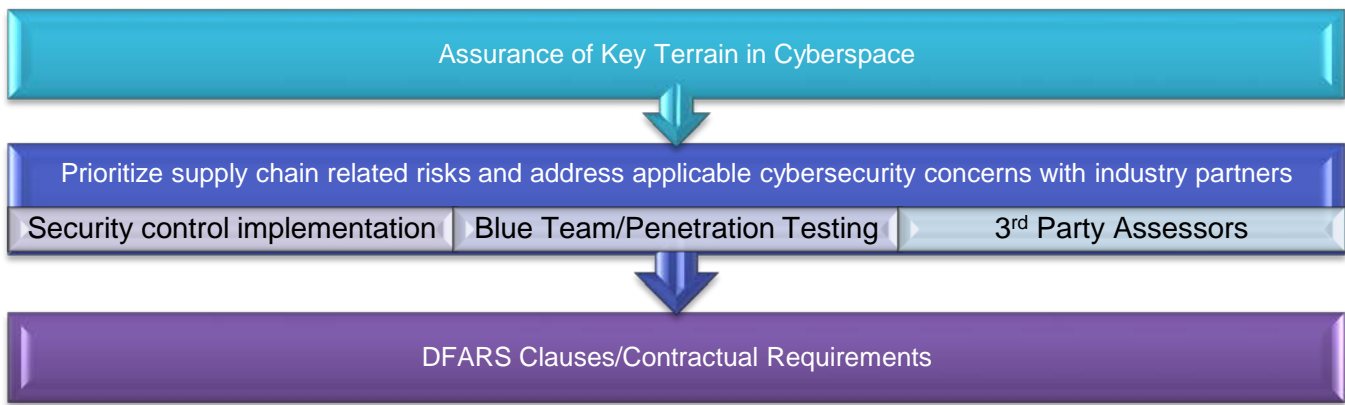
GARY SUDOWINE
Institute for Cybersecurity Studies
Supporting the Office of the DIO
Department of Defense

November 2014



U.S. Department of Commerce
Henry Pritzker, Secretary

National Institute of Standards and Technology
Walter NIST, Acting Under Secretary of Commerce for Standards and Technology
and Acting Director





Awareness, Education, and Training



Do not open any files attached to an email from an unknown, suspicious or untrustworthy source



