



DLA
DEFENSE LOGISTICS AGENCY



The Nation's Combat Support Logistics Agency

Warstopper Program and Industrial Capabilities

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WARFIGHTER ALWAYS



Acronyms in this Presentation

- DLA – Defense Logistics Agency
- C&T – Clothing & Textiles
- ICP – Industrial Capabilities Program
- MSC – Major Subordinate Command
- IBP – Industrial Base Planning
- IS – Industrial Specialist
- DNAD – Domestic Non-Availability Determination

MISSION



EXECUTION

**SERVICE
REQUIREMENTS**

**INDUSTRY
CAPABILITY**

INDUSTRIAL BASE PLANNING



Warstopper Program – One DLA Industrial Readiness Tool

Program Background:

- DLA's industrial readiness program for DLA managed consumable items
- Government investment needed when readiness demand is higher than the commercial industry is able or willing to invest
- The National Defense Authorization Act for 1992 and 1993 emphasized industrial base preservation, as a result the DLA "Warstopper" Program was created

Program Characteristics:

- **Mission:** Ensure availability of DLA commodities where unavailability would "stop" a warfighting capability
- **Demand:** Items with a validated War Reserve Requirement or surge demand in wartime
- **Production:** Lead times that will exceed the industrial capability to meet the wartime requirement

Preferred Readiness Solution Hierarchy:

- Good supply chain management practices
- Acquisition strategies
- Surge clauses
- Warstopper investment

