



THE MONITOR AND MERRIMACK



Newsletter of the
Greater Hampton Roads Chapter
District 02 – Chapter 03
SOLE – The International Society of Logistics
March 2009
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From the Chapter Chairman:

The last gasps of winter seem to be the strongest this year and daylight savings is on the horizon next weekend. Our Greater Hampton Roads Area Chapter has a nearly full slate of luncheon meetings and tours on tap for the remainder of this year beginning with our 18 March tour of the **APM Terminals** complex (please see page 4 and 5 of this newsletter for details). The following month we have a tour of the **Air Mobility Command's Naval Air Terminal** on the Naval Station, Norfolk. We have **Michael Poland, CMRP, Director of Asset Management Services, Life Cycle Engineering** as our May speaker. Then we have **Mr. Jason Dennis of BAX Global** on tap for our 17 June Luncheon. And we are really fortunate to have **Dr. Wayne Talley, Executive Director of ODU's Maritime Institute's College of business and Public Administration** as our guest speaker on Wednesday July 15th. This is followed by a tour of a **Supply Department spaces of a U.S. Naval Amphibious Ship** in September.

We feature details on our SOLE Headquarters' **44th Annual Conference and Exhibition** to be held in Dallas (Irving) Texas at the OMNI Mandalay Hotel (**16-20 August 2009**) are featured on page 7 of this newsletter. This year's conference is on "The Logistics of Global Security", a topic with wide ranging importance in current times. A Call for Papers is also enclosed. We feature a reprint of an outstanding DAU ATL paper on PBL in this issue which really strikes at the crux of all the missed opportunities and possible future successes in implementing that transitional process and a very interesting historical piece out the Army Logistician on Supply Line Warfare.

We had a superb February luncheon with our featured guest, **Mr. Warren Hammer** of the Virginia Economic Development Partnership's Global Logistics and Business Development. He enlightened all of us on the myriad of State programs available to new business development and global leveraging efforts.

Charlie Littleton continues to update and refine our Website with Chapter information, job information and programs links to SOLE.

As of this writing sign ups for our March APM Terminals tour (a joint event with our Tidewater NDTA Chapter) are coming in at a brisk rate – and I am informed we are full up but trying to see if we can expand the tour from the 24 person limit. We may try to schedule a second tour later due to the high interest.

Our Chapter Leadership is keen to act on any membership suggestions for new programs or initiatives. Please see Page 13 for our leadership contact numbers.

All area members and logisticians contemplating taking the 2 May 2009 CPL exam should have already contacted SOLE Headquarters. Those set up should contact Lee Morris, our Education Vice Chairman to allow us to coordinate required proctoring and administration.

All logisticians and interested parties are reminded that we have CPL and CML texts positioned at both the Virginia Beach Central Library on Virginia Beach Blvd. and the Newport News Library on Main Street.

I trust many had the opportunity to view the special SOLE program on our local channel 4. It was broadcast four times. We will try to replay the show at a future luncheon. A lot of work went into that effort at our Headquarters.

Please join us at our next Tour or Luncheon where you can gain an insight into local, national and international (global) logistics developments and initiatives.

Carl J. Lilieberg III
Chairman

In this Issue:

CPL Corner	2
Calendar of Events	3
APM Terminals Facts	4
March Tour (APM Terminals)	5
PBL Article (Defense AT&L Jan-Feb 08)	6, 8-9
SOLE Intl Conference	7
GHRC February Meeting	10
GHRC Leadership Page	13
Supply Line Warfare	
Army Log. (Nov/Dec 08)	11-12, 14
Eagle System Call for Papers	14