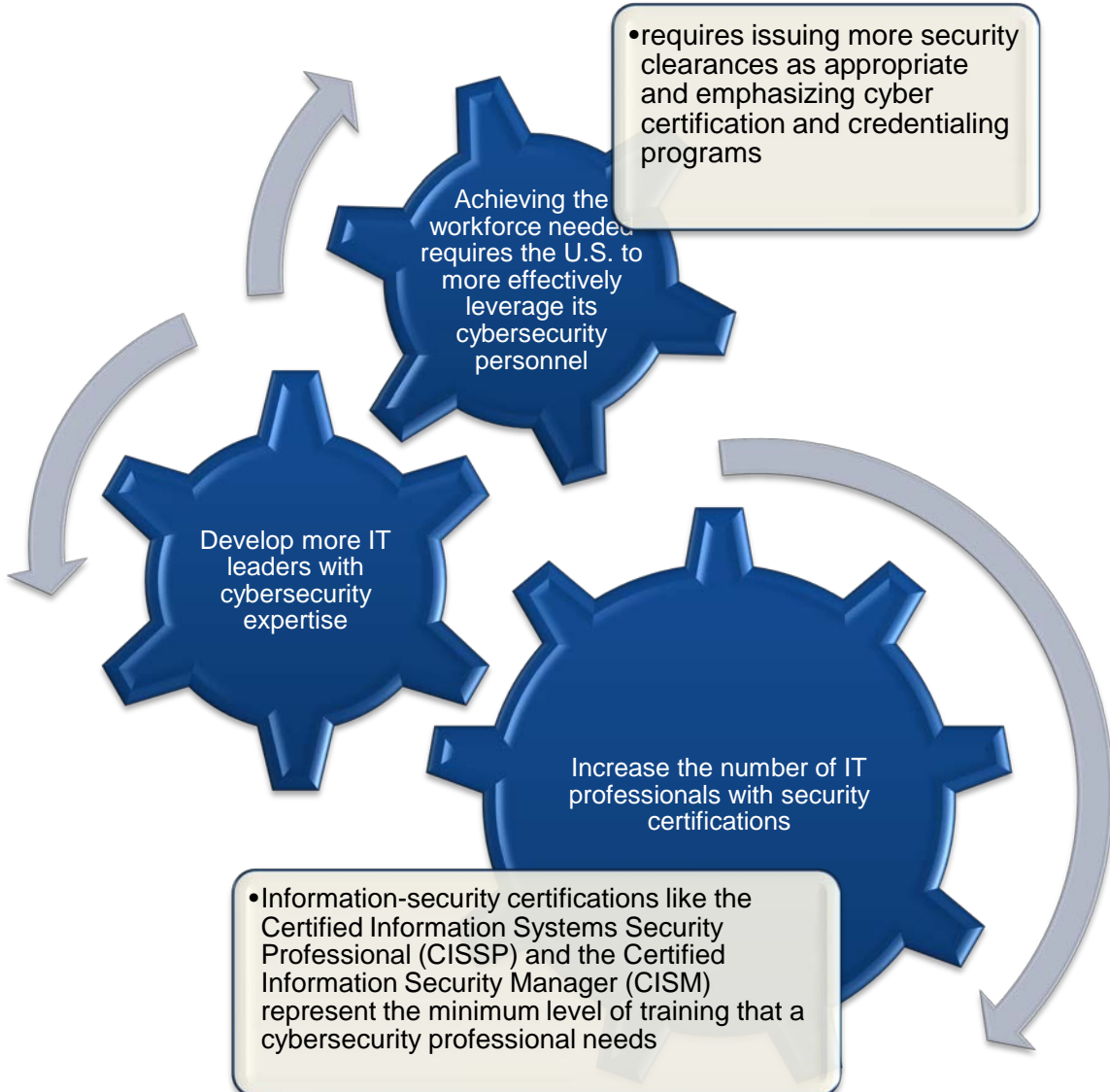
There must also be a viable program of professional base-level training that is encouraged for the general non-IT workforce. Nearly every job now involves the use of digital devices in some aspect of work.

These cyber “survival skills” should employ a dynamic curriculum, developed by the private sector, which keeps the workforce current and prevents it from being easily victimized.





Promoting a Strong Cyber Workforce



2016 Cybersecurity Skills Gap

Too Many Threats

- \$1 BILLION:** PERSONALLY IDENTIFIABLE INFORMATION (PII) RECORDS STOLEN IN 2014¹
- 97%** BELIEVE APT'S REPRESENT CREDIBLE THREAT TO NATIONAL SECURITY AND ECONOMIC STABILITY²
- 1 IN 4** ORGANIZATIONS HAVE EXPERIENCED AN APT ATTACK³
- \$150 MILLION:** AVERAGE COST OF A DATA BREACH BY 2020⁴
- 1 IN 2** BELIEVE THE IT DEPARTMENT IS UNAWARE OF ALL OF ORGANIZATION'S INTERNET OF THINGS (IOT) DEVICES⁵
- 74%** BELIEVE LIKELIHOOD OF ORGANIZATION BEING HACKED THROUGH IOT DEVICES IS HIGH OR MEDIUM⁶

