



DDC REVIEW

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FROM THE COMMANDER

Defense Distribution Center's responsibilities have continued to grow in recent years as Base Realignment and Closure and other factors have taken us forward and closer to the Warfighter than ever before.

We are involved in new or expanding partnerships with various agencies and commands.

It is critical in times of demand for Warfighter support and declining service budgets that we constantly balance performance with cost. Stewardship is an important daily practice that assures storage and distribution services are relevant, affordable and sustainable over time.

DDC is continuously reviewing processes and functions ensuring resources are matched with mission needs.

Our most recent step in this on-going process has been the advent of the DDC Resource Board. This senior level board ensures that a consistent process is applied to the task of balancing resource requirements across the distribution network – ensuring we are prioritizing

our workload, concentrating on our core distribution mission, maintaining a skilled and flexible workforce and providing best value support to the Warfighter.

The last few months have seen changes in the way we operate at DDC headquarters, where we initiated a review of the processes and functions within each of the directorates. The purpose was threefold: determine if the current functions under each directorate were within the scope of the stated mission; determine if DDC's processes were defined and if defined, were they structured, managed, and measured consistently; and lastly, identify and recommend solutions that strengthen the organization.

To that end, the review concluded that reassignments of portions of the headquarters workforce consistent with the mission of the directorate were required. The review is allowing us to streamline internal operations and will significantly improve our agility and strengthened our capability to accomplish our mission.

These changes enhance our successful



engagement strategy with the Combatant Commanders, Services and their components, as well as, DLA headquarters and the supply chain owners.

This edition of the *DDC Review* highlights just a few of the initiatives underway at DDC that are allowing us to save money, energy and improve processes.

DDC must continue to aim to deliver the maximum payoff from taxpayer resources by continuously striving to employ better processes and business arrangements that reduce cost and provide for the growth and development of the distribution enterprise.

DDC REVIEW

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AJ2 program: Providing unique resources in theater

By Jessica Roman, DDC Public Affairs

Supporting the Warfighter involves providing many unique items in theater. Sometimes, these needed items fall outside of the Defense Logistics Agency storage criteria or outside of normal stocking limits for a specific service. The AJ2 program was designed to help with this problem.

The AJ2 program is an agreement between the Army and DLA that helps to satisfy a number of theater requirements while simultaneously reducing total cost to the Department of Defense. AJ2 program items include Army materiel such as vehicle parts, wheel assemblies, tank tracks, and High Mobility Multipurpose Wheeled Vehicle engines and parts.

AJ2 is an Army storage routing identifier code, or RIC, within the Distribution Standard System, or DSS. Items that fall under the AJ2 RIC are the property of the Army. The Army manages these materials, and the Defense Distribution Center provides care of supplies in storage, until DDC is directed by the Army with a materiel release order to a consignee. The Army is

able to determine the national stock numbers that they need in theater, and have service stock fund sales.

Because of AJ2, the Army can look first to the areas in theater to find out if an item is available, before going to the wider DDC distribution network. This helps to reduce customer and requisition wait time, simply by leveraging the existing DLA distribution network and expanding DSS visibility.

Currently, this program is implemented at DDC's distribution centers in Europe, Kuwait, Korea, and Hawaii. DDKS is the largest participant in the AJ2 program, carrying over 22,500 NSNs. DDDE hosts over 5,500 NSNs, DDDK over 9,500 NSNs, and DDPH over 3,250 NSNs.

AJ2 has allowed DDC to save obligation authority dollars by staying within the normal business model, but also having the items available for distribution in theater. DDC also receives transaction fees for service-directed release order, and storage fees for slower moving materiel.

AJ2 has been mutually beneficial, as the Army is able to have the security of materiel available in theater, and can eliminate a level of infrastructure to maintain, reducing the overall footprint needed. Additionally, combining the stockpiles allows for the elimination of distribution services redundancies, such as trucking, staffing, and infrastructure.

“The success of the AJ2 initiative is a crucial step forward as DLA continues to partner with the Services towards the goal of retail integration,” said Scott Rosbaugh, director of Distribution Process and Planning.



The AJ2 program helps to supply High Mobility Multipurpose Wheeled Vehicle engines and parts to the Army. Georgia National Guard photo by Sgt. Roy Henry.

Distribution network alignment strategies and support to U.S. Afghanistan forces; DDC deputy commander provides senior military logisticians an in-depth look at DLA and its leading distribution center

By Stacy L. Umstead, DDC Public Affairs

Senior Executive Service member, William H. Budden, deputy commander for the Defense Distribution Center, returned to the United States Air Force Institute of Technology, or AFIT, Dayton, Ohio, recently as a guest speaker providing Senior Distribution Executive Development Seminar attendees an overview of the Defense Logistics Agency's mission and highlighting DDC's support to the Warfighter as U.S. Forces increase in Afghanistan

Class attendees, senior logisticians from throughout the military services, learned first-hand DLA's mission of supplying critical resources to the nation's military services and civilian agencies. The briefing included DLA's focus areas, organizational alignment and scope of support.

"DLA is the Department of Defense's integrated end-to-end supply chain manager," said Budden as he addressed the class. "DLA works closely with the military services throughout the acquisition process, ensuring requirements are met."

"In addition, we also provide storage and warehouse management for items required by the Services. DDC coordinates movement of items directly with vendors or in partnership with the United States Transportation Command to ensure on time delivery," continued Budden. "To facilitate that end-to-end process, DLA's responsibilities continue with stock positioning at forward locations and tactical distribution to enable faster delivery to the customer --A short way to sum up the chain is that DLA is a key enabler to the 'Factory to Foxhole' concept."

As DDC's deputy commander for 25 distribution centers worldwide, Budden further explained DLA's lead center for distribution's role in supporting the Warfighter and its engagement with combatant commands, as well as outlining DDC's distribution network alignment strategies. "DDC is working with military components, ensuring correct balance of inventory levels, positioning of stock and the capabilities of the distribution pipeline," said Budden.

"Key to supporting the Warfighters around the world, DDC's distribution network has the ability to expand to meet surge requirements or to support distributed forces in an anti-access environment," added Budden.

