

DEFENSE LOGISTICS AGENCY (DLA)

Global War on Terror (GWOT)/Regional War on Terror (RWOT)

**Operations and Maintenance, Defense Wide
Budget Activity 04, Administrative and Service-Wide Activities**

Detail by Subactivity Group

I. Description of Operations Financed:

The Department must procure certain supply items, called “warstopper” items, and preserve critical industrial capability to support the DoD readiness and sustainment requirements. Lithium batteries have been identified by the Military Services as a Warstopper item. These batteries had large surge requirements during the initial stages of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). However the current level of demand has dropped below the minimum sustaining rate production levels for the industrial base to maintain its present capacity. An investment in a minimum sustaining rate (MSR) contract is required to maintain industrial capacity. The deliverables from the MSR contract will be included as war reserve materiel. The MSR contract investment is beyond DLA’s baseline budget. FY 2007 supplemental funding is required to maintain the readiness capability for Lithium Batteries.

FY 2006	*-----FY 2007-----*		
<u>Actuals</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total</u>
24,004	26,100	24,600	50,700

II. Financial Summary (\$ in Thousands):

A. Subactivity Group – Warstoppers Program (Lithium Batteries)

1. 3.3 Other Supplies and Equipment	0	0	24,600	24,600
--------------------------------------------	----------	----------	---------------	---------------

Narrative Justification: DLA recently completed a minimum sustainment rate (MSR) study for the lithium battery vendors that concluded funding is needed in FY 2007 to maintain a viable industrial base of lithium battery vendors. The Defense Supply Center Richmond (DSCR) Land Detachment requires supplemental funding to invest in minimum sustainment rate contracts to maintain two lithium battery producers for a minimum of one year. The secondary benefit will be buildup of War Reserve Materiel (WRM) inventory for this critical go-to-war item. The WRM inventory from the MSRs, combined with current Army held WRM plus the industrial capability of two vendors, provides 90 percent coverage of the recently updated go-to-war requirements for these batteries.

Impact if not funded: The chemistries used to create these batteries are highly inflammable, which could cause a problem if DoD has only one supplier. Experience indicates reducing the vendor base to a single source creates an unacceptable level of risk for DoD. Without Supplemental funding in FY 2007, DSCR Land Detachment will not be able to invest in initiatives to maintain two vendors for this industrial base. This is an essential industrial base to meet the DoD needs during future contingency operations.

B. Subactivity Group – Warstoppers Program (Tents/Shelters)

1. 3.3 Other Supplies and Equipment	0	18,100	0	18,100
--------------------------------------------	----------	---------------	----------	---------------

Narrative Justification: The funding will be used to support critical industrial capability for military specification tents/shelters through minimum sustainment rate contracts as described in the Report to Congress, Industrial Analysis, Tent and Shelter Systems (April 7, 2005) prepared in response to the National Defense Authorization Act for Fiscal Year 2005, HR 108-491. The military-specifications tent systems described in the report include the Modular General Purpose Tent, Frame Expandable Tent, Temper Tent, Soldier Crew Tent, Modular Command Post Tent, and Lightweight Maintenance Enclosure Tent. The quantities of each individual system are in acquisition planning. The DLA will continue to monitor this industrial base to determine future minimum sustainment rate requirements.

Public Law 108-289, Making Appropriations for the Department of Defense for the fiscal year ending September 30, 2007, Title IX, Additional Appropriations, provided the full requirement (\$18.1 million) for the Warstoppers Program (Tents/Shelters) in FY 2007 to maintain the readiness capability for Warstoppers (Tents/Shelters).

C. Subactivity Group – Warstoppers Program (Medical)

1. 3.3 Other Supplies and Equipment	24,004	8,000	0	8,000
--------------------------------------------	---------------	--------------	----------	--------------

Narrative Justification: The funding will be used for the Nerve Agent Antidote Autoinjector Shelf Life Extension Program, for medical consumable go-to-war requirements, medical patient movement items such as the medical equipment required to maintain life support for combat casualties as they are transported through medical evacuation, and manpower required to perform the medical contingency contracts analysis and administration.

Public Law 108-289, Making Appropriation for the Department of Defense for the fiscal year ending September 30, 2007, Title IX, Additional Appropriations, provided the full requirement (\$8.0 million) for the Warstoppers Program (Medical) in FY 2007 to maintain the readiness capability for Warstoppers (Medical).

Funding Totals	24,004	26,100	24,600	50,700
-----------------------	---------------	---------------	---------------	---------------

(This page intentionally left blank.)