

FOR IMMEDIATE RELEASE

**STRONG PROGRESS SEEN IN STREAMLINING MILITARY LOGISTICS;
NEW PENTAGON REPORT SEES SUCCESS IN TRANSFORMATION**

WASHINGTON – June 3, 2003 – Citing steady progress in its military transformation initiative, the U.S. Department of Defense (DoD) today released a report describing “remarkable” changes that are strengthening the logistics process through the Future Logistics Enterprise (FLE) – a program to increase the effectiveness and efficiency of DoD’s support to America’s front-line warriors.

“Our top priority, as we confront the war on terrorism and global military instability, must be to ensure that our warfighters receive all the support they need to fight and win anywhere, anytime,” said Diane K. Morales, Deputy Under Secretary of Defense for Logistics and Materiel Readiness. “By integrating the way America acquires, maintains and deploys weapons and supplies – using the latest technologies to provide efficient end-to-end service to the troops on the front lines – we can deliver the greatest logistics flexibility and the maximum impact for our forces in combat.”

The “report card” on FLE’s first year of progress, released by Morales today, describes substantial DoD progress toward fulfilling FLE’s three main goals: reducing the amount of supporting material and hardware (the so-called “footprint”) required when forces are deployed to theaters of combat; adopting advanced business practices that streamline the military supply chain; and improving the level of logistical support to meet the leading-edge standards.

“We must prepare for the future by transforming for the 21st Century,” Secretary of Defense Donald Rumsfeld recently told Congress – and FLE has been one of the drivers for change within the Secretary’s approach to military transformation.

Among the achievements discussed in the report, FLE has thus far:

- Eliminated more than 400 older, outdated information systems, replacing them with up-to-date technologies. That move reduced the total number of logistics-related IT systems by 40 percent.
- Implemented a new approach to the support of weapons systems (called “Performance Based Logistics”) for 60 weapons programs, including such important systems as the C-17 cargo aircraft and the M1A1 Abrams tanks.

- Realigned the distribution system for such vital supplies as fuel, food and bottled water, requiring distributors to take responsibility “from end to end” for the supplies’ shipment – overseeing their delivery from distant depots all the way to the troops on the front lines.
- Compared the military procedures for organizing and distributing supplies to the “best practices” available in the private sector, adopting improvements in the DoD logistics process.

As one key element in the Secretary’s transformation initiative, FLE has spurred an overhaul of the Pentagon’s traditional methods and processes that ensure weapons’ preparedness for combat. DoD officials have cited FLE’s progress as an example of how the Secretary’s transformation policy is helping create a more efficient, flexible fighting force.

Morales, looking ahead to FLE’s continued progress, cited several key remaining challenges. They include:

- Developing and implementing a DoD-wide strategy for integrating data systems;
- Supporting new major weapons systems – such as the Joint Strike Fighter and the Future Combat System for the Army – as prime examples of weapons systems that are leading the way in integrating all elements of logistics throughout the design process, meeting operational requirements, and reducing “footprint” and overall cost;
- Shifting DoD’s approach from managing inventory to managing supply chains, by encouraging collaborative planning between operational commands and those who oversee supplies;
- Transforming archaic information systems into modernized IT systems that respond to plain language, in order to reduce the battlefield burden on the warfighter.

To guide FLE implementation from its earliest stages, Morales formed the Joint Logistics Board (JLB) to bring together the senior logistics leaders from the Joint Staff, the armed services, the Defense Logistics Agency, the U.S. Transportation Command and the U.S Joint Forces Command. The JLB meets frequently to review FLE’s progress as part of the process of military transformation.

#

For more information contact Kristina Boehk at 202.944.5181