

Beyond DTICI

63rd Annual Transportation and Logistics Forum and Exposition

NDTA

Nashville, Tennessee

Professional Dialogue Session A

1400-1530 and 1545-1715 on Monday 21 September 2009

Moderator

Mr Andrew Jones

Executive Vice President, CorTrans Logistics, LLC

Panelists

Ms Lisa Roberts

Acting Assistant Deputy Under Secretary of Defense for Transportation Policy

Col Mike Miller, USAF

Director, DTICI PMO, USTRANSCOM

Mr. Hellion Flowers

Chief, Inventory Management

Materiel Policy, Process, and Assessment Directorate, DLA

NDTA membership and previous National Forums directly contributed to the current Defense Transportation Coordinator Initiative (DTICI) program, a successful example of the partnership between industry and the Department of Defense (DOD). The 63rd Annual Transportation and Logistics Forum Professional Dialogue Session, "Beyond DTICI" continued to use this partnership to explore ideas on the future of DTICI. Mr. Jones introduced his panelists who provided some initial thoughts on the future DTICI. Ms. Roberts provided a framework from the perspective of the Office of the Assistant Deputy Under Secretary of Defense for Transportation Policy; "DTICI is an important initiative and has high visibility in the Department". She considered this forum as a key communications opportunity between DOD, NDTA and industry to discuss the future DTICI. Colonel Miller touted the accomplishments of the DTICI program. He appreciates the hard work from the great team who brought 52 sites onto DTICI including all 18 Defense Logistics Agency (DLA) depots. Mr. Flowers stated adamantly that DTICI is important to the agency. DLA is very interested in seeing how DTICI can be expanded, particularly regarding first destination movement from vendor to the DLA distribution centers.

Mr. Jones then divided the audience into eight groups, charging each group to discuss an assigned topic and present the group findings and recommendations on the opportunities, potential pitfalls, technology, and other options pertinent to each assignment. While they overlapped in scope due to the complexity and interrelationships of DOD distribution, the assignments were divided into four general areas: other geographies, other commodities, other modes and other customers.

The groups delivered many ideas on how to improve the reliability of transportation delivery and reduce cycle times while capitalizing on commercial capabilities and proven best practices. The

results were wide ranging, often from both ends of the spectrum as the groups engaged in brainstorming ideas around each assignment. In order to foster the free exchange of ideas as the groups engaged in their discussions nothing was taken off the table. These ideas and no doubt many more over the coming years will be taken into consideration for future DOD initiatives in improving supply chain and transportation.

The groups saw many advantages in extending the program to other customers: foreign military sales, partner nations, USAID, non governmental organizations working in the area of operation, and other governmental organizations such as Government Services Agency, Federal Emergency Management Agency, Homeland Defense, Department of State, and Defense Contract Management Agency vendors. Some challenges noted regarding expanding the customer base beyond DOD and expanding to other geographies included: how to handle authority to enter other nations and compliance with agreements on customs clearance processes; and complying with requirements to use American Flag carriers. Some felt the real question for the international movement is determining how to provide the opportunity for the coordinator to take full advantage of moving traffic into all lanes and leveraging the best transportation rates. An idea was proposed to do a proof of concept with the addition of targeted customers, modes, and geographies where the coordinator could develop strategies to achieve service and price efficiencies. This could demonstrate how the use of commercial practices can continue to reap cost savings.

Some saw a great opportunity for a single coordinator to bring tremendous value by providing better visibility and better rates through consolidations. The advantages could be further expanded by increased shipment volumes from additional customers and commodities with greater flexibility to access all modes of transportation. To counter concerns of exposing the Department to greater risk if all shipments are managed by a single coordinator, others proposed dividing the work into something more manageable by geographical region, or commodity, or mode. There were also concerns raised about an increased scope becoming an issue for providing full coordination and integration. On the other hand, decreasing the shipments managed by the government could lead to the loss of critical traffic management skills and erosion of the military capability to respond to contingencies. In the event of a private sector failure, the Department would not have the in-house expertise to step in and continue operations.

They wondered how the current and future world wide express (WWX) contracts would fit into the framework of options. The small packages could bring the biggest volume of movement requirements with customers such as a depot that ships 8,000 small packages a day. Technology did not appear to be a roadblock, rather information assurance restrictions were viewed as a barrier to allowing the coordinator access to technology needed to manage, execute, or handle the movements, particularly for arms, ammunition, and explosives (AA&E). Data sharing and access to government or proprietary information systems along with security, command and control could interfere maintaining open communication and planning. In a data sharing environment, they felt it was important to clearly assign responsibility for the shipper of record when multiple handling by modes and carriers which is important for resolving payment, over, short, and damage issues. When looking at adding commodities to an expanded, no hard barriers were identified for privately owned vehicle (POV), baggage or Code J shipments. AA&E does pose challenges due to the limited number of carriers eligible to move AA&E, extra handling

requirements for security, facility requirements, and access to sensitive and classified information.

With NDTA partnerships and the participation of the panel attendees, the Department was able to gather input, issues and ideas from industry, military Services, and customers. This information will be provided to the teams developing the future program with the goal to continue to reduce cycle time and costs across the DOD. The next step is to complete an analysis of alternatives to assist in developing the framework(s) for future program(s), which would begin after 2015. In continued cooperation with our NDTA partners, DOD will share the results of the analysis with the Military Services and industry as we look to build a future program, providing cost-effective service to the Warfighter.