

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

1.0 INTRODUCTION

After the Gulf War, the Marine Corps recognized that changes in world military capabilities, politics, economics, demographics, cultures, technologies and national interests demanded a review of the Corps' warfighting capabilities. The Marine Corps acknowledges that the nation's military forces would be called upon even more frequently to project influence and military power to crisis spots around the globe, while at the same time dealing with budgetary realities and decreasing basing and access overseas. The operational concept of Operational Maneuver From The Sea (OMFTS) is designed to give the nation a potent tool for protecting and furthering U.S. national interests in a changing world. At the same time, the Corps realized it must become more efficient while maintaining or increasing combat effectiveness. These competing demands soon clearly indicated that marginal change would not suffice.

The Marine Corps has traditionally looked to the future, evolving its capabilities in step with technological changes and operational needs. In short, the Corps is not transforming itself in a burst of effort. The changes being made today are yet another phase during which the Corps evolves the capabilities (doctrine, organization, training, equipment, and supporting establishment) necessary to fulfill the missions the nation will call on it to perform. Three Commandants have emphasized deliberate, irresistible, and inexorable evolution of the Marine Corps, similar in scope and long-term impact to the 1930's. During these years, visionary Marines patiently and laboriously developed and tested technical and doctrinal foundations of amphibious warfare that were the hallmark of Marine operations in the global war of the next decade. Today, the Corps is deliberately and methodically exploring and testing alternative warfighting concepts, techniques, doctrines, organizations and equipment. This operational evolution is matched by a complementary evolution in logistics, aimed at developing the new capabilities necessary to support evolving operational concepts while simultaneously making our logistics processes more efficient.

The Marine Corps has a vision of the future, one that requires fundamental changes in the way we provide logistics support to our Marine Air-Ground Task Forces (MAGTFs). Our strategy is to craft today the foundation upon which we will build changes that will enable us to operate in new ways tomorrow. We recognize that evolution is continuous, and will take place over years, with incremental stages of change. Because we are constantly assessing our capabilities relative to requirements, we will maintain current

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

operational capabilities to meet current missions, while continuously evolving to win the conflicts of tomorrow.

Marine Corps logistics spans two distinct areas. Marine Corps aviation is naval aviation. Accordingly, since the Navy Logistics Transformation Plan will cover naval aviation, the Marine Corps Logistics Transformation Plan will focus exclusively on ground logistics.

Precision Logistics is the overarching philosophy that guides evolution in logistics. The Marine Corps Logistics Campaign Plan (MCLCP) outlines the goals, objectives, and tasks we must accomplish within the next six years in order to evolve our logistics capabilities. The advent of the Advocate for the Combat Service Support Element of the MAGTF gives the logistics community an organizational focus for change. Finally, the Integrated Logistics Capability (ILC) program gives us a means of rapidly focusing upon specific possibilities, evaluating those possibilities, and translating theory into specific solutions.

1.1 Mission / Vision. The mission of Marine Corps logistics is to provide support to Marine Corps forces to enable them to accomplish assigned missions across the full spectrum of expeditionary operations and warfare.¹ Our vision for improving logistics support requires us to ensure that the Marine Corps continues to be the world's most capable expeditionary fighting force. We are committed to fusing technology, practices, and capabilities to ensure logistics agility, adaptability, responsiveness, and mission accomplishment.

1.2 Strategy

Precision Logistics. Our current logistics evolution effort began several years ago when we grouped change efforts in the logistics community under the title "Precision Logistics". Precision Logistics' principal priorities are to improve equipment readiness, enhance distribution, and develop a robust command and control capability. The mission of Precision Logistics is to dynamically enhance the Marine Air-Ground Task Force's (MAGTF) expeditionary and joint warfighting capabilities through the evolution of logistics.² In short, Precision Logistics embodies the Marine Corps logistics evolution effort.

Materiel Life-Cycle Management. We continued our evolution two years ago when we began enhancing materiel life cycle management for all ground equipment and supplies by forming the Marine Corps Materiel Command (MARCORMATCOM). MARCORMATCOM combines, for the first time under a single commander, acquisition and

¹ MCLCP, Page 7

² Ibid.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

program management; materiel management; multi-commodity maintenance, and the cyclic maintenance and rotation of prepositioned equipment and supplies. This consolidation of responsibility and authority creates a focal point for the development, acquisition, fielding, and management of equipment, and for discharging the Corps' Title X responsibilities to "train and equip" forces. It also will facilitate sustainment planning for forces in general, and in support of particular operations plans.

Marine Corps Logistics Campaign Plan. Every trip requires a commonly understood route. Early this year we published the Marine Corps Logistics Campaign Plan (MCLCP) as a comprehensive reference point for the Marine Corps logistics community, and a compass to guide that community in daily operations and in the development of future capabilities. The MCLCP provides the necessary overarching framework, guidance, strategies, and specific goals, objectives, and tasks to successfully evolve Marine Corps logistics. It addresses logistics at the strategic, operational and tactical levels. The MCLCP's goals focus on operational logistics, logisticians, Combat Service Support Element (CSSE) Advocacy, and best practices. It is designed to serve the entire Marine Corps logistics community, and guide and coordinate the efforts of the various elements that comprise that community.

Advocacy. Also this year, the Commandant of the Marine Corps continued to refine the Combat Development System, the Marine Corps' mechanism for identifying, defining, and resourcing requirements, by establishing Advocates for each element of the MAGTF (the Command Element (CE), the Ground Combat Element (GCE), the Aviation Combat Element (ACE), the Combat Service Support Element (CSSE), and the Supporting Establishment (SE)). As CSSE Advocate, the Deputy Chief of Staff for Installations and Logistics (DC/S I&L) is responsible to the Commandant for ensuring that the MAGTF is supported logistically, and that the CSS/logistics community is focused on providing that support. He does this by identifying capabilities, deficiencies and issues, ensuring that the necessary capabilities are identified and met. Accordingly, although he focuses upon the capabilities of the CSSE, the CSSE Advocate's sphere of interest extends to both the CSS aspects of the CE, GCE and ACE, and to the broader arena of Service Logistics. The CSSE Advocate sees to the interests and capabilities of the logistics community at large, collaborating with other Advocates to provide mutually supporting capabilities. The CSSE Advocate has established the CSSE Advocacy Board, a grouping of the logistics flag officers. This Board is responsible for gaining consensus within the logistics community on key issues such as priority of resource allocation.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

Integrated Logistics Capability (ILC) Project Office. The ILC Project Office was established within the Marine Corps Combat Development Command (MCCDC) to help facilitate the development, integration, and fielding associated with emerging logistics capabilities. Currently chartered to validate the nine recommendations made by the 1999 ILC Conference, the ILC Project Office facilitates the movement of logistics concepts, capabilities, and initiatives through the Combat Development Process. Through its efforts the ILC Project Office supports the fulfillment of the precision logistics vision, the goals and objectives of the MCLCP, and the responsibilities of the CSSE Advocate.

Headquarters Reorganization. Finally, in July of this year we will reorganize our headquarters to provide more effective management of the change that must occur. By creating three Centers within our Logistics Plans, Policies and Strategic Mobility Division, we will refocus on logistics vision and strategy, logistics capabilities, and logistics plans and operations. This new matrix organization will allow us to coordinate and integrate our activities, effectively apply subject matter expertise, and orchestrate change throughout the Corps. It supports the Advocate's role and establishes a close link with the ILC Project.