Certified Professional Logistician Corner



The next CPL Exam will be given in May 2009

1. The major determinants of carrier service performance are:
 - a. transit time, reliability and security
 - b. transit time, reliability, accessibility and security
 - c. the time required for pick-up and delivery and terminal handling.
 - d. the availability of carrier routes and terminals in the proximity of shipping locations
2. The transport rate is not an important criterion in selecting a specific carrier because:
 - a. the rates for alternative carriers are the same.
 - b. the rates via alternative carriers in a mode are usually the same, allowing for slight disparities.
 - c. all carriers offer the lowest transportation costs.
 - d. all carriers compete on service.
3. The most important determinant in the carrier selection decision is:
 - a. reliability of the transit time provided.
 - b. the accessibility of a carrier to the modes.
 - c. the provision of safe service.
 - d. the capability to provide the equipment and facilities required to move a shipment.
4. The major weakness of rail transportation that offsets its low cost is:
 - a. its low accessibility and rather long transport times.
 - b. lack of reliability and safety.
 - c. its transportation of high density, low value goods.
 - d. the increase in packaging costs for the rail mode.
5. The difference between rail and the other modes is that:
 - a. here are regulatory controls regarding the commodities transported by rail.
 - b. there are regulatory controls regarding the commodities transported by motor carriers and air freight.
 - c. the railroads are regulated by the CAB.
 - d. railroads are more tightly controlled by the government.
6. A common carrier is best defined as:
 - a. for-hire carrier that holds itself out to serve the general public at reasonable charges and without discrimination.
 - b. a for-hire carrier that is not regulated with respect to economic matters.
 - c. a not-for-hire carrier and not subject to economic regulation.
 - d. one regulated by the FTC.
7. Piggyback or Trailer on Flatcar (TOFC) is:
 - a. transportation which combines motor carrier and air transport.
 - b. truck-water transportation.
 - c. a specialized form of containerization in which rail and motor transport are coordinated together.
 - e. transportation the water.
8. The Airline Deregulation Act (1978) gave airlines permission to:
 - a. set fares 5 to 10% above CAB standards or as much as 50% below the CAB floor.
 - b. utilize whatever discounting they decided on
 - c. add one route per year automatically without filing a notice with the CAB.
 - d. all of the above.
- 9... The Staggers Rail Act of 1980 stipulated that:
 - a. railroads could increase rates such that the railroads ratio of revenue-to-variable costs did not exceed 180% by 1985.
 - b. railroads could enter into contracts with shippers for several years.
 - c. allowed railroads to increase rates without notice to shippers.
 - d. a and b.
10. The Motor Carrier act of 1980 accomplished:
 - a. deregulation of the trucking industry by providing for easier entry.
 - b. increased regulation of the trucking industry
 - c. removal of circular and gateway route limitations.
 - d. increased the regulation in the trucking industry.

Please see answers on page 3



Calendar of Events

ASNE Dinner Meetings: Every 3rd Tuesday, Springhill Suites, Newtown Road, Va. Beach, (1800-1900 Social Hour); 1900-2030 Dinner and Program; Reservations: Mary Morgan (757) 495-1970

18 March 09 CDR Mike Doran, CO, USS FREEDOM (LCS-1) Gold Crew

15 April 09 RADM James McManamon (SEA-21)

SOLE 18-20 August 2009 SOLE 2009: "The Logistics of Global Security"
Dallas (Irving), Texas

GHRC SOLE

18 March 2009

Tour of Maersk APM Terminal, Portsmouth, Va.
11:30 to 1 PM (RSVP by Thurs. 12 March)
Limit is 24 attendees.

Inst. for Def, &

Govt Advancement March 16-19, 2009

7th PerformanceBased Logistics conference, Washington, DC.,
E-mail: sherryl.jacobs@idga.org Phone: 416-597-4710 24 hours
a day

Hot News

SOLE Featured In "The Economic Report" - The producers of Greg Gumbel's nationally syndicated "The Economic Report" are pleased to announce that SOLE – The International Society of Logistics ("SOLE") is currently being featured in an episode on "Leading Developments in Logistics" as part of the show's series on "Doing Business in a Global Economy." In order to be successful in today's global marketplace, logistics management, education and technology play a key role. As a result, almost all companies around the world need to keep apprised of the latest developments in this specialized industry. That's where organizations like SOLE can make a significant difference. The five-minute segment, which will educate viewers on the importance of the logistics industry in today's global economy, includes interviews with key logisticians from academia, industry and government. The segment - in whole or as part of a longer 30-minute national and/or regional show - is currently airing in the Hampton/Norfolk/Newport News/Tidewater Virginia/NC area. Future airings in other regional US markets will be announced as SOLE receives notice of their scheduling.

The segment can also be viewed on "You Tube" at http://www.youtube.com/watch?v=TJ7_yOchUGA.

Answers			
1	b	6	a
2	b	7	c
3	a	8	d
4	a	9	d
5	b	10	a

Logistics Quotes:

*Supply chains cannot tolerate even 24 hours of disruption.
So if you lose your place in the supply chain because of wild
behavior you could lose a lot. It would be like
pouring cement down one of your oil wells.*

—Thomas L. Friedman

T

APM Terminals, Portsmouth, Va.



At 394 feet tall with booms raised, each of the terminal's six cranes is taller than the Statue of Liberty.

(Steve Earley | The Virginian-Pilot file photo) Extract from the Virginian Pilot On Line (July 2007)

APM Terminals in Portsmouth opened in the summer of 2007 as the region's largest cargo container terminal.

The \$450 million complex has greatly expanded the port of Hampton Roads' ability to handle surging cargo volumes, especially from Asia while giving the Virginia Port Authority its first local competition in decades for cargo containers with state-of-the-art terminal capability. ¹

The **A. P. Moller-Maersk Group** (Danish: **A.P. Møller-Mærsk Gruppen**) is an international business conglomerate more commonly known simply as **Maersk**. Maersk has activities in a variety of business sectors, primarily transportation (container shipping fleet) and energy (offshore oil exploration and transportation). It is the largest container ship operator and supply vessel operator in the world.