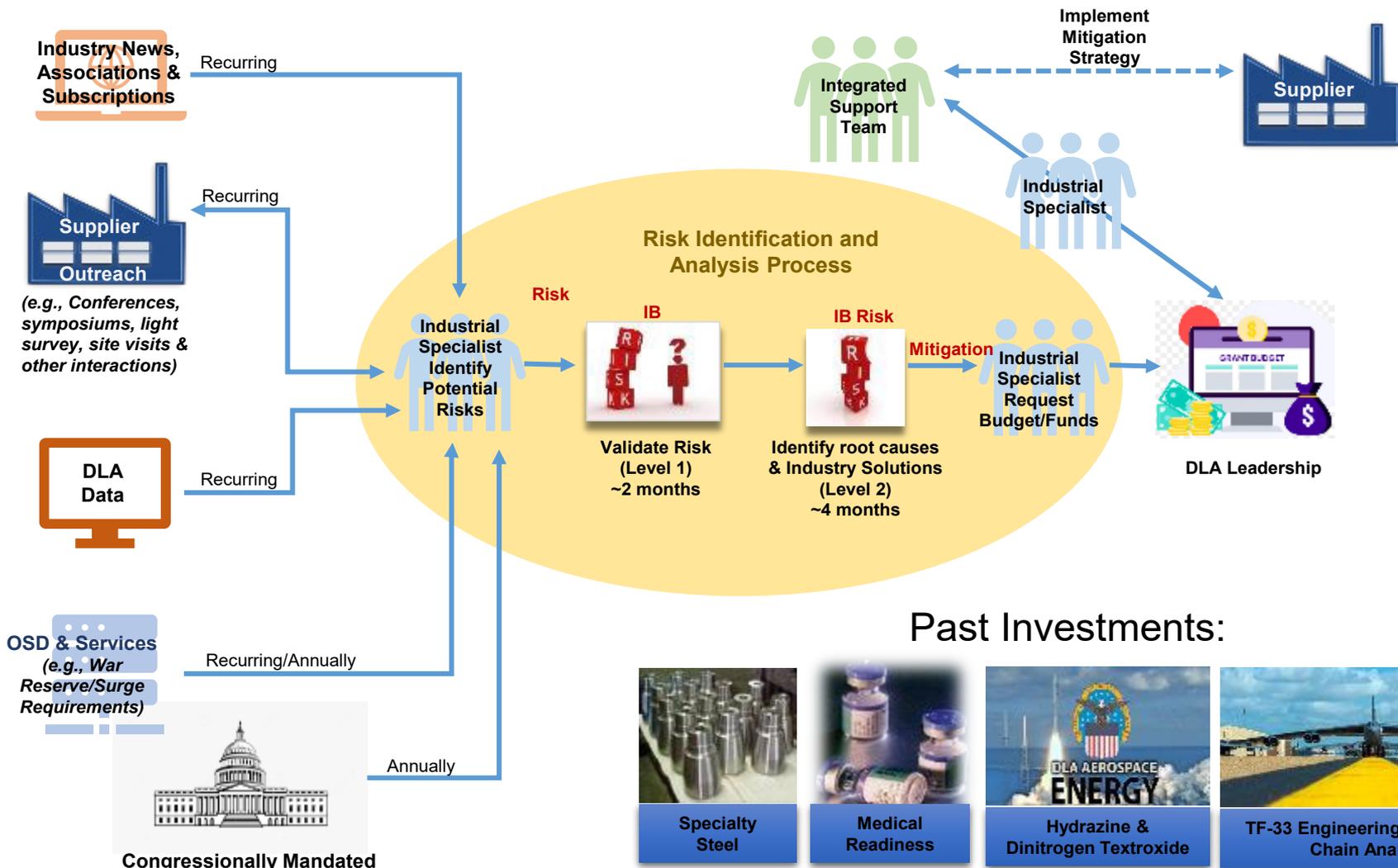
**Annual Baseline Budget
~\$45-50M**

Investment Type	Description
Preservation of Capability/Capacity	<ul style="list-style-type: none"> • Cold Start Preservation • Industrial Base Maintenance Contract
Surge Capability	<ul style="list-style-type: none"> • Material investments • Buffer Stocks • Equipment • Access to Commercial Inventory



Supporting Tools for Investments:

Risk Analysis Process to identify Investment Opportunities





Warstopper Investment Strategies

Preservation of Capability/Capacity

- Cold Start Preservation
 - Mitigates risk for items with infrequent demand signals through Diminishing Manufacturing Sources and Material Shortages (DMSMS) solution for extension of production or support to maintain the availability of products
- Industrial Base Maintenance
 - Invest to offset fixed costs to maintain an industrial capability/capacity in a warm state to facilitate a rapid ramp up of production when a surge occurs.

Readiness Investments

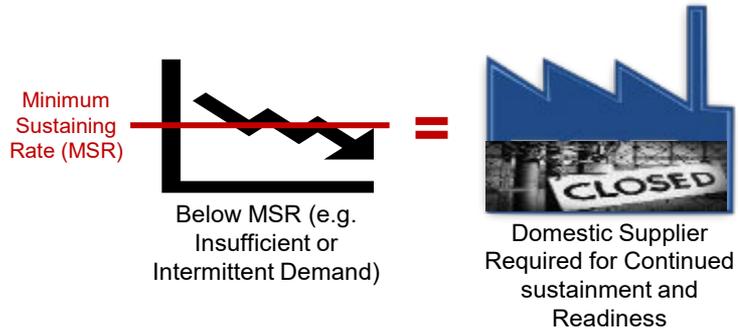
- Buffer Stocks
 - Raw material buffer stocks to decrease lead-time for items during time of national emergency
- Equipment
 - Use of funds to purchase capital equipment for surge capability and capacity during contingency events
- Access to Commercial Inventory
 - Purchase Access to Rotating Vendor Managed Inventory
 - Guaranteed quantity
 - Guaranteed delivery times
 - Maximize coverage
 - Minimize investment
 - Fees for inventory management & stocking



Preservation of Capability/Capacity

How It Works

Preservation of Capability/Capacity – Loss of Production – Plant Shutdown



Industrial Base Maintenance Contract (IBMC) is established to cover the fixed cost to keep plant. Fixed cost portion of the production and sale of product is used to offset the IBMS costs.

