

UNCLASSIFIED
FISCAL YEAR (FY) 2008/2009 BUDGET ESTIMATES

| Exhibit R-2, RDT&E Budget Item Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|--|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | R-1 Item Nomenclature: Program Title: Logistics R&D Technology Demonstration Program Element: 0603712S | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Total PE Cost | 51.910 | 58.838 | 18.736 | 19.314 | 19.637 | 20.362 | 20.790 | 21.137 |
| Project 1: Medical Logistics Network (MLN) | 2.859 | 2.937 | 2.900 | 2.951 | 2.849 | 2.926 | 2.984 | 3.031 |
| Project 2: Weapon System Sustainment (WSS) | 5.229 | 5.436 | 5.429 | 5.556 | 5.626 | 5.788 | 5.903 | 5.996 |
| Project 3: Supply Chain Management (SCM) | 1.892 | 3.705 | 2.672 | 2.840 | 3.070 | 3.300 | 3.365 | 3.418 |
| Project 4: Strategic Distribution & Reutilization (SDR) | 2.911 | 3.081 | 3.391 | 3.519 | 3.580 | 3.709 | 3.807 | 3.885 |
| Project 5: Energy Readiness Program (ERP) | 1.449 | 1.835 | 2.063 | 2.158 | 2.192 | 2.256 | 2.301 | 2.337 |
| Project 6: Defense Logistics Information Research (DLIR) | 2.274 | 2.326 | 2.281 | 2.290 | 2.320 | 2.383 | 2.430 | 2.470 |
| Project 7: Other Congressional Adds (OCAs) | 31.415 | 35.540 | 0 | 0 | 0 | 0 | 0 | 0 |
| Project 8: Continuous Acquisition Lifecycle Support (CALs) | 3.881 | 3.976 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| <p>A. Mission Description and Budget Item Justification: The central idea of the Focused Logistics Joint Functional Concept “is to build sufficient capacity into the ... sustainment pipeline, exercise sufficient control over the pipeline from end to end, and provide a high degree of certainty to the supported joint force commander that ... sustainment, and support will arrive where needed and on time.” The Defense Logistics Agency (DLA) R&D program helps achieve this vision by pioneering advanced logistics concepts and business processes that provides the leanest possible infrastructure, the use of the best commercial and government sources, and the application of business practices . The Logistics R&D program develops and demonstrates high risk, high payoff technology that will provide a significantly higher level of support at lower costs, than would be otherwise attainable. The program has a proven track record of implementation and benefits. One example is the DoD EMALL. DoD EMALL was the first web based, distributed architecture on-line ordering capability. It has been adopted by the Army, Navy and the Department of Homeland Security. DLA’s overall R&D program has demonstrated positive net present value and a positive return on investment.</p> | | | | | | | | |

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| | | | | |
| B. Program Change Summary: | | | | |
| | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> |
| Previous PB 07 | 51.815 | 23.437 | 20.407 | 20.868 |
| Current BES | 51.910 | 58.838 | 18.736 | 19.314 |
| Total Adjustments | +.095 | +35.401 | -1.671 | - 1.554 |
| | | | | |
| Change Summary Explanation: | | | | |
| FY 2006: \$1.200 moved from Supply Chain Management to PRO-ACT project in IP/ManTech; Congressional adds increased \$1.294, Weapon System Sustainment increased by \$.001 due to funding adjustment. | | | | |
| FY 2007: \$.140 withheld by OSD, \$35.54 added for Other Congressional Adds | | | | |
| FY 2008: \$1.200 moved from Agent Based Logistics Processes to PRO-ACT project in IP/ManTech. Fiscal guidance cut \$.471. P | | | | |
| FY 2009: \$1.200 moved from Agent Based Logistics Processes to PRO-ACT project in IP/ManTech. Fiscal guidance cut \$.354. | | | | |
| | | | | |
| C. Other Program Funding Summary: N/A | | | | |
| | | | | |
| D. Acquisition Strategy: N/A | | | | |
| | | | | |
| E. Performance Metrics: N/A | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Medical Logistics Network (MLN), Project 1 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 1: Medical Logistics Network | 2.859 | 2.937 | 2.900 | 2.951 | 2.849 | 2.926 | 2.984 | 3.031 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>A. Mission Description and Budget Item Justification:</p> <p>Defense Medical Logistics Transformation provides a comprehensive, standardized, unified, and policy compliant enterprise architecture, plan and implementation of initiatives to further unify the Medical Logistics Enterprise. The medical logistics community requires a multi-organizational, multi-disciplinary approach to future healthcare supply that spans the military services, the Office of the Secretary of Defense, our coalition partners, and commercial industry and involves diverse, yet complimentary functional disciplines such as cost estimating/financial management, system architecture and design, functional process mapping, transportation, telecommunication, networking, program management, contracting, engineering, and supply chain management.</p> <p>Master Data Management (MDM) will develop a proof of concept for a centralized, authoritative Materiel Master Catalog that will be the basis for net-centric Service Oriented Architecture (SOA) cataloging web services. The catalog will be developed using a rigorous structured methodology that is developed with Commercial-Off-The-Shelf (COTS) MDM Integration toolsets. This proof of concept pilot will define the capabilities incorporated in the available COTS tools and compare and contrast the leading products with the eventual goal of selecting the best value tool for use by DMLSS-DLA. The proof of concept pilot will integrate data from up to 23 individual, decentralized activities participating in the Army Medical Materiel Agreement (AMMA).</p> <p>Med/Surg Item Data Synchronization services for Navy Medical Logistics Command (NMLC) will develop ways to assist the Navy to manage and source items in their medical assemblages. The NMLC is the data repository and manager for over 8,000 medical and surgical items for the US Naval Ship Comfort and Mercy. The day-to-day data management of these items is a laborious, manual process. Keeping up with cataloging changes, and discovering those changes after-the-fact, is an ever-increasing task. Validating National Stock Numbers (NSNs), checking for product availability, and cross-referencing NSNs to commercial product identification numbers is done by exception.</p> <p>Average Cost for Alternate Commercial Product Ordering Program (ACPOP): Develop an independently determined average cost to customers per item ordered via Prime Vendor ACPop vs. local purchase direct from manufacturers or distributors. Identify processes involved and framework in year one for ongoing annual calculations.</p> <p>Functional Executive Agent Medical Support (FEAMS): FEAMS will provide the IT system support to execute the Executive Agent (EA) mission for the Medical Logistics Supply Chain, including three major interrelated components: 1) Requirements Determination (RDT) will create a joint medical requirements contingency forecasting process that provides accurate, commercially available, timely, continuously updated requirements on the basis of current clinical practices and with ongoing feedback and adjustment from actual contingency support. 2) Standardization Tool Suite (STS) will develop and coordinate the resources necessary to improve the efficiency and effectiveness of product standardization, ultimately reducing the Service unique requirements for contingency operations and peacetime. 3) Decision Support System (DSS) will collect, organize, and display metrics addressing the efficiency and effectiveness of the overall Medical Logistics Supply Chain, and specific EA areas of management interest, in near real time.</p> | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | | | | | | | | | | | | | | | | |
|---|---------|---------|---------|---|---------|---------|---------------------|---------|--|-------|-------|-------|-------|--------------------------------------|-------|-------|-------|-------|-------------------------------|--|--|--|--|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Medical Logistics Network (MLN), Project 1 | | | | | | | | | | | | | | | | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | | | | | | | | | | | | | | | |
| Project 1: Medical Logistics Network | 2.859 | 2.937 | 2.900 | 2.951 | 2.849 | 2.926 | 2.984 | 3.031 | | | | | | | | | | | | | | | |
| RDT&E Articles Quantity - N/A | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Business Reengineering. The Services obtained funding to consolidate Service medical logistics headquarters in one facility at Ft. Detrick, MD. Business Reengineering will provide objective data that enables the Joint Service medical logistics community to make informed decisions regarding initial collocation, integration, and consolidation opportunities within the Joint Medical Logistics Center. To strike this balance between efficiency and mission requirements, the sharing alternatives must be built upon a firm understanding of military medical logistics, common business functions, business processes and practices, and dependencies between the organizations, while eliminating risks related to business continuity, critical path development, and potential mission disruption. DoD Directive 5101.9 directs DLA as Executive Agent (EA) to establish the strategic and operational relationships necessary to achieve effective Class VIIIA supply chain support. Support of this consolidation will provide the EA with an opportunity to get more into the planning process and enhance working relationships.</p> <p>Radio Frequency Identification (RFID) technology is receiving substantial attention within military logistics because of DoD's mandate for suppliers to use RFID on all pallets and cases. The Defense Medical Logistics Standard Support (DMLSS) program is planning to use this technology, not only to meet the DoD directive for medical pallets and cases to be tagged commencing in January 2006, but more importantly, to improve the end-to-end visibility and tracking of medical supplies, resulting in enhanced medical care for the warfighter. In doing so, DMLSS needs to understand the potential issues in implementing RFID to automate and improve the logistics processes and methods to address them. Some of the major problems that we propose to research are listed below. This pilot will offer DMLSS and the Defense Logistics Agency (DLA) the unique opportunity to address the risks of implementing RFID, identify and address technology problems early, understand the compliance requirements with the DoD RFID directive, and plan a comprehensive enterprise-wide deployment of RFID. This pilot will help investigate and measure the benefits of RFID when applied in the supply chain of medical materiel.</p> <p>B. Accomplishments/Planned Program:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">FY 06</th> <th style="text-align: center;">FY 07</th> <th style="text-align: center;">FY 08</th> <th style="text-align: center;">FY 09</th> </tr> </thead> <tbody> <tr> <td>Accomplishment/ Effort/Subtotal Cost</td> <td style="text-align: center;">2.859</td> <td style="text-align: center;">2.937</td> <td style="text-align: center;">2.900</td> <td style="text-align: center;">2.951</td> </tr> <tr> <td>RDT&E Articles Quantity – N/A</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>FY 2006 Projects: (\$2.859)</p> <ul style="list-style-type: none"> - Provided Medical Logisticians the architecture capabilities to support future Medical Logistics operations and ultimately the Defense Medical Logistics Transformation. Initiate Defense Medical Logistics Transformation to incorporate the structure and architecture necessary to support expeditionary, modular force concepts integrate the end-to-end Medical Logistics Supply Chain. Model detailed to-be processes to enable reengineering Defense Medical Materiel Standardization Program. (\$2.250) - Initiated Master Data Management Proof of Concept Phase I including market research for COTS acquisition to provide initial Materiel Master Catalog that will be the basis for net-centric SOA cataloging web services. (\$0.290) | | | | | | | | | | FY 06 | FY 07 | FY 08 | FY 09 | Accomplishment/ Effort/Subtotal Cost | 2.859 | 2.937 | 2.900 | 2.951 | RDT&E Articles Quantity – N/A | | | | |
| | FY 06 | FY 07 | FY 08 | FY 09 | | | | | | | | | | | | | | | | | | | |
| Accomplishment/ Effort/Subtotal Cost | 2.859 | 2.937 | 2.900 | 2.951 | | | | | | | | | | | | | | | | | | | |
| RDT&E Articles Quantity – N/A | | | | | | | | | | | | | | | | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Medical Logistics Network (MLN), Project 1 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 1: Medical Logistics Network | 2.859 | 2.937 | 2.900 | 2.951 | 2.849 | 2.926 | 2.984 | 3.031 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <ul style="list-style-type: none"> - Provided Naval Medical Logistics Command the ability and web-based tool sets to cross reference and source Authorized Medical Allowance List, Med Surg National Stock Numbers, and Fleet Prime Vendor items to commercial products of choice. Expand site data from four to eight Navy Medical facilities as sentinel sites for readiness analysis and product price reductions. Expanded Med Surg product sourcing tool sets to Air Force sites the Defense Medical Standards Board applications. (\$0.304) - Validated cold chain packaging protocols. Procure validation services from a third party independent testing provider; complete testing for 48, 72 and 96 hour shipping times under varied ambient temperatures; and use results to modify protocols or justify continued use of current protocols as is. (\$0.015) <p>FY 2007 Plans: (\$2.937) -</p> <ul style="list-style-type: none"> - Provide Medical Logisticians the architecture capabilities to support future Medical Logistics operations and ultimately the Defense Medical Logistics Transformation. Continue Defense Medical Logistics Transformation Initiatives to incorporate the structure and architecture necessary to support expeditionary, modular force concepts integrating the end-to-end Medical Logistics Supply Chain. Develop net-centric sharing of authoritative medical product data, support to standardization process, sharing of business intelligence and warehouse data, and support to Combatant Commanders' logistics dashboards. (\$2.366) - Provide the capabilities for planners and logisticians at the Service, Joint, and Defense levels to improve modeling capabilities for estimating contingency medical materiel requirements as part of FEAMS development. (\$0.277) - Develop Master Data Management