Too Few Professionals

- 2 MILLION:** GLOBAL SHORTAGE OF CYBERSECURITY PROFESSIONALS BY 2019⁷
- 3X** RATE OF CYBERSECURITY JOB GROWTH VS. IT JOBS OVERALL, 2010-14⁸
- 84%** ORGANIZATIONS BELIEVE HALF OR FEWER OF APPLICANTS FOR OPEN SECURITY JOBS ARE QUALIFIED⁹
- 53%** OF ORGANIZATIONS EXPERIENCE DELAYS AS LONG AS 6 MONTHS TO FIND QUALIFIED SECURITY CANDIDATES¹⁰
- 77% OF WOMEN** SAID THAT NO HIGH SCHOOL TEACHER OR GUIDANCE COUNSELOR MENTIONED CYBERSECURITY AS A CAREER¹¹
- 89% OF U.S.** CONSUMERS BELIEVE IT IS IMPORTANT FOR ORGANIZATIONS TO HAVE CYBERSECURITY-CERTIFIED EMPLOYEES.¹²

Cyberattacks are growing, but the talent pool of defenders is not keeping pace.

Although attacks are growing in frequency and sophistication, the availability of sufficiently skilled cybersecurity professionals is falling behind. Cybersecurity Nexus (CSX) is addressing this gap by creating a skilled global cybersecurity workforce. From the Cybersecurity Fundamentals Certificate for university students to CSXP, the first vendor-neutral, performance-based cybersecurity certification, CSX is attracting and enabling cybersecurity professionals at every stage of their careers.

SOURCES: 1. 2015 Cost of Data Breach Study: Global Analysis, IBM and Ponemon Institute, May 2015; 2. ISACA 2015 APT Study, October 2015; 3. ISACA 2015 APT Study; 4. The Future of Operations & Security: Financial and Corporate Privacy & Mitigation, Juniper Research, May 2015; 5. S&P 2015 IT Risk, Research Executive Member Study, September 2015; 6. ISACA 2015 IT Risk, Research Executive Member Study; 7. 2016 Review of Global Cyber Skills Shortage; 8. Driving Growth in Market Intelligence: Cybersecurity Jobs, 2015; 9. State of Cybersecurity: Initiatives for 2015, ISACA and RSA Conference, April 2015; 10. State of Cybersecurity: Initiatives for 2015; 11. Securing Our Future: Closing the Cyber Talent Gap, Raytheon and NSA, October 2015; 12. 2015 ISACA Risk/Resilient Business Consumer Study, September 2015.

CSX **ISACA**

https://cybersecurity.isaca.org January 2016



Questions/Discussion



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Maritime Future Requirements 2016 Captains of Industry

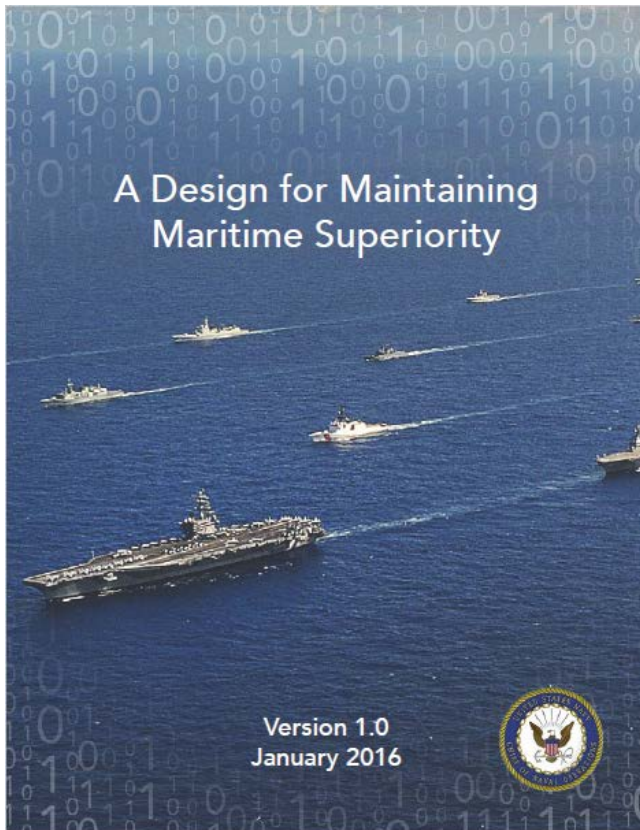




2016 CNO Guidance



Mission: “..... Our Navy will protect America from attack and preserve America’s strategic influence in key regions of the world.....”