Maersk is based in Copenhagen, Denmark, and has subsidiaries and offices in more than 130 countries worldwide. The group has around 117,000 employees. It stood as number 131 on the Fortune Global 500 list for 2008, up from 138 in 2007. Maersk is the second largest company in Scandinavia by revenue, and the second largest company in Denmark measured by market capitalisation.²

1. The Virginian Pilot Article, Pilot On Line, June 19, 2007 by Gregory Richards.
2. Wikipedia on line extract.

Joint Tour of APM Terminals, Portsmouth, Virginia



AND

**SOLE – The International Society of Logistics
Greater Hampton Roads Area Chapter**



**Wednesday March 18, 2009
11:30 – 1:00 PM**

We are limited to 24 Visitors for this Tour! Spouses and guests, bosses and co-workers are welcome and you DO NOT need to be an NDTA or SOLE member to attend!

Driving Directions:

From the north (via Hampton Roads Beltway/I-664S): 1. At exit 9, take ramp right for SR-164 towards Portsmouth (4.3 Mi); 2. Take ramp **right** and follow signs for APM Terminals Blvd (.2 mi); 3. Arrive at APM Terminals Blvd (last intersection is SR-164/Western Fwy; If you reach APM Terminals Blvd, you've gone too far).

From the east (via West Norfolk Bridge W/Western Fwy/SR-164): 1. Take ramp **right** for **Wyatt Dr** toward APM Terminals Blvd (.2 mi); 2. Turn **left** onto **APM Terminals Blvd** (.1 mi); 3. Arrive at APM Terminals Blvd, Portsmouth, Va. (the last intersection is Wyatt Drive).

From the south (via Hampton Roads Beltway/I664 N): 1. At exit 9B, take ramp for **SR-164 East** toward Downtown Portsmouth (3.9 mi); 2. Take ramp **right** and follow signs for APM Terminals Blvd (.2 mi); 3. Arrive at APM Terminals Blvd, Portsmouth (the last intersection is SR-164/Western Fwy – if you reach APM Terminals Blvd, you have gone too far).

From the west (via SR-164 E): 1. Take ramp right and follow signs for APM Terminals Blvd. (.2 mi); 2. Arrive at APM Terminals Blvd, Portsmouth, Va. (the last intersection is SR-164/Western Fwy- If you reach APM Terminals, you've gone too far)

All meet in APM Terminal Parking. APM Shuttle Bus will pick us up to the 45 minute tour. This is a brown bag tour – bring your own lunch. RSVP to (GHRC SOLE): Charlie Littleton at clittleton@lce.com or 757-857-1311 (extension 4203); (TIDEWATER NDTA): Ms. Kristen Ingram at 'kingram@cwsvb.com', NLT COB, Thursday March 12, 2009. **it** Please read about APM Terminals at <http://apmterminals.com/>

PBL: Extract from Jan-Feb 2009 Defense AT&L article: **Misunderstood Superheroes: Batman and Performance- Based Logistics**

By Randy T. Fowler

How do the Batman myth, ethos, and psychology pertain to PBL? PBL – born on the dark side in the 1990's, perhaps with a tad of vigilantism to shakeup a death-spiraling, transaction-based logistics system – continues to be mischaracterized, misunderstood, and therefore often either skeptically embraced or totally despised. Whenever I encounter critics of PBL, I listen closely to see if they understand PBL. Most do not.

Definition of PBL.

Ask almost any acquisition and sustainment professional, "What is PBL?" and within the first 30 seconds, most will respond with a strong perception that "PBL is contracting out logistics." This is an erroneous observation. I often challenged Executive Program Management students at the Defense Acquisition University, saying that one sure way to fail the logistics class was to leave the classroom thinking that PBL is contracting out. Even so, many of them should have failed. During a recent discussion about continued policy emphasis on PBL, Under Secretary of Defense for Acquisition, Technology and Logistics, John J. Young referred to his Navy Experience with PBL and contracting out. He readily accepted my polite correction that effective PBL requires balance contribution by both public-and-private providers.

Like the confusion over Batman's psychology, this confusion about defining PBL is complex and mysterious. The Department of Defense has consistently defined PBL as "the purchase of support as an integrated, affordable performance package designed to optimize system readiness and meet performance goals for weapons systems through long-term support arrangements with clear lines of authority and responsibility" (Performance Based Logistics: A Program Manager's Product Support Guide, DAU Press, 2005) DoD's overarching basis for PBL has consistently embraced a spectrum of public-and-private-sector provider strategies, with partnering being an integral component of PBL approaches. Despite these policy and procedural consistencies defining PBL, the perception formed and indeed grew, that PBL is contracting out logistics.

Part of the reason for this perception is that contractors have been effective and integral to most of the PBL strategies employed to date. PBL has not significantly changed DOD's reliance on contractors; it has only changed the nature of how we use their services. Simply put, we have transitioned from buying iterative discrete quantities of goods and services

(transactional logistics) to acquiring sustainment via top-level outcomes (PBL).

The most mysterious part of the misperception is the seeming desire by skeptics and critics to characterize PBL as "contracting out" in an attempt to claim PBL is bad for the DoD enterprise, infrastructure, battlefield operations, information technology systems, and the competencies of the organic workforce. That need not be the case, but PBL is a demanding strategy that requires change in many organic infrastructure concepts. The next-generation PBL strategies need to offer improved attention to the enterprise integration effects – but the DoD infrastructure has to step up to a different incentive set I next-generation thinking as well.

