Forward Stock Update

*Enhanced Warfighter Support*
An Optimized Global Distribution System
Providing Responsive, Reliable, End to End Service to our Customer

**Tenets of a World Class Distribution System:**
- **Speed/CWT** - Right place, right time
- **Reliability/TDD** - Consistent performance
- **Best Value** - Performance at the right cost
- **Visibility** - Accountability
- **Environmental Impact** - Reduces energy consumption & infrastructure

**Keys to Success**
- **Stock Positioning**
- **Scheduled Transportation**
- **Synchronization**

**Future Contingency**
Distribution Support Strategy
Responding to Forward Deployed Forces

We Need to be Where They Are!
**Goals**

- Improve Overall Readiness
- Reduce Customer Wait Time (CWT)
- Reduce Inventory (Wholesale +/- or Retail)
- Reduce Transportation Costs
- Reduce Stress on Strategic Airlift during Contingency

**Europe (Germersheim, GE)**

- 2001: 2,451 NSNs
- 2004: 27,974 NSNs

**Sigonella, IT**

- 2004: 5,000 NSNs
- 2005: 7,500 NSNs

**Pearl Harbor**

- 1999: 0 NSNs
- 2004: 9,295 NSNs

**Yokosuka**

- 1999: 0 NSNs
- 2004: 16,609 NSNs

CWT Reductions:

- Europe: 15 Days
- Sigonella: 15 Days
- Pearl Harbor: 18 Days
- Yokosuka: 15 Days

CWT Reduction 6 Days
Forward Stocking Initiative
Planned Sites

Forward Distribution Depot - Guam
• 4,200+ Candidate NSNs
• Potential $1.4M in Annual Transportation Savings
• Standup Oct 04

Forward Distribution Depot - Korea
• 13,802 Candidate NSNs
• Potential $4.1M in Annual Transportation Savings
• Standup Dec 04

Improved Readiness at Reduced Cost
Goal: Establish a Fully Functional Distribution Activity in CENTCOM AOR

Working Short-term, Intermediate and Long-term Solutions

A. Immediate Assistance
   - Truck support to 1stID from depot in Germany
   - Start 30 May 04

B. Short-Term Solution
   - Contingency Contract to Operate in Kuwait
   - Annual transportation savings of $163M
   - Start 30 Aug 04 w/ 7800+ Items

C. Interim Solution
   - Competitive Contract for depot in Kuwait
   - Annual transportation savings of $270M
   - Start 30 Aug 05 estimate 40,000+ Items

D. Long-Term Solution
   - Theater Distribution Platform in Bahrain
   - Continue to work MILCON w/ NAVY
   - Land Transfer in FY-06
Defense Distribution Center

DLA Integrated Distribution Strategy

Enhanced Warfighter Support
2003 Focused Logistics Wargame Tasking:

Improving Theater Distribution Capabilities

“DLA should pursue the development of a fully deployable distribution capability…”

Desired End State:

“A deployable distribution capability is provided to support a full range of contingency operations”
DoD Integrated Distribution Strategy

Integrated Distribution Pillar
- Supply & Transportation
- DVD
- DTCI

National Military

Strategic Planning Guidance

Integrated Distribution Pillar

Deployable Distribution Depot

Forward Stocks

DLA's Global Stock Positioning Strategy

DLA Afloat

Focused Logistics

Sea-Basing

JV2020

Deployment Distribution Operations Center

Distribution Process Owner
Defining the Problem: A Distribution Gap

Projecting Distribution Forward

High Transportation Cost/Limited Airlift

Capability Gap Caused By:
- Airlift Costs
- Lift Availability
- Shortened Delivery Time Targets
- Limited Range/Depth of Forward Stocks
- Remote Locations

Strategic Distribution Centers

Surface Sustainment Shipments $0.22/lb

Air Sustainment Shipments $4.50/lb

Long Delivery Lead Time

Leverages Peacetime Capabilities to Meet Wartime Operations
DLA’s Global Stock Positioning Strategy

Support to the Warfighter

Strategic Distribution Centers

Supply from CONUS

Deployable Distribution Depot Capability

OCONUS, fixed location distribution centers

Forward Stock Positioning

Deployable from CONUS/DLA Afloat

DLA Afloat

Mobile, forward positioned

DLA Moving Out To Provide Comprehensive Distribution Management
An Integrated Forward Distribution Strategy

Support Timeline

Pre-Deployment  Deployment  Sustainment

Forward Stock Positioning

Deployable Distribution Depot

Support to the Warfighter

A Synchronized Forward Distribution Strategy
• Goal: A scalable, deployable distribution capability to enhance theater logistics support

• Provides:
  • Joint distribution system that interfaces with service retail systems, TRANSCOM port operations, and DoD vendors
  • In-theater wholesale inventory of Class I, II, III(P), IV, VIII, and IX material to support operations including repair activities
  • Consolidation and transshipment services as well as configuring/reconfiguring capabilities
  • Visibility (level six detail) and positive asset control
• Addresses:
  - Synchronization between Strategic and Theater Distribution
  - Trust that the distribution system will deliver on time
  - Sustainment build up in theater awaiting inland transportation
  - Reliance on air when surface distribution is a viable option
  - Loss of visibility of cargo at strategic nodes in the AOR
  - Improved method to identify lost and frustrated cargo
  - Leverages emerging sea-basing technologies

A flexible, predictive and visible Distribution Pipeline from the source of supply to the point of consumption and back.
Questions