



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3000

JUL 28 2004

### MEMORANDUM FOR COMMANDER, UNITED STATES TRANSPORTATION COMMAND

SUBJECT: Management of the Distribution Systems Portfolio: Sustainment and Force  
Movement

The Department has made improved and timely information technology (IT) investment policies one of its enablers for change. By eliminating outdated business practices and fulfilling our net-centric goals, we will ensure that we have the appropriate IT capabilities available to perform our mission and to conduct effective information operations. A key management method used to drive transformation and to constrain IT investments is Portfolio Management (PfM). It is, therefore, the Department's policy to manage information technology investments through portfolio management. These portfolios will allow DoD to make decisions on whether to develop, modify, or terminate IT systems based on architectures, risk tolerance levels, potential returns, outcome goals, and performance.

In today's battlespace, the historic distinctions between distribution and force movement have faded. Under Title 10, the Joint Staff is responsible for preparing joint logistic and mobility plans and for assigning logistics and mobility responsibilities to the armed forces, and the J4 is designated as the Domain Owner for one of the numerous War Fighting Domains, Focused Logistics. The Business Mission Area of the Department is divided into six Business Domains, with Logistics as one of these Domains. DUSD(L&MR) is designated as the Domain Owner for Logistics, with distribution as a major component of the Logistics Domain. The Domain owner(s) are responsible for leading business transformation, developing the overarching architecture, and guiding execution activities. The Joint Staff and the Office of the Secretary of Defense possess a common, overlapping and intersecting area of interest in Distribution.

The intersection of distribution in support of sustainment with distribution in support of force movement is apparent in the responsibilities of the Distribution Process Owner (DPO). The Commander, US Transportation Command is designated as the Distribution Process Owner and identified as the responsible authority to improve the overall effectiveness and interoperability of distribution related activities – force movement, sustainment and retrograde of forces during peace and war. Relevant and related definitions of distribution in policy and doctrine are detailed in the attached exhibit.

We need to intensify our efforts to effectively develop, integrate and implement logistics architecture, which will better guide IT investments in distribution, for both sustainment and force movements. Effective this date, DUSD(L&MR) and JSJ4 jointly designate the DPO as the Office of Primary Responsibility (OPR) and Portfolio Manager for that subset of logistics systems providing key capabilities in support of distribution (sustainment and force movement) related activities. The management of this sub-portfolio process will be led by the

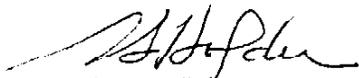


DPO, co-chaired by Joint Staff J4, with oversight and support provided by DUSD(L&MR). As the Domain Owner for logistics business systems, DUSD(L&MR) will remain accountable for ensuring effective integration of the logistics portfolio across the breadth of the supply chain including the Distribution area of interest.

By August 31, 2004, in consultation with the Joint Deployment Process Owner, DUSD(L&MR), and Joint Staff J4, the DPO is directed to develop a draft sub-portfolio management process for distribution and force movement systems to include resource requirements, goals and objectives, responsibilities and identify systems of primary concern for inclusion in the sub-portfolio. By end of 2004, the DPO will identify potential returns, outcome goals, and draft performance requirements for the sub-portfolio. By end of 2005, the DPO will develop a change management plan and IT transition plan.

In addition, the DPO will identify systems of interest outside of the Distribution and force movement sub-Portfolio, those systems with important interoperability and data requirements for sustainment and force movement sub-portfolio but outside of the scope of distribution as defined in DoD publications. The DPO will also develop appropriate processes and procedures for liaison and coordination with systems of interest owners to influence synchronization of portfolio of systems across the Department.

The DPO, in executing portfolio management responsibility for distribution (sustainment and force movement), will, from time to time, interact directly with DoD Components. The DPO will also, in order to execute the portfolio management activities described above, serve as the integrating office for Distribution Architecture subset of the Logistics Architecture (BEA-LOG), under the oversight of DUSD(L&MR). Both JSJ4 and DUSD(L&MR) delegate all necessary authority to the DPO to require timely submissions of reasonable and necessary information in support of the distribution sub-portfolio activities as the Distribution OPR.



Gordon S. Holder  
Vice Admiral, US Navy  
Director for Logistics, J-4, The Joint Staff



Bradley Berkson  
Acting Deputy Under Secretary of  
Defense (Logistics and Materiel Readiness)

Attachment:

As stated

cc:

Secretaries, Military Departments  
Commander, US Northern Command  
Commander, US Joint Forces Command  
Commander, US Central Command  
Commander, US European Command  
Commander, US Special Operations Command  
Commander, US Pacific Command  
Commander, US Southern Command  
Commander, US Strategic Command  
Director, Defense Logistics Agency

Exhibit: Relevant definitions & designations for distribution, deployment, movement.

- The Supply Chain Management Regulation, 4140.1-R, defines Distribution for the Department. "The DoD Components shall operate an integrated, synchronized, end-to-end distribution system to meet customer requirements for information and materiel. That system shall be comprised of requisitioning channels, distribution depots, and other storage locations, transportation channels, tracking systems, and other activities involved with the delivery, sale, or disposal of materiel." Inherent in this definition are retrograde, return of materiel, and redeployment.
- Joint Publication 1-02 offers the following definition: "Distribution System: That complex of facilities, installations, methods, and procedures designed to receive, store, maintain, distribute, and control the flow of materiel between the point of receipt into the military system and to the point of issue to using activities and units."
- Joint Publication 1-02, the Department of Defense Dictionary of Military and Associated Terms, defines deployment, as it relates to distribution, to be, "The relocation of forces and materiel to desired operational areas. Deployment encompasses all activities from origin or home station through destination, specifically including intra-continental United States, intertheater, and intratheater movement legs, staging, and holding areas."
- Joint Publication 1-02, Department of Defense Dictionary of Military and Associated Terms defines movement terms: "movement requirement: a stated movement mode and time-phased need for the transport of units, personnel, and/or materiel from a specified origin to a specified destination; Movement Control: the planning, routing, scheduling, and control of personnel and cargo over lines of communications."
- Joint Publication 4-09, Joint Doctrine for Global Distribution joins the threads of distribution and deployment together, declaring that "... distribution encompasses the collective activities of the Services, defense agencies, and the commercial sector, guided by policy, doctrine, and modern logistic art and science to mobilize, deploy, employ, sustain, and redeploy the national resources required to execute the National Military Strategy (NMS)."
- Joint Publication 4-01, Joint Doctrine for the Defense Transportation System, designates, "... the Deputy Under Secretary of Defense (Logistics and Materiel Readiness) to establish policies and provide guidance to DOD components concerning the efficient and effective use of the DTS. The Secretary of Defense has designated the Commander, USTRANSCOM as DOD single manager for transportation (other than for Service-unique or theater-assigned transportation assets) during times of peace and war.
- Joint Publication 4-01 states, "As the focal point for transportation for the Department of Defense, the Commander, USTRANSCOM exercises responsibility for global air, land, and sea transportation planning (deliberate and crisis action).