operational capability Proof of Concept Phase I and initiate Phase II including COTS production implementation. (\$0.294) <p>FY 2008 Plans: (\$2.900)</p> <ul style="list-style-type: none"> - Provide Medical Logisticians the architecture capabilities to support future Medical Logistics operations and ultimately the Defense Medical Logistics Transformation. Continue Defense Medical Logistics Transformation Initiatives to incorporate the structure and architecture necessary to support expeditionary, modular force concepts integrating the end-to-end Medical Logistics Supply Chain. Continue design and development of net-centric sharing of authoritative medical product data, support to standardization process, sharing of business intelligence and warehouse data, and support to Combatant Commanders' logistics dashboards. (\$2.370) - Implement enhanced modeling capabilities for estimating contingency medical materiel requirements and incorporate improved modeling capabilities into DMLSS-DLA systems in conjunction with planners and logisticians at the Service, Joint, and Defense levels. (\$0.267) - Continue to develop and expand capabilities of Master Data Management operational capability. Complete Phase II including COTS production implementation. (\$0.263) | | | | | | | | |

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| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Medical Logistics Network (MLN), Project 1 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 1: Medical Logistics Network | 2.859 | 2.937 | 2.900 | 2.951 | 2.849 | 2.926 | 2.984 | 3.031 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>FY 2009 Plans: (\$2.951)</p> <ul style="list-style-type: none"> - Provide Medical Logisticians the architecture capabilities to support future Medical Logistics operations and ultimately the Defense Medical Logistics Transformation. Continue Defense Medical Logistics Transformation Initiatives to incorporate the structure and architecture necessary to support expeditionary, modular force concepts integrating the end-to-end Medical Logistics Supply Chain. Continue design and development of net-centric sharing of authoritative medical product data, support to standardization process, sharing of business intelligence and warehouse data, and support to Combatant Commanders' logistics dashboards. (\$2.448) - Fully integrate enhanced modeling capabilities for estimating contingency medical materiel requirements and incorporate improved modeling capabilities into DMLSS-DLA systems in conjunction with planners and logisticians at the Service, Joint, and Defense levels. (\$0.275) - Continue to develop and expand capabilities of Master Data Management operational capability. Initiate Phase III integration of COTS (\$0.228) <p>C. Other Program Funding Summary: N/A</p> <p>D. Acquisition Strategy: N/A</p> <p>E. Major Performers: Karta Technologies, Inc of San Antonio, TX is developing the architectural artifacts and process maps of the current and future Medical Logistics Supply Chain. These artifacts will guide the transformation of DMLSS-DLA and the medical logistics supply chain to meet the requirements of the future. Option 1 of the contract was exercised in July 2006 and additional options are scheduled for July 2007-2009.</p> | | | | | | | | |

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|--|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Weapon System Sustainment (WSS), Project 2 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 2: Weapon System Sustainment | 5.229 | 5.436 | 5.429 | 5.556 | 5.626 | 5.788 | 5.903 | 5.996 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>A. Mission Description and Budget Item Justification: Support Defense Logistics Agency (DLA) Strategic Plans Goals 1 and 2. The program spans multiple weapon systems and supply chains to improve internal processes, provide methods, reduce costs and lead times, and ultimately, improve readiness for DLA customers.</p> <p>The program is focused in three project areas:</p> <ul style="list-style-type: none"> - Process improvement: The program delivers technologies that enable the workforce to provide a faster response to customer requirements at a lower cost. - Sustaining engineering: Includes material substitution, supply chain technical considerations, tooling costs, readiness inputs to business case assessment, and improvements to value engineering, reverse engineering, and source qualification capabilities. - Advanced manufacturing: Implementing manufacturing techniques for problem parts to improve item supportability quickly and inexpensively. <p>The program has expanded its focus from aviation to all DLA hardware supply chains; the title has been changed to reflect the expanded focus.</p> | | | | | | | | |
| B. Accomplishments/Planned Program | | | | | | | | |
| | FY 06 | | FY 07 | | FY 08 | | FY 09 | |
| Accomplishment/ Effort/Subtotal Cost | 5.229 | | 5.436 | | 5.429 | | 5.556 | |
| RDT&E Articles Quantity – N/A | | | | | | | | |
| <p>FY 2006 Accomplishments: (\$5.229)</p> <ul style="list-style-type: none"> - Process Improvement: Investigated and refined existing processes in order to employ a more proactive approach to hardware availability and supply. Accomplishments in this focus area included: a joint project with Warner Robins Air Logistics Center (WRALC) to understand root causes of DLA items causing awaiting parts conditions and providing recommendations to eliminate or reduce them; initiated two additional projects to address problems common to DLA and WRALC; worked closely with HQ DLA in continued efforts to develop Peak Policies for infrequently-demanded items in 10 additional weapon systems to reduce inventory costs, number of procurement actions and backorders; and initiated an effort to determine the feasibility of using Army maintenance and operational trend data to improve forecasts. Updated the characterization of DLA supply support for its customers from FY 1999 through FY 2005 with the inclusion of Business Systems Modernization (BSM) data. (\$2.372) | | | | | | | | |

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| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Weapon System Sustainment (WSS), Project 2 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 2: Weapon System Sustainment | 5.229 | 5.436 | 5.429 | 5.556 | 5.626 | 5.788 | 5.903 | 5.996 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <ul style="list-style-type: none"> - Sustaining Engineering: These functions include engineering analyses and assessments of materials, components, etc. required to manufacture parts; analysis of failure trends; testing of prototype and first article parts; and qualification of new parts and sources. Accomplishments in this focus area included: development and demonstration of a proof-of-concept analysis tool to quickly identify opportunities to reduce backorders by identifying substitute O-ring National Stock Numbers with stock on-hand that have the same or better technical and environmental capabilities; and the identification of root causes for 100 oldest backorders at Defense Supply Center Philadelphia including development of solutions to those causes that would eliminate backorders or reduce backorder ages when those causes occur in the