



THE UNDER SECRETARY OF DEFENSE

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MEMORANDUM FOR THE SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR, DEFENSE LOGISTICS AGENCY
DEFENSE LOGISTICS BOARD MEMBERS
JOINT LOGISTICS BOARD MEMBERS

SUBJECT: Logistics Decision Memorandum

On September 6, 2005, I convened the Defense Logistics Board (DLB) to discuss the emerging recommendations of the Quadrennial Defense Review (QDR) Supply Chain Logistics Working Group (SCLWG), the Defense Logistics Agency (DLA) Consumable War Reserve effort, and the status of the Defense Acquisition Executive Summary - Sustainment (DAES-S) Project.

The DLB endorsed the SCLWG recommendations associated with life cycle management principles, passive Radio Frequency Identification (RFID), DoD-wide Continuous Process Improvement, DLA Consumable War Reserve management, and Distribution Process Owner roles and responsibilities review. The DLB also endorsed the SCLWG proposed way ahead for logistics resource baseline development, benchmarking, and assessment of links to capabilities. To facilitate implementation of the SCLWG recommendations, I direct the Secretaries of the Military Departments, in coordination with Deputy Under Secretary of Defense for Logistics and Material Readiness (DUSD (L&MR)), to develop passive RFID implementation strategies, projected implementation costs, and proposed funding strategies. The Military Departments should present their proposed approaches at the next DLB, tentatively planned for early December 2005.

The DUSD(L&MR) will convene a group of senior, experienced leaders in Lean Six Sigma to develop a proposed implementation plan for DoD-wide continuous process improvement. The proposed plan should be presented at the December DLB. The DUSD (L&MR), in coordination with the Military Departments, DLA, and United States Transportation Command will document an integrated implementation strategy to accelerate and codify the approved Supply Chain initiatives as a Supply Chain Roadmap. The roadmap is to be presented for DLB consideration by January 2006.



The members of the DLB agreed that implementation of the DLA Consumable War Reserve effort would enhance DoD's ability to meet the demands of the Global War on Terrorism and enable improved responsiveness at lower cost through consolidation of common requirements. The DLB accepted the results of the initial DLA analyses on medical items as promising. I direct the Secretaries of the Military Departments and the Director, DLA to pursue appropriate actions necessary to implement the proposed Consumable War Reserve program for medical items. Before the next DLB, DLA will → brief the appropriate officials in the Military Departments on the specific methodology used to determine the DLA Consumable War Reserve effort.

The DLB noted the progress made by the Military Departments, Director Acquisition Resources and Analyses (AR&A), and DUSD(L&MR) in developing and testing the DAES-S process. The DLB agreed with the proposed revised format and beta test. The DUSD(L&MR), in coordination with the Director, AR&A, will conduct the DAES-S beta test by December 2005 and report the findings and results to the next DLB. I direct the Secretaries of the Military Departments, by October 31, 2005, to nominate two programs each to participate in the beta test.


Kenneth J. Krieg