The Marine Corps has a structure and a strategy for evolving logistics to support future operational concepts. Precision Logistics provides the philosophy, MARCORMATCOM organizes us for better materiel management, the MCLCP provides the roadmap, the CSSE Advocate provides the leadership focus and direction, the ILC Project Office provides the mechanism for making rapid change happen, and our Headquarters reorganization will enable us to manage the evolution more effectively. Using the best commercial practices and techniques suitable for the expeditionary environment, and working in concert with joint efforts, this logistics evolution will support the warfighter and the new operational concepts being introduced.

Responsibilities. The organizations responsible for implementing the Marine Corps Logistics Campaign Plan are DC/S I&L, Marine Corps Combat Development Command (MCCDC), Commander Marine Corps Materiel Command (MARCORMATCOM), and the Fleet Marine Forces.

DC/S I&L coordinates the MCLCP and is the CSSE Advocate, the single voice for Marine Corps Logistics. The Marine Corps Precision Logistics Officer, who focuses on enhancing the MAGTF's expeditionary and joint capabilities, and the CSSE Advocacy Board, the group of logistics general officers, assist the DC/S I&L in directing and managing the evolution.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

MCCDC is responsible for the Combat Development System, which integrates requirements from all five Advocates. The Integrated Logistics Capability (ILC) Project Office conducts detailed research on business process reengineering and incorporating best practices into Marine Corps logistics processes. The ILC Project Office is the primary avenue for expediting logistics requirements through the Combat Development System.

MARCORMATCOM is responsible for materiel life cycle management: acquiring approved and prioritized material solutions to logistics requirements, fielding them to the operating forces, and sustaining them throughout their service life.

This organization for logistics evolution is designed to minimize turbulence and increase effectiveness. The provided logistics capability enables Marine Corps forces to accomplish assigned missions across the full spectrum of expeditionary operations and warfare.

1.3 End State

Getting There. The Marine Corps actively seeks to change how it conducts logistics business. Emerging operational concepts will drive some changes. For instance, Operational Maneuver From the Sea (OMFTS) requires a much more robust Seabased Logistics capability, as well as much more dynamic and flexible distribution. These will demand changes in the way we do logistics. For instance, delivering supplies from a seabase to forces maneuvering 200 miles inland will require unique packaging, scheduling, and distribution techniques.

As an example of the type of change our evolution is trying to foster, the Marine Corps is exploring changing the maintenance concept for ground equipment, with particular emphasis on component replacement, autonomic logistics, built-in diagnostics, enhanced operator maintenance training, and battle damage repair. Similarly, we are employing state-of-the-art analytic techniques, such as the SCOR and the quadrant models, to handle different types of requirements in ways most suitable to the characteristics of their supply chains. These changes will take time. In some cases, true change may not be possible until the next generation of equipment is fielded. Technologies are not all mature enough today to enable us to realize our desired capability, so we may have to settle for one or more interim steps as we progress toward our ultimate goal.

These changes will be sweeping, but will take time and resources to accomplish. Many require changes to equipment, organization, and

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

support relationships. Achieving a Seabased Logistics capability will reduce the logistical footprint in the area of combat operations. This improves the combatant tooth to tail ratio, resulting in improved efficiency and effectiveness of both combat and support forces.

The Destination. Via the Integrated Logistics Capability initiative, which examines logistics processes from the bottom up, the Marine Corps will incorporate *commercial best practices* and technologies into its logistics processes in order to reduce their complexity. Initial efforts to achieve an *integrated supply chain and streamlined business process* will be accomplished by consolidating supply functions at the retail level and by reducing the echelons of maintenance from five to three levels. Logistics process complexity will be further reduced by eliminating unnecessary logistics information systems and developing an *integrated, data-sharing logistics information technology architecture*; the backbone of which will be the Global Combat Support System-Marine Corps (GCSS-MC).

GCSS-MC will provide the information technology base for integrated supply chain management and streamlined logistics processes. GCSS-MC consists of four main components: data capture with *automatic identification technology* (AIT) and autonomic logistics, data storage in an integrated data environment, data manipulation and transaction on a messaging backbone, and decision support tools. With these integrated modules, GCSS-MC will support logistics command and control, *joint logistics interoperability* as well as real time and near real time secure access and *visibility of logistics data*.³

The ultimate goal is a logistics system that is as flexible as necessary to support the warfighter wherever and however he may employ forces, imposing a minimum burden on the warfighter. At the same time, that system will interface with commercial and joint systems in order to gain economies of scale, rapid access to information, and timely delivery of materiel and services. In short, the Corps is evolving its logistics concept to match the reach and flexibility of its operational concepts, to better meet the nation's needs.

1.4 Management Plan

The DC/S I&L will manage the transition logistics using the MCLCP as a framework. The Marine Corps recognizes that change takes time. The MCLCP identifies three near-term focuses of effort for the current year, while also outlining two longer-term efforts. The near-term efforts

³ Italics indicates verbiage from DOD Logistics Strategic Plan and other desired characteristics from memorandum

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

will emphasize increasing warfighter confidence in our ability to support operating forces, championing CSSE Advocacy, and enhancing existing logistics capabilities. By 2006, the Corps will have laid the foundation for new logistics capabilities by identifying the logistics processes and capabilities necessary to support OMFTS, and acquiring the key logistics capabilities necessary to enable to implementation of seabased logistics in support of OMFTS operations. These near-term and long-term efforts will also require fundamental changes in the basic processes and procedures used in all logistics endeavors from CONUS to the theater of operations.

Each task in the MCLCP has been assigned an office of primary responsibility that will report to DC/S I&L the status of actions on each assigned task. The CSSE Advocacy Board, comprised of all the logistics general officers in the Corps, helps DC/S I&L manage and implement the MCLCP. Meeting at least twice a year, the Board identifies the most important tasks, monitors progress towards accomplishing those tasks, identifies requirements to be passed to the Marine Corps Requirements Oversight Council (MROC) for prioritization and resourcing, and generally provide a leadership consensus on the direction being taken by the logistics community.

As the CSSE Advocate, DC/S I&L will work closely with the other Advocates, especially the Advocate for the Supporting Establishment. The close working relationship between these two roles, embodied in the same position, symbolizes the close connection between operating forces and the logistics capabilities of the bases and stations which house them, support them, and serve as the launching pad for deploying units. The five advocates form the core of the Marine Corps Requirements Oversight Committee (MROC), which is the senior resource allocation and prioritization body within the Corps. The MROC, and its various supporting agencies, provide the mechanism for ensuring that the Marine Corps develops complete, balanced, and complementary capabilities within fiscal constraints. The MROC weighs the priorities of each Advocate and decides which priorities should be funded. The CDS, managed by the Commanding General, MCCDC, provides a systematic approach to developing capabilities and prioritizing requirements. DC/S I&L is an equal partner in the CDS process, allowing logistics requirements to compete on an even footing with the requirements identified by the Advocates for the other elements of the MAGTF.

The Integrated Logistics Capability (ILC) Project Office provides DC/S I&L a ready means of systematically exploring alternative business practices and implementing those with the most utility to the Corps. The ILC Project Office is located within MCCDC, and therefore is in a

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

position to inject itself into the CDP for rapid prioritization, funding, and fielding. The ILC Project Office helps translate Precision Logistics requirements into doctrine and/or operational requirements, and ensures, in coordination with the CAB, that critical capabilities of all sorts compete effectively for resources. MCCDC makes changes to doctrine, organization, training, and the Supporting Establishment. Material solutions are developed by and managed by MARCORMATCOM and its subordinate activities: MARCORSYSCOM and MARCORLOGBASES.