future. (\$2.257) - Advanced Manufacturing: Demonstrate and validate new and advanced manufacturing capabilities that can dramatically improve DLA's response to customer needs for parts availability and cost reduction. Accomplishments in this focus area included: identification and demonstration of alternate materials and manufacturing processes to reduce the cost and production lead time (PLT) for a class of items in Federal Stock Class (FSC) 5355 (knobs); and proactively seeking opportunities to partner with Service Manufacturing Technology and Small Business Innovative Research programs in order to reduce the cost of future projects to reduce backorders, PLT, and total costs. (\$.600) <p>FY 2007 Plans: (\$5.436)</p> <ul style="list-style-type: none"> - Process Improvement: The projects initiated in FY 2006 will be completed, and several new projects will be initiated. The emphasis in FY 2005 and FY 2006 on stocking policies will be sustained and new efforts initiated to improve different aspects of these policies and to continue efforts to develop peak policies for Class A weapon systems throughout DLA. The results of these projects, when implemented, will reduce inventory costs, backorders, and procurement workload. (\$2.542) - Sustaining Engineering: The projects initiated in FY 2006 will be continued and new projects initiated. Efforts will continue to develop generic solutions to the causes of backorders across a wide range of FSCs and to improve methods to forecast future backorders. The O-ring substitution analysis tool will be completed, its item reduction capabilities demonstrated, its substantial benefits to backorder reduction proven, and transferred to Defense Standardization Program Office (DSPO) for deployment and maintenance. New efforts will emphasize technologies for automated identification of specialty metal usage and techniques to quickly qualify surplus dealers as acceptable sources. (\$2.250) - Advanced Manufacturing: Activities in this area will continue to seek opportunities to partner with Service ManTech programs to develop new technologies that can reduce manufacturing costs and PLT. New efforts will be initiated in the supplier-facing domain with the objectives of reducing item costs and PLT, but also to improve supplier availability and time to respond to DLA requests for quotes. (\$.644) | | | | | | | | |

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| Project 2: Weapon System Sustainment | 5.229 | 5.436 | 5.429 | 5.556 | 5.626 | 5.788 | 5.903 | 5.996 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>FY 2008 Plans: (\$5.429)</p> <ul style="list-style-type: none"> - Process Improvement: Efforts in this area will complete the projects initiated in FY 2007 and start new projects that continue the emphasis on reducing backorders and inventory costs while improving internal efficiencies. The completed implementation and increased stability of BSM, along with deployment of associated business processes, is expected to present new opportunities identified by functional users, especially in the areas of demand and supply planning as well as in interaction between the two. The WSS Program will implement processes to proactively seek and exploit them, and then to pursue those opportunities by developing and demonstrating improved capabilities. (\$2.575) - Sustaining Engineering: This area will continue to focus on addressing and resolving the root causes of backorders, better methods to predict future backorders, and expand efforts in item reduction, with benefits in inventory and procurement costs, backorders and backorder duration. New efforts are expected to support DLA's needs that arise from new responsibilities resulting from realignments within DoD, particularly in the area of technical data. (\$2.250) - Advanced Manufacturing: Jointly-funded efforts with the Services will continue to be emphasized, with new opportunities developed and associated projects initiated. The focus on the supplier-facing side will be deepened, with new projects addressing common problems facing segments of the supplier base, such as suppliers of turbine engine parts, bearings producers and manufacturers of complex structural components, segments where unit costs tend to be very high and PLTs very long. Projects will demonstrate new capabilities which can dramatically reduce unit costs or sharply cut PLTs. (\$.604) <p>FY 2009 Plans: (\$5.556)</p> <ul style="list-style-type: none"> - Process Improvement: New projects will continue to focus on improvements to internal processes, especially those involving demand and supply planning, forecasting and opportunities identified by functional users in new business processes associated with BSM. Benefits in this area will continue to be improved internal efficiencies, and reduced backorders and inventory costs. (\$2.500) - Sustaining Engineering: The prior emphasis on reducing backorder ages through better prediction of upcoming backorder and resolution of root causes will diminish. New projects will greatly expand the aspect of implementing modern technical data capabilities and streamlining the current procedures for securing and funding required engineering support from the Service Engineering Support Activities (ESAs). Benefits from this new emphasis principally will be reduced PLT and parts costs, along with access to additional sources. (\$2.400) - Advanced Manufacturing: Efforts will continue on advanced manufacturing technology projects initiated in prior years, since projects of this type are multi-year in duration and require incremental funding. The prior focus on the supplier-facing side will be continued, principally by addressing common problems in additional segments of the supplier base in order to reduce the high costs and long PLTs typically associated with the segments selected. (\$.656) <p>C. Other Program Funding Summary: N/A D. Acquisition Strategy: N/A E. Major Performers: N/A</p> | | | | | | | | |

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|--|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Supply Chain Management, Project 3 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 3: Supply Chain Management | 1.892 | 3.705 | 2.672 | 2.840 | 3.070 | 3.300 | 3.365 | 3.418 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>A. Mission Description and Budget Item Justification: DLA has organized along Supply Chains to provide an integrated, combat logistics solution that is coordinated among the services and across DoD. There is a need for the Agency to stay abreast of the latest supply chain management principals and techniques that will improve the supply availability of DLA-managed items by managing supply chains to shorten lead times and reduce costs. The dynamic nature of DLA's mission requires a flexible R&D mechanism to rapidly take advantage of the evolving supply chain improvements and innovations.</p> | | | | | | | | |
| B. Accomplishments/Planned Program | | | | | | | | |
| | FY 06 | FY 07 | FY 08 | FY 09 | | | | |
