



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Minutes of the 25 January, 2007 Materiel Readiness Senior Steering Group (MRSSG) meeting

Mr. Dave Pauling, ADUSD (MR&MP), opened the meeting with a review of the agenda. He noted that the next meeting is scheduled for February 20th, from 1300-1500. He also announced that MR&MP was considering chartering a Materiel Readiness Working Integrated Process Team (MR WIPT) under the auspices of the MRSSG. He indicated that additional details would be presented later in the meeting.

Following Mr. Pauling's introductory remarks, Mr. Jay Berry of OADUSD (MR&MP) presented two briefings. The first concerned ongoing information sharing and issue resolution initiatives of the Field-Level and Depot-Level Maintenance Working Integrated Process Teams (FLM & DLM WIPTs).

- The FLM WIPT has four assessments underway: concepts for improving field-level maintenance cost visibility, reliability processes and benefits, scheduled maintenance program development, and how reverse logistics practices affect maintenance production. Mr. Berry noted that little has been published at the DoD level on FLM policy. The WIPT is exploring and evaluating existing policy at all organizational levels for continuous process improvement (CPI), condition-based maintenance plus (CBM+), and a number of other programs.
- In its initial meeting on December 12th, 2006, the DLM WIPT initiated Service reviews of a draft DLM WIPT Charter and a Depot Maintenance Strategic Plan. The WIPT received Service briefings on potential Depot Maintenance Sustainment Outcome Metrics (DMSOM). WIPT members provided additional candidates on January 12th. Service representatives will brief these candidates in the next meeting on February 1st. Mr. Pauling commented that, in the future, the DLM WIPT will review legislative initiatives, serialized item management, public-private partnering, a capacity utilization handbook, and a number of other depot-related topics. He stated a recent DUSD(L&MR) memorandum clarified capacity-related terminology by renaming "total capacity" as "baseline capacity", by establishing the new term "maximum capacity", and by stressing adherence to the standard DoD definition of the term "reset".

Mr. Berry continued with a review of DoD's Depot Maintenance Strategy and Implementation Plans. In response to House Armed Services Committee (HASC) direction to develop and report on this strategy by March 1st, MR&MP has prepared a draft Strategic Plan – which has been provided to the Services for review and comment prior to forwarding the report to the Congress.



Mr. John Becker of the DoD Standardization Program Office presented a brief on actions undertaken by the Manufacturing Networks Integration Committee (MNIC). The Committee is endeavoring to identify Diminishing Manufacturing Sources and Material Shortages (DMSMS) problem items to offer as challenges to three commercial activities (companies or clusters of companies) for solution. The program is congressionally funded and is seeking opportunities to improve the support of mission-limiting hard-to-source items. Mr. Becker requested assistance in the form of MR&MP participation on the MNIC, alliances with depots, and Service identification of candidate problem items.

ACTION: Each Service will:

- Provide the DoD Standardization Program Office at least four candidate problem items and depot points of contact for each item by 16 February 2007. The items may be from any depot and/or inventory control point.
- In collaboration with the DoD Standardization Program Office, assess supportability before and after action has been taken by the commercial suppliers and advise the Program Office and MR&MP of the results.

Colonel Ric Sherman of MR&MP briefed the MRSSG on the Continuous Process Improvement Program. He stated that, in accordance with the 11 May, 2006 DEPSECDEF memorandum, each Service is expected to continue implementing top-down CPI programs. A DoD CPI Senior Steering Committee, with two support teams, has been created to support this effort. The Steering Committee and MR&MP are converging on a DoD wide policy, training and education standards, a knowledge-sharing web site, and several communities of practice. Mr. Pauling emphasized the importance of communities of practice in the maintenance and readiness areas—especially in the depot CPI community. As an example of the opportunities for crossfeed, he cited the recent Marine Corps Logistics Command Item Unique Identification (IUID) conference at Albany, Georgia. Colonel Sherman concluded by noting that an update on CPI progress is planned for early 2007 and that planning for the first DoD-wide CPI forum, led by the USAF, is underway.