The main topic of discussion with the logistician was DLA's support to the increasing number of forces in Afghanistan, "A key to DLA and DDC's success is early and continuous engagement," said Budden. "We worked months in advance to preposition items for troops deployed. DLA has had support teams on the ground in Afghanistan and at the United States Central Command working alongside the war planners to ensure we get the Warfighters what they need. We continue to work closely with CENTCOM and U.S. Forces Afghanistan as we prepare for increased presence."

Budden highlighted the capabilities of DDC's deployable distribution center, which will play a key role in supporting Afghanistan operations, "DDC is deploying our Distribution Expeditionary Depot to Kandahar this summer," said Budden, "This will improve access to parts and increase readiness support as the U.S. increases

its presence there. We will have the capability to receive, store and issue materiel needed by our Warfighters, right in country," concluded Budden.

Budden's return to AFIT and his discussion with senior logisticians was well received. The students enjoyed hearing a senior leader perspective about DLA and DDC and asked some challenging questions. The DDC deputy commander thoroughly enjoyed the interaction with the academic students, "They did, in fact, ask lots of challenging questions but it was a blast. I learned as much from them, as I am sure I gave them things to think about!"

DDC has participated in the AFIT's logistics curriculum for the last five years.

The AFIT Senior Distribution Executive Development Seminar provides senior distribution executives with the latest developments in national policies, management techniques, and the new technologies affecting the transportation and physical distribution disciplines. The seminar emphasizes national policies and their impact on Air Force distribution activities, current theories and techniques regarding human and physical resources management, state-of-the-art developments in the transportation field and new productivity improvement initiatives.

In addition, the seminar increases student's understanding of both military and commercial physical distribution systems and provides insight into the motivation and strategies employed by the commercial distribution industry. Teaching methods include discussions, guest lectures, and onsite tours of transportation and distribution facilities.



Supervisors on wheels...DDJC creates the supervisor mobile cart for UGR mission

By Annette Silva, DDJC Public Affairs

Creative thinking at Defense Distribution Depot San Joaquin, Calif., led to the creation of the supervisor mobile cart enabling supervisors on the floor at the Unitized Group Ration, or UGR, mission to be readily available for employees working on the production lines.

Frank Garza, UGR branch chief, brought up the idea of the mobile cart to Joe Perry, Operations Group chief. Perry assigned the task at hand to Danny Cannon of Operations in conjunction with Information Operations and the cart became a reality for supervisors to be able to perform administrative and workload functions on the production floor.

The carts were modified from two existing herbie carts by removing the Intermec printer



The supervisor mobile cart was created for supervisors in the Unitized Group Ration mission.



Terry Cherry, day shift supervisor, Unitized Group Ration mission, uses the supervisor mobile cart.

and configuring the laptop for office functions. Printing can be accomplished at the cart or routed to fixed printers in the office.

Terry Cherry, UGR dayshift supervisor is in favor of the mobile cart, "I like the idea of being available on the production floor for employees; to be able to access a supervisor at any given time is critical as DDJC moves UGRs out the door to the Warfighters throughout the world," Cherry remarked. "Supervisors are now more hands-on and an integral part of the work process on the floor."

These carts are unique to UGR operations as supervisors are required to be on the floor 90 percent of the time with this mission compared to other distribution functions at DDJC.

DDJC's UGR mission includes UGR-Express meals which are a one-time use, self-contained system that automatically heats once the tab is activated, and feeds 18. The meal, which takes approximately 45 minutes to cook, is heated inside the box and eliminates the need for a field kitchen. These meals include an entrée, vegetable, starch, drink mix, dining trays, utensils, and a trash bag for clean-up.

Additionally DDJC assembles, the UGR-Heat and Serve meal is contained in three boxes, which feed 50. Preparation of the meal requires a field kitchen. The meal consists of an entrée, side dishes, desserts, drink mixes, condiments, spices and other ingredients along with disposable trays, cups, flatware and trash bags.

Navy transfers tactical distribution to DLA

Recently, the Defense Logistics Agency officially signed the Master Memorandum of Agreement to begin the Navy Warehouse Transfer project. NWT transfers Naval tactical distribution capabilities to DLA, based on a joint business case analysis performed in the Puget Sound region, which compared Commander, Fleet and Industrial Supply Centers and regional Fleet and Industrial Supply Centers' current costs with anticipated costs for DLA to perform the same mission.

This initiative transfers a significant percentage of Navy storage and tactical distribution functions to DLA. This effort leverages the DLA distribution network to meet customer requirements, and allows the Navy to concentrate on delivering global logistics services to fleet and Joint operational units.

“NWT provides strategic opportunities to maximize use of the DLA distribution network, utilizes the distribution standard system to increase asset and intransit visibility, streamlines distribution processes reduces transportation costs, and reduces overall Navy infrastructure,” said Denise Parker, DDC NWT program manager.

In leveraging this relationship, NAVSUP is seeking new ways to utilize their resources for improvement of current and future logistics operations. The partnership was borne out of a Navy Program Objective



Defense Logistics Agency and Naval Supply Systems Command are partnering to improve logistics support to the Warfighter.

Memorandum 10 initiative to generate savings the Navy can use to build the future force.

DLA will assume responsibilities of distribution currently performed by the NAVSUP regional FISCs. Defense Distribution Center will replace existing tenants in locations where physical distribution is the main mission, and will be a co-tenant in locations where both distribution and other activities are performed. DDC and the Navy have collaboratively established teams in order to facilitate the transfer, both at the headquarters and local levels.

DLA's transferred mission includes tactical distribution, information technology, and collaboration. Tactical distribution relates to the processing of materiel to include receipt, stow, and issue. Additionally, DLA is assuming transportation functions at many of the sites. DLA will support activities in the future through a DLA secured information

technology network.

Serving as a baseline for a partnership between NAVSUP and DLA, DDC will help to collaborate and coordinate logistics solutions to support naval customers. DDC's Distribution Standard System will be rolled out in the newly transferred locations in order to support best practices and facilitate continuous process improvement. DSS provides the Navy capability not currently available including extensive asset and “in transit” visibility linked across the Department of Defense global distribution network, and allows DDC to optimize store and distribution functions, improve efficiency, and reduce operating costs.

