

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 “warstoppers,” and preserve critical industrial capability to support the DoD readiness and sustainment requirements. Warstoppers include:

- Lithium batteries: These batteries had large surge requirements during the initial stages of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). The current level of demand, however, 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 to maintain the current capacity 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 2008 supplemental funding is required to maintain the readiness capability for Lithium Batteries.
- Tents/Shelters: Industrial capability support is critical for military specification tents/shelters through minimum sustainment rate contract, as described in DLA’s April 7, 2005 Industrial Analysis, Tent and Shelter Systems Report to Congress prepared in response to the FY 2005 National Defense Authorization Act, HR 108-491. The tent systems in the report include Modular General Purpose Tent, Frame Expandable Tent, Temper Tent, Soldier Crew Tent, Modular Command Post Tent, and the Lightweight Maintenance Enclosure Tent. FY 2008 supplemental funding is required to maintain the readiness capability of the Tents/Shelters industrial base.
- Medical Readiness: The Department requires Nerve Agency Antidote Autoinjector Shelf Life Extension Program, medical consumable go-to-war requirements, and medical patient movement items (i.e., 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 to maintain readiness. These Medical items had large surge requirements during Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). Warstoppers Medical must fully maintain existing readiness contracts needed to establish contractual coverage for the Services go-to-war requirements

identified in the Joint Medical Contingency file. FY 2008 supplemental funding is required to maintain the readiness capability of these Medical requirements.

Defense Distribution Center (DDC) Retrograde: DLA continues to experience increased workload because of retrograde material returning to the Distribution Depots. This workload, estimated to be an additional 1.8 million lines per year, is above peacetime levels identified in the current FY 2008 budget.

<u>FY 2007</u> <u>Title IX/Supplemental</u>	<u>FY 2008</u> <u>GWOT Request</u>
50,700	154,015

II. Financial Summary (\$ in Thousands):

A. Subactivity Group – Warstoppers Program (Lithium Batteries)

3.3 Other Supplies and Equipment	24,600	25,141
---	---------------	---------------

Narrative Justification: DLA recently completed a minimum sustainment rate (MSR) study for the lithium battery vendors. The conclusion of this study indicates that funding is needed in FY 2008 in order to maintain a viable industrial base of vendors for lithium batteries. Supplemental funding is required for Defense Supply Center Richmond (DSCR) Land Detachment to invest in MSR contracts to maintain two lithium battery producers for a minimum of one year. The secondary benefits of the MSR contracts will be to build War Reserve Materiel (WRM) inventory for a critical go-to-war item. The WRM inventory from the MSR contracts, combined with current Army-held WRM plus the industrial capability of two vendors, provides 90% coverage of the recently updated go-to-war requirements for these batteries.

Impact if not funded: The chemistries used to create these batteries are prone to creating fires which would cause a problem to the industrial base if there is only one supplier. Experience indicates reducing the vendor base to a single source is not an acceptable risk for DoD. Without Supplemental funding in FY 2008, 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 needs of the DoD during future contingency operations.

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

3.3 Other Supplies and Equipment	18,100	18,498
---	---------------	---------------

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 DLA's April 7, 2005 Industrial Analysis, Tent and Shelter Systems Report to Congress, prepared in response to the FY2005 National Defense Authorization Act, HR 108-491. The tent systems include the Modular General Purpose Tent, Frame Expandable Tent, Temper Tent,

Soldier Crew Tent, Modular Command Post Tent, and Lightweight Maintenance Enclosure Tent. The DLA is planning the acquisition quantities of each individual system. The DLA will continue to monitor this industrial base to determine future minimum sustainment rate requirements.

Impact if not funded: DLA will not be able to invest in initiatives to maintain the military specification tent industrial base which is essential to meet the needs of the Department of Defense during future contingency operations.

C. Subactivity Group – Warstoppers Program (Medical)

3.3 Other Supplies and Equipment	8,000	8,176
---	--------------	--------------

Narrative Justification: The funding will be used for the Nerve Agent Antidote Autoinjector Shelf Life Extension Program, for medical consumable go-to-war requirements and for 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.

Impact if not funded: DLA will not fully maintain existing readiness contracts needed to establish contractual coverage for the 6,500 Service-identified go-to-war requirements identified in the Joint Medical Contingency file. Categories that will be reduced or eliminated include wound care, operating room supplies, lab reagents, lab ware, sutures and orthopedic supplies. Services would have to increase their on-hand stockage levels, leading to shelf-life expiration issues and increased costs to the Services in order to support their medical materiel surge requirements.

D. Subactivity Group – Defense Distribution Center Retrograde

3.6 Other Services and Misc Contracts	0	102,200
--	----------	----------------

Narrative Justification: DLA continues to experience increased workload as a result of retrograde material returning to the Distribution Depots. This workload, estimated to be an additional 1.8 million lines per year, is above peacetime levels identified in the current FY 2008 budget.

Impact if not funded: Possible DWCF cash insolvency.

Funding Totals	50,700	154,015
-----------------------	---------------	----------------