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MEMORANDUM FOR THE UNDER SECRETARIES OF THE MILITARY DEPARTMENTS

SUBJECT: Resetting the Force (RESET) and Depot Maintenance Capacity and Utilization

We are collectively involved in congressional testimony activity which addresses supplemental funding issues including RESET and depot maintenance capacity and utilization. It is important that all DoD Military Departments are consistent in the definition of the terms used during congressional testimony.

I would like to reemphasize the RESET definition agreed to by the Services and OSD, distributed in September of 2006 and to be found throughout the Financial Management Regulation (Volume 12, Chapter 23) as follows:

RESET: Actions taken to restore units to a desired level of combat capability commensurate with the units' future mission. It encompasses maintenance and supply activities that restore and enhance combat capability to unit and pre-positioned equipment that was destroyed, damaged, stressed, or worn out beyond economic repair due to combat operations by repairing, rebuilding, or procuring replacement equipment. These maintenance and supply activities involve Depot (Sustainment) and Field Level (e.g., Organizational and Intermediate) repairs/overhauls centrally managed to specified standards. Included are Procurement, RDT&E, and Operation and Maintenance funded major repairs/overhauls and recapitalization (Rebuild or Upgrade) that enhances existing equipment through the insertion of new technology or restores selected equipment to a zero-miles/zero-hours condition.

The DoD Depot Maintenance Capacity and Utilization Handbook, DoD 4151.18-H, dated January 1997 and modified October 4, 2001 contains the approved definitions and methodology for determining depot capacity and utilization. We are in the process of updating the handbook and it is currently undergoing the final administrative processes prior to signature and posting. The capacity standard however, has not changed. It is defined as follows:

The Baseline Capacity Index indicates the amount of capacity, expressed in DLH, that a product shop or activity can effectively employ annually on a single shift, 40-hour week basis while producing the product mix that the production shop or activity is designed to accommodate. Individual shop-level Baseline Capacity Indexes are calculated and then combined to determine the Baseline Capacity Index of the various production shop categories and an entire activity.

Please apply these definitions in congressional testimony to ensure Congress receives clear, consistent information across the DoD. Use of ad-hoc definitions, such as "maximum capacity," should be avoided until a standard definition can be adopted and documented. Thank you for your help in this regard.

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