

“Supplying, supporting and distributing the many items our forces need are ‘follower’ functions,” VADM Lippert said. “Accordingly, we analyzed the most logical positioning of our supporting infrastructure and understood the need to consider geographic proximity with our customer base to ensure customer expectations were satisfied.”

For example, he said, “We have maintenance customers who depend on our logistics infrastructure to deliver the right materials at the right time to keep their production lines moving. On some issues we needed to consider the judgments and outcomes arrived at by the Industrial Joint Cross-Service Group to ensure the final outcomes of their analysis were integrated with our own to provide optimum solutions for the department.”

VADM Lippert said the group also proposed changing the way DOD buys repairable items, which are the more expensive subcomponents of major end items purchased by the department. As part of a comprehensive realignment and some consolidation of the inventory control points where these materials are procured, the group’s recommendations are intended to capitalize on consolidated procurement.

“This enables the combined effects of reducing the materiel needed in the pipeline, reducing the holding costs for inventory and leveraging the larger buying power of the entire purchase by the department of these items,” VADM Lippert said. “By consolidating the procurement and related management of these particular items under one defense entity, we believe we can negotiate a better price on defense related materials.”

The Admiral said DOD had similar results when the department combined procurement and management of most consumable items in the 1990s.

Privatization also plays a large role in the Supply and Storage Joint Cross-Service Group recommendations.

“Our analysis identified savings opportunities for the department by privatizing the supply, storage and distribution efforts for select commodities,”

VADM Lippert said. “We have had notable success in this area previously, and this base realignment and closure round provided the means to assess our buying habits for tires, compressed gases and prepackaged petroleum products.

“The Department consumes a great deal of these items,” he added. “Achieving economies in the current large storage facilities and their management structure allowed us to arrive at substantial savings through moving the management of these items to the private sector in a fashion similar to what we have successfully done with other commodities.”

Having presented his group’s recommendations, VADM Lippert told the commission he hoped “you will find our recommendations sound and concur with them in that they may generate savings for our military.”

DDC Commander Speaks about New Initiatives, Implications of BRAC at Town Hall

By Jessica Walter, DDC Command Affairs

Defense Distribution Center (DDC) Commander BG Mike Lally, USA, held a town hall with DDC headquarters employees in June. The main topics he addressed included new leadership improvement initiatives and the effect of the Base Realignment and Closure (BRAC) process at DDC.

BG Lally explained that DDC’s new leadership academy would begin soon and is aimed at strengthening the competencies of DDC’s supervisors. “The Leadership Academy is a mix of training and education. Training is all about preparing you to do your job. Education is all about preparing you for the future.”

During the academy, DDC supervisors will receive training on topics including effective communication, motivating employees, teamwork and integrity. “The long-term benefits for the entire organization I think are very worthwhile,” said BG Lally.

BG Lally also gave the group of DDC headquarters employees an update on the BRAC process and how it affects DDC.

The overarching construct of BRAC is to pursue those logistics economies and efficiencies that enhance the effectiveness of operational forces as traditional forces and logistics processes transition to more joint and more expeditionary aspects.

He explained that President Bush will see the recommendations this fall and he will give them to congress. Within 45 days of that hand-off, congress will either completely agree or disagree with the recommendations.

At that time, the recommendations will become directives. “We’re fairly confident that many, if not all, the recommendations will become directives.”

BG Lally also said that the Supply, Storage and Distribution Management Configuration “is the largest single savings of any BRAC recommendation - \$2.9 billion.”

Some of the significant impacts of BRAC to DDC include the addition of two strategic distribution platforms (SDPs). DDC currently operates two SDPs —Defense Distribution Depots Susquehanna, PA (DDSP) and San Joaquin, CA (DDJC). The BRAC recommendation is to also make Defense Distribution Depots Oklahoma City, OK (DDOO) and Warner Robins, GA (DDWG) SDPs by 2007.

“Our job now is to figure out how we’re going to implement this,” said BG Lally. Teams will be sent to DDOO and DDWG to find out what has to be done to transform both sites into world-class SDPs.

Another BRAC recommendation is to close Defense Distribution Depots Red River, TX (DDRT) and Columbus, OH (DDCO) by 2009.

During the town hall, BG Lally also recognized employees for recent accomplishments. The DDC Transportation Division was recognized by the Surface Deployment and Distribution Command (SDDC) for outstanding transportation documentation. The following DDC employees received the award: Monda Wickard, Debra Shipe, Don Hart, Mark Libeck, Dennis Kochert, Sue Garrison,