In joint partnership, DLA and the Navy will reduce operational footprints and costs, streamline operations, and exit facilities by leveraging the entire network to meet customer expectations.



Managing time, organizing, prioritizing and executing A DDJC employee's support to the Warfighter

By Emily Blubaugh, DDC Public Affairs

"If we are not managing our time, we are not managing the mission." This phrase has become Yvonne Hicks' motto after participating in the "Advanced Leadership Development: A Closer Look at Managing Time" course. Hicks, distribution process worker supervisor at Defense Distribution Depot San Joaquin, Calif., attributes much of her success as a supervisor to the course, which assisted her in executing key actions established in her Managing Time Action Plan.

Hicks is such a supporter of the course that she volunteered to be a Distance Learning Course manager when DDJC commander United States Army Col. David Rodriguez asked for a graduate of the course to volunteer, and has even brought her entire team on board with what she calls their "Time Management Plans."

"Before my team and I established our Time Management Plans, we were often stressed and frustrated—we were reacting. Now, we are much more organized, because if a task is on the Time Management Plan, it is a priority. Empowerment and accountability has increased with our group. Everyone knows what they have to do, so ownership is very high, and it is less stressful," says Hicks.

Encouraging her team to utilize their time wisely and understand the impact and results of doing so, both good and bad, has been one of Hicks' focuses. "When people on my team get side-tracked, which

can happen in a warehouse where priorities rapidly change, the team finishes the activity required, and quickly goes back to their Time Management Work Plan to get back on track," said Hicks.

"We also use the terminology of 'time blocks.' We use time blocks very effectively, so we are not stressed," she continues.

Hicks feels that the implementation of the plans is making a huge impact in production, which she reviews in DSS once per quarter, acquiring a baseline, and tracks the team's progress. This inspires her team with their accomplishments and creates a baseline to start from for monitoring future team work. The result is a highly-motivated group, constantly striving to "beat" the previous quarter's numbers and demonstrating that their plans are making an impact, not just on their stress levels and organization, but also on performance.

"Each department, including receivers, packers, warehouse folks, know when to address key issues. The Time Management Plans help everyone to understand what comes first, second, and third. And, now we all have the same understanding of the priorities," said Hicks.

Prior to participating in the course, Hicks managed a small team and was very shorthanded. The team became backlogged in stow checks. To manage this process and time, Hicks used the concepts from the Managing Time course related to organization by zones and



Yvonne Hicks, distribution process worker supervisor at Defense Distribution Depot San Joaquin, Calif., attributes much of her success as a supervisor to the "Advanced Leadership Development: A Closer Look at Managing Time" course, which assisted her in executing key actions established in her Managing Time Action Plan.

categories. The team created a box and divided the work by locations. She then delegated the project to each warehouse employee and requested they set aside time blocks each day to complete stow checks for their responsible areas. The objectives were met: eliminate the backlog and reduce errors in location by checking stow locations immediately. Using these techniques, Hicks helped her team turn what could have been a discouraging project into a success. Since the introduction of Time Management Plans to the team, their stow check box has been empty or contained the previous day's stows.

Hicks' goal for her team is zero defects. They have achieved this goal of no mistakes in various locations. The goal relates to inventory in the system, no shortages, and no overages. Hicks believes the focus on time and

Executing the mission:

generating Time Management Plans for each specific area has greatly contributed to this.

“Yvonne has been a major contributor toward DDJC moving closer toward its goal of continuously and consistently meeting the depot’s metrics by managing time. Her focus on time and generating a Time Management Plan for each warehouse area has greatly contributed to making this happen,” said Rodriguez.

The impact of Hicks’ changes to her team’s processes was so significant that first quarter, Fiscal Year 2010, she was recognized as the Defense Distribution Center Commander’s Mission Impact Award winner.

Hicks hopes to help everyone on her team feel that they have the power and time to take a step back, review their Time Management Plan, review the mission priorities, organize, and complete tasks without stress.

“The course, alongside support from my senior leadership, has

made a lasting impact on our team’s productivity and effectiveness, and it is fulfilling to pass these benefits on to the Warfighter by ensuring they are receiving the right item, in the right place, in the right time. This is the ultimate goal,” said Hicks.

This article is the second in a series highlighting the continuous process improvements being implemented throughout DDC’s depots as a result of the Advanced Leadership: Managing Time class and its impact on DDC’s way forward.

DDDE supports U.S. Marine participation in Africa’s largest military exercise

By Emily Blubaugh, DDC Public Affairs

Recently, Defense Distribution Depot Europe received requisitions for Meals Ready to Eat, Unitized Group Rations, and Ultra High Temperature milk in support of Exercise African Lion, an annual military exercise held in Morocco which includes a variety of bi-lateral training evolutions including small-arms and crew-served weapons training, and live fire and maneuver ranges.

DDDE workers pre-stuffed and positioned four 20 ft. containers for quick departure to support troops participating in the exercise.

African Lion is a month-long combined exercise with the Royal Moroccan Army. Marines from the major subordinate commands under Marine Forces Reserve participate in the exercise annually. The goal is to promote improved interoperability and mutual understanding of each nation’s tactics, techniques and procedures as well as foster relationships.

Since the first exercise in 2004, African Lion has progressively grown to become the largest combined exercise in Africa.



Pictured are four containers which were filled with Meals Ready to Eat, Unitized Group Rations, and Ultra High Temperature milk by Defense Distribution Depot Europe employees in support of Exercise African Lion, an annual military exercise held in Morocco.



FEATURE SECTION:

DDC: SAVING ENERGY AND SAVING MONEY



Adopt-A-Highway Program marks 17th year at DDSP

By Sherre Mitten-Bell, DDSP Public Affairs

In February 1993, the New Cumberland, Pa., defense installation teamed up with the Pennsylvania Department of Transportation's Adopt-A-Highway program. As a 17-year participant, Defense Distribution Depot Susquehanna, Pa., has helped to keep Pennsylvania roads beautiful.