MARCORMATCOM, through its Strategic Plan, implements Materiel Life Cycle Management (MLCM) throughout the Marine Corps. Because it encompasses both the procurement and materiel management portions of MLCM, MARCOMATCOM is uniquely placed to manage all Marine Corps materiel from cradle to grave, and provide the necessary procedures and techniques necessary to effectively manage resources and sustain deployed units. The advent of MARCORMATCOM is a landmark event in the effective management of Marine Corps logistics resources.

The Marine Corps has a systematic approach to change. Evolution of logistics capabilities is but one part of that approach. The mechanisms for effecting change are simple and functional. DC/S I&L has effective internal mechanisms for developing, screening, and prioritizing required logistics capabilities, and then competing with the other Advocates for resources. The remainder of this Marine Corps Logistics Transformation Plan (MCLTP) outlines the major actions and activities that make up the continuous evolution of Marine Corps logistics.

2.0. LOGISTICS COST BASELINE. Not required in FY00 submission.

3.0. IMPLEMENTATION STRATEGY. The following paragraphs describe specific strategies for dealing with each of the areas prescribed by OSD.

As stated in the MCLCP, we have focused our evolution efforts on building the logistics capabilities necessary to support Seabased Logistics in support of Operational Maneuver From the Sea (OMFTS). Improving equipment readiness, enhancing distribution, and developing a logistics command and control capability are critical elements to achieving this goal. At the same time, we will continue to demonstrate and exercise current and emerging logistics capabilities. These two goals will enable us to meet the objectives of the DoD Logistics Strategic Plan and remain the world's most capable expeditionary logisticians.

Evolution takes time. Our ongoing efforts are in various states of maturity, and therefore many of the metrics that will ultimately measure our progress are still

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

under development. This first MCLTP will necessarily have areas in which work is still in progress. We will update future versions of this document as the measurements of effectiveness and related programs and milestones mature.

3.1 Objective #1: Optimize Support to the Warfighter

3.1.1. Narrative.

The first of four goals in the MCLCP deals with *logistics support for operations*: support for the warfighter. This goal has some 35 subordinate tasks grouped under nine objectives:

- Increasing warfighter confidence
- Improving equipment readiness
- Improving distribution
- Refining support capabilities
- Developing logistics command and control capabilities
- Improving planning tools
- Optimizing acquisition, supply, maintenance, transportation and distribution cycle times
- Developing a concept of logistics support for OMFTS, Ship-to-Objective-Maneuver (STOM) and other emerging concepts

The three other goals identified in the MCLCP, building *logisticians*, assuming *CSSE Advocacy*, and applying *best practices (innovation)* indirectly support the warfighter.

Since publication of the MCLCP, we have and will continue to work each of the tasks. However, each task requires at least one, and frequently multiple actions. They will take time to complete. We have made a concerted effort to work on all the tasks, but at its July 2000 meeting the CSSE Advocacy Board will identify the most critical tasks, which will be intensively managed.

The most tangible and readily understandable measure of support to warfighting is equipment readiness rates. MARCORMATCOM provides a more potent means of managing the readiness of, and supply support for, critical items of equipment. By chartering MARCORMATCOM to manage Materiel Life Cycle Management, the Corps has provided the Operating Forces with a single point of contact for all readiness and materiel support issues. MARCORMATCOM combines acquisition, materiel management, multi-commodity maintenance, and the cyclic maintenance and rotation of prepositioned equipment and supplies. This creates a focal point for the development, acquisition, fielding, and management of equipment, and

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

is intended to better support ground equipment at higher levels of mission readiness.

Accordingly, MARCORMATCOM will focus a major part of its resources on developing and implementing methodologies to improve the reliability, availability, and maintainability of new and existing weapon systems, and towards devising and applying tools for capturing mean time between failures (MTBF) for ground equipment. MARCORMATCOM is finalizing its Strategic Plan, which will address various aspects of supporting the warfighter, with particular emphasis on maintaining and improving equipment readiness.

3.1.2. Key Activities and Milestones.

Marine Corps Logistics Campaign Plan (MCLCP). As described elsewhere in this document, the MCLCP provides a common focus for logistics evolution efforts. The CSSE Advocacy Board will continue to provide flag-level consensus and priorities to the logistics community as a whole. We will continue to aggressively pursue the tasks outlined in the MCLCP, and periodically update that document to ensure the validity and relevance of our logistics vision and our plan for achieving that vision.

Establishment and Maturation of MARCORMATCOM. The importance of MARCORMATCOM was discussed earlier. We must continue to reinforce the importance of a single agency responsible for Materiel Life Cycle Management. This focus will improve support to the operating forces. However, the staff at MARCORMATCOM must mature, it must clarify its management responsibilities, and it must communicate with the Operating Forces in order to support their needs.

MARCORMATCOM Strategic Business Plan. MARCORMATCOM, using the MCLCP as a foundation, has almost completed a MARCORMATCOM Strategic Business Plan. This plan will guide MARCORSYSCOM, MARCORLOGBASES and Blount Island Command, our Maritime Prepositioning Ships maintenance site. Draft metrics were developed during a working group session during May 2000. Once completed, the entire plan will be presented to the remainder of the Marine Corps, to give visibility of the goals and to chart a path for Materiel Life Cycle Management improvements over the next 2-5 years.

Simplification of Processes. Numerous conflicting and complex policy and regulatory requirements hinder, and in some cases preclude, getting quality equipment/materiel to the warfighters.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

MARCORMATCOM is a charter member of a Marine Corps working group that has identified numerous regulations and policies directly associated with MLCM. This group aims to eliminate non-critical requirements and consolidate like or complementary ones. As part of this initiative, the group will refine and adjust MCLCM roles and responsibilities. This intensive initiative is aimed at improving support to the warfighters by simplifying the processes necessary to identify, address and resolve problems.

Creation of Product Management Teams. We can improve readiness by establishing a closer working relationship between the Program Manager (PMs) and Weapon System Managers (WSMs). The integration of these two functions into an integrated Product Management team is a major MARCORMATCOM initiative. The initiative makes PMs responsible for cradle-to-grave support of the equipment they manage. We expect their active monitoring of ground equipment readiness after fielding to improve overall readiness.

Contractor Logistics Support. The degree to which contractors are necessary on the battlefield, and the type of support which must be provided to them, are major concerns for the warfighter. In order to clarify and standardize the conditions under which the Corps will employ contractors, and ensure that Program Managers use a common approach when designing contractor support into an equipment support plan, the Corps is developing a CLS Handbook. This document is 65% complete.

Develop MTBF as Effective Readiness Indicator. Readiness is a key indicator for the warfighter. The Corps must have a useful, easily understood measure of effectiveness for materiel readiness. We plan to develop the capability and methodology to capture and track MTBF for ground equipment. This capability does not currently exist but is a key element of the MCLCP.

