



Challenges & Opportunities in the Face of Declining Budgets

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Agenda



- **Strategic Context**
- **Operating Environment**
- **SSTS Trends**
- **Partnerships**
- **Top Ten Procurements**
- **Final Thoughts**

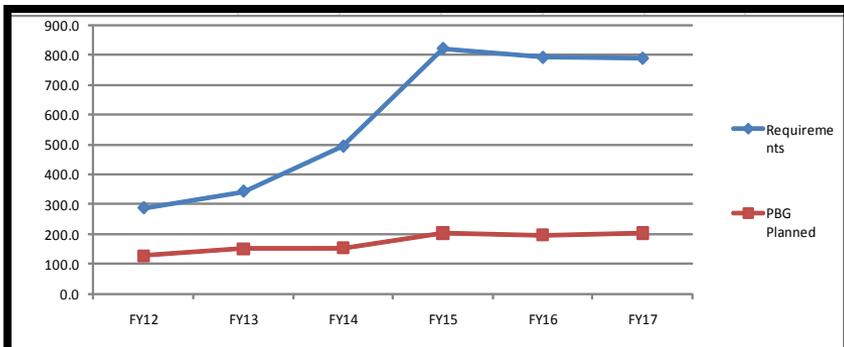
INDUSTRY PARTNERSHIPS REMAIN STRONG AND CRITICAL



Our Operating Environment

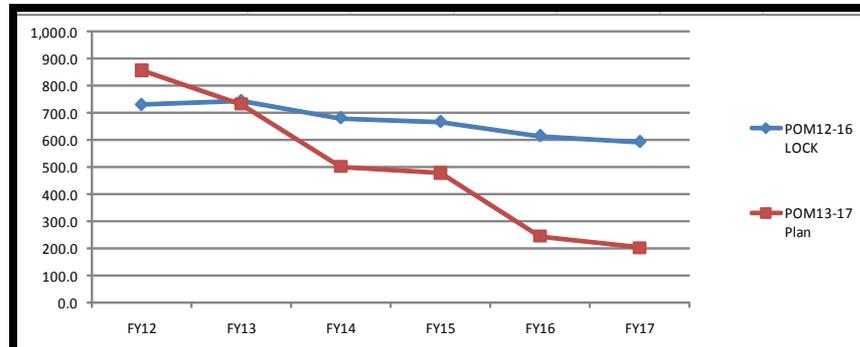


OMA Funding



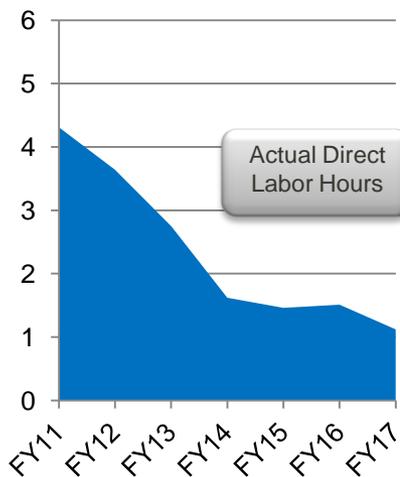
\$ in Millions	FY12	FY13	FY14	FY15	FY16	FY17
Requirements	287.6	343.1	493.9	821.4	791.3	788.4
PBG Planned	127.6	151.6	153.6	204.2	197.4	204.0
Variance	-160.0	-191.5	-340.3	-617.2	-593.9	-584.4

Supplemental Funding

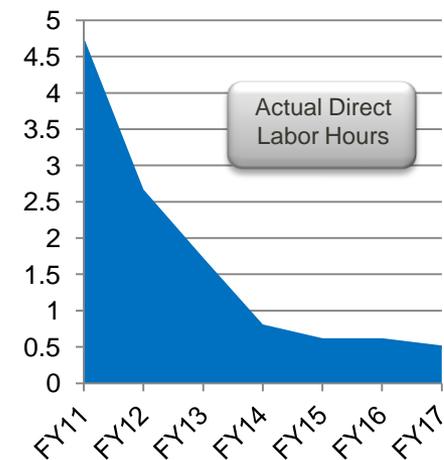


\$ in Millions	FY12	FY13	FY14	FY15	FY16	FY17
POM12-16 LOCK	729.9	744.2	681.3	667.1	615.4	593.2
POM13-17 Plan	858.4	733.1	502.2	479.5	246.3	203.9
Variance	128.5	-11.1	-179.1	-187.6	-369.1	-389.3

Workload



P3 relationships are even more critical in lean times.