The Adopt-A-Highway program is made up of individual and teams of volunteers who help to clean a two-mile portion of a Pennsylvania road. DDSP's clean-up area encompasses a two-mile stretch of Old York Road that begins on a mountain summit overlooking the installation and ends at an iron bridge spanning the Yellow Breeches Creek and leading into the heart of Olde Town New Cumberland, Pa.

The installation is also responsible for a combined one-mile area including Old Depot Road,



DLA Enterprise Support Susquehanna, Pa., Recycling Program manager Sue Hutchison, who coordinates the Adopt-A-Highway Program, and United States Army 1st Sgt. Carlos Roman, DDSP enlisted advisor, are regular volunteers for the clean-up that draws employees from several agencies on the New Cumberland installation, as well as their family members.

Hydrogen fuel cell kick-off meeting held at DDJC

By Annette Silva, DDJC Public Affairs

Recently, a kick-off meeting for Defense Logistics Agency's Hydrogen Fuel Cell Pilot project was held at Defense Distribution Depot San Joaquin, Calif.

The Hydrogen and Fuel Cell Research and Development program supports DLA's energy strategy to promote energy independence, reduce environmental impact, and improve operational efficiencies.

The project at DDJC will include 20 new forklifts powered with hydrogen fuel cell technologies and required on-site hydrogen support infrastructure. The fuel cell pilot project will be on-site for an operational two-year demonstration.

Pilot Hydrogen and Fuel Cell programs are currently underway at Defense Distribution Depots Warner Robins, Ga. and Susquehanna, Pa.



Program participants view the Defense Distribution San Joaquin, Calif., Freight Terminal, which will house the 20 forklifts that will be utilized for the hydrogen fuel cell project.



Aligning resources to mission needs, DDC positioning for future mission requirements

By Stacy L. Umstead, DDC Public Affairs

As mission requirements shift and change, logistics experts at the Defense Distribution Center are continually reviewing the distribution network blueprint that outlines the strategic support provided by Defense Logistics Agency's lead center for distribution. Through these efforts, DDC and its distribution centers are preparing for the future to ensure best-value support to the Warfighter.

The most recent step in the on-going process of matching resources to mission needs was the advent of the DDC Resource Board. This senior-level board ensures that a consistent process is applied to the task of balancing resource requirements across the distribution network. Resource requests from the distribution centers are carefully evaluated, taking into account such things as anticipated workload, changes in customer requirements and operational performance.

"Direct mission resource requests are evaluated using a 'should take' staffing model derived by applying individual depot productivity factors to projected levels of workload," said Steve Bitner, chief of DDC's Depot Performance division. Overall, this effort has shown the need for very minimal changes at the majority of DDC's depots; a few depots required fewer

resources and a few depots, which were experiencing increased workload, required more resources. Bitner said that overall the initiative had a positive impact across the distribution network as it spurred a renewed focus by depot commanders to ensure the linkage between Warfighter support and fiscal responsibility.

"DDC provided personnel tools, including Voluntary Early Retirement Authority and Voluntary Separation Incentive Pay to better enable those depots requiring fewer resources to properly align," said Bitner. It appears that all necessary reductions will be absorbed through attrition, voluntary separation and/or voluntary retirement. Where workload is projected to increase throughout DDC's 25 distribution depots, DDC is using appropriate recruitment tools such as voluntary transfers, help wanted ads and Job Opportunity Announcements.

"DDC continues efforts to ensure that our depots are staffed to



DDC and its distribution centers are preparing for the future to ensure best-value support to the Warfighter.

operational needs," said Senior Executive Service member and deputy commander for DDC, William Budden. "In the current environment of limited resources, it is very important to prioritize and concentrate on our core distribution mission and maintain a skilled and flexible workforce at the proper levels."

Non-core distribution missions were identified at a handful of sites where DDC is in the process of negotiating the transfer of those missions and associated personnel to the appropriate military service.

This will be a continuous process for the DDC as it moves forward. "Staffing targets will be revisited annually using the productivity model and we will constantly make appropriate staffing adjustments to reflect changes in the level of workload or to adjust for new missions," said Budden.

Defense Distribution Center continues to lead the way in alternative fuels use

By Stacy L. Umstead, DDC Public Affairs

Since commencing its use of hydrogen fuel cell technology in February 2009 as part of Defense Logistics Agency's Research and Development process, the Defense Distribution Center's participation in the hydrogen fuel cell pilot program has had some momentous events.

Hydrogen, the fuel of choice for most fuel cell applications, is poised to be the cleanest supply of energy as it can be generated from a range of renewable sources and emits predominantly water vapor when converted to energy.

Fuel cells function like a battery, with external fuel (hydrogen) being supplied rather than the use of stored electricity. Not only does the technology reduce DLA's independence on imported oil, it reduces greenhouse gas emissions that can contribute to climate change.

Defense Distribution Depot Susquehanna, Pa., located in New Cumberland, Pa., was the first in a series of three pilot projects in DDC and chosen as the model site for exploring this type of energy technology. "Being that we are the largest and most active of the distribution centers and that we use over 600 forklifts daily during three shifts and a weekend shift, DDSP offered the ideal conditions to explore the business case and utility of this technology," said United States Navy Supply Corps Capt. John King, DDSP commander.

With 40 hydrogen fuel cell powered forklifts and a dispensing system located at

DDSP, managers at the Department of Defense's largest distribution center have assigned the fuel-cell powered forklifts to the busiest work areas, testing them on all shifts.

DDSP is seeing longer usage of the hydrogen fuel-cell powered forklift, "The batteries used in the traditional forklifts last about eight hours. With the hydrogen fuel cell batteries, we're looking at about 24 hours of use," said King.

The second pilot program commenced at Defense Distribution Depot Warner Robins, Ga., in January of this year. DDWG is piloting 20 fuel cell powered forklifts, an outdoor hydrogen production, storage and dispensing system and mobile refuelers that

distribute hydrogen to the forklifts at five different warehouse locations.

"As DDWG prepares to become one of four Strategic Distribution Platforms within the DDC distribution network, the mission will grow and the customer base will expand. By participating in these types of innovative projects, we are positioning this depot to be better operationally and environmentally," said Bob King, DDWG director.