| Accomplishment/ Effort/Subtotal Cost | 1.892 | 3.705 | 2.672 | 2.840 | | | | |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>FY 2006 Accomplishments: (\$1.892)</p> <ul style="list-style-type: none"> - Develop tools and displays to manage Class I commodities (\$0.262) - Technical and transitional advancement of the Node Management & Deployable Depot (NoMaDD) Advanced Concept Technology Demonstration (ACTD) (\$0.334) - Study to determine feasibility of hydrogen as a DoD fuel (\$0.150) - Study to determine feasibility of establishing a pilot contract for chemical management services (\$0.303) - Develop a quality assurance modernization program (\$0.100) - Develop and evaluate Battlefield Backorder Breakout Initiative (B3I) Concept of Operations (\$0.042) - Research and development of the Depot Production Collaboration Tool (\$0.093) - Other miscellaneous supply chain initiatives (\$0.608) <p>FY 2007 Plans: (\$3.705)</p> <ul style="list-style-type: none"> - TentNet Efforts to enhance the supply chain for portable shelters so that peacetime and wartime supply availability can be raised to reasonable levels. (\$2.099) - Support DLA's Advanced Concept Technology Demonstration by developing supply requirements for Node Management from the perspective of the DLA Logistics Operations Center. (\$1.606) | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Supply Chain Management, Project 3 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 3: Supply Chain Management | 1.892 | 3.705 | 2.672 | 2.840 | 3.070 | 3.300 | 3.365 | 3.418 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>FY 2008- 2009 Plans: Supply Chain Initiatives and opportunities continue to develop and pursue emerging Supply Chain Management opportunities as they evolve.</p> <p>C. Other Program Funding Summary: N/A</p> <p>D. Acquisition Strategy: N/A</p> <p>E. Major Performers:</p> <ul style="list-style-type: none"> - Bondcote Corporation – Coated Industrial Fabrics (Anticipated Award date 06/07) - Omnova Solutions – Coated Industrial Fabrics (Anticipated Award date 06/07) - Johnson Outdoors – Eureka! Tents (Anticipated Award date 06/07) - TopTec Tents – Tent Manufacturing (Anticipated Award date 06/07) - Outdoor Venture Corporation – Tent Manufacturing (Anticipated Award date 06/07) - Anchor Industries – Tent Manufacturing (Anticipated Award date 06/07) - FTL Design Engineering Studio – Design (Anticipated Award date 06/07) | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|--|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Strategic Distribution & Reutilization (SDR), Project 4 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 4: Strategic Distribution & Reutilization | 2.911 | 3.081 | 3.391 | 3.519 | 3.580 | 3.709 | 3.807 | 3.885 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| A. Mission Description and Budget Item Justification: | | | | | | | | |
| This project consists of two thrusts: Node Management and Deployable Depot (NoMaDD) and Reutilization Risk Reduction (R3). NoMaDD is an approved FY 2006-FY 2008 Advanced Concept Technology Demonstration (ACTD) that will develop, integrate, demonstrate, and transition Information Technology (IT) and field-operable material management that transforms logistics support of expeditionary warfare and humanitarian operations. Reutilization Risk Reduction is focused on reducing risks that militarily-sensitive equipment will be sold to potential enemies or other parties that could use the surplus material for nefarious purposes. | | | | | | | | |
| B. Accomplishments/Planned Program | | | | | | | | |
| | FY 06 | FY 07 | FY 08 | FY 09 | | | | |
| Accomplishment/ Effort/Subtotal Cost | 2.911 | 3.081 | 3.391 | 3.519 | | | | |
| RDT&E Articles Quantity – N/A | | | | | | | | |
| FY 2006: Evaluated Node Management (NM) tools to monitor strategic-to-tactical movement of Class I supplies (food) and containers. Initiated NoMaDD Concepts of Operations (CONOPS), Tactics, Techniques and Procedures (TTPs), and Integrated Assessment Plans (IAPs). (\$2.911) | | | | | | | | |
| FY 2007 Plans: Continue spiral development/demonstration of NM capabilities, including tools for distribution pipeline management, fuels distribution, and joint asset visibility. Complete procurement of Deployable Depot equipment and begin training, test, and evaluation. CONOPS, TTPs, IAPs, and transition plans will be finalized. Proven NM capabilities will move into the Army's Battle Command Sustainment Support System (BCS3). (\$3.081) | | | | | | | | |
| FY 2008-2009 Plans: Conduct NoMaDD Military Utility Assessments and Extended User Evaluations, correct deficiencies, and complete transition. Begin testing and implementation of R3 alternative risk reduction techniques. Refine, test, and support full implementation of R3 procedures. (\$6.910) | | | | | | | | |
| C. Other Program Funding Summary: NoMaDD is jointly funded with United States Transportation Command (USTRANSCOM) funding (Program Element 0603713) in FY 2006 (\$1.5M) and FY 2007 (\$2M). The program has been approved as an Office of the Secretary of Defense (OSD) sponsored Advanced Concept Technology Demonstrations (ACTD) and OSD will contribute \$2M/year in funding in FY 2006 through FY 2008. | | | | | | | | |
| D. Acquisition Strategy: N/A | | | | | | | | |
| E. Major Performers: PMO BCS3 and NSWC CRANE | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|--|---------|---------|---------|--|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Energy Readiness Program (ERP), Project 5 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 5: Energy Readiness Program | 1.449 | 1.835 | 2.063 | 2.158 | 2.192 | 2.256 | 2.301 | 2.337 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| A. Mission Description and Budget Item Justification: | | | | | | | | |
| <ul style="list-style-type: none"> - Program Management Office Support (PMO) for developing program strategies and goals, preparing documentation for the program, and performing quick reaction studies and analysis. - Alternate Energy Development (AED) to include synthetic fuel specifications and acquisition plan; renewable fuels studies and planning, continued study of the use of hydrogen by DoD, and other directives specified in the Energy Policy Act (EPA) of 2005. - Testing and approving of additional +100 Thermal Stability Additives (TSA) for use in Jet Propulsion Fuel (JP-8), and additional additive studies for +100 Low Temperature and Static Dissipater. - Study and implementation of Automated Information and Data Collection (AIDC) to Defense Energy Supply Center (DESC) business processes, which would allow for real time transactional information. | | | | | | | | |
| B. Accomplishments/Planned Program | | | | | | | | |
| | FY 06 | FY 07 | FY 08 | FY 09 | | | | |
| Accomplishment/ Effort/Subtotal Cost | 1.449 | 1.835 | 2.063 | 2.158 | | | | |
| RDT&E Articles Quantity – N/A | | | | | | | | |