Product-Support Integrators.

Linked with the PBL definitional issue is a misunderstanding of the PBL tenet to employ a product-support integrator. Most people believe using an industry PSI equates to doing a wholesale outsourcing of logistic, which is wrong because the integrator integrates, which does not imply performing all logistics, services.

In this case, the misperception is more understandable because to this point, most PSIs have been industry original equipment manufacturers (OEMs). However, there is no basis in policy or guidance for preference for an industry PSI. DoD policies and procedures have consistently encouraged flexibility with respect to PSIs. A PSI is defined as "an entity performing as a formally bound agent (via contract [industry] or memorandum of agreement/understanding [government] charged with integrating all sources of support, public and private, defined within the scope of the PBL agreements to achieve the documented outcomes" (Performance Based Logistics, DAU, 2005). This definition accommodates a government or industry PSI. Organic PSI can work. Naval Inventory Control Point is the PSI for several subsystem PBL strategies that use performance-based contracts with contractors holding them accountable for performance outcomes.

Many misconstrue the true role of a PSI. PSIs do not "control" a platform's sustainment, nor do they perform or even manage all of the support functions. An industry PSI is prevented from doing so by statute (Title 10 U.S. Code), policy, and Service preferences for organic support. I believe a clear misunderstanding of the PSI role is the basis for the recently proposed House Armed Services Committee language (Section 823), which recommends restricting PSI performance to organic sources – a position opposed by DoD.

The determination of a PSI comes down to which entity

SOLE – The International Society of Logistics

presents

**SOLE 2009**

44th Annual International Logistics Conference and Exhibition

The Logistics of Global Security

18-20 August 2009

Dallas (Irving), Texas

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Hot News

SOLE 2009 Call For Papers Announced - SOLE - The International Society of Logistics (SOLE) presents its 44th Annual International Logistics Conference and Exhibition, to be held at the Omni Mandalay Hotel at Las Colinas, Dallas (Irving), Texas from 16-20 August 2009. With a conference theme of "The Logistics of Global Security," the symposium will offer three full days of exciting, educational and topical offerings designed to provide logisticians from all countries a unique understanding of the issues associated with security in logistics processes. Some of the world's leading subject matter experts will lead the conference attendees in addressing a broad spectrum of issues critical to understanding the significance of logistics in the emerging global security environment. Representatives from Government, the Armed Services, Industry and Academia – both nationally and internationally – will serve as keynotes, plenary and panel participants, and paper presenters.

SOLE 2009 will offer paper presentation sessions that address the many faces of logistics in global security, to include but not limited to: designing for security, security in the manufacturing process, security in humanitarian and disaster relief operations, multimodal transportation security, logistics technologies enabling global security, the role of space in economic security, and the security challenges of information technology. If you are interested in submitting a paper for consideration, please submit an abstract by 15 April 2009. If accepted for SOLE 2009, the paper must be submitted no later than 31 July 2009 – with the slide presentation to be submitted by 5 August 2009. For additional information and submissions, please contact either John (Jay) Erb, SOLE 2009 Deputy Chair, at (703) 246-0756 or SOLE Headquarters at (301) 459-8446. Only electronic submissions will be accepted at john.erb@gdit.com.

PBL article (Cont'd):

has the best ability to drive life cycle systems engineering influence into the asset (to include reliability improvements), who can best direct supply chain management decisions to assure parts availability and obsolescence management, and who can be incentivized to work as an agent for the program manager to meet the operational sustainment metrics. These are all integration functions. Government entities can perform all of them, but arguably are not as well equipped as the OEM. Government entities lack laser-focus accountability, they are not financially at risk, they have little discretion to invest funds, and they are hesitant to decrease workload. A military service senior leader recently offered, at a PBL forum, the opinion that it is not typically in the incentive set of a depot, for example, to drive away workload; and to some degree, that is what a PSI must do for the sake of reduced operational logistics burden and a reduction of the long-term sustainment costs.

Cost of PBL.

Cost savings are another misunderstood attribute of PBL. The GAO has consistently asserted it cannot validate claimed PBL cost savings. (GAO Report 05-966, Sept. 2005, and GAO Draft Report 09-41, Nov. 2008). Yet, several DoD programs demonstrate cost benefits achieved by PBL Strategies (C-17, F/A 18, AH-64, TOW-ITAS, Sentinel AN/MPQ-64, and CH-47 "UK").

Cost savings and avoidance calculations are some of the most inexact art forms within government. I should know; I have been a DoD analyst for a long time. Analysts and auditors, particularly those with an agenda, can make the numbers reflect the case desired. Such facts must be treated with caution.

Business Case Analysis.

The most debated characteristic of Batman is why he does not kill his foes. The most debated characteristic of PBL is the business case analysis. Sometimes I wish we would just kill the BCA! It is probably the most misunderstood and misused aspect of the PBL process. No, on second thought, I would not kill the BCA if it can be understood that it is not an end in itself and that BCAs are meant to be iterated to explore alternatives and find the best balance among sustainment alternatives.