With DDSP and DDWG operations, DDC has achieved over 70,000 incident free operating hours and has dispensed nearly 12,000 kilograms of hydrogen through almost 20,000 refueling events.

Apr. 21 marked the first on-the-ground planning meeting for DDC's third pilot project at DDC's Western Strategic Distribution Platform, Defense Distribution Depot San Joaquin, Calif. DDJC will pilot 20 forklifts and electrolysis for hydrogen beginning this year and will also investigate the technical issues and business case for using solar energy instead of natural gas to produce hydrogen. The infrastructure will create hydrogen on site, using solar power to electrolyze water.

Programs like hydrogen and fuel cell technologies offer potential solutions to energy challenges related to battlefield logistics, energy security, and environmental sustainability. "As our mission evolves to meet the Warfighters' needs, DLA and DDC are committed to ensuring that we are providing timely, best value to our customers in the most effective and efficient manner. Using this technology and being 'green' is a part of that evolution," said DDC commander, United States Marine Corps Brig. Gen. Peter Talleri.



Defense Distribution Center continues to lead the way in hydrogen fuel cell technology.



Continuous Process Improvement training enables DDC leaders to establish a problem-solving culture

By Emily Blubaugh, DDC Public Affairs

“What you do as leaders on a day-to-day basis, how you handle the problems this organization faces, and how you teach others to solve those problems is what defines our organization’s culture,” was the main message to 17 Defense Distribution Center leaders during a recent DDC Level 1 training. The attendees, from four depots and DDC’s expeditionary logistics directorate, attended the training to collectively learn how to improve process management skills and use a standard problem-solving process to create and sustain a continuous improvement culture.

“The goal is to provide leaders with an understanding and basic application of the cultural capabilities required to pursue DDC’s “Operational Excellence” strategy as outlined in the DDC Commander’s Guidance. Operational Excellence requires a problem-solving culture,” said DDC chief integration officer Perry Knight.

The five-day classroom lecture includes a world-class hands-on simulation focused on the principles and distinct cultural patterns of high-performing organizations, which include the following capabilities:

- Capability 1: Design and operate work to reveal problems. Instrumental to continuous process improvement is designing a process to make problems visible. Simply stated, until problems (or deviations from standard) are visible, they cannot be solved. It is also critical during design to build quality into the process. Opportunities for improvement are created by building quality into a process through a “test”

to predict what will happen during the operation of the process and making the outputs of the test available to all employees.

- Capability 2: Contain and solve problems close in person, place, and time. A paradox exists within this idea: Small problems are much easier to fix than major problems, yet small problems are often ignored because they are small. It is important for organizations to expose problems as a part of normal business, so that small problems don’t go unaddressed creating larger and more serious issues. Problems need to be contained, investigated, and resolved by those closest to the issue, therefore, building



Defense Distribution Center leaders attend Level 1 training to learn how to create and sustain a continuous improvement culture.

and exercising problem-solving skills is an important capability for everyone from top management to frontline workers. Ultimately, a shared process exists where little problems will be solved before they combine with circumstances to become big ones, and root causes will be addressed as opposed to symptoms.

- **Capability 3: Accumulate and share knowledge.** Knowledge and learning go hand-in-hand in a problem-solving culture, with the ideas that knowledge is the understanding gained through experience and learning is improving through the use of better knowledge. Leaders need to manage knowledge as an asset by documenting best practices gained through Capability 2 (problem solving close in person, place and time) and sharing this knowledge across the organization. Management of knowledge includes creating a means for access when and

where the knowledge is needed, and this can be done through the use of CPI tools, such as Standard Operating Procedures, Process Flows, and Layered Check/Act Boards.

- **Capability 4: Leaders coach and develop the previous capabilities.** Because employees are the most valuable asset of an organization, leaders must invest in the development of people like any other asset. If utilized effectively, raising the capability of an individual ultimately raises the capability of the organization.

Additionally, students leveraged an interactive “Car Building” simulation throughout, which allowed them to compare and integrate theory with practical application, helping to solidify course learning. The simulation demonstrated the benefits of the capabilities at its most basic level, while also highlighting the possibilities when applied to its fuller potential. It also provided a platform for hands-on learning

of key principles, tools, and techniques.

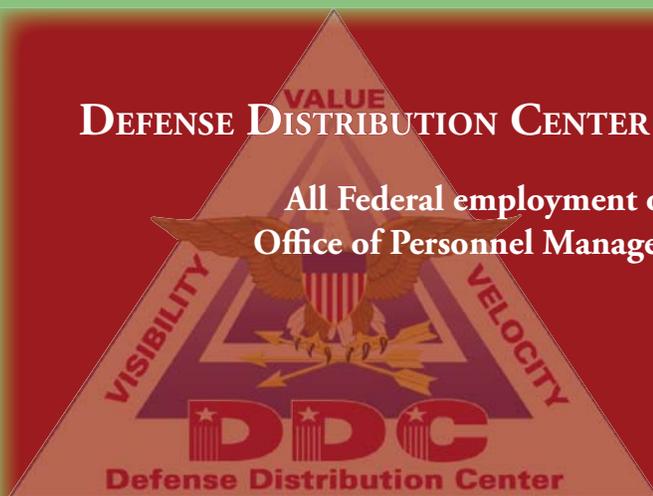
After participation in the week-long training, the leaders completed a final exam, and pending the completion of a follow-up project in which they lead a team through the problem-solving process to solve a problem within their process, they will have satisfied the requirements for OSD DLA Continuous Process Improvement Certification and DLA Green Belt Certification.

“What we hope these leaders take away from this development opportunity is the idea that high-performing organizations are process-driven!” said DDC culture champion John Destalo.

“The challenge for leaders in a process driven organization, is to understand how to design, develop, and improve organizational processes and the capabilities of the people who operate them. Doing so will create an organization that is driven to achieve operational excellence,” he continued.