Joint Services/Agency Interaction and Coordination. The Marine Corps recognizes the importance of goals and objectives identified in Joint Vision 2020, and the need to work collaboratively in a joint environment. The Commander, MARCORMATCOM, as the Marine Corps' principal representative to the Joint Logistics Commanders (JLC) and also provides the Corps' Secretariat. The Marine Corps' DC/S I&L is an invited participant and advisor to this group. MARCORMATCOM's Executive Director is also an invited participant, and is the Marine Corps principal representative on several active JLC Sub Groups (which include: Materiel Management, Aeronautical, Calibration & Measurement, Depot Maintenance, Ordnance, Pollution Prevention, and Web Enabling Initiatives).

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

Improve Management of Secondary Reparables. The procurement, maintenance, and management of secondary reparable is a key element of maintaining readiness. In June 2000 the ILC presented a proposal to DC/S I&L to transfer management of such items from the Operating Forces to MARCORMATCOM. The current process is characterized by decentralized visibility and management, stock positioning based solely on local situations without regard to leveraging Corps-wide inventory, reliance on inventory investment versus distribution, independent/local batch processing information management, and decentralized financial management. The new process will provide total SECREP asset visibility, centralized management, precision stock positioning and levels, responsive and reliable distribution channels, real-time or near real-time distributed information management, and more centralized financial management. This procedure change will provide more effective secondary reparable support to the warfighter.

Future MARCORMATCOM Organizational Adjustments and Considerations. The MARCORMATCOM headquarters now includes Directors of Readiness/Analysis and Business Integration. MARCORMATCOM will use these offices to provide direct, responsive materiel support to the Operating Forces. These will eventually provide direct "1-800-" support to the Operating Forces, and may establish direct customer liaison cells/teams.

3.1.3. Resources. The Marine Corps' efforts in this area do not require specific programming actions. The actions listed above are done within current budgets and structure. They require policy and procedure decisions rather than resource allocations decisions.

3.1.4. Office of Primary Responsibility. DC/S I&L is responsible for the MCLCP. Commander MARCORMATCOM is responsible for the other actions listed in paragraph 3.1.2 above.

3.1.5. Performance Measures.

- Marine Corps Logistics Campaign Plan (MCLCP). Continue to use MCLCP as means of focusing logistics evolution efforts.
- Establishment and Maturation of MARCORMATCOM. Continue to develop and refine MARCORMATCOM headquarters.
- MARCORMATCOM Strategic Business Plan. Complete, distribute, and execute.
- Simplification of Processes. Complete identification, prioritize efforts, review and revise processes.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

- Creation of Product Management Teams. Complete Product Management Teams and develop procedures governing their actions.
- Contractor Logistics Support. Complete and publish CLS Handbook.
- Develop MTBF as Effective Readiness Indicator
- Improve Secondary Reparable Procedures
- Organize MARCORMATCOM to support warfighter materiel needs.

3.2. Objective #2: Improve Strategic Mobility to Meet Warfighter Requirements.

3.2.1. Narrative. As a user of strategic mobility assets, the Marine Corps works at several levels to influence the availability of lift assets to meet warfighter requirements. At the highest level, the Marine Corps influences the sizing of the strategic lift force through input to and participation in the Mobility Requirements Study 05 (MRS-05), the Marine Corps is actively influencing the procedures and processes used for force deployment and sustainment through its participation in several working groups associated with deployment procedures and systems. In particular, we have championed resolution of some of the difficulties inherent in connecting classified and unclassified systems in a dynamic environment, and with the aggregation of sensitive deployment data. In a more direct support to the warfighter, the Marine Corps has worked hard over the past years to improve the availability of intratheater host nation airlift to augment strained national assets. Through these and other efforts, the Marine Corps continues to strive for the most effective and responsive strategic mobility capability for all forces.

3.2.2. Key Activities and Milestones.

Purchase of Blount Island. The Marine Corps has invested heavily in the Maritime Prepositioning Ships (MPS) program, producing a medium operational capability tailored to CINC needs for a rapidly deployable and sustainable force capable of reacting quickly to emerging crises. One reason this program has been so successful is the maintenance cycles routinely conducted by MARCORLOGBASES at a leased facility at Blount Island, Florida. There each MPS ship in turn is unloaded and, while the ship is being inspected and re-certified, equipment is maintained and replaced as required, and materiel stocks screened and rotated. In 60 days, when all actions are complete, the ship is reloaded and sent to its forward deployment location, ready for the next crisis. The introduction of three additional ships to form the evolutionary enhanced Maritime Prepositioning Force (MPF(E)) and

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

the exploration of future revolutionary MPS concepts (MPF(F)) merely underscore the value of a facility such as Blount Island, where maintenance actions can occur. The Corps is exploring acquiring Blount Island, which will give it a permanent location for future MPF maintenance cycles. The Port of Jacksonville is a key national mobilization site for sustainment and resupply of employed forces. Securing the permanent facility at Blount Island will ensure continued access to support future operations.

Mobility Requirements Study (MRS)-05. The Marine Corps has been a major contributor to the MRS-05 effort since its beginning. Marines have contributed much to the fidelity of the scenarios. We now await the final report, which is due out by the end of FY00.

Infrastructure Improvement. Congress, in four of the last five fiscal years, provided DoD with mobility enhancement funds, to be applied to projects that make significant improvements to the DoD strategic mobility infrastructure. This program, administered for OSD by USTRANSCOM, has resulted in the Marine Corps receiving \$4.1M in FY 95, \$6.86M in FY 96, \$7.55M in FY 97, and \$3.5M in FY 99 (no funds were made available for FY 98). For FY 00 the Marine Corps forwarded the top 50 of its 114 prioritized submissions. The result was nine of ten top Marine Corps projects making the twenty projects recommended by TRANSCOM for funding. The Marine Corps received \$9M, approximately 36% of the \$25M appropriated for Mobility Enhancement Funds for FY 00. We are working on our FY 01 submission, and will continue to tap this source of funds to enhance our ability to deploy.

Protection of Movement Information in Defense Transportation System Automated Information Systems. The Marine Corps has worked diligently to ensure that, as we connect the myriad systems necessary to support force deployment and Total Asset Visibility, we do not inadvertently create operational security (OPSEC) vulnerabilities. As seemingly innocuous information is aggregated, the overall effect could be to reveal a pattern of deployments, or key deployment information (such as the movement of general/flag officers). In coordination with the Joint Staff, the CINCs, and other Services and Agencies, the Marine Corps has been an active participant in the working group which has labored to resolve this critical problem. The approved revisions to appropriate policy documents, notably JOPES Volume One, JOPES Volume Two, and CJSM 3122.02, will ensure that critical deployment information remains secure without unduly impeding the necessary flow of movement information.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

Strategic Airlift in WESTPAC. Marine Corps forces in the Western Pacific have experienced long-term difficulties obtaining strategic airlift in support of training events and exercises. TRANSCOM has been unable to meet all requirements. Headquarters, Marine Corps has worked on alternative solutions with TRANSCOM and PACOM, and is nearing a resolution of the issue.

3.2.3. Resources. Although the Marine Corps is not spending resources itself to resolve these issues, it is working closely with USCINTRANS and other agencies to support what we consider to be the proper courses of action.

3.2.4. Office of Primary Responsibility. CMC (LP) provides USMC primary input into mobility issues.

3.2.5. Performance Measures. The measures of effectiveness for the five actions are as follows:

- Blount Island Purchase. Successful acquisition of the property.
- MRS-05. Successful publication and action on recommendations of MRS-05.
- Infrastructure Improvement. Continued successful competition each year for infrastructure improvement funds.
- Protection of Movement Information in Defense Transportation System Automated Information Systems. Successful implementation of the actions necessary to ensure continued security of deployment information in appropriate automated systems.
- Strategic Airlift in WESTPAC. Resolution of the host nation certification process to alleviate TRANSCOM intratheater airlift shortfalls.

