

DDC Commander's Column

By Brigadier General Michael J. Lally, United States Army

The Defense Distribution Center (DDC) recently celebrated four accomplishments, and I would like to congratulate everyone involved in making them possible as DDC continues to be a leader in distribution excellence and strives for continuous improvement.

Our first two accomplishments are innovative strategic initiatives that enhance our ability to provide timely and quality distribution support to our customers fighting the Global War on Terror and to other government agencies during natural disasters.

In February 2006, we opened the Theater Consolidation and Shipping Point (TCSP) at Camp Arifjan, Kuwait. The TCSP is a detachment of Defense Distribution Depot Kuwait, Southwest Asia (DDKS), and serves as a cross-docking operation to keep shipments moving so they reach our Warfighters in Iraq as quickly as possible. Cargo arrives at the TCSP and is rapidly sorted by destination before it is configured and loaded to the specific requirements of our customers in theater. This is a critical mission, and moves DDC one step closer to the Warfighter.

Secondly, DDC is currently establishing a deployable distribution center, a mobile distribution operation capable of deploying anywhere in the continental United States within 96 hours. Personnel from DDC Headquarters and Defense Distribution Depots San Joaquin, California, and Red River, Texas, will support this project that is scheduled to have an initial operating capability by June 2006. In the first phase of operation, the deployable distribution center will be specifically designed to support the Federal Emergency Management Agency and NORTHCOM to provide disaster relief support in the United States. Potential plans for the future include the capability of providing distribution support overseas for disaster relief as well as contingencies.

The second set of significant accomplishments at DDC includes the tremendous success in meeting performance metrics for safety and inventory accuracy. These important internal processes are critical to our ability to provide world class distribution services to our Warfighters.

First, six of our distribution centers met the Secretary of Defense's goal to reduce lost

time accidents by 50 percent over the last four years. They are Defense Distribution Depots Oklahoma City, Oklahoma; Norfolk, Virginia; Hill, Utah; Tobyhanna, Pennsylvania; San Diego, California; and the Defense Distribution Mapping Activity in Richmond, Virginia. This is a tremendous accomplishment!

DDC also had 13 sites achieve a lost time case rate of less than one lost time accident for every 100 employees for a year or more. Five of these sites kept that low rate for the last four years.

Another impressive safety achievement is that with more than one million man hours worked, Defense Distribution Depots Oklahoma City, Oklahoma, and Yokosuka, Japan, maintained a rate of less than one lost time accident for every 100 employees. That's an outstanding safety record and it reflects a sincere commitment to excellence.

Thanks to everyone for their outstanding efforts to improve safety awareness...I appreciate everyone's dedication to working safely.

Second, I'm also pleased to report that we are making incredible strides in improving inventory accuracy across DDC. Due to the Swarm initiative that provided training to more than 3,000 DDC employees to date, we saw a tremendous improvement in inventory accuracy over the last three years. In 2003, only 39 percent of the inventory category goals were met. Today, we are meeting 75 percent of the goals and 15 distribution centers achieved their goals in all four categories.

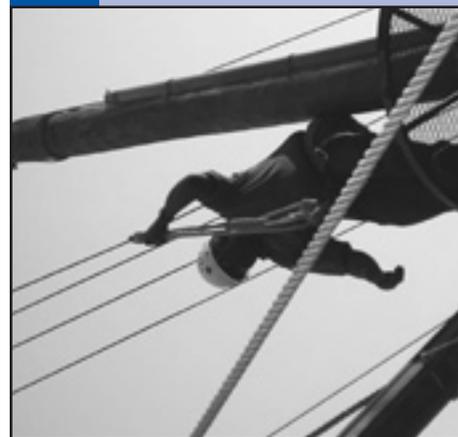
Additionally, DDC's denial rate trend is at an all time low and the absolute adjustment rate has decreased from 19 percent in fiscal year 2002 to just 4.1 percent in the first quarter of fiscal year 2006.

Inventory accuracy is critical to the combat readiness of our customers, and performance like this ensures that we're providing quality logistics support to America's Warfighters.

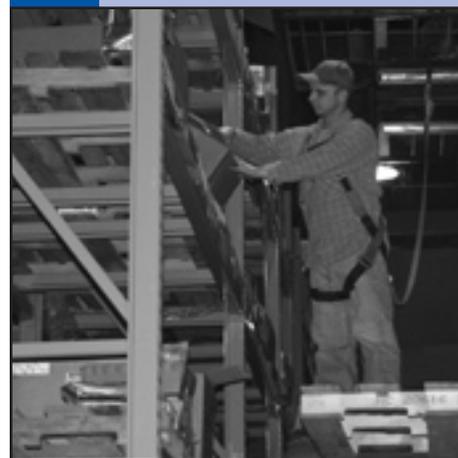
Thank you all for your hard work and dedication. America's Warfighters are counting on us, and our success is critical!



4 New Distribution Services



37 Leading from the Top



56 Employees of the Quarter