“Expand and strengthen our network of partners”

“Increase the volume and range of interaction with commercial industry. Seek opportunities through non-traditional partners.”



Supporting the Maritime Domain



Fleet Focus

- Virginia Class (SSN)
- Littoral Combat Ship (LCS)
- Arleigh Burke Destroyers (DDG)
- Ticonderoga Cruiser (CG) Modernization
- Ballistic Missile Defense (BMD)

21st Century Seapower

Force Design: Build and maintain a Fleet of 300 ships

- Balanced force of submarines, aircraft carriers, amphibious ships and surface combatants: Multi-mission capabilities
- Control lifecycle costs: Open Systems Architecture
- Balance acquisition and maintenance to insure viability of the industrial base

The National Fleet Plan

Integrated Logistics: Achieve commonality and interoperability

- Utilize DLA as a responsive and cost effective source of supply
- Material planning and procurement back into organic commands

Increasing Operational Tempo: Robust and integrated logistics is a force multiplier



Fleet Maintenance Trends



1. Increase in shipyard schedules beyond capacity
2. Multi-Ship Multi-Option (MSMO) transition to Multiple Award, Multiple Option Contract (MACMO)
 - Increases organic material management
3. Littoral Combat Ship (LCS)
 - CNO review completed
 - Formation of maintenance execution team
 - Increase reliance on organic maintenance & material management

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Land Future Requirements 2016 Captains of Industry





LAND FORCES TODAY as of 12 AUG 16

Major Deployments



ARFORGEN → **Sustainable Readiness Model (SRM)**

SRM = “remaining ready all of the time” – GEN Robert Abrams
FORSCOM Commanding General