3.3. Objective #3: Implement Customer Wait Time (CWT) as the DoD Logistic Metric

3.3.1. Narrative. A major cornerstone of the Marine Corps Logistics Campaign Plan is our commitment to improve supply responsiveness so as to using retail and wholesale Order Ship Time (OST) for all classes of supply. Our OST measurement is identical to the DoD logistics metric of Customer Wait Time (CWT). Implementing CWT will not require significant changes in our business process or the way we measure response times. However, it will require new tools to capture CWT rather than OST, and an expansion of the business areas in which we measure CWT.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

To date, we have converted OST reports to the variance-based CWT model using the 50/75/95 percentages that allow us to measure CWT in days rather than in an average fill rate. Additionally, we are developing the capability to capture retail response times for credit card purchases, non-traditional supply methods, and pre-expended bins that are not measured under our current OST methodology. Our plan for implementing CWT also includes transitioning to Time Definite Delivery (TDD) in place of the current priority system. TDD is not a stand-alone initiative, but rather it is one of several desired end results expressed in Joint Vision 2020. TDD will guarantee the delivery of an item to the warfighter by the required delivery date, to a 95% confidence level. TDD will use a simplified priority system comprised of three priorities: Immediate (96 hours worldwide), Priority (7 days), and Routine (30 days). The key is that the required delivery date is the driver of the priority designated by the user.

3.3.2. Key Activities and Milestones.

- FY00: Implement CJCSI 4115, *Customer Wait Time and Time Definite Delivery*
- FY00: Implement variance-based model using 50/75/95 percentages using days vice averages
- FY02: Implement CWT in Marine Corps as DoD logistics metric
- FY04: Implement TDD as in the Marine Corps DoD standard

3.3.3. Resources. No resources have been planned or programmed specifically for implementing CWT. CWT implementation is imbedded in ATLASS II+ development and will be incorporated into logistics processes as the standard logistics metric to measure supply responsiveness.

3.3.4. Office of Primary Responsibility. CMC (LP and LF), CG MCCDC (ILC) and COMMARCORMATCOM.

3.3.5. Performance Measure. Currently we are establishing baseline CWT performance levels based on current performance. We are establishing baselines for the following levels: when 50 percent of all requisitions have been delivered, when 75 percent have been delivered, and when 95 percent have been delivered. The Defense Automatic Addressing Systems Center will serve as a central repository and will collect the number of transactions and the number of days. To display the data, we are adopting the Rand Corporations' histogram from the Army's Velocity Management report. Also, we will continue to display data via bar graph showing the old average and the 50/75/95

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

percentiles. The 2006 goal for average CWT is 5 days. Marine Corps interim objectives by FY are:

FY 01: 17 Days
FY 02: 15 Days
FY 03: 12 Days
FY 04: 10 Days
FY 05: 05 Days
FY 06: 05 Days

3.4 Objective #4: Fully Implement Total Asset Visibility Across DoD.

3.4.1 Narrative. The Marine Corps is focused on achieving 100 percent automated asset visibility, access, and redistribution for all classes of supply by January 2004. This goal supports our immediate objective of improving distribution to enable our long-term objective of implementing Seabased Logistics. To date, we have achieved approximately 90 percent visibility of wholesale and retail inventories with our existing legacy systems with access to that data through the Joint Total Asset Visibility system. Additionally, we are striving to improve in-transit visibility and the visibility of ground equipment "in-process" (in maintenance and procurement).

We are especially concerned about integrating maintenance and inventory information for a complete picture of a given asset at any given time. We still have significant challenges ahead in defining "total" asset visibility, what access is required for different customers, and how to implement lateral distribution to improve customer wait time and reduce our footprint. A key to achieving these objectives is developing and fielding TAV/ITV systems along with automatic identification technology (AIT) to support the identification and processing of materiel within the supply and distribution pipeline. In developing our ITV capabilities, we will continue to utilize USTRANSCOM's Global Transportation Network (GTN) for visibility of in-transit assets moving within the transportation pipeline. Additionally, we will continue to coordinate with the Defense Logistics Agency (DLA) to ensure our AIT programs are in sync with their efforts.

3.4.2. Key Activities and Milestones (by FY over the FYDP to FY06).

Specific activities and milestones are currently being developed as part of our Logistics Campaign Plan goals to achieve 100 percent asset visibility and to develop and implement AIT capabilities. We are also working jointly with the Services, USTRANSCOM, and the DLA to implement systems and processes to improve the visibility of assets throughout the supply chain and in maintenance channels. These systems include:

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

- Navy's Commercial Asset Visibility System II (CAVS II) for visibility and material status of assets at commercial facilities.
- Reportable Asset Management Process and Wholesale Requisitioning Process under the Stock Control System to allow real-time access to movement information, status, and an in-transit audit trail.
- Marine Corps Total Asset Visibility System to provide access to asset visibility data and maximize lateral redistribution.
- Cargo Movement Operating System to provide visibility of assets in-transit and the ability to track movements to the requisition level.
- Automated Manifest System to provide in-transit visibility for in-theater distribution.

Development and implementation of these systems is on-going and will continue over the next six years. We are also revising our Asset Tracking Logistics and Supply System (ATLASS) to infuse better business practices, integrate asset visibility, and incorporate Chief Financial Officer compliance requirements. More specific activities and milestones will be provided in future editions of the MCLTP.

3.4.3. Resources. No funding has been specifically planned or programmed for total asset visibility (including ITV) with the exception of AIT. Nonetheless, the USMC is fully committed to achieving the goal of 100 percent total asset visibility. Funding is imbedded across the FYDP in programs such as ATLASS, ILC, Shared Data Environment, AIT, and Post Development Software Support. There are two major risks associated with this approach. First, decentralizing TAV funding in this manner limits Headquarters-level visibility and control. Secondly, failure to fund a program where TAV or ITV funding is imbedded could jeopardize success in achieving 100 percent total asset visibility.

The Marine Corps recognizes the importance of AIT as an enabler in achieving TAV (and ITV). The following resources have been programmed for developing AIT capabilities: (in thousands)

<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>
1,729	3,254	3,160	3,496	4,088	4,539

3.4.4. Office of Primary Responsibility. CMC (LP), CG MCCDC (ILC), and COMMARCORMATCOM.

3.4.5. Performance Measure. The baseline measurement for FY01 is 90 percent visibility of intermediate and wholesale assets. The goal is 100 percent by FY 04. The breakout by FY follows:

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

FY 01: 90%
FY 02: 92%
FY 03: 95%
FY 04: 100%
FY 05: 100%
FY 06: 100%

We will develop metrics and goals to measure visibility of assets in-transit and in-process for future input to the MCLTP.

3.5. Objective #5: Reengineer/Modernize Applicable Logistics

Process/Systems. During 1998 the Marine Corps initiated a program (Integrated Logistics Capability (ILC)) to reengineer and modernize its logistics processes and systems. The ILC Program was formalized during 1999, and focuses modernizing business processes and streamlining requirements before tackling the automated system which support them. As we modernize logistics business processes, the entire Marine Corps Logistics Enterprise will change the way it supports the warfighter. Age-old business rules will be changed, core competencies will be realigned, joint requirements will be inserted, and supply chains stretching from the national industrial base to the combat space will be used to support Marines engaged in National Security actions. During the 21st Century, the Marine Corps will significantly enhance logistics support to its combat forces.