In its simplest form, the objective of the BCA is to determine the best value basis for a strategy. Elements of the BCA include costs, risks, alternatives, outputs, and outcomes. Many of the early BCAs examining PBL strategies were limited to cost analysis, which created unhealthy decision making and suppressed creative PBL approaches.

We have progressed beyond the myopic orientation on near term costs in the BCA. The guidance of DoD and the Services has become clearer about the "best value" objective of the BCA. Still, the Services apply an inordinate number of resources to the BCA. To the extent that a BCA cult mentality has evolved. **Many still forget the BCA is a means to determine a performance-benefiting end, not the end itself!**

As DoD examines where to proceed with next-generation PBL, the role and methodology of the BCA must be clarified. One simple suggestion is to label the BCA as a life cycle management BCA. There are a myriad of BCAs prevalent in government and within the acquisition process, so specifying a BCA that is directed at optimizing the LCM concept of operations seems a healthy refinement.

PM Responsibility and Control.

Speaking of superheroes, here's to the PM! In my opinion, no job scope in the federal government compares to the responsibilities of the PM (particularly when you rank the responsibilities associated with the position). Chuck Cochrane, former DAU PM Center director and one of the best program management experts I know, cites DoD 5000.1 policy as establishing more than 500 "shall do's" and many more "expected to do's" with which the PM must contend. No wonder PMs sometimes appear selective in the balls they attempt to juggle.

Now here come the "loggies" with another big ball to throw at the juggler: M responsibility for total life cycle systems management as mandated in DoD Directive 5000.1, para. E1.29, May 12, 2003. Being a life cycle manager is not an insignificant or marginal duty. Moreover, we logisticians have never made it easy for the PM, with our 10 elements of logistics support; countless "ities" to emphasize; complex supportability analysis and documentation methods; and a tendency to wallow in stovepipes of supply, maintenance, transpiration, and arcane IT systems. No wonder we drive PMs crazy.

First, despite the fact that it is mandated by DoD regulation, not all PMS readily accept responsibility for sustainment. Second, some in the logistics enterprise do not trust the acquisition and PM community to manage and control sustainment functions because PMs often vertically integrate their support systems, whereas the logistic infrastructure tend to be more horizontally focused. Third, PMs who want to take on the responsibility often become frustrated at their inability to be effectively accountable because of the myriad of input and output funding sources that must be amalgamated to achieve effective system management.

PBL, with its outcome-focused principles, metrics, and incentives, serves as a simplifying strategy for the PM. PBL

PBL article (Cont'd):

Offers a one-stop approach for the PM to perform effectively as the life cycle manager. PBL is the best enabler of the total life cycle systems management concept, it provides a means for the resource-constrained program management office to develop, implement, and manage the sustainment of a system over its life cycle. Transactional logistics, with its dispersed support organizations, distributed funding, and lack of top-level system integration function, is too unwieldy (so say nothing of ineffective) for the PM in terms of effectively performing as the life cycle manager. All of these PM responsibility issues must be worked. Paraphrasing Batman, "it's not who you are, it's what you do that defines you (Batman Begins, Warner Brothers Pictures).

PBL Success.

Annually, at this time of the year, DoD honors the best PBL programs with the Secretary of Defense PBL Awards:

This year's winners are:

- System Level: F-22 Raptor (Air Force)
- Subsystem Level: ALR-67 (v) 3 Radar Warning System (Navy)
- Component Level: AN/TSQ-221 Tactical Airspace Integration System (Army)

The Way Ahead.

The evidence is clear: PBL works. PBL delivers dramatic improvements with lower operating costs across the total life cycle. PBL does more the warfighter with less from the taxpayer. Instead of paying for transactional activities, the government and industry partners deliver improved performance at lower costs.

Ten years of implementation attest to the fact that PBL has been institutionalized. It is time to evolve and refine its application. There are issues to be worked out and PBL methods to make more repeatable and better integrated with Defense logistics enterprise strategies. **The future path is not to move away from PBL, but to recognize its value and work diligently to improve and spread its application.**

In a July 2008, memorandum ("Implementing a Life Cycle Management Framework") from Young, and the draft DoD Instruction 5000.02, Operation of the Defense Acquisition System, the Office of the Secretary of Defense affirmed the continued policy emphasis on PBL. In this affirmed direction, OSD makes one

notable change: Renaming performance-based-logistics to performance-based-life cycle product support. This change in nomenclature reflects a more precise calibration of the targeted acquisition and sustainment application of PBL and indicates progressiveness in understanding the nature of PBL. Do not red anything more into the name change than that – it is to help understanding and correct some of the past misunderstanding.

One Key ingredient for more effective PBL strategies is better acceptance in the logistics community. Like Bruce Wayne (aka Batman), who was orphaned from his family, PBL has in some quarters been orphaned from mainstream logistics. PBL seems to strike animus and angst in government logisticians. I firmly believe that this perspective is based on lack of knowledge of the PBL business model, particularly the role for government managers' oversight and integration of PBL strategies. I have faith that our logistics community wants what is best for our warfighters, and that a continued emphasis on reshaping our government workforce to become PBL managers can turn skeptics into advocates.