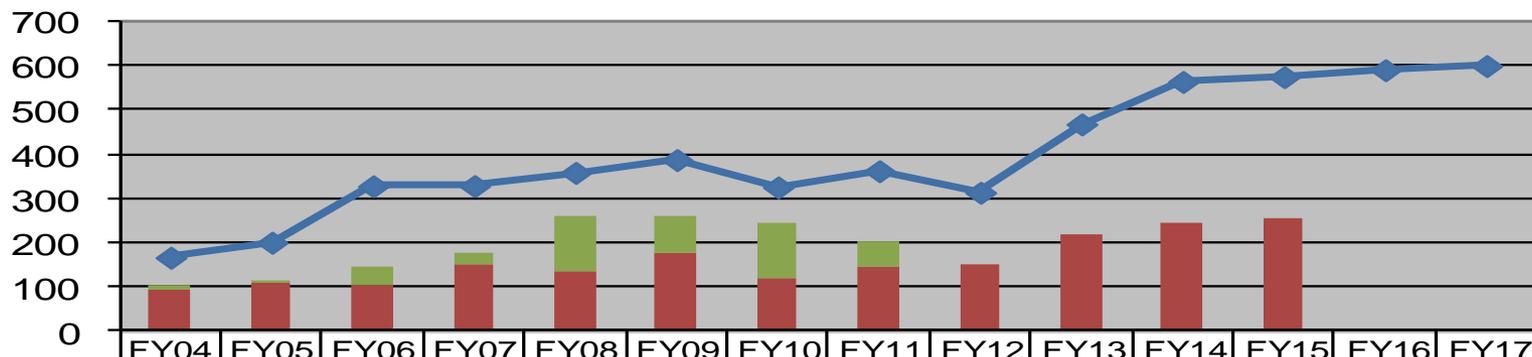


* Numbers in Millions



SSTS Historical/Projected Trends

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	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Supp Funded	9.8	6.1	44.4	25.2	124.2	84.9	123.7	54.9						
Base Funded	93.1	109.0	100.4	151.6	133.3	174.0	119.8	146.1	147.9	215.3	245.4	253.6		
Req	166.1	200.1	327.9	328.4	358.4	387.3	325.5	362.2	313.4	468.2	564.3	575.3	591.1	600.3
Total	102.9	115.1	144.8	176.8	257.5	258.9	243.5	201.0	147.9	215.3	245.4	253.6		
UFR	63.2	85.0	183.1	151.6	100.9	128.4	82.0	161.2	165.5	252.9	318.9	321.7		
%Fnd	56%	54%	31%	46%	37%	45%	37%	40%	47%	46%	43%	44%		

% Fnd = Base Funded / Req

* Numbers in Millions

We Need As Much Bang for the Buck from All of Our Industry Partners to Continue Sustaining Our Fleet



Historically



What Should Happen

In-production

Post-production



What Does Happen

In-production

Post-production





Public Private Partnerships

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ENGINEERING & PROTOTYPING
CONFIGURATION & PACKAGING
TEST & EVALUATION
FIELD SERVICES

MAINTENANCE & OVERHAUL
MANUFACTURING
STORAGE



Full Spectrum Partnerships
= Full Spectrum Capabilities





DLA: A Strategic Partner in Readiness

Yesterday's Business Model: TACOM Managed & Procured



Today's Business Model: TACOM Manages; ACC and DLA Procure



DLR Detachment

COMMUNICATION & COLLABORATION WITH DLA IS CRITICAL IN SUPPORTING TACOM LCMC SYSTEMS



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FY12 Top Ten ILSC Forecasted Procurements



NSN	Item Name	Weapon Systems	Procuring Activity	FY12 \$ Total
2835015517887	ENGINE	M1 Abrams	DLA-Warren	\$216,119,064
1670010653755	PARACHUTE,CARGO	Aerial Delivery	ACC-Warren	\$116,712,387
1670005873421	BAG,CARGO	Aerial Delivery	ACC-Warren	\$31,550,717
1090251601981	ARMAMENT SUBSYSTEM	CROWS	DLA-Warren	\$22,462,551
1670010583810	NET,CARGO	Aerial Delivery	ACC-Warren	\$20,277,308
2510015325221	GUNNER PROTECTION KIT	HMMVV	ACC-Warren	\$20,070,384
5855015751268	SIGHT,THERMAL	CROWS	DLA-Warren	\$18,240,280
2815011112262	ENGINE,DIESEL	M939 FOV	DLA-Warren	\$17,742,775
5855015345931	ILLUMINATOR,INTEGRAL	Infra-Red	ACC-Warren	\$17,092,373
1670013043006	PANEL ASSEMBLY,MAIN	Aerial Delivery	ACC-Warren	\$16,930,150



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FY13 Top Ten ILSC Forecasted Procurements



NSN	Item Name	Weapon Systems	Procuring Activity	FY13 \$ Total
1670010653755	PARACHUTE,CARGO	Aerial Delivery	DLA-Warren	\$150,591,595
2835015517887	ENGINE	M1 Abrams	ACC-Warren	\$79,076,984
1670005873421	BAG,CARGO	Aerial Delivery	ACC-Warren	\$33,899,985
2815011112262	ENGINE,DIESEL	M939 FOV	DLA-Warren	\$27,810,138
1670010583810	NET,CARGO	Aerial Delivery	ACC-Warren	\$23,828,070
1090251601981	ARMAMENT SUBSYSTEM	CROWS	ACC-Warren	\$22,534,135
1220251602187	ELECTRONIC UNIT	CROWS	DLA-Warren	\$20,453,225
1220015636720	ELECTRONIC UNIT	M1 Abrams	DLA-Warren	\$20,453,225
5855015751268	SIGHT,THERMAL	CROWS	ACC-Warren	\$18,381,502
1670013043006	PANEL ASSEMBLY,MAIN	Aerial Delivery	ACC-Warren	\$16,931,232



Final Thoughts



GIVEN TODAY'S COMPLEX AND UNCERTAIN BUDGETARY ENVIRONMENT, WE MUST...

- **Continue sustaining the Force for full spectrum operations in both peacetime and wartime environments.**
- **Increase efficiencies...leverage commercial & organic “best of talent” capabilities.**
- **Leverage DLA as a supplier throughout the acquisition & sustainment planning process.**
- **Adapt & manage risk on all levels.**
- **Shape sustainment for tomorrow.**