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DDJC recycling program gives back to the Agency

By Annette Silva, DDJC Public Affairs

Defense Distribution Depot San Joaquin, Calif., is doing its part in saving the agency money and protecting the environment with a new toner/ink cartridge recycling program.

Previous practices consisted of disposing of cartridges by throwing away the material, paying for hazardous waste, or returning a few at a time to the manufacture with no pay back. This process underwent a change when Brenda Mahan of Defense Enterprise Service San Joaquin- Environmental attended the Green Summit in Sacramento, Calif., and met with a vendor that buys all empty and surplus cartridges which are remanufactured or recycled.

“I approached a vendor in the exhibit hall and asked questions in regards to their process, knowing that this could be a new commodity for DDJC to recycle,” Mahan said.

The first load of toner cartridges, totaling 22 pallets, generated approximately \$1,700 in revenue versus paying approximately \$5,400 using the old process.

The revenue is placed into the recycling program and goes back to the depot after recycling expenses are paid. Any excess funds can be used up to 50 percent for the safety and/or environmental programs or up to 100 percent for Morale Welfare Recreation that serves the workforce of DDJC.

On top of cost savings, the environment is reaping the benefits as well. This process diverts waste from the landfills and the hazardous waste stream keeping it out of oceans.

“This is a win-win process for both the environment and the organization,” said Mahan.



Pictured are the first pallets of toner cartridges being shipped to a local vendor for remanufacturing.

Lean and green at DDC's Barstow depot

By Emily Blubaugh, DDC Public Affairs

The Defense Distribution Depot Barstow, Calif., is supporting the Warfighter, protecting the environment, and saving money- all in one mission. Green initiatives at the depot, which include the installation of solar lights and use of Segways, are improving efficiencies and saving money, resulting in a great impact to the depot's Warfighting customers.

In FY08, DDBC purchased four Segway Personal Scooters as an efficient way to transport employees around the installation. The Segways are ideally suited for quick deliveries, particularly due to their ability to maneuver into tight areas and warehouse buildings.

"These vehicles are a perfect solution and great alternative for DDBC because they use less energy, cover more ground than walking, and create fewer emissions than gas-powered vehicles," said DDBC deputy director Revonda Parker.

Additionally, they are much more cost effective than motor vehicles. Operating at a cost of only 12 cents per day, the battery-powered vehicles have no maintenance costs, aside from ensuring the tires are properly inflated at all times.

Another major green initiative resulting in sizable cost avoidance, DDBC's solar lights have proven so efficient that the depot recently installed 50 additional lights to supplement the existing 75 installed in 2008.

The lighting, designed to improve security around DDBC's outdoor tactical vehicle and equipment storage, boasts numerous benefits.

With a cost avoidance of over \$5,500 dollars a year in electricity costs over the next 20 years, the initiative is associated with a potential cost avoidance of approximately \$110,000.

Additionally, upon initial installation DDBC realized a cost avoidance of over \$200,000 as a result of not needing to trench, dig, wire, obtain permits, or conduct environmental impact studies, as traditional lighting would require. The lights also carry a 25-year warranty, resulting in little to no maintenance costs.

"DDBC wants to remain a good steward of all its resources, and because we have been able to do so while improving support to the Warfighter, these initiatives have proven invaluable," said Parker.

DDBC is made up of distribution facilities at two locations eight miles apart, Nebo and Yermo Annex. Headquarters, administration, central receiving, shipping, storage and support facilities are located at Nebo. Most of the outdoor storage is located at the Yermo Annex. The center receives, stores, and ships supplies to military customers located in the U.S. and the Pacific Theater of Operations as well as around the world.

With a hot, dry desert climate, Barstow is an ideal location for outdoor storage for large tactical vehicles and equipment. Among the major items stored outside are Tracked and Wheeled Vehicles, boats, ship's propellers, shafts, anchors and radar units.

DDBC is capable of accommodating inside storage requirements for a wide variety of commodities. Major items currently provided inside storage at DDBC are



A green initiative resulting in sizable cost avoidance, Defense Distribution Depot Barstow, Calif.'s solar lights have proven so efficient that the depot recently installed 50 additional lights to supplement the existing 75 installed in 2008.



Defense Distribution Depot Barstow, Calif.'s four Segway Personal Scooters use less energy and create fewer emissions than gas-powered vehicles.

electronic parts and components, radioactive material, clothing and textiles, replacement parts of military equipment, engines and transmissions, shafts, reduction gears, and wire cable

DDBC also operates a container manufacturing section that is proficient in the design and construction of lumber, plywood, fiberboard and special purpose containers for shipment or storage. Containers may be custom constructed to meet customer requirements and in compliance with Federal, Military and International specifications.



DDC commander highlights logistics supply chain solutions at NA 2010 Supply Chain Summit

By Stacy L. Umstead, DDC Public Affairs

United States Marine Corps Brig. Gen. Peter Talleri, Defense Distribution Center commander, served as one of the keynote speakers at the first North American Supply Chain Summit held last week in Cleveland, Ohio. Talleri's topic of discussion, "How the Department of Defense has put an edge on supply chain management," highlighted the Defense Logistics Agency's worldwide logistics enterprise, its global reach and full spectrum support capability.

Opening his discussion, Talleri described DLA to a broad audience with representatives from industry, government and education. "DLA is the Department of Defense's combat logistics support agency providing Warfighter-focused, globally-responsive supply chain leadership," said Talleri. "We are engaged and collocated with our Warfighting partners around the globe and are an integral part of the end-to-end supply chain."

Describing DDC's innovation in supply chain management, Talleri commented on a few elements it takes to provide premiere logistics solutions to the Warfighting customer. "As DLA's lead center for distribution, the DDC is a key component to the supply chain and continually revalidates and revises support based on customer requirements. DDC's role in the supply chain has evolved,"

said Talleri. "We are developing and maturing partnerships with stakeholders and other providers. We are implementing refinements to our strategic network and adopting improved business practices and technologies."

Expanding on the revalidation process, Talleri provided insight, "Our approach is to first understand the current capabilities being used in the existing distribution channels, find any gaps that may exist, and develop solutions to correct or modify as appropriate."

