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**PENTAGON OFFICIAL ANNOUNCES  
NEW PHASE OF LOGISTICS TRANSFORMATION**

***FORCE-CENTRIC LOGISTICS ENTERPRISE TO DELIVER ADDITIONAL CAPABILITY***

**KANSAS CITY, Mo. – September 16, 2003** – Citing success in its current military transformation initiative, future improvements were announced by a key Department of Defense (DoD) official today at the National Defense Transportation Association’s annual conference.

Conference speaker Diane Morales, Deputy Under Secretary of Defense for Logistics and Materiel Readiness, said that the Future Logistics Enterprise (FLE), which strives to turn logistics into a key competitive advantage for U.S. warfighters, has achieved success in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF), with historic readiness and mission capable rates.

Morales, looking to the future at further enhancements and improved support for the warfighter, announced the implementation of DoD’s second phase of the FLE, called the Force-centric Logistics Enterprise.

“We’re no longer focusing on the future – the future is now and our customers continue to come first,” stated Morales. “It’s time to implement the FLE programs that have been in design and development since I took office in 2001, and we’ll do that through land, air, and sea implementation pilots.”

Goals of this next phase include accelerating transition of performance-based weapon systems support to draw on industry capabilities; integrating logistics with operational planning, financial management, and acquisition; and measuring military effectiveness, cost effectiveness, and visible risk through use of a Balanced Scorecard.

Recent FLE accomplishments in OIF include the record-breaking movement of ground force, an increased sortie success rate, and the reduction of logistics operating costs by \$55 billion over the 5-year defense plan.

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