CENTCOM

PACOM

EUCOM

AFRICOM

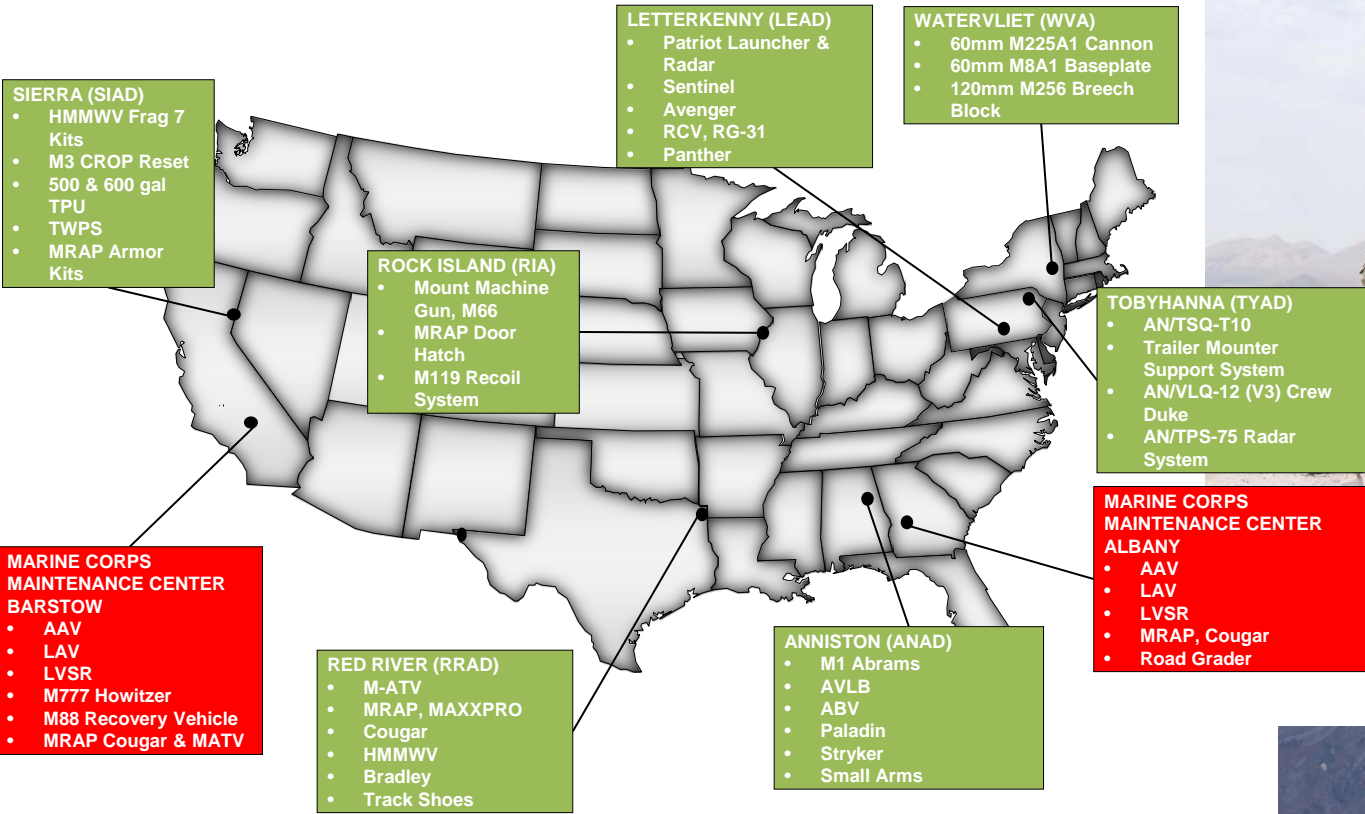
- Afghanistan: 7,500
- Iraq: 4,657
- Kuwait: 10,800
- SPMAGTF-CENT: 2,300
- 13th MEU: 2,200

- Korea: 4,700 (rotational ABCT)
- 31th MEU: 2,200 marines

- Europe: 4,700 (rotational ABCT)
- Black Sea Force: 265 marines

- SPMAGTF-Africa: 1,100

Army and USMC Industrial Activities



- ~90% of Depots' Parts Needs are:
 - Lower/Intermittent Demand Items
 - Non-Business Drivers to DLA business model
- Uncertain/Untimely Funding
- Rising backorders/Line-Stoppers
 - Customer Wait Times Too Long
- Challenged Forecasting
 - Accuracy & Buyback, Timeliness, Army Supply Plan