Talleri added, "We are actively making life easier for the Warfighters by reducing redundant inventories, setting up processes that fill requisitions from stocks in theater before sending a requisition back to the U.S., and generally expanding our presence where it makes sense to do so."

With the drawdown of Iraq and the build up of Afghanistan, Talleri concluded his discussion by highlighting additional elements considered for continued logistics success in managing the supply chain in the Middle East, "DLA's challenge is to ensure that we carefully adjust demand and supply planning factors so that we don't add to excess materiel in Iraq while continuing to sustain the readiness of the shrinking force," said Talleri. "Additionally, DDC is planning to deploy our Expeditionary Depot to the Kandahar region this summer."

DDC Retirees

Larry E. Adleblute, DDSP

Mary L. Alcorn, DDRT

Donald D. Angle, DDJC

Lewis H. Branan, DDRT

Raymond E. Enfield, DDJC

David Langley, DDNV

Paul E. Miller, Jr., DDSP

Dennis F. Miller, DDSP

Gaspar Olivas, DDJC

Georgia O'Rourke, DDJC

Rodney L. Peiffer, DDSP

Linda D. Ratcliff, DDJC

Carol Ream, DDOO

Robert E. Sersch, DDSP

Dickey J. Skinner, DDRT

James H. Thompson, DDJC

Jeffrey A. Vasconcellos, DDJC

Gerald P. Vetrano, DDRT

Odessa Woods, DDAA

Mary Woodward, DDOO

Wiley K. Worrall, DDHU

DDC thanks you for your years of service and dedication to serving the Warfighter.

DLA, NAVSUP complete Navy warehouse transfer in Norfolk region

By Jessica Roman, DDC Public Affairs

On April 11, Defense Logistics Agency and Naval Supply Systems Command completed transfer of Fleet and Industrial Supply Center Norfolk warehouse operations to DLA, as part of the Navy Warehouse Transfer initiative. These sites are now part of Defense Distribution Depot Norfolk, Va., operations.

This initiative transfers a significant percentage of Navy storage and tactical distribution functions currently performed by Commander, Fleet and Industrial Supply Centers' regional FISCs to DLA. This effort leverages the DLA distribution network to meet customer requirements, and allows the Navy to concentrate on delivering global logistics services to fleet and joint operational units.

The FISC Norfolk region transfer consisted of 10 total sites, including six Hampton Roads, Va., area sites,

including Cheatham Annex, DD Jones, Joint Expeditionary Base Little Creek, Naval Station Norfolk, Norfolk Intra-Fleet Supply Support Operations Team, and Naval Weapons Station Yorktown; two Naval District Washington sites, including Naval Support Facility Indian Head, Md., and Naval Support Facility Dahlgren, Va.; one Midwest site, Naval Support Activity Crane, Ind.; and one Northeast site, Submarine Base New London, Conn. Over 240 personnel operating in 70 facilities and over 2.9 million gross square feet of space were transferred to DLA and DDNV from COMFISCs.



Denise Cordeiro-Bennett, Defense Distribution Depot Norfolk, Va., deputy commander, left, and DDNV employee David Hughes, right, visit the transferred Crane, Ind., site to meet with new employees, including Judy Melton, center.

During a pre-transfer town hall, transitioning employees were introduced to DLA and DDC. After the transfer, the new employees were welcomed to the DLA family by DDNV staff.

“It has been a smooth and very supportive transition,” said new DLA employee Judy Melton, logistics branch manager. “DLA and DDNV have given us great assistance and a lot of information sharing. It’s been very informative.”

In joint partnership, DLA and the Navy will reduce Department of Defense infrastructure and operating costs, streamline warehouse operations, and consolidate inventory by leveraging the entire network to meet customer expectations.



DDNV staff members United States Navy Lt. Cmdr. Gwen Garcia, left, and United States Navy Lt. Diana Koucheravy, right, welcome new Defense Logistics Agency employees at the Indian Head location.



Defense Distribution Depot Guam, Ma

Defense Distribution Depot Guam was established on Oct. 1, 2004, based on coordination with the Commander, U.S. Naval Forces Marianas and the Fleet and Industrial Supply Center, Pearl Harbor, Hawaii.

Currently, DDC stocks over 11,000 national stock numbers at DDGM to provide forward stock positioning and enhanced physical distribution services to the military community on Guam and customers in Western Pacific Theater of Operations.

DDGM supports key customers, including the host, Commander, U.S. Naval Forces, Guam, Marianas, Anderson Air Force Base, local Navy and Air Force commands in the Guam community, and home-ported ships. Its storage and distribution facilities are strategically positioned to reduce transportation and customer wait time.

DDGM performs standard distribution functions to include receipt, store, stock readiness and issue with related functions to include sea van surface and air inbound and outbound shipments, World Wide Express service, emergency walk thru requisitions, Packing, Packaging, Preservation and Marking, and transshipment services.

As part of its mission, DDGM provides tailored distribution services through the Material Processing Center which serves as a centralized receipt activity for afloat customers in the Guam area of responsibility.

Commodities stored at DDGM include repair parts, Navy ship store products, Ozone Depleting Substance Compressed Gases, consumable items, hazardous material, Navy Level One / Subsafe material and depot level repairable items. DDGM also prepositions humanitarian assistance and disaster relief items in an event of a disaster or request for assistance in the Asia and Pacific region.

Currently, DDGM is building up for the restructuring of forces from Okinawa, Japan to Guam. This build up will bring approximately 8,000 Marines and their dependents to the island.

In addition to the relocation of Marine Corps units, the Navy is increasing their forces with the addition of a carrier pier at Polaris Point and home porting Littoral Combat Ships. DDGM is poised to provide distribution services to support this increased force presence on Guam.

As DDGM looks ahead to meet the challenges of military build-up on Guam, the DLA director's three areas of focus are guiding all initiatives.

Warfighter Support Enhancements

By engaging principal Marine Corps stakeholders early and continuing dialogue with the Navy, DDGM persistently maximizes opportunities for Warfighter Support Enhancements on Guam.

The goal is to be the best distribution services provider on Guam by providing outstanding support to current and future customers.

