

THE MONITOR AND MERRIMACK



Newsletter of the
Greater Hampton Roads Chapter
District 02 – Chapter 03
SOLE – The International Society of Logistics
June 2009
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Jon Jay Buder DML

From the Chapter Chairman:

Our May Luncheon speaker, Michael Poland of LCE, Inc. provided a splendid Life Cycle Acquisition review of cost of ownership and metrics/monitoring procedures to attend to risk and make the right decisions up front. His presentation represented subjects directly related to SOLE's CPL and CML certification processes. We thank him for taking the time to address our Chapter. This month we have another highly interesting topic – Supply Chain Management Challenges in Today's Environment featuring Mr. Jason Dennis of Priority Systems, Inc. at the No. 1 Chinese Restaurant in Wards Corners, Norfolk on the 17th of June from 11:30 to 1:00 PM.

Our GHRC leadership is actively involved in setting up presentations for local commands and organizations to get the word out about the natural benefits of SOLE membership, both individual and corporate.

Our annual election ballots have been mailed out and we already have a quorum of ballots submitted by those in good standing – dues paid. We will finalize the election and announce the new slate of officers at this month's luncheon (17 June).

It is time to make your reservations for the August SOLE International Conference and Exhibition, if you have not already done so. We hope to have two sponsored chapter representatives at this year's event.

We have had a change in our long range schedule – the tour of a big deck Amphibious Ship Supply Department had to be pushed into 2010 due to operational commitments. In its place we are working on a tour of the local Navy Exchange system offices and work spaces, reviewing how non-appropriated retail operations are conducted by the Navy – a multi-billion dollar business. This is sure to be a “don't miss” opportunity! I will look forward to seeing you all (members and non-members at our 17 June meeting).

Carl J. Lilieberg
Chairman GHRC SOLE

Coming Events:

17 June, 11:30 to 1 PM
GHRC Luncheon
Mr. Jason Dennis, .
Priority Solutions Intl.,
"Supply Chain
Management and its
New Challenges in
Today's Environment" *

15 July, 11:30 to 1 PM
GHRC Luncheon
Dr. Wayne Talley,
Exec. Dir. ODU Marine
Institute's College of
Business & Public
Administration

August, 11:30 to 1 PM
GHRC Luncheon
Mr. Gerry Gruden, LCE,
Inc.
"The Navy's
Obsolescence
Program" *

16-20 August 2009
**44th Annual SOLE Intl
Conference and
Exhibition, Dallas
(Irving), Texas**
"The Logistics of
Global Security"

Sept. 2009
**NAVY Exchange
District Stores Tour
(TBD – penciled in)**

* GHRC Luncheons at
Ward's Corner #1 Chinese
Restaurant

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Certified Professional Logistician Corner



The next CPL Exam will be given in November 2009

1. The purpose of holding inventory is that:
 - a. it provides protection from uncertainties in demand and order cycle and acts as a buffer between critical interfaces.
 - b. it makes it possible to have longer production runs.
 - c. with raw materials inventory a firm can operate at peak capacity.
 - d. it makes it possible to have longer production runs. with raw materials inventory a firm can operate at peak capacity. it insures sufficient base stock in times of peak demand.

2. In deciding what level of inventory to hold for manufacturing, a firm must trade off:
 - a. the costs of short production and high changeover costs.
 - b. the cost of lost sales plus production changeover costs must be compared to the increase in inventory carrying costs.
 - c. the costs of long production and high changeover costs.
 - d. between warehousing costs and transportation costs.

3. Matching seasonal supply and demand requires consideration of which costs:
 - a. the substantial costs of establishing production capacity to handle the volume at peak periods.
 - b. the high costs for a manufacturer of boxed chocolates to match peak demand at Christmas, Easter and Valentine's Day.
 - c. the costs of substantial idle capacity and wide fluctuations of the labor force.
 - d. the cost of labor.

4. Inventory makes it possible for each of a firm's plants to specialize in the products that it manufactures because:
 - a. consolidation warehouses allow the firm to disperse manufacturing by plant location.
 - b. the finished products can be shipped to large mixing warehouses from which customer orders and products for field warehouses can be shipped.
 - c. savings in transportation costs.
 - d. costs of additional handling are low.