3.5.1. Narrative. The ILC program is based on the precepts and mandates contained in the DoD Logistics Plan, JCS Vision 2020, and the Marine Corps operational concept Operational Maneuver From The Sea (OMFTS). ILC analysis begins with the "AS-IS" logistics process, business rules, functional activities, and data requirements. It ends when the "future state" has been documented, tested, wargamed, and is ready for fielding. Analysis teams employ the best commercial process evaluation tools such as Supply Chain Operational Reference (SCOR) model. In most cases, the future state will include new business rules, streamlined processes, and new or vastly improved technological system enablers. Future processes will be compatible with and supportive of the CINC environment and joint requirements. Logistics systems will operate with shared data, comply with Defense Information Infrastructure and Common Operating Environment rules, and provide Marine Logisticians information with which to make timely decisions. One of our goals is to reduce the current 160 plus ground logistics computer systems to less than 20 by 2006.

3.5.2. Key Activities and Milestones. The detailed key activities and milestones schedule will be finalized by September 2001. We will provide more detailed milestones in future editions of this document as our schedules mature. Near term activities include the following:

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

- a. Process Reengineering:
 - (1) A project to centrally manage class IX secondary reparable will enter the concept validation phase 1 July 2000. If the concept is proven, initial operating capability (IOC) will occur in October 2000 and full operational capability (FOC) will be achieved by October 2001.
 - (2) Concept validation of Centralized Supply Management will begin January 2001. If the concept is valid, IOC will occur in July 2001 and FOC will be accomplished during 2003.
 - (3) The validation of the consolidation of ground weapon system and equipment maintenance from 5 to 3 echelons will start during FY 2001. If the concept is valid, IOC will be realized in 2002 and FOC will be attained by 2005.

- b. System Modernization
 - (1) A logistics system inventory and strategic shared data environment analysis was completed during April 2000. The information from this analysis is the base data for the System Re-Alignment and Categorization (SRAC) methodology. This is a deliberate, methodical approach to evaluating 160 logistics systems and determining the value of each. SRAC will start during November 2000 and completed by September 2001. Shared data analysis will start during 2001 and be completed during 2002.
 - (2) Commercial Off-the-Shelf (COTS) and Government Off-the-Shelf (GOTS) package evaluation began during March 2000 and will continue through 2005. We will purchase and install those software packages which to meet DoD and Marine Corps requirements.

3.5.3. Resources. Resource requirements have been estimated through the FYDP period but require refinement based upon current concept validation analyses. Resource information will be provided in the 2001 MCLTP.

3.5.4. Office of Primary Responsibility. CG MCCDC (ILC).

3.5.5. Performance Measure. The baseline measurements are currently being developed. From this research FY 2006 goals will be developed and submitted within the 2001 plan.

3.6. Objective #6: Minimize Logistics Costs While Meeting Warfighter Requirements. The MARCORMATCOM Strategic Plan identifies reducing "Total Ownership Cost of weapons systems, equipment, and munitions" as a primary goal. This requires identification of all relevant costs. For many years, the Marine Corps has had a disciplined management approach for

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

acquiring affordable systems and materiel, with the goal of maximizing return on investment. In the past the primary measures of affordability were a system's development and procurement costs. However, our budgets have been dramatically reduced, and affordability has taken on an expanded meaning. From a Materiel Life Cycle Management perspective, the ownership cost of a weapon system from post-production to disposal has finally been recognized as a major element of system affordability. It has become clear that the only way the Marine Corps can afford to modernize for the 21st century is to aggressively manage all elements of life cycle costs.

3.6.1 Narrative. In recognition of this requirement, during November 1999 the Marine Corps established a Total Ownership Cost (TOC) Integrated Product Team (IPT) with representatives from DC/S I&L, DC/S for Programs and Resources (P&R), and MARCORMATCOM (Headquarters, MARCORLOGBASES, and MARCORSYSCOM). This IPT is chartered to examine the measurement and management of TOC, which is defined as all costs associated with the research, development, procurement, operation, logistical support, and disposal of ground weapon systems/equipment and munitions. TOC includes the total supporting infrastructure that plans, manages, and executes that program over its full life; and the cost of common support items and systems that are incurred because of the introduction of the ground weapons/equipment and munitions.

The TOC IPT is also responsible for identifying potential data sources for each cost element. The TOC Element Structure (ES) includes cost elements for each phase of the program: research and development; procurement/production; operations and support; and demilitarization/disposal. The structure will include placeholders for all relevant areas of cost, even if they cannot be immediately identified in detail. The TOC ES will provide a common structure that can be used across programs. All cost elements may not apply to all programs, but a subset of elements will be common to all. By selecting a subset of the TOC ES pertinent to a specific program, the ES may be tailored to whatever level of detail necessary. The crucial point is that the TOC ES does not have to be used in its entirety in every situation, but provides a template for selecting the structure that best fits a particular program and addresses all relevant cost areas of that program.

3.6.2. Key Activities and Milestones

- Identify TOC Methodology and Obtain Data Necessary to Compute TOC.
- Given a TOC Methodology, Identify Steps to Reduce TOC.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

- Minimize Logistic Costs. Significant improvements have occurred due to Government/Contractor relationships. As an example class VIII (medical) materiel is being managed and processed to avoid disposal of materiel due to expired shelf lives.

3.6.3. Resources.

3.6.4. Office of Primary Responsibility. COMMARCORMATCOM.

3.6.5. Performance Measures.

4.0 NATIONAL SUPPLY AND MAINTENANCE BUSINESS PLANS

4.1 Marine Corps Supply Business Plan – This section contains the Business Plan for Marine Corps supply support, consistent with the Defense Planning Guidance. This plan is a “living” document designed to evolve with the current and future Marine Corps and external logistics requirements and opportunities. We will update this Business Plan annually to refine and refocus our efforts.

4.1.1 Primary Mission – To coordinate and oversee wholesale supply operations in support of Marine Corps operating forces to enable them to accomplish missions across the full spectrum of expeditionary operations and warfare in support of the warfighting CINCs.

4.1.2 Business Objectives – The primary objectives of Marine Corps supply are to improve customer support by reducing logistics cycle times, reduce inventories, replace or modernize logistics systems and facilities, and upgrade technology. We are committed to fusing technology, business practices, and logistics capabilities to ensure agility, adaptability, responsiveness, and mission accomplishment.