| <p>FY 2006 Plans: (\$1.449) - Energy Program Management Office initial planning and strategy development (\$.199 PMO), Phase II Hydrogen Study – develop and manage a DoD Roadmap and Strategy for Hydrogen and initiate synthetic fuel procurement and participate in test planning (\$.50 AED), Phase II of Study planned to be completed including testing of competitive products (\$.35 TSA), Initial planning and working with Army/BCS3 using NoMadd as platform data integration/synthesis (\$.40 AIDC).</p> <p>FY 2007 Plans: (\$1.835) - Continued PMO support in program implementation and planning (\$.189 PMO), Implement recommendations of Phase II Hydrogen report and continue development of synthetic fuel specifications with industry (\$.40 AED), Final report of the Additive Study and initial testing of Low Temperature additive and Static Dissipater additive (\$.50 TSA), Phase I of Execution plan producing Implementation Plan (\$.746 AIDC).</p> <p>FY 2008 Plans: (\$2.063) - Continued PMO support in program implementation and planning (\$.223 PMO), Implement recommendation of Phase II report and continue development synthetic fuel specifications with industry (\$.44 AED), Phase II of Execution Plan – select Commercial off-the-Shelf (COTS) hardware and develop Buy Plan, and finalize schedule and begin deployment (\$1.40 AIDC).</p> | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | | |
|---|---------|---------|---------|--|---------|---------|---------------------|---------|--|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Energy Readiness Program (ERP), Project 5 | | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | |
| Project 5: Energy Readiness Program | 1.449 | 1.835 | 2.063 | 2.158 | 2.192 | 2.256 | 2.301 | 2.337 | |
| RDT&E Articles Quantity - N/A | | | | | | | | | |
| <p>FY 2009 Plans: (\$2.158) - Continued PMO support in program implementation and planning (\$.228 PMO), Full scale testing of synthetic fuel under assured fuels initiative and continued implementation of Hydrogen Logistics Strategy (\$1.50 AED), Conduct studies and analysis on initial roll out and deployment of RFID capability (\$.43 AIDC).</p> <p>C. Other Program Funding Summary: N/A</p> <p>D. Acquisition Strategy: N/A</p> <p>E. Major Performers:</p> <ul style="list-style-type: none"> - Logistics Management Institute (awarded 04/06) - Supporting DLA/DESC with general office support coupled with detailed studies and analysis (PMO), as well as hydrogen and fuel cells related studies and strategic planning (AED). - Air Force Research Lab (AFRL) - Supporting studies and testing of thermal stability additive (TSA) and synthetic fuel (AED) - Oak Ridge National Lab (ORNL) - Supporting studies and implementation planning for the RFID and TAV of Class III (AIDC) | | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Defense Logistics Information Research (DLIR), Project 6 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 6: Defense Logistics Information Research | 2.274 | 2.326 | 2.281 | 2.290 | 2.320 | 2.383 | 2.430 | 2.470 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>A. Mission Description and Budget Item Justification: The DLIR Program objective is to research, identify, and implement potential or existing technologies using high-risk, high-payoff tools, methods, techniques, and products. The DLIR Program will partner with commercial industry to perform short-term projects in various logistics business areas which align with DLA's strategic vision. DLIR improves functional and business processes using the latest technologies available, which support the nation's warfighter. The technical areas of interest are:</p> <ul style="list-style-type: none"> - Enhancement of Federal Catalog & Related Logistics Information - Development of Logistics Data Interoperability & Availability - Relate Government/Commercial Item Descriptions & Taxonomies to Supplier Capabilities <p>B. Accomplishments/Planned Program. The DLIR R&D program Source Selection Board (SSB) evaluated 28 short-term project (STP) briefings from 17 industry partners that ended Aug 10, 2006. Four STPs are currently in the process of award, but have not yet been announced. Three Technical Solutions Council meetings in different focus areas involving the 17 industry partners were held. The purpose of these council meetings was to exchange information on technology problems facing both government and industry and to discuss possible solutions using new technology.</p> | | | | | | | | |
| | FY 06 | FY 07 | FY 08 | FY 09 | | | | |
| Accomplishment/ Effort/Subtotal Cost | 2.274 | 2.326 | 2.281 | 2.290 | | | | |
| RDT&E Articles Quantity – N/A | | | | | | | | |
| <p>FY 2006 Accomplishments: (\$2.274)</p> <ul style="list-style-type: none"> - Established three Technical Solutions Councils with commercial industry/government individuals, in each of the technical areas of interest described above to address opportunities in the area of interest. Held council meetings with each team. - Awarded four short-term R&D projects to individual industry team members following opportunity briefings. <p>FY 2007 Plans: (\$2.326)</p> <ul style="list-style-type: none"> - Continue focus on Technical Solutions Councils to address new technology/methodology in each area. - Focus on capability gap areas to include: <ul style="list-style-type: none"> o Customer-focused supply chain & logistics data o Best-of-breed processes, practices & technology - Comprehensive supply chain visibility & availability | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Defense Logistics Information Readiness (DLI), Project 6 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 6: Defense Logistics Information Readiness | 2.274 | 2.326 | 2.281 | 2.290 | 2.320 | 2.383 | 2.430 | 2.470 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <ul style="list-style-type: none"> - Logistics data functionality and compatibility to commercial industry data. - Award three short-term R&D projects in each technical area of interest. <p>FY 2008-2009 Plans:</p> <ul style="list-style-type: none"> - Re-solicit Broad Agency Announcement (BAA). The Defense Logistics Information Service (DLIS), as a corporate entity, will review progress and impact of Technical Solutions Councils and address possible new technical areas and continue to focus on capability gap areas such as: <ul style="list-style-type: none"> o Customer-focused supply chain & logistics data and best-of-breed processes, practices & technology o Comprehensive supply chain visibility & availability o Logistics data functionality and compatibility to commercial industry data. - Award short-term R&D projects in each reviewed technical area of interest after opportunity briefings. <p>C. Other Program Funding Summary: N/A</p> <p>D. Acquisition Strategy: N/A</p> <p>E. Major Performers: N/A</p> | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | Date: February 2007 | | | |
|---|---------|---------|---------|---|---------------------|---------|---------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Other Congressional Adds (OCAs), Project 7 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 7: Other Congressional Adds | 31.415 | 35.540 | 0 | 0 | 0 | 0 | 0 | 0 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| A. Mission Description and Budget Item Justification: | | | | | | | | |
| Congressionally added programs for the Logistics Research and Development (Log R&D) program element, along with explanation, are provided below. | | | | | | | | |
| B. Accomplishments/Planned Program | | | | | | | | |
| | FY 06 | FY 07 | FY 08 | FY 09 | | | | |
| Accomplishment/ Effort/Subtotal Cost | 31.415 | 35.540 | 0 | 0 | | | | |
| RDT&E Articles Quantity – N/A | | | | | | | | |
| FY 2006 Accomplishments: | | | | | | | | |