PBL: Unappreciated Superhero

Batman, despite positive results, does not get is due, and that is frequently the lot of a superhero. Today, we need solutions more that ever. The country and DoD face a budget crisis of enormous dimension. Retrograde, recapitalization , reset, reconstitution of the force, and the continuing long war on terrorism are challenges that will not go away.

PBL is a DoD acquisition sustatiment superhero that has been underappreciated to this point. Even if one does not understand what is going on inside the soul of PBL, it is still a proven superhero – and in the 21st century, superheroes are in short supply.

There is no better way to understand that through communicaton. In this article, I've attempted to do that, and I look forward to the cards and letters to follow – love notes and hate mail. We must move away from parochial interests, focus on the greater good, and establish a dialogue to define and implement the next-generation product support strategies that are warfighter-focused and drive down sustainment costs. PBL is a vital and necessary component of that dialogue.

The author welcomes comments and questions and can be contacted at randy.fowler@osd.mil.



Mr. Warren Hammer, Virginia Economic Development Partnership's Global Logistics and Business Development, was our February 18, 2009 Luncheon Speaker. He addressed us on "Simplifying Site Selection and International Trade. The meeting was well attended and Warren answered many questions from the attendees. Many thanks to him for coming to us from his office in Richmond, Virginia.

**Greater Hampton Roads Area Chapter
SOLE –The International Society of
Logistics
February 2009 Luncheon Meeting**

Supply Line Warfare

Extract from *Army Logistics*, Nov-Dec 2008 Issue. by Dr. Cliff Welborn

A soldier fighting in a war today has many of the same basic needs that a soldier had thousands of years ago. Meals, medicines, and munitions are just a few of the fundamental supplies that are needed to keep a military unit operating at full capacity. Soldiers require the same basic life necessities as civilians: nutrition, shelter, and medical supplies to maintain good health. But soldiers must also have weapons and the consumables that weapons need to function, such as ammunition, repair parts, and fuel. So, not surprisingly, great warriors throughout history have carefully planned their strategies around logistics.

Logistics Strategies in History

In his book, *Alexander the Great and the Logistics of the Macedonian Army*, Donald W. Engels describes many of the techniques Alexander the Great used to supply food, water, and equipment to his traveling army. In 320 B.C., Alexander's 35,000-man army traveled with no more than a 10-day supply of food. Alexander also incorporated supply chain logistics into his overall military strategy.

Jonathan Roth provides insight to the supply chain strategy of the Roman army in his book, *The Logistics of the Roman Army at War (264 B.C.–A.D. 235)*. Roth describes tactics used by the Roman Army to both defend their own supply lines and attack their enemies' supply lines.

Napoleon Bonaparte once said, "An army marches on its stomach." His army lost more soldiers because of spoiled food than from battle. In 1795, Napoleon offered a prize of 12,000 francs to anyone who could devise a reliable method of food preservation for his army. This effort resulted in the first attempts to store food for extended periods of time in cans and ultimately led to modern food canning methods.

Early in the history of the United States, military leaders focused on maintaining an efficient supply chain. The position of Quartermaster General was created the day after George Washington accepted command of the Continental Army in June 1775. The Quartermaster General was responsible for acquiring provisions and distributing them to the troops. His major concerns were finances and logistics. The U.S. military has also disrupted the enemy's supply chain to weaken its fighting capabilities. When we think of a military supply line, we often think of the logistics considerations necessary to keep our own supply chain flowing. However, just as important to military success are tactics for disrupting the enemy supply line. A defensive strategy is to protect our own supply chain; an offensive strategy is to inhibit the supply chain of our enemy. The United States has used both offensive and

defensive strategies in many wars, including the Revolutionary War in the 1770s and 1780s, the Civil War in the 1860s, the Plains Indian Wars in the late 19th century, World War II in the 1940s, and the Vietnam War in the 1960s and 1970s.

Revolutionary War (1775–1783)

Although the British had a larger and better trained army than the Americans, they had to transport soldiers and supplies across the Atlantic Ocean. George Washington, as well as other military leaders in the Continental Army, recognized that disrupting the flow of supplies to the British soldiers would destroy their ability to fight effectively.

In the Carolinas, Major General Nathanael Greene developed a strategy of harassing the British supply lines. He enlisted the help of local patriots like Francis Marion, also known as "Swamp Fox," who led guerrilla style raids on British supply lines. Marion concentrated his attacks on British supply camps and was able to cut the supply lines linking several British-occupied cities. During the war, General George Washington also relied on a French fleet under the command of Admiral François de Grasse to establish a blockade in the Chesapeake Bay. This blockade cut off the supply line to General Lord Charles Cornwallis' British troops at Yorktown, Virginia. The British were cut off from rescue or resupply, while the Continental Army and their French allies benefited from plenty of troops and supplies. This led to the Battle of Yorktown, the surrender of Cornwallis's army, and the ultimate defeat of the British forces in America.