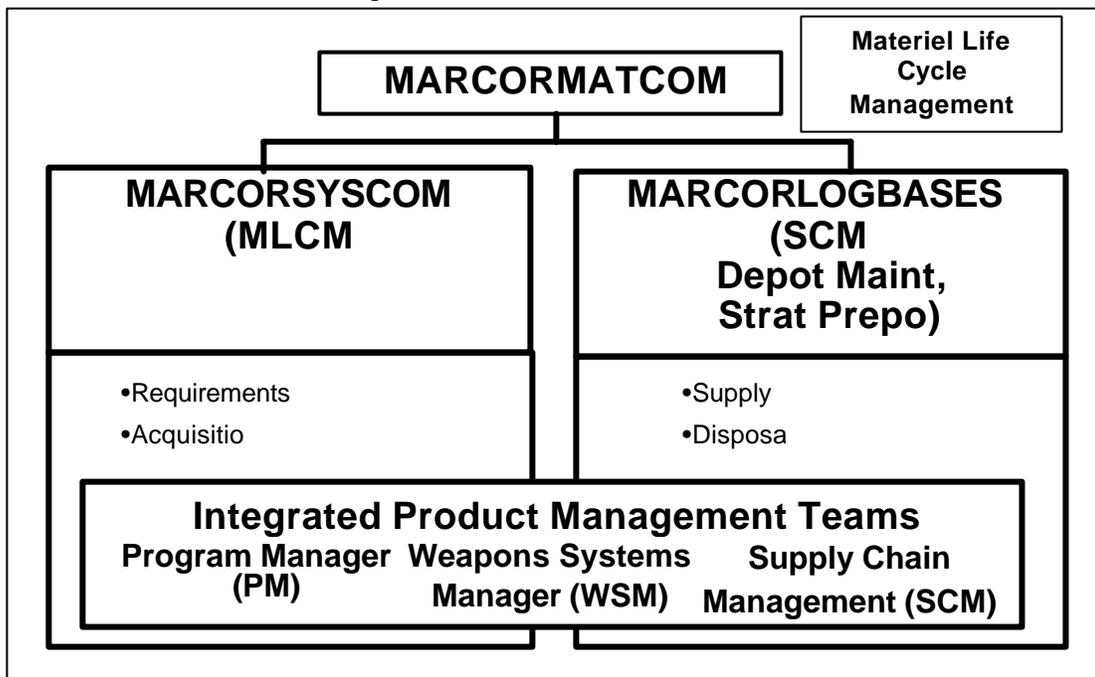
Our current efforts focus upon organizing to better support our customers, and to better perform the functions we must accomplish to provide that support. We are [reengineering](#) the working relationships within MARCORMATCOM, and between its two major elements, MARCORSYSCOM and MARCORLOGBASES. A series of Integrated Process Teams are examining the detailed processes involved in [materiel life cycle management \(MLCM\)](#): supply chain management (SCM) and [life cycle management \(LCM\)/product management of ground weapons systems](#). These two critical processes must have clearly defined linkages and interactions. As we rationalize the processes and the organizations that perform

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

them, we expect to evolve into a much more responsive and effective organization.

4.2.2 Organizational Responsibilities – MARCORSYSCOM is responsible for LCM/Product Management for all major items of ground equipment. This includes requirements determination (in coordination with the CSSE Advocate discussed in paragraph 1.2 above), acquisition, and some elements of support. MARCORLOGBASES is responsible for SCM, Depot Maintenance (discussed in paragraph 4.2 below) and the prepositioning programs (see paragraph 3.2.2). It also manages processes related to sustainment and disposal. These activities require close coordination between the two commands, and the creation of MARCORMATCOM is designed to improve that interaction.

Sustainment includes requirements computations, procurement actions, budget and funding support, distribution management, depot maintenance sourcing and disposal activity in order to support complete life cycle management to the Marine Forces in support of the CINCs. Additionally, where applicable, we develop responsive means of providing mutual supply support to other DoD organizations.



4.1.3 Organizational Relationships – MARCORMATCOM must accomplish all materiel life cycle management functions for items of supply assigned Marine Corps integrated materiel

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

management responsibility. These relationships include, but are not limited to acquisition, program management, program management support through wholesale supply actions and depot level maintenance. Development of Integrated **Product Management Teams (IPMTs)**, with PM membership from MARCORSYSCOM and WSM membership from MARCORLOGBASES will help cross organizational boundaries.

4.1.4 Product Lines and Services – The materiel provided includes ground weapon systems, reparable components, and limited consumable item support. The logistics services provided include acquisition support, supply support, maintenance and delivery of reparable components, processing of materiel requisitions, and resolution of materiel support problems.

4.1.5 Customers. Our customer base includes both internal and external organizations. The organizations we categorize as internal consist of the Fleet Marine Forces, CMC (I&L), MATCOM (CE), SYSCOM (PMs), and LOGBASES (WS/EMs). Our external customers consist of other DoD organizations and authorized non-DoD organizations. We provide the full spectrum of wholesale level supply support (materiel and services) for Marine Corps managed ground weapon systems, and provide and coordinate select support to Fleet Marine Force users of ground weapon systems managed by other DoD Components.

4.1.6 Planning Environment. The driving factors include: customer requirements, operational considerations (requirements and tempo), and legislative requirements or political influences. The primary constraining factors governing the success of the business plan relate to available resources: funding, personnel, skill levels, age of weapons and equipment, private-sector business trends or strategies, difficulty of implementing new technologies, organizational or cultural challenges.

4.1.7 Initiatives

The Commandant's logistics evolution initiative, the Integrated Logistics Capability (ILC) Project, is the primary effort effecting supply support. The ILC initiative is designed to change Marine Corps logistics distribution and maintenance systems to minimize the forward-deployed logistics footprint, ensure maximum available operational capabilities, and create an environment that enables or supports continuous improvement of our business practices and processes.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

Another logistics evolution initiative is the MARCORMATCOM reengineering of the organizations in MARCORLOGBASES and MARCORSYSCOM involved in providing acquisition and logistics support ([materiel life cycle management](#)). This initiative will integrate our acquisition and logistics business processes to better meet Fleet Marine Force needs and improve the services we provide all customers. We will blend new technology, improved business processes and enhanced logistics capabilities to ensure agile, adaptable, and responsive support is provided for successful mission accomplishment

4.1.8 Resources. Current changes are taking place within available funding. As we refine our processes and identify required changes in policy, procedures, or stocks, we will program funds accordingly.

4.2 MARINE CORPS DEPOT MAINTENANCE BUSINESS PLAN

4.2.1. Primary Mission. The mission of Marine Corps Depot Maintenance is to provide multi-commodity maintenance capability to return unserviceable ground equipment to a serviceable condition in support of Fleet Marine Force readiness.

4.2.2. Business Objectives. Our primary business objectives are to develop and implement maintenance methodologies to enhance and sustain the unique expeditionary capability of our operating forces. We are committed to developing better business practices to reduce Repair Cycle Time (RCT), providing top quality service on time and within cost, maintaining a highly skilled work force responsive to customer needs, and institutionalizing continuous process improvement.

4.2.3. Organizational Responsibilities. Marine Corps Depot Maintenance is organized into two maintenance centers strategically located at Marine Corps Logistics Base (MCLB) Albany, Georgia and MCLB Barstow, California. Each is commanded by a Marine Colonel and employs 750 to 800 permanent civilian personnel. They have the capacity to surge up to 1300 personnel in times of national crisis. The Commander, MARCORLOGBASES provides command direction, policy, and technical support to the two maintenance centers through a Maintenance Directorate.