| <ul style="list-style-type: none"> - Diminishing Manufacturing Source Center of Excellence Program (DCE): Leveraged state-of-the art technology to provide the warfighters a centralized approach to solving diminishing manufacturing source and obsolete parts problems; maintain a centralized repository for Diminishing Manufacturing and Material Shortages (DMSMS) information; and database systems necessary for the sustainment of our aging military systems. Karta Technologies Inc. Awarded 04/06. (\$.986) - Emerging/Critical Interconnection Tech Program (E/CIT) Program - Embedded Passives R&D Testbed (EPT): Maintaining North American printed circuit board technical and manufacturing capability to meet current and future DoD warfighter needs. Establish joint R&D program between Naval Sea (NAVSEA) Crane and the Association Connecting Electronics Industries (IPC). Develop, evaluate, and test processes to manufacture buried passive and other emerging technologies for present, future DoD weapon system needs. Awarded 03/06. (\$2.129) - Pilot Project to Improve Energy Procurement (EPP): Alternative Energy Sources Initiative - Support to evaluate alternate energy sources, determine availability, and propose a plan that identifies the best use of these alternate energy products within the DoD: (\$.986) <ul style="list-style-type: none"> o Research possible alternate energy technologies and determine their availability o Establish communication and generate interest with alternative energy suppliers to provide alternate energy for DoD/Federal Government o Determine any barriers that exist in the generation, use, handling, and supply of said products o Provide possible solutions to overcome these barriers o Coordinate with customers (military services and federal civilian agencies) to determine future energy needs o Develop a strategy to connect the technologies available to the needs of the customer (What is the best fit for each alternate energy product?) | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|--|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Other Congressional Adds (OCAs), Project 7 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 7: Other Congressional Adds | 31.415 | 35.40 | 0 | 0 | 0 | 0 | 0 | 0 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <ul style="list-style-type: none"> - Intelligent Logistics Info Mgmt Bridge System (ILI): To create the design and build a prototype for a system to solve the problem of disparity and incompatibility of data silos used to retrieve and organize Radio Frequency Identification Device, user identification and data silos. The collected data and information will allow the development of predictive capabilities for just-in-time ordering, management, delivery, maintenance scheduling, and reliability studies. The development of this application will improve Performance-based Logistics (PBL) and sense and respond logistics (S&RL). Awarded 08/06. (\$.986) - Vehicle Fuel Cell (VFC): Commercialized the use of fuel cells in transportation applications to promote early adoption among military administrative vehicles. Insert the technology into our installation fleets. Ballard, Sunline Transportation, Kettering. Awarded 06/06 (\$4.830) - Aging System Sustainment & Enabling (ASE): Provide localized assistance to small businesses in economically-depressed areas to qualify suppliers and parts for DLA. Oklahoma State University (OSU) Awarded 07/06. (\$.986) - California Manufacturing Technology (CMT): Improve DoD access to Small Manufacturers in the State of California. Awarded 04/06. (\$4.927) - New England Manufacturing (NEM): Improve DoD access to Small and Medium sized Manufacturers (SMEs) in the New England area; This includes Maine, Vermont, New Hampshire, Massachusetts, Rhode Island and Connecticut. Awarded 04/06. (\$.986) - Connectivity Rapid ID (CRI): Improve the ability of small to medium enterprises in the United States to do business with the DoD (Buy America Act). San Diego State University Research Foundation & East County Economic Development Council. Awarded 04/06. (\$.986) - Distributed Inventory Management System (DIM): Fund California State University Long Beach (CSULB) to develop a next-generation radio frequency identification (RFID) capability that overcomes some of the limitations of the existing RFID technology. CSULB School of Engineering has developed a Concept of Operations and is working with DLA to support the requirement for the Deployable Depot. Awarded 06/06. (\$.984) - Processing Fuel Cell Components using 3+ Ring Extruder (FCC): The primary project objective is to continue research on using the 12 Screw Ring Extruder to produce ceramic performed materials to manufacture items such as brake drums for heavy trucks or use in components where there is a desire to increase durability, reduce weight, and improve performance. In this program we will also be researching the use of the 12 Screw Ring Extruder as part of a continuous manufacturing process, to manufacture composite body panels using more exotic materials that cannot be mixed by the machinery current use to mix thermo-plastics. Awarded 05/06. (\$2.464) - Tactical Wheeled Vehicle Safety Inspection (TWV): The goal of this program is to develop a conceptual redesign of the interior of an M1114 High Mobility Multi-purpose Wheeled Vehicle (HMMWV) for the purpose of optimizing safety and efficiency of the crew compartment. The contractor will study, define and baseline the problems of the current vehicle interior occupant safety and human factors concerns before creating solutions and generating CAD representations and physical mock-ups of the refined concepts. Awarded 07/06. (\$.986) | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Other Congressional Adds (OCAs), Project 7 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 7: Other Congressional Adds | 31.415 | 35.540 | 0 | 0 | 0 | 0 | 0 | 0 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <ul style="list-style-type: none"> - DoD EMALL Net Inventory Services (ENI): Expand and extend the functionality of DoD EMALL to include Service Parts Ordering Tool and Master Data File integration. Awarded 04/06. (\$.986) - Hydrogen Logistics Fuel Initiative (HLF): Seeking to work on several items simultaneously to further DoD knowledge of requirements for a possible transition to using hydrogen as a defense logistics mobility fuel: (\$.986) Partnering with Army, Department of Energy and Department of Transportation on strategic locations for potential Hydrogen stations. <ul style="list-style-type: none"> o Collaborating with others to identify hydrogen military infrastructure technical objectives o Develop database to store DOD Hydrogen Initiatives o Continue engagement with industry and government stakeholders o Consider weapon system implications o Develop a DOD strategy roadmap - Mfg Extension Partnership-Midwest Consortium (MEP): Fund the Wisconsin MEP to develop and implement a repeatable and systemic lean manufacturing program to assist small and medium-sized manufacturing companies to better serve as suppliers to their original equipment manufacturers (OEMs) and ultimately the DoD. (\$1.182) - Solid Hydrogen Storage and Fuel Cell Systems (SHS): Program is focused on integrating solid hydrogen storage into fueling ground support platforms. We expect to have internal combustion engines burning hydrogen fuel safely stored in nickel-metal hydride to demonstrate clean and petroleum free performance. Fuel cell auxiliary power unit range extenders will be integrated into electric drive platforms on base administrative vehicles. Awarded 08/06. (\$2.070) - Next Generation Airstart Craft (NGA): Provide development funds to spur support equipment improvements for the warfighter. Phoenix Aerospace. Awarded 08/06. (\$1.675) - Thermal Transinformative Barcoding of Consumables (TTB): The funds will be used by Sira and their commercial and academic partners to develop a thermal-transductive bar code for military food packaging applications. Awarded 06/06. (\$.986) - Spray Technique Analysis & Research/Defense (STR): Reduce cost and air pollution by improving the efficiency of spray painting throughout DoD. Southwest Research Institute, Iowa Waste Reduction Center at University of Northern Iowa. Awarded 08/06. (\$1.294) | | | | | | | | |