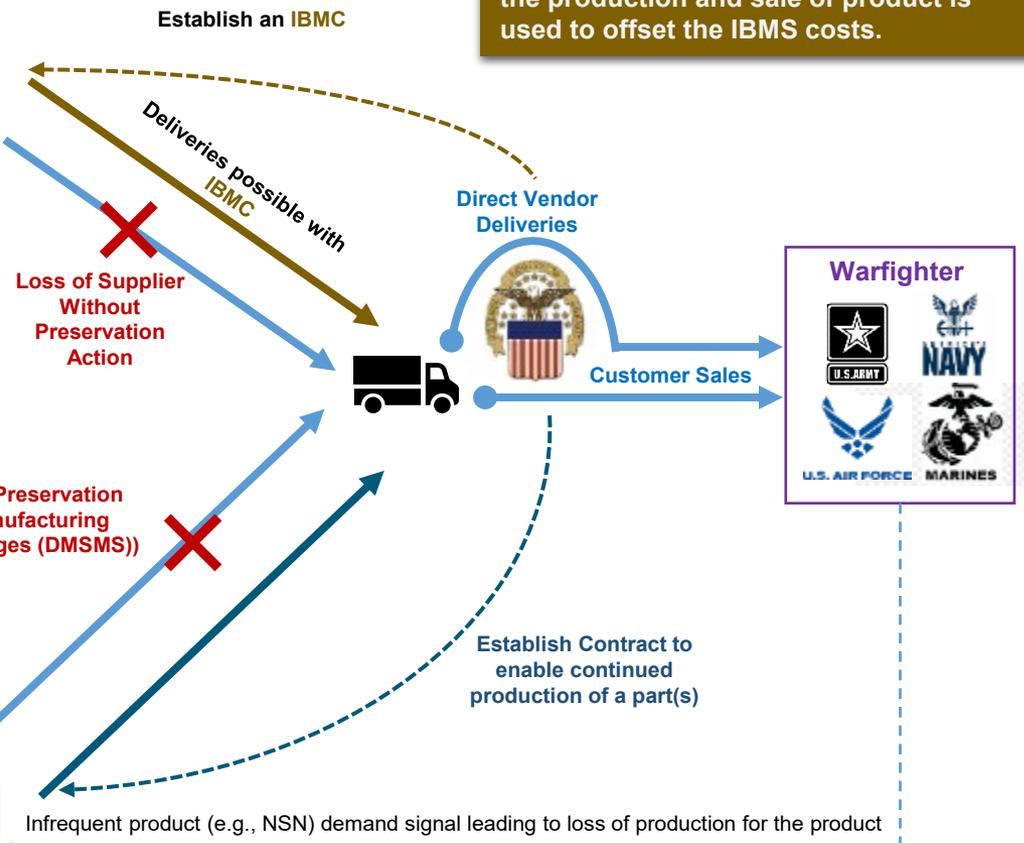
Preservation of Capability/Capacity - Cold Start

This type of preservation investment uses the Diminishing Manufacturing Sources and Material Shortages (DMSMS) solution for extension of production or support to maintain the availability of products.

- Skills
- Tooling
- Drawings
- Specs
- Materials



Loss of a Product Without Preservation Action – (Diminishing manufacturing Sources and Material Shortages (DMSMS))



Note: This can lead to loss of tooling, specifications, drawings, qualification, skilled labor, etc. One example is associated with systems that have extended service life and need consumable part, many not ordered for years, required to further sustain these extended systems.



Readiness Investments

How It Works

Material Investment

Prepositioning of material reduces lead-times for supporting surge and sustainment during national emergencies and contingencies.