Workforce Development

DDGM continues to facilitate training opportunities to improve the workforce and add additional depth of knowledge to employees which results in Warfighter Support Enhancements and serves as a force multiplier.

Stewardship Improvements

DDGM is proactively pursuing implementation

Marianas: Past, present, and future

of an energy efficient lighting project, which is projected to reduce electrical usage by approximately 60 percent. By investing now in energy efficient lighting, including additional day lighting and intelligent lighting controls in warehouses, DDGM will continue to provide a high level of Warfighter support at lower operating costs.

The island of Guam is of strategic importance for the Department of Defense, and DDGM is poised to provide the Warfighter with superior tailored distribution support for their current and future operational requirements.



Two Defense Distribution Depot, Guam, Marianas, employees load a truck in preparation of shipping.

One of Defense Distribution Depot Guam, Marianas' main customers, the United States Navy, docks a ship on the island of Guam.



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Leadership development - a DDC culture update

The Defense Logistics Agency culture survey provides the organization with the opportunity to identify areas for improvement based on the insights of employees across the enterprise. The leaders throughout Defense Distribution Center use the results to guide them to key areas to focus on improving their cultures. Some of the local action plans developed throughout the DDC distribution network include efforts to improve the capabilities of its leaders.

The Human Resources Corporate Leadership Council, or CLC, is a respected resource throughout industry with respect to issues of human resource development. They state that, "To ensure a consistently strong leadership bench, organizations must focus their leadership development programs on critical leadership capabilities, and enable the efficient delivery of high-quality and high-impact development activities." They go on to recommend in their "Creating a Leadership Development Strategy" Fact Brief that an effective leadership development program should focus efforts on key people, positions, and transitions.

One example of a DDC organization that has used their DLA culture results to focus on leadership development is Defense Distribution Depot Korea. "Their senior leadership identified that

an opportunity for improvement was to focus on improving the leadership capabilities at the key position of team leader," stated John Destalo, culture champion and member of the DDC Organization Development team.

The DDDK Junior Leader Training Program is made up of 13 individual subjects intended to improve the knowledge, skills, and abilities of the team leaders. Some of the subjects they cover are: Presentations and Public Speaking, Standards and Discipline/Ethics, and Performance Plans and Evaluation. Each course is targeted in subject matter and relatively short in duration, typically 30-90 minutes. To deliver key elements of the training they leverage local expertise, including the commander and deputy commander. "This delivery method has the added benefit of emphasizing the critical leadership role of coach and mentor for key senior leaders in the organization," said Destalo.

Another example within DDC is the overall DDC Culture Improvement Plan. A number of initiatives to improve the organization are focused on leadership development. "One approach is the continuation of Advanced Leadership Development: Managing Time which is an effort to develop critical management skills in

DDC leaders such as delegation, prioritization, and scheduling that will help leaders use their time more effectively," said Destalo. "Another approach that develops leadership capability is the DDC Level 1 training which develops problem solving and process management skills and includes the opportunities to receive Green Belt certification by leading a team through a problem solving project within their work process," said Destalo.

A recent study by McKinsey and Company through the Centre for Economic Performance entitled "Management Practice and Productivity: Why They Matter" has demonstrated across industries and across countries that effective management practices are key differentiators for successful organizational performance. "This study looks at management practices across three major categories: operations management, performance management, and people management with specific behaviors such as problem solving, establishing clear performance expectations, and attracting and retaining high performers, said Destalo. "The results demonstrate that developing leaders with the practices to manage their operations effectively across multiple parameters is critical for organizations to achieve high performance."

“Strategically Speaking”

with Juan “Tony” Reyes, Supply Systems Analyst, Defense Distribution Expeditionary Depot

Warfighter Support Enhancement

Today’s business practices demand that we do processes smarter and cleaner. Meaning, when we begin any major tasking, we actually do a “Lean Six Sigma” process scenario and figure out how quickly we can resolve workloads more effectively. Initially we take a full circle picture of the task at hand and formulate a plan of attack and execute that plan. When at our home base, DDRT, we take the opportunity to practice those different ideas and mold them to fit the flow needed to expedite the product out to the Warfighter or, with the FEMA scenario, the family in need of water and food. From the beginning of the team conception in May 2006, we knew that we would make a difference in a “BIG” way and it has certainly been that and more.



Stewardship Excellence

This year is poised to be the year of “Fast and Furious” learning and planning to meet and exceed goals for the Mine Resistant Ambush Protected, or MRAP, vehicles for the program at DDRT. The United States is ramping up MRAP M all terrain vehicle deliveries for down range and our team is certainly helping the home distribution facility clear the warehouses for more efficient utilization of storage area. We must do this as effectively and as efficiently as possible. We are confident that we will continue to meet our goals because we know the importance of complete dedication to ensure our American Warfighters have the best and at the best value. We are always looking for ways to better serve our troops and one way is building “support kits” that can be expedited to the field to equip the Warfighter with options and flexibility. We often have training sessions to try to “think outside the box” and attempt to foresee needs and envision problems around the corner.

Workforce Development

Our safe work areas are of paramount concern to our management team. With leaner times ahead, we increase our flexibility in our processes through the voluntary protection program and Lean processes. We have two members that attend weekly VPP Steering Committee meetings to ensure valuable insights are brought back to our weekly organization meetings. We, in turn, discuss where our team can feed back into VPP their concerns and recommendations.

Customer Engagement

It will be DDED’s honor to go to Afghanistan this year. We have been engaged in intensive training to ensure we comply with U.S. Central Command requirements. This will be a great opportunity to support our Warfighters up close. Recently, we preformed a pre-deployment exercise and walked through the process of setting up an austere operation, such as the upcoming deployment to Afghanistan. We know confidently with our management team will lead the way and WE WILL BE SUCCESSFUL.

“Tony” Reyes
DDED

To read this month’s complete “Strategically Speaking,” be sure to visit DDC on the web at <http://www.ddc.dla.mil/>.

COMING IN FUTURE ISSUES

- DDC's support to CENTCOM
- DDC's 7th commander: Two years in review
- Continuous Process Improvement
- DDC's support to EUCOM and AFRICOM