Mr. Dave Cutter of LMI then presented a briefing on the Condition Based Maintenance Plus (CBM⁺) DoD Instruction. A CBM⁺ Action Group has been constituted. A smooth draft DoDI has been completed and will be distributed to the Services for review and comment. The instruction defines CBM⁺, establishes policy, and sets forth responsibilities. A CBM⁺ handbook is also in development and is planned to be released concurrently with the DoDI. Mr. Cutter noted that a significant step was integrating Reliability Centered Maintenance (RCM) as a component of CBM⁺.

Ms. Rebecca Kirk of MR&MP, provided status of the Materiel Readiness Working Integrated Process Team (MR WIPT). A draft charter, with updates from the current representatives, was provided to each member. In addition to the Organizations represented on the MRSSG, MR WIPT members should include Coast Guard, DDR&E and PA&E personnel. Mr. Pauling indicated that an early MR WIPT task will be to serve as a resource to address means for better integrating acquisition and sustainment policy,

planning and oversight processes. The MRSSG approved the charter and formalized the MRWG WIPT .

Mr. John Peterson of MR&MP presented a briefing on Materiel Readiness Enabled Through Use of Standard Data Types. He reviewed uses of standardized data in the context of sense, interpret, and respond through a series of connections, standards, web services, and applications. He highlighted the contributions of the CORDRA (Content Object Repository Directory and Repository Architecture) catalogue of registries and standards (such as ISO 10303 and S1000D) in achieving evolutionary process improvement. Weapon system programs that are actively pursuing data standardization include the Marine Corps LAV, Joint Strike Fighter, and the Army HMMVW and H-60. At the OSD and Joint-Service level, planned actions include:

- Creating and obtaining approval for an interim AT&L ISO 10303 and ISO 13374 policy memorandum.
- Obtaining approval for S1000D, ISO 10303, and ISO 13374 policy into DoDD 5000.1 and DoDI 5000.2.
- Place S1000D, ISO 10303, and ISO 13374 employment guidance in the Defense Acquisition Guidebook.

In discussion, it was noted that there is no DoD policy to deal with the standard information already being provided (by commercial contractors) and that a business case analyses and business rules should be developed. Mr. Pauling cautioned that this doesn't necessarily mean that the DoD has to change all legacy systems. He added that OSD should be able to review Service-developed rules in determining whether to select S1000D as a mandatory standard. He pointed to the Air Force's full application of the S1000D standard to Global Hawk.

Mr. Chuck Silva of MR&MP and Mr. Mike Disano from LMI presented the final briefing of the afternoon. They provided the MRSSG members with a status update on the Performance-Driven Outcomes (PDO) Initiative. Mr. Silva cited the USD (AT&L) FY 2007 Strategic Goal (Goal 6.5) which seeks actions to move from a transaction-driven, output-based management strategy to a performance driven, outcome-based strategy for optimizing weapon system sustainment. PDO takes Performance Based Logistics (PBL) to the "next level" by building on lessons learned from CPI and PBL. Planned deliverables under this goal include:

- An execution plan for a Core Study Team to conduct an independent assessment of current DoD and industry performance-driven management strategies.
- A Framework for objectively assessing performance-driven business rules and incentives in both the public and private sectors.
- A Report detailing Independent Assessment Study Team Findings and Recommendations.
- Recommended PDO training and management tools (based on the Report Findings).

– A PDO Implementation Guidebook.

Mr. Disano detailed the actions already completed, actions underway and actions planned to accomplish these tasks. He identified the projected members of the team, Government and industry activities to be benchmarked, and the study timeline.

Mr. Pauling concluded the meeting by summarizing the action items and noting the synergy between the PDO Initiative and the “Integrating Acquisition and Sustainment” Task Force; both are seeking to optimize the way we do weapon system sustainment by providing for new policy and more disciplined performance-to-plan oversight.



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