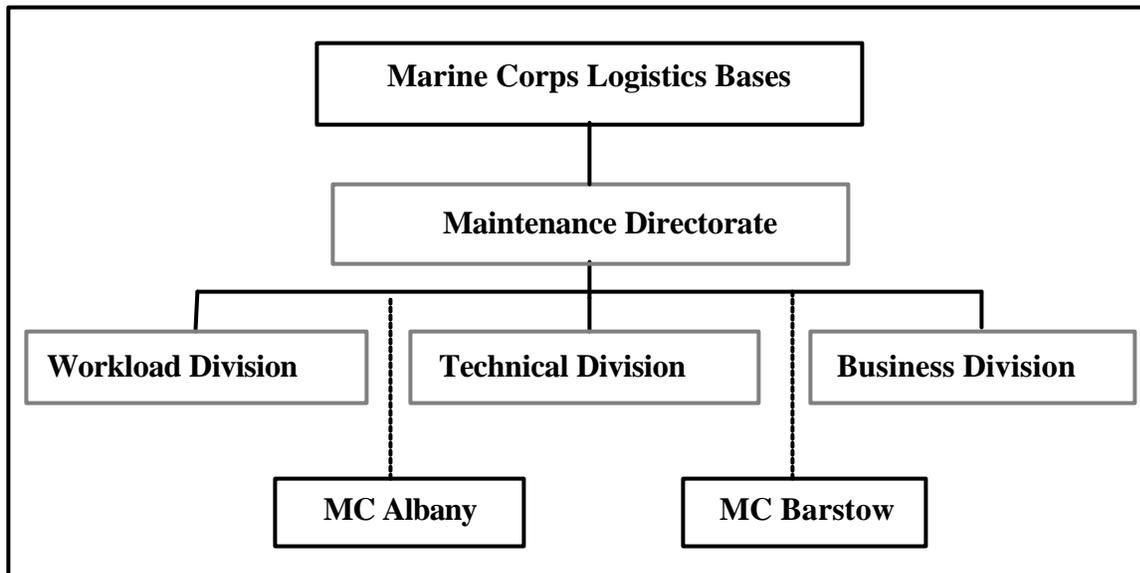
4.2.4. Organizational Relationships

The MARCORLOGBASES Maintenance Directorate is the focal point for joint depot maintenance and provides technical direction and staff

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

cognizance for Maintenance Centers Albany and Barstow. As the primary entry point for depot maintenance customers, the Maintenance Directorate conducts planning, determines the appropriate source of repair, and develops and monitors the execution of a four-year master work program. It establishes and manages Depot Maintenance Inter-Service Support Agreements (DMISAs) and commercial maintenance contracts as required to meet customer requirements and maintain core depot maintenance capability for the Marine Corps.

Maintenance Centers Albany and Barstow develop annual budgets, execute planned workload, and provide the core competencies necessary to meet surge Marine Corps workload requirements in time of national crisis.



4.2.5. Product Lines and Services. Our maintenance facilities provide first-through fifth-echelon maintenance support for ground weapon systems such as automotive, engineer, combat vehicles, communications, electronics, radar and missile systems, optics and metrology. This support includes diagnostics, rebuild, Inspect and Repair Only As Necessary (IROAN), engineering support services, and technical assistance, which include radiographic, nondestructive testing, and calibration. Maintenance Center personnel possess a broad range of technical and professional skills supporting multiple product lines with more than sixty trade skills. The workforce at each Maintenance Center is multi-talented, and therefore able to repair a wide variety of equipment within each major skill. We maintain these skills to provide repair of major end items and supporting components. We utilize multiple repair techniques employing the most efficient methods available for identifying a problem and returning the equipment to use.

MARINE CORPS LOGISTICS TRANSFORMATION PLAN

FY 2001-FY 2007

The support services provided by the Maintenance Centers include providing location and procurement capabilities for, technical assistance, training, long-term preservation, and custom configuration of equipment.

4.2.6. Customers. Marine Corps Depot Maintenance supports a wide variety of customers including the Fleet Marine Force active and reserve, Marine Corps Maritime Prepositioning Force, U.S. Navy, U.S. Army, Coast Guard, National Guard, and Foreign Military Sales. These customers use our services for repair, maintenance, and rebuild support for entire weapon systems, including components and sub-assemblies. We are recognized as a premier maintenance resource for ground combat and combat support equipment at both garrison and forward deployed maintenance operations. Our Maintenance Centers are equipped to repair multi-commodity lines and are manned with a diverse skilled workforce.

4.2.7. Planning Environment. We expect our planning environment to be characterized by decreased funding and increased competition from other Department of Defense Agencies and from the commercial sector. We will experience an increasingly empowered customer environment that demands continuous process improvement to maintain a competitive edge. Aging weapon systems will tax maintenance resources with increased need for retrofits, service life extension programs, and modernization. We must develop a robust marketing capability and pursue partnering opportunities where possible.

4.2.8. Initiatives. In the spirit of continuous process improvement, we have engaged in several initiatives.

- a. Earned Value Management. We have implemented Earned Value Management (EVM) as a means to analyze and report cost and schedule performance. EVM significantly improves management visibility of production progress to ensure the validity and credibility of program execution data, thereby, mitigating risk to the overall programs. We have also adapted Manufacturing Resource Planning (MRP II), a formal system that links planning functions, master scheduling, supply requisitioning, shop floor control, and performance measurement for maintenance operations. This automated process captures actual execution of work against a specific work order, and is linked to EVM to measure estimates against execution.
- b. ISO 9000 (International Standards for Quality Management And Quality Assurance). Implementation of ISO 9000 began in FY98

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

with the development of a Quality Manual. During FY99 Level II procedures were developed for both Maintenance Centers Albany and Barstow. To support our drive to ISO compliance, we are developing process standards for all major lines. Engineered process standards are the key to reliable cost estimates estimates which can be used to formulate the budget for the Depot Level Maintenance Program. Additionally, we are standardizing and improving inventory management across the corporate structure to ensure retail materiel requirements are fulfilled in a responsive, cost-effective manner to support the maintenance effort.

4.2.9. Resources.

Fleet Marine Force requirements to meet their mission are identified in the Program Objective Memorandum (POM). The level of funding required is based on how much equipment can be repaired for the amount of dollars programmed. Approved O&MMC/O&MMCR levels for POM-02 as identified in D-13 Budget Exhibit dated May 2000 are as follows: (in thousands)

FY-02	FY-03	FY-04	FY-05	FY-06	FY-07
88,830	82,597	76,261	78,459	79,323	80,809

Additionally, Navy Working Capital Funding in support of the Supply Management Activity Group FY-00/03 budget dated April 2000 provides for depot level maintenance repair of secondary depot reparable. Approved funding levels are as follows: (thousands)

FY-02	FY-03
17,012	17,012

Our readiness and sustainability are achieved through combat material support that is rapid, flexible, and expandable. Although depot maintenance must compete for every dollar with all other Marine Corps requirements, the POM controls are established to maximize return on investment by buying the highest level of readiness in support of the warfighter.

Process Improvement Investments. Between FY97 and FY99 we invested approximately 20 million dollars to implement commercial best practices and plan to invest up to 17 million dollars more through FY04. Our investments will ensure MARCORMATCOM's maintenance centers and command element are ISO 9000 compliant, and will institutionalize MRP II as our primary production planning and control system. Moreover, we will have developed process standards for all of our major production lines and will enjoy a mature earned value

MARINE CORPS LOGISTICS TRANSFORMATION PLAN FY 2001-FY 2007

management capability to accurately assess cost and schedule performance and make sound management decisions to produce product on time and within budget. Planned investment will also provide for in-depth analysis of our current business and budget processes and support our intent to implement continuous process improvement throughout our activities.

5.0 REQUIRED ASSISTANCE. We cannot now identify any specific assistance required to support the ongoing evolution of the Marine Corps. If and when we can identify such needs, we will address them in the appropriate forums.