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|--|---------|---------|---------|---|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Other Congressional Adds (OCAs), Project 7 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project 7: Other Congressional Adds | 31.415 | 35.540 | 0 | 0 | 0 | 0 | 0 | 0 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>FY 2007 Plans:</p> <ul style="list-style-type: none"> - Defense Tech Showcase Initiative: (\$1.640) - Distributed Inventory Management System (DIM): Fund California State University Long Beach (CSULB) to develop a next-generation radio frequency identification (RFID) capability that overcomes some of the limitations of the existing RFID technology. CSULB School of Engineering has developed a Concept of Operations and is working with DLA to support the requirement for the Deployable Depot. Awarded 06/06. (\$.994) - ECIT Program – Embedded Passives R&D Testbed: (\$1.923) - Florida Defense Manufacturing Initiative: (\$1.988) - Advanced Mobile Gas-to-Liquid Fueler: (\$2.882) - Defense Fuel Cell Locomotive: (\$1.938) - DoD Vehicle Fuel Cell Program: (\$4.522) - High Energy Battery Development for Aerial Vehicles: (\$3.354) - Hydrogen Logistics Fuel Initiative (HLF): Seeking to work on several items simultaneously to further DoD knowledge of requirements for a possible transition to using hydrogen as a defense logistics mobility fuel: Partnering with Army, Department of Energy and Department of Transportation on strategic locations for potential Hydrogen stations. - New England Manufacturing Supply Chain: (\$1.938) - Next Generation Manufacturing Tech Initiatives: (\$2.638) - Solid Hydrogen Storage and Fuel Cell Systems: (\$2.186) - Solid Hydrogen Storage Initiatives: (\$5.168) - Spray Technique Analysis: Reduce cost and air pollution by improving the efficiency of spray painting throughout DoD. (\$1.292) - Emergency Power Source for National Guardsmen: (\$1.093) <p>C. Other Program Funding Summary: N/A</p> <p>D. Acquisition Strategy: N/A</p> <p>E. Major Performers: See information associated with each project provided under 2006 Plans.</p> | | | | | | | | |

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| Exhibit R-2a, RDT&E Project Justification | | | | | | | Date: February 2007 | |
|---|---------|---------|---------|--|---------|---------|---------------------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Continuous Acquisition Lifecycle Support (CALs), Project #8 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project #8: Continuous Acquisition & Lifecycle Support | 3.881 | 3.976 | 0.000 | 0 | 0 | 0 | 0 | 0 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <p>A. Mission Description and Budget Item Justification: Information and information technology impact almost every functional component of the DoD, from tactical units to the supply lines that support them. In fact, Joint Vision 2020's central goal is the capability of collecting, processing, and disseminating a steady flow of information to U.S. forces, while exploiting or denying an adversary's ability to access that information.</p> <p>To this end, the DoD has embarked on a set of critical and ambitious programs. These programs are to insure that information technology plays a key role in achieving war fighter superiority in the 21st century. Embodied in the DoD 2020 logistics vision are integrated supply chains focused on meeting war fighter requirements at the point of need. This, in turn has caused the DoD to insure that all automated information systems have a degree of "interoperability".</p> <p>The main goal of the DoD's Information Technology initiatives is a shared data environment. This environment supports the DoD 2020 Logistics Vision and all five key logistics initiatives. It provides users the capability to employ automated tools that accomplish tasks more effectively and efficiently and that exchange current and accurate information in a timelier manner across enterprises.</p> | | | | | | | | |
| B. Accomplishments/Planned Program | | | | | | | | |
| | FY 06 | FY 07 | FY 08 | FY 09 | | | | |
| Accomplishment/ Effort/Subtotal Cost | 3.881 | 3.976 | 0.000 | 0 | | | | |
| RDT&E Articles Quantity – N/A | | | | | | | | |
| FY 2006 Plans: (\$3.881): In order to satisfy these needs and requirements, DoD is moving to accomplish the following activities: <ul style="list-style-type: none"> - A DoD-wide Logistics Environment which includes the following emerging concepts: <ul style="list-style-type: none"> o Force-Centric Logistics (implementation) o Logistics Transformation Roadmap o Sense and Respond Logistics (S&RL) o GIG/Network-Centric Concept (NCOW Reference Model) o DoD Enterprise Modeling and Performance Based Logistics | | | | | | | | |

UNCLASSIFIED
FISCAL YEAR (FY) 2008/2009 BUDGET ESTIMATES

| Exhibit R-2a, RDT&E Project Justification | | | | | Date: February 2007 | | | |
|---|---------|---------|---------|--|---------------------|---------|---------|---------|
| Appropriation/Budget Activity RDT&E, Defense-wide BA: 3 | | | | Project Name and Number Continuous Acquisition Lifecycle Support (CALs), Project #8 | | | | |
| Cost (\$ in millions) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Project #8: CALs | 3.881 | 3.976 | 0.000 | 0 | 0 | 0 | 0 | 0 |
| RDT&E Articles Quantity - N/A | | | | | | | | |
| <ul style="list-style-type: none"> - Satisfy customer requirements at the point of need. - Reduce cycle times to meet dynamic warfighting requirements (i.e., customer wait time). - Replace large investments in infrastructure with information superiority, interoperability, information assurance, security, and accuracy. - Create robust partnerships with the industrial commercial sector. - Reduce organizational echelons to only those that benefit the warfighter. - Provide a high degree of information security and audit capabilities. <p>FY 2007 Plans (\$3.976):</p> <ul style="list-style-type: none"> - On-going support to the Joint Logistics Vision 2020. - Continuation of the DoD Future Logistics Enterprise (FLE) initiative. - Supply Chain Management and Operational Reference Modeling implementation - DoD Enterprise Modeling and Performance Based Logistics - Net Centric Enterprise Services - DoD Corrosion Exchange Initiative <p>C. Other Program Funding Summary: N/A</p> <p>F. Acquisition Strategy: N/A</p> <p>G. Major Performers: N/A</p> | | | | | | | | |