Civil War (1861–1865)

Before the Civil War, the economies of most southern states primarily relied on exporting cotton and tobacco to Europe and the northern U.S. states. The Confederacy did not have the factories, machinery, or skilled labor needed to establish a large manufacturing base. From the onset of the war, the Confederacy looked to Europe to supply many of their military needs. At the beginning of the Civil War, Union Commanding General Winfield Scott presented President Abraham Lincoln with a nonaggressive strategy to bring rebellious Confederate States back into the Union. The plan would exploit the South's reliance on exporting cash crops and importing manufactured goods by instituting a naval blockade of more than 3,500 miles of coast from Virginia to Mexico. By choking off the supply chain of inbound and outbound goods, the Union hoped to limit the South's ability to supply its army with goods. This plan became known as the Anaconda Plan. Later in the war, the Union Army also destroyed farms and businesses in the Shenandoah Valley of Virginia. Lieutenant General Ulysses S. Grant ordered Major General Philip H. Sheridan to render the valley so barren that a crow flying over it would have to pack its own lunch. Major General William T. Sherman's march from Atlanta to Savannah, Georgia in 1864, which is called Sherman's March to the Sea, was characterized by a scorched earth policy. Advancing Union troops were ordered to burn crops, kill livestock, consume supplies, and destroy railroads and manufacturing capabilities to keep goods

Continued on Page 12

Supply Line Warfare (Cont'd)

from falling into Confederate hands. This tactic rendered the Confederate economy incapable of resupplying its soldiers. Certainly, the Union's defeat of the Confederacy depended on many factors. One of those factors was the South's dwindling supply of battlefield provisions. With limited internal manufacturing resources and a reduction of imported goods, the Confederacy found it difficult to supply its soldiers with necessary supplies. The Union army was able to drastically reduce the effectiveness of the Confederate forces by disrupting or destroying parts of their supply chain.

Plains Indian Wars

After the Civil War, white American settlers began to spread west at an increased rate. This expansion led to conflicts between settlers and the indigenous Plains Indians. The Plains Indians roamed a geographic Mississippi River to the Rocky Mountains. They included the Sioux, Comanche, Cheyenne, Blackfeet, Crow, and other tribes. These tribes relied on the buffalo for almost every aspect of their existence. They used every part of the buffalo. The meat was roasted and eaten fresh or was dried into a kind of jerky for long-term storage. The hides were used for tipi covers, robes, blankets, containers, and drums. Muscles were used for bow strings and sewing thread. Bones were used for tools, knives, pipes, and arrowheads. Horns were used for spoons, cups, bowls, containers, and arrowheads. The buffalo's fat was used to make hair grease, candles, and soap, and its dung was used for fuel in fires. The stomach and bladder were used for water containers and cooking pots, and the skull was used for religious ceremonies and decoration. The buffalo represented the Plains Indians' entire supply chain. As long as the buffalo were plentiful, the Indians could lead a nomadic, independent lifestyle. Many Plains Indian tribes were reluctant to give up their nomadic ways to settle on reservation land set aside by the U.S. Government. Although it is debatable whether the U.S. Government had an official policy concerning extermination of the buffalo, it is clear that key individuals encouraged buffalo hunting. General Sheridan and General Sherman recognized the Indian's dependence on the buffalo. When asked about the buffalo hunters, Sheridan summarized the situation as follows—

These men have done more in the last two years, and will do more in the next year, to settle the vexed Indian question, than the entire regular army has done in the last forty years. They are destroying the Indians' commissary. And it is a well known fact that an army losing its base of supplies is placed at a great disadvantage. Send them powder and lead, if you will; but for a lasting peace, let them kill, skin, and sell until the buffaloes are exterminated. Then your prairies can be covered with speckled cattle.

Without the buffalo, the Plains Indians could not maintain their self-sufficient, nomadic lifestyle. The buffalo was their entire supply line. In 1860, about 13 million buffalo roamed the

plains. By 1890, this number was reduced to about 1,000. Ultimately, all Plains Indian tribes were either defeated in battle or accepted life on Government reservations.

World War II (1941–1945)

During World War II, Japan was a nation that depended on imports across the Pacific Ocean to fulfill its supply lines. Japan had a limited number of ships, and the ability to import goods depended on having ships available. So, Allied navies waged a tonnage war to limit the volume of supplies reaching military operations. A tonnage war is a naval strategy designed to disrupt the enemy's economic supply chain by destroying merchant shipping.

Allied navies sank 1,178 Japanese merchant ships compared to 214 Japanese naval ships. The U.S. Navy sank over 4.8 million tons of Japanese merchant ships. By the end of the war, Japan had only 12 percent of its merchant shipping fleet operable and a minimal fuel supply available to operate the ships. Without merchant ships to import supplies for Japan's military needs, its navy and air force became ineffective. Because of the lack of fuel, naval ships were confined to ports and air force planes were grounded.