DLA Needs Industry's help to reduce lead times

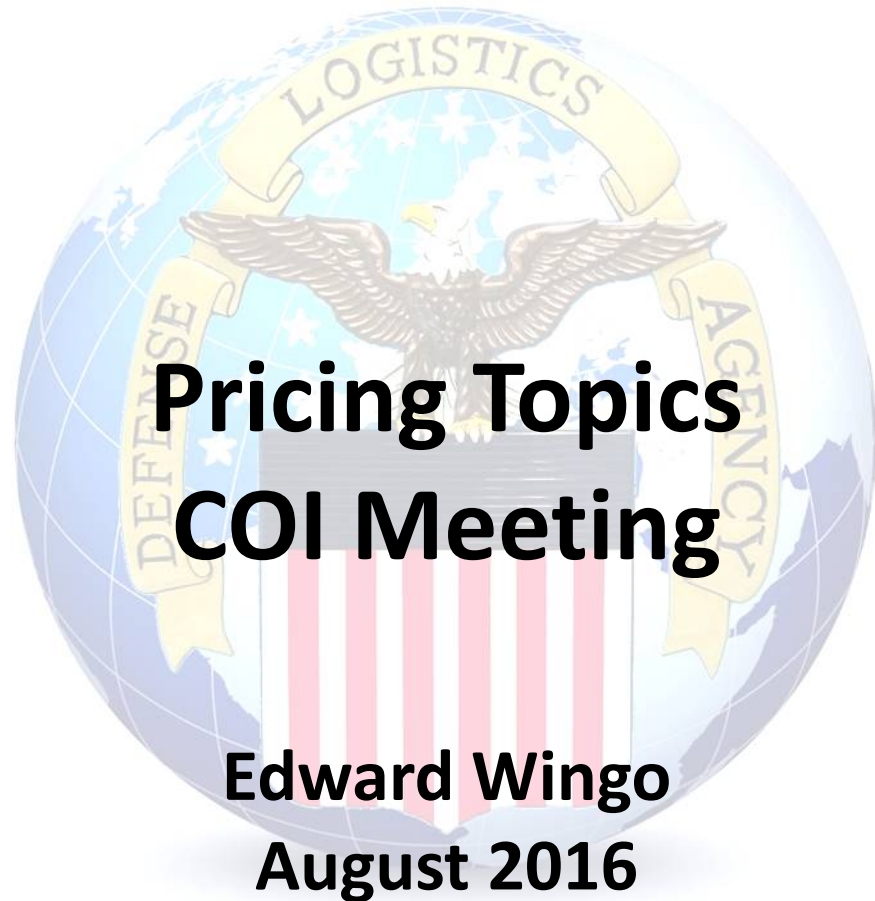


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Pricing Topics COI Meeting

Edward Wingo
August 2016



Agenda



- Commercial Item / Market Pricing
- Certified Cost or Pricing Data (CCPD)





Commercial Spend Data



DLA Land and Maritime:

- FY15: \$750 Million spent procuring items determined commercial (21% of dollars; 26% of total actions)
- FY16 YTD: \$534 Million spent procuring items determined commercial (18% of dollars; 24% of actions)

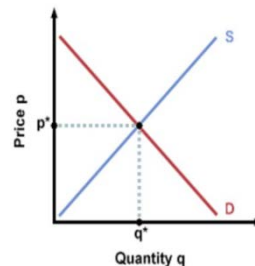




Benefits of Large/LTC Commercial Acquisition Procedures



- Lead time to Contract Award is reduced
 - Average award time of 227 days without CCPD
 - Average award time of 377 days with CCPD
- Market Competition Sets the Prices





Certified Cost or Pricing Data Issues

- Incomplete cost data packages
 - 75% of packages received are inadequate (cannot forward for field work until data is adequate)
- Unable to get cost data
 - Proprietary cost data
 - Slow vendor response to pricing data requests
 - Vendors unwilling to provide additional information on subcontractor costs



Opportunities for Improvement



- Preproposal Conferences
 - Contractor, DLA L&M, DCMA and/or DCAA
- Respond timely to requests for information
- Submit complete cost data package
 - Proposal Adequacy Checklist
 - Make contact as needed
- Submit adequate supporting data for commerciality (i.e. Invoices)



QUESTIONS/DISCUSSION





Connector Stop - Shipment

Scope

- 12,000+ Standardization Documents
- 218 Qualification Documents
- Oversee over 700 Companies and 115 Test Labs



Amphenol Background

- Critical Component Sourcing
- Delinquent Testing
- Stop Shipment on 8 Specifications



Process Improvements

- Validate QPL Audit Database
- Maintenance of Database
- Retrain Associates
- Create Additional Metrics
- Assess Manpower Requirements
- FY16 Focus–Audits/Qualification Reports
- FY17 Focus–100% disposition of Retentions

Status

- Identified Unapproved Parts
- Approved New Sources

SPEC	STATUS
55302	Released
83513	Released
22992	Released
26500	TBD
38999	Released
27599	TBD
83723	10/28/2016
26482	9/30/2016

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