5. If a future price increase is expected or future supply is in doubt:
 - a. speculative purchases may be made.
 - b. purchases may be made now that could lead to inventory in excess of anticipated production needs.
 - c. higher finished goods inventory levels would be established to improve service levels.
 - d. purchases should be cut back of critical materials.

6. To protect against uncertainties a firm in its production Should compare:
 - a. the costs of holding the field inventory stock with costs avoided or savings realized by holding the inventory.
 - b. the costs of holding the raw material inventory with costs avoided or savings realized by holding the inventory.
 - c. the costs of holding the retail inventory with savings realized from holding the inventory.
 - d. the costs of labor costs in all levels.

7. Which of the following types of inventory are in sequential order?
 - a. raw materials inventory, work-in-process inventory, finished goods at plant location, consumer inventory, retail inventory.
 - b. raw materials inventory, work-in-process inventory, finished goods at plant location, consumer inventory.
 - c. raw materials inventory, work-in-process inventory, finished goods at plant location, retail inventory, consumer inventory, base and safety stock.
 - d. base and safety stock.

8. If the average inventory is 100 units, if demand and lead times are constant, demand is at 20 units per day and the lead time is 10 days, what should the average inventory be including safety stock for demand of 25 units per day (variation of plus or minus 5 units):
 - a. 100 units
 - b. 200 units
 - c. 250 units
 - d. 175 units

9. For question 8, assume demand at 20 units per day and lead time can vary by plus or minus 2 days. What should the safety stock be to insure that no stock-out occurs due to variations in lead time?
 - a. 20 units
 - b. 60 units
 - c. 40 units.
 - d. 30 units

10. Now assume demand is above forecast, 25 units instead of 20 units per day, and the incoming order arrives 2 days late. The average inventory should be:
 - a. 150 units
 - b. 200 units
 - c. 300 units
 - d. 250 units

Please see answers on page 3

Near term Calendar of Events

ASNE	Dinner Meetings:	Every 3 rd Tuesday, Springhill Suites, Newtown Road, Va. Beach, (1800-1900 Social Hour); 1900-2030 Dinner and Program; Reservations: Mary Morgan (757) 495-1970
	20-22 Jul 2009	USN, MC, USCG, ASNE Sponsored Naval Logistics Symposium, Arlington, Va. Contact Megan Sinesiou (703) 836-6727 or msinesiou@navalengineers.org
SOLE	18-20 August 2009	SOLE 2009: "The Logistics of Global Security" Dallas (Irving), Texas
GHRC SOLE	17 June 2009	GHRC Luncheon Meeting, #1 Chinese Buffet, Wards Corners, Norfolk, Virginia Guest Speaker: Mr. Jason Dennis "Supply Chain Management and its New Challenges in Today's Environment", 11:30 to 1 PM Cost: \$15.00 (cash and check only), includes meal and gratuity; (RSVP by COB, Monday, 15 June)

(Source June 2009 Defense AT & L):

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



**GHRC May 20, 2009 Luncheon Meeting
#1 Chinese Restaurant, Wards Corner,
Norfolk, Virginia**



Our 17 June Luncheon featured a splendid presentation provided by Mr. Michael Poland, Life Cycle Engineering, Inc. Mike provided our attendees an overview of a risk-based management strategy and the importance of logistics engineering in achieving the greatest asset utilization at the lowest possible total cost of ownership over the life cycle of physical assets from concept and design to retirement. His presentation covered a myriad of factors such as criticality analysis, hierarchy development, level loading and material management, in addition to issues such as data integrity, obsolescence and determining min/max levels for critical spares. He also shared past programmatic experiences which enlivened a highly interesting and data-filled presentation. Many thanks from our GHRC Chapter, Mike.

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

**Wednesday June 17, 2009
11:30 – 1:00 PM**



**#1 Chinese Buffet, 7635 Granby Street
Norfolk, Virginia
Phone: (757) 423-8880**

Mr. Jason Dennis

National Government Sales Manager, Priority Solutions, Intl.