Vietnam War (1960–1975)

In 1954, the country of Vietnam was separated into two distinct sections: Communist North Vietnam and democratic South Vietnam. The North Vietnamese Communist Party formed the National Liberation Front with the goal of unifying North and South Vietnam under communist rule. Fearing the spread of communism, President John F. Kennedy pledged support to the democratic government of South Vietnam. The conflict was primarily fought in South Vietnam. The Ho Chi Minh Trail was a series of truck and foot paths used by the northern Communist troops to transport materiel to the south during the war. Supplies in North Vietnam were transported through the neutral countries of Laos and Cambodia to troops in South Vietnam. The trail was not a single road, but a network of primitive roads, jungle paths, and waterways extending over 1,500 miles of terrain. Supplies were transported by truck, bicycle, boat, and foot. Although no exact figures for the volume of traffic along the Ho Chi Minh Trail exist, estimates are that over 1 million tons of supplies and 2 million troops traveled from North Vietnam to South Vietnam along this trail.

The Ho Chi Minh Trail became a target for U.S. bombing missions in an effort to disrupt the Communists' supply chain. The United States also released defoliants to expose the trail. During the Lyndon B. Johnson administration, the bombing activity along the Ho Chi Minh Trail reached a level of 900 bombs per day. Operations Barrel Roll and Steel Tiger were designed to reduce the traffic to such an extent that the enemy could not get enough supplies for sustained operations. U.S. bombing targets included truck convoys on the trail, bridges, and the roads themselves. Throughout the war, the Ho Chi Minh Trail remained a constant target of U.S. bombing missions. The trail was so important to the North Vietnamese strategy that construction crews repaired the damage after each bombing raid. So ultimately, the bombing missions had a limited effect on the overall flow of supplies along the trail.



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SOLE Information

SOLE-The International Society of Logistics is a nonprofit professional society composed of individuals devoted to enhancing logistics technology, education, and management. For further information on SOLE or this chapter, contact any of the individuals listed on the front page of this newsletter.

Supply Line Warfare (Cont'd)

an important characteristic of any military organization. Soldiers must have food, water, shelter, and medicine to sustain life. They must have a supply of weapons and a means of transporting those weapons. Since ancient times, successful military leaders have recognized the importance of maintaining a supply line to keep their troops equipped. Legendary German Field Marshal Erwin Rommel is credited with saying, "The battle is fought and decided by the quartermasters before the shooting begins."

The U.S. military has recognized this concept since the Revolutionary War and General Washington's request to create the Quartermaster General position. Enemy forces have the same supply needs as U.S. forces. If an enemy can be cut off from its supply line, its ability to fight is quickly compromised. In some cases, the enemy's ability even to survive is compromised. The U.S. strategy of attacking enemy supply lines has been repeated throughout history. Although this aspect of military strategy may not be as exciting as battlefield tactics, it is no less critical to success. The strategy for defeating an enemy force can take the shape of many varied objectives. Disrupting our enemy's supply line has been an effective U.S. military strategy to weaken those opponents. Without meals, medicines, and munitions, a military force is incapable of sustaining operations. **ALOG**

Dr. Cliff Welborn teaches supply chain management and production at the graduate level and undergraduate level at Middle Tennessee State University. He has B.S., M.S., and Ph.D. degrees in industrial engineering from Kansas State University, Auburn University, and the University of Texas at Arlington, respectively.

Logistics in a Changing Global Environment"

EAGLE is proud to announce their new Conference, the EAGLE Logistics Connection.

The conference theme this year is "Logistics in a Changing Global Environment"

In the Logistics community, understanding the values of different cultures in respect to efficiency, timeliness, and family responsibilities will be only one of the many concerns. Introducing new standards and Logistics solutions that will enable customers to more effectively address their logistics challenges must be met with respect to Multicultural influences on business practices as well. Understanding the customer needs and requirements will be more valuable than ever in providing the complete logistics solution. If you wish to present a paper or tutorial at the Conference, the following submittal procedure applies:

- Presentations will be limited to 50 minutes.
 - Plan on a 35 to 40 minute presentation.
 - Plan for an additional 10 to 15 minute question and answer session following.
 - The abstract of the paper or tutorial should contain no more than 500 words.
 - Presentation materials must be in Microsoft Word or Microsoft Power Point format.
 - Each paper or tutorial may only have one presenting author.
 - The presenting author of the paper or tutorial will receive a gratis registration for the symposium.
- Send the abstract of the paper or tutorial along with a brief professional biography to raytheoneagle@raytheon.com <<mailto:raytheoneagle@raytheon.com>> by the 15th of May 2009. Make sure you we have your full formal name, preferred mailing address, work phone and fax as well as your internet email address. We will send you an e-mail acknowledgement that we have received your abstract and bio.

- 15 May 2009 Abstract and bio due
- 29 May 2009 Acceptance notification from EAGLE
- 15 Jul 2009 Draft paper or Tutorial due
- 15 Aug 2009 Comments due Author from EAGLE
- 15 Sep 2009 Submittal of Final Paper or Tutorial