Material Buffer Investment

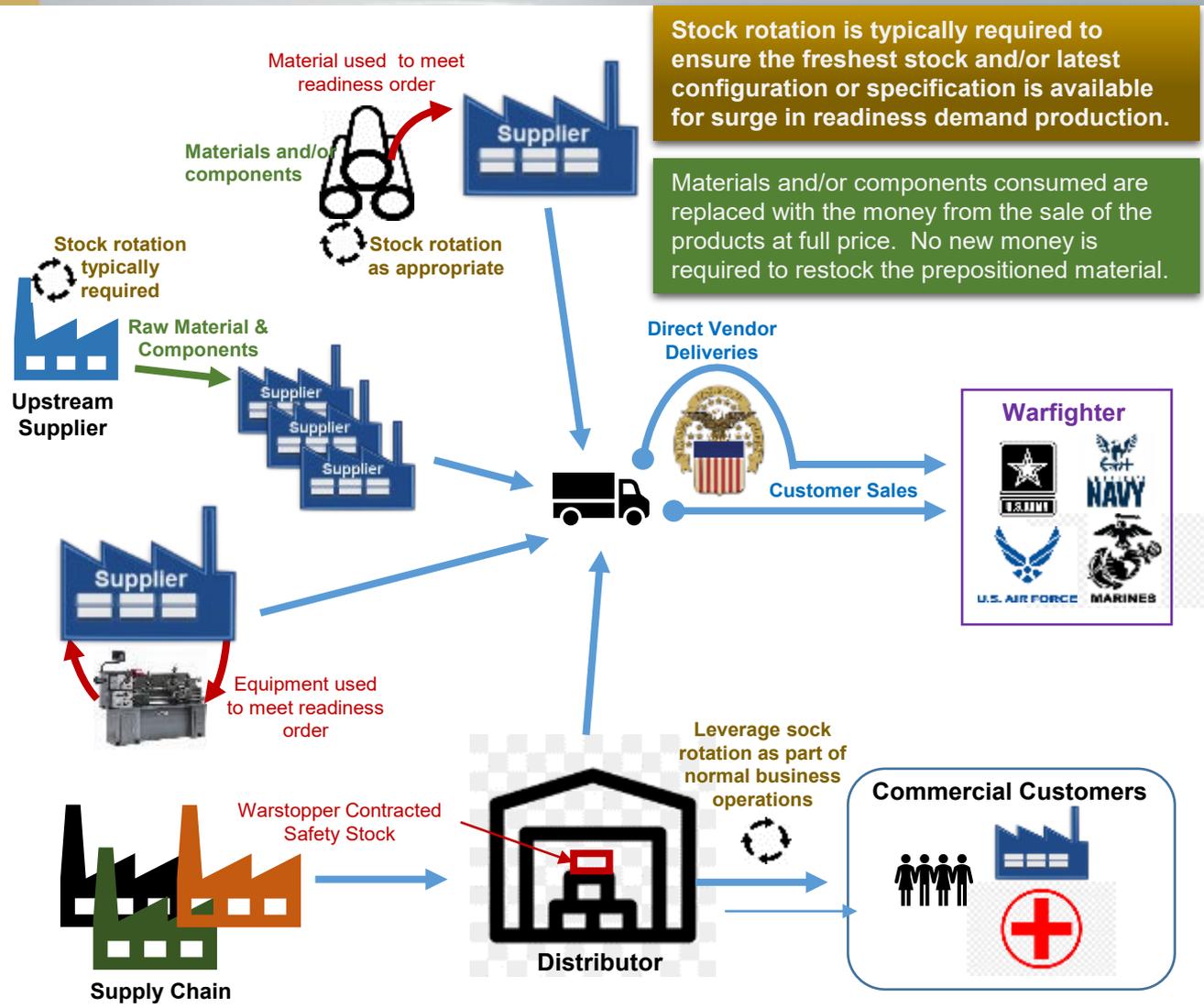
Buffers created when prepositioned material or components is required by more than one supplier. Material retains pedigree, qualifications, certs, and ownership – not Government Furnished Material.

Equipment Investment

Equipment investment needed when the readiness demand is higher than the commercial industry is willing to invest. Equipment is maintained and available for demand surge.

Access to Commercial Inventory

Commercial products can be more effectively rotated, large customer pool, than DLA. Avoid spoilage due to product shelf-life expiring.



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Around the Clock, Around the World.....



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