**“Supply Chain Management and its New Challenges in
Today’s Environment”**

Please RSVP by contacting our Membership Chairman, Mr. Charlie Littleton at clittleton@LCE.com or phone him at 757-857-1311 (ext: 4203) or our Chairman, Carl Lilieberg @ 757-896-5335/Carl J. Lilieberg @ngc.com NLT 4 PM, Monday, 18 May 2009. Cost: \$15.00 (Cash or Personal Check ONLY);(Covers meal and gratuity).

Please join us for a luncheon of great food, professional contact, and a timely and informative logistics presentation. Spouses and guests, bosses, and co-workers are welcome and you DO NOT have to be a SOLE Member to attend!

Driving Directions: From 1-64 E through the HRT. Take the I-564 exit onto US 460W (Granby St/Naval Base). Take the left ramp to Granby. Turn right onto Granby and the restaurant is on your right after passing the railroad crossing. From 1-64 W: Take I-64W to VA 165-Little Creek Road off ramp onto Taussig Blvd. Turn left onto Granby St. and after crossing the railroad restaurant is on your right.

SOLE 2009**“The Logistics of Global Security”**

18-20 August 2009

Omni Mandalay Hotel at Los Colinas, Dallas (Irving), Texas

Tuesday, 18 August**Industry Keynote: General (Ret) John G. Coburn**, President, VT Systems**Government Keynote: Admiral Thad W. Allen** (*invited*), Commandant, USCG**Opening Plenary – “The Many Faces of Logistics in Global Security”**

Charles P. Nemfakos, Senior Fellow, The Rand Corporation, Moderator

Panel 1 – “Designing for Security”

Louis A. Kratz, VP, Logistics & Sustainment, Lockheed Martin Corporation, Moderator

Panel 2 – “Security in the Manufacturing Process”

Alex Melnikow, Deputy Director, DMSMS, Defense Standardization Program Office

Wednesday, 19 August**Plenary – “Logistics as the First Line of Defense”**

MG Michael A. Sumrall, Asst to the Chairman, Joint Chiefs, Moderator

Panel 1 – “Security in Humanitarian and Disaster Relief Operations”

Joseph L. Spruill, Department of Homeland Security, Moderator

Panel 2 – “Multimodal Transportation Security”

Colonel Victoria Leignadier, Chair, Dept of Military Strategy & Logistics, CAF, Moderator

Thursday, 20 August**Plenary – “Logistics Technologies Enabling Global Security**

”Eric S. Stange, CEO, Accenture National Security Services, Moderator

Panel 1 – “The Role of Space in Global Economic Security”

Dr. Harley A. Thronson, NASA Goddard Space Flight Center, Moderator

Panel 2 – “The Security Challenges of Information Security”

Mitchell Komaroff, Director, Globalization Task Force, OASD(NII)/DoD CIO, Moderator

Opening Plenary – “Global Sustainment”

Charles P. Nemfakos, Moderator

Plenary – “Industry Keynote”

Paul ...

Trade Show – Exhibitors**Pre-Conference Workshops**

16-17 August 2009

Sunday, 16 August**Developing Logistics Metrics** (0800-1200)**Resilient Logistics Chains: Getting from Here to There** (1300-1700)**Sunday, 16 August****Performing Proactive Obsolescence Management** (0800-1200)**Security Through Design Interface** (1300-1700)Paper Tracks
all conference daysExhibitors 17-19
AugustReceptions, Awards,
Special Events...
& more!For more details, visit www.sole.org; or contact SOLE HQ at
301-459-8446 or solehq@erols.com

CALL FOR PAPERS



SOLE – The International Society of Logistics

presents

SOLE 2009

The Logistics of Global Security

44th Annual International Logistics Conference and Exhibition

Omni Mandalay Hotel at Las Colinas

Dallas (Irving), Texas

16 – 20 August 2009

Workshops: 16 - 17 August 2009

Conference: 18 - 20 August 2009

SOLE - The International Society of Logistics (SOLE) presents the 44th Annual International Logistics Conference and Exhibition 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 keynoters, 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.

Greater Hampton Roads Chapter
SOLE – The International Society of Logistics
Chapter Business Meeting Minutes



Date: May 11, 2009

Meeting Convened: 5:30 PM

Attendees:

- Carl Lilieberg, Chapter Chairman
- Charles Littleton, Vice Chairman Membership
- Lee Morris, Vice Chairman Education
- Brandon Cholek, Member
- Rick Treto, Vice Chairman Treasurer

The Chapter Chairman called the meeting to order. Our Elections Committee Leader, Mr. Charlie Littleton announced that electronic ballots had been emailed out to our members in good standing and that he was shortly to mail out ballots with self addressed envelopes.

Mr. Littleton also announced that we had submitted a Field Award vice a Young Logistician Award and if selected we had approval to fund our nominee to attend the August International Conference and Exhibition.

We then discussed further updates for our Local Logistics POC Matrix underlining the need for ALL Vice Chairpersons to actively reach out to area organizations and POCs they have familiarity with. Mr. Littleton reviewed how he is working on a briefing with leadership at the Navy's NOLSC on the Naval Station and Capt Gantt at the Little Creek Expeditionary Group. There was discussion related to remaining open months for speakers in 2009 and early opportunities for 2010.

We then discussed Chapter plans for Lee Morris our Education Vice Chair to attend the August 2009 SOLE International Conference and Exhibition in August 2009, possibly along with our Field Award nominee. Our other Award submission was our Chapter Newsletter input (we have had at least a bronze award the last 4 years).

Discussion then took place re the local SC Association's interest in having our Chapter address one of their HRSCA meetings. This will be a superb opportunity for us to project the active details of our local SOLE Chapter. Mention was also made of a contact with an SES at NASA Langley re our SOLE mission and worth to loggies there.

Action is out to all our Vice Chairpersons to step up local contacts to spread the word about SOLE and the efforts of our local Chapter, setting a goal of at least ONE reach out letter each month.

Our Finance Chairman, Rick Treto gave a summary of the Chapters financial status.

Mr. Littleton said he was working on getting a copy of the SOLE YouTube "Economic Report" segment so we can play it at the opening of future luncheons.

After a seconded motion, the meeting adjourned.

*More SOLE Internation Conference and Exhibition Details:*SOLE 2009 Pre-Conference Workshops
16-17 August 2009**Developing Logistics Metrics** (0800-1200, Sunday, 16 August 2009)

The requirement to develop substantive logistics metrics is often essential to meeting technical proposal requirements and in subsequent award determination. This workshop – jointly conducted by Philip T. Frohne, CPL (author of the McGraw-Hill SOLE Press book "Quantitative Measurements for Logistics") and Dr. Kenneth R. Sperry (Oklahoma State University) - will provide helpful tips on how to develop simple metrics for evaluating reliability, maintainability, life cycle costs, trade studies, and other logistics activities. The workshop will include a series of exercises emphasizing the key points. This information is invaluable to program/logistics managers and logistics engineering analysts; and can be applied at all levels of logistics service and support contracts.

Resilient Logistics Chains: Getting From Here to There (1300-1700, Sunday, 16 August 2009)

In 2007 Congress directed – through the passage of Public Law 110-53 (Title IX, Section 524) – that all private sector business (to include non-profit, defense contractors, and commercial enterprises of all sizes) voluntarily certify their emergency preparedness and business continuity. As part of this recognition of increased preparedness, there is an understanding of the key role that logistics and logistics chain operations and management play in an organization's resiliency. In this workshop, Donald R. Byrne, CBCP (Certified Business Continuity Professional), North River Solutions, will lead the attendees through the challenges of building end-to-end logistics chains. Drawing on best practices and emerging business practices, he will highlight the challenges and pitfalls in dealing with today's global supply chains and logistics structures. In addition to gaining an understanding of the standards currently in development (i.e., ISO 28000), the class will provide both a framework/model for companies to self-assess their level of preparedness and index of both logistics chain and corporate/enterprise resiliency.

Performing Proactive Obsolescence Management (0800-1200, Monday, 17 August 2009)

Taught by Charles M. Marshall, ARINC Engineering Services, this workshop is designed to allow you to understand the fundamentals of DMSMS (diminishing manufacturing sources and materiel shortages) and its relationship to obsolescence management. Topics covered (with supporting exercises) include: performing a DMSMS self assessment; development of a DMSMS management plan; how to develop an Operational Impact Analysis; reduction of hazardous substances and waste electrical and electronic equipment; and recognition of/dealing with counterfeit components and parts. Attendees will be provided a copy of the "hot off the presses" US Department of Defense Standardization Program Office Standard Document SD-22, "The DMSMS Guidebook."

Security Through Design Interface (1300-1700, Monday, 17 August 2009)

The objective of this workshop - led by Jon J. Buder, DML, Jacobs Technology, Advanced Systems Group - is to provide the participants with an identification and understanding of the fundamental activities and analyses necessary for the effective "designing in" of system security and supportability to achieve system optimization. Activities to be discussed include analysis of alternatives; continuous modernization planning; human systems integration; interoperability, reliability, supportability and maintenance analyses; support system alternatives; and trade-off analysis. Using multiple system/program examples, the workshop will highlight the importance of performing design interface early on in development to maximize program performance and security. Attendees will take away from the workshop both an understanding of and appreciation for managing design interface to reduce program lifecycle, security and design risks.

as of 4-6-09

SOLE 2009 Registration Form

Please complete all information – items in **bold** are mandatory. Payment must accompany registration. Payment of the non-member rate does not include membership in SOLE. You are responsible for making your own hotel reservations: they can be made by calling the **Omni Mandalay Hotel at Las Colinas**, Dallas (Irving), Texas directly at 972-869-5583. **Please mention SOLE 2009 to get the group rate.** A generous number of government per diem rate rooms are available – but make your reservation early to save your place.

Full Name _____ **Badge Name** _____
 (CPL, CML, Fellow, etc.? _____)

Company/Organization _____ **Title/ Position** _____

Address _____

City _____ **State** _____ **Zip** _____ **Country** _____

Phone _____ **Fax** _____ **E-mail** _____

Member No. _____ **SOLE Management Position** _____

(SOLE Chapter Chair, District Director, Executive Board, Board of Directors, Board of Advisors)

Special Dietary Requirement(s)? (If yes, list.) _____

Conference Registration Rates (please fill in applicable rate)

Prior to July 15, 2009

Member \$695 _____
 Non Member \$895 _____
 Speaker (full conference) \$550 _____
 Student \$450 _____
 One Day* (non-speaker) \$550 _____
 *Day _____

After July 15, 2009

Member \$795 _____
 Non Member \$995 _____
 Speaker (full conference) \$550 _____
 Student \$450 _____
 One Day* (non-speaker) \$550 _____
 *Day _____

Speaker (one day/day of speaking only) Free _____ Day speaking _____

Note: Speakers attending more than the day of presentation will be charged the speaker (full conference) rate.

Total Registration Fee _____

Full Registration includes the following: All receptions, unlimited attendance at the technical program and admission to the exhibit hall, continental breakfasts and breaks, lunches, Thursday awards banquet, registration bag and conference proceedings.

Pre-Conference Workshop Registration Rates

Member Non-Member

Sunday, 16 August 2009

0800 – 1200 Developing Logistics Metrics [Philip T. Frohne, CPL; Dr. Ken Sperry, Oklahoma State University] \$125 _____ \$175 _____

1300 – 1700 Resilient Logistics Chains: Getting From Here to There [Donald R. Byrne, North River Solutions] \$125 _____ \$175 _____

Monday, 17 August 2009

0800 – 1700 Performing Proactive Obsolescence Management [Charles M. Marshall, ARNC Engineering Svcs.] \$125 _____ \$175 _____

1300 – 1700 Security Through Design Interface [Jon J. Buder, DML; Jacobs Technology] \$125 _____ \$175 _____

Total Workshop Fee(s) _____

Total Payment All Fees _____

Payment method

AmEx ___ VISA ___ MC ___ Diner's ___ Number _____ Exp Date _____

Name on Card _____ Cardholder phone number _____

Check Enclosed _____ (No. _____) SF 182 _____ (Copy of document must be attached)

Cancellation and Refund Policy: All cancellations must be in writing and will be accepted not later than **30 July 2009**.

A fee of \$50 will be deducted from all refunds. All payments are final. No conversions to SF 182 will be accepted.

Please send your completed Registration to:

SOLE - The International Society of Logistics, 8100 Professional Place, Suite 111, Hyattsville, MD 20785-2229 USA • Fax 301-459-1522

. Logistics Quotes:

Bitter experience in war has taught the maxim that the art of war is the art of the logistically feasible.

—Adm Hyman G. Rickover, USN

I have no reason to believe that logistics will ever have much military sex appeal, except to serious soldiers....

—Maj Gen Julian Thompson, Royal Marines

(Reprinted from AF Journal of Logistics. Summer 2007, Vol. XXXI, #2)

The Themes of US Military Logistics

From a historical perspective, ten major themes stand out in modern US military logistics.

- The tendency to neglect logistics in peacetime and expand hastily to respond to military situations or conflict.
- The increasing importance of logistics in terms of strategy and tactics. Since the turn of the century, logistical considerations increasingly have dominated both the formulation and execution of strategy and tactics.
- The growth in both complexity and scale of logistics in the 20th century. Rapid advances in technology and the speed and lethality associated with modern warfare have increased both the complexity and scale of logistics support.
- The need for cooperative logistics to support allied or coalition warfare. Virtually every war involving US forces since World War I has involved providing or, in some cases, receiving logistics support from allies or coalition partners. In peacetime, there has been an increasing reliance on host-nation support and burden sharing.
- Increasing specialization in logistics. The demands of modern warfare have increased the level of specialization among support forces.
- The growing tooth-to-tail ratio and logistics footprint issues associated with modern warfare. Modern, complex, mechanized, and technologically sophisticated military forces, capable of operating in every conceivable worldwide environment, require that a significant portion, if not the majority of it, be dedicated to providing logistics support to a relatively small operational component. At odds with this is the need to reduce the logistics footprint in order to achieve the rapid project of military power.
- The increasing number of civilians needed to provide adequate logistics support to military forces. Two subthemes dominate this area: first, unlike the first half of the 20th century, less reliance on the use of uniformed military logistics personnel and, second, the increasing importance of civilians in senior management positions.
- The centralization of logistics planning functions and a parallel effort to increase efficiency by organizing along functional rather than commodity lines.
- The application of civilian business processes and just-in-time delivery principles, coupled with the elimination of large stocks of spares.
- Competitive sourcing and privatization initiatives that replace traditional military logistics support with support from the private business sector.

(Reprinted from AF Logistics Journal Winter 2006/Spring 2007, Volume XXX1, #1)

Navy Logisticians Build Joint and Combined Relationships in Korea

(Reprinted from Navy Supply Corps Newsletter Jan/Ferb 2009)

By LT John H. Tipton, Regional Logistics Officer/Comptroller and LT Seth Thornhill, Logistics Exercise Officer, Commander U. S. Naval Forces Korea (CNFK)

Now is the time to be a "combined/joint" logistics professional in the Republic of Korea (ROK). The U.S. Navy has been in the ROK since 1957 and logistics opportunities have come a long way since scenes from the popular 1970s' television series "M*A*S*H" where Company Clerk Radar O'Reilly had to barter canned hams for heating oil. During the past three decades, the ROK economy has grown almost exponentially, pushing Korea up to the 13th largest economy in the world in 2007.

The ROK has focused on expanding heavy industry and has become the world's largest commercial shipbuilder with multinational conglomerates. The world's third-largest steel producer is located in the ROK. Additionally, three of the world's ten largest oil refineries are located in South Korea and have a combined daily output of over two million barrels.

In addition to building ships for commercial interests, the ROK has begun production of several significant indigenous warships. The ROK has produced the LPX Dokdo Class Amphibious Landing Ship and has developed a KDX III Aegis Class Destroyer. Although the KDX II Chungmugong Yi Sunshin class destroyers were built from German hull technology, the ROK Navy has equipped them with SM-2 Block IIIA and Korean manufactured versions of the torpedo, Harpoon, and ASROC. In a plan outlined by the ROK President, by the year 2020, the ROK Navy plans to deploy two or three rapid response fleets that "will defend the national interests in the five oceans and perform a role in defending world peace."

All the points above lend credence to the belief that the ROK is well on its way to becoming one of the major maritime powers of the 21st century, as well as an extremely capable blue water ally. In addition to its heavy industries, the ROK's geographic location and proximity to main shipping routes (Asia-North America) makes it an ideal location for both local and trans-shipment services. ROK has designated modernization and expansion of port facilities as one of the nation's strategic projects in the 21st century. Korea boasts numerous state-of-the-art super ports and projects cargo traffic to exceed 1.4 billion tons by 2011. Container cargo is expected to exceed 20 million TEU by 2011.

CNFK N4 has collaborated with PACFLT N4, Navy Munitions Command, Naval Air Systems Command, CTF-76, and Naval Beach Group One to conduct site surveys of several major ROK port facilities including Busan New Port, Pohang, Incheon, Mokpo, Donghae, Gwangyang, and Pyongtaek. As a result, U.S. Navy logisticians have become well acquainted with the port facilities, ordnance handling and ship repair capabilities available on the Korean peninsula.

As the capabilities of Korean shipbuilding, port services and refineries continue to flourish, so do the opportunities for the U.S. Navy to leverage the Korean industrial infrastructure to satisfy both armistice and contingency requirements. Twice

a year the U.S. Navy logistics community has opportunities to explore these options in dynamic combined/joint environments.

Combined Forces Command hosts two Command-Post Exercises each year: Key Resolve (Spring) and Ulchi-Freedom Guardian (Fall). These exercises are designed to provide training for ROK-U.S. combined forces in the various aspects of reception, staging, onward movement, and integration (RSO&I) and Wartime Host Nation Support (WHNS). These exercises also provide an ideal setting for ROK-U.S. Navy logisticians to develop "supported-supporting" relationship in support of Wartime Operational Control (OPCON) transfer to the ROK Armed Forces scheduled for 2012. The OPCON transfer leads to new challenges for Navy logisticians as ROK-U.S. Navy redefine roles in a contingency situation. At the same time, it presents opportunities to explore concepts of leveraging local shipyards for battle damaged ships, as well as developing alternative port concepts for contingencies.

During each exercise, Navy logisticians participate in a combined logistics environment to ensure that Naval Forces are ready for the "fight tonight." For the first time, U.S. Navy logisticians and CB engineers from U.S. Naval Forces Korea, 7th Fleet, FISC Yokosuka and CTF-73 joined ROK Navy logisticians at Commander ROK Fleet (COMROKFLT) Headquarters in port of Busan to form the Combined Naval Logistics Committee (CNLC). The CNFK ACOS for Logistics (Capt. Sidney Kim) and the COMROKFLT N4 (CAPT Jung Ha-Gyun) are designated as co-chairmen of the CNLC during armistice, exercises, and contingency. CNLC provides an official combined logistics forum where both active duty and Reserve augmentees can come together with the ROK Navy counterparts to develop strategic supported/supporting logistics relationship.

Navy logisticians also have an opportunity to participate in a predominantly joint environment during the exercise. In addition to the Supply Corps officers that are permanently assigned to U. S. Forces Korea (USFK) J4, both Supply Corps officers and Storekeepers from CNFK, CNFK Reserve Detachments, and C7F participate as Naval Forces Liaison Officers (LNO) to the Joint Sustainment Command (JSC) and Logistics Readiness Center located at Camp Henry in Daegu Logistics Hub. The Joint Sustainment Command is comprised of liaison officers from each service component, as well as, representatives from Defense Logistics Agency (DLA), Pacific Deployment Distribution Operations Center-Korea, Special Operations Command Korea, Contracting Command Korea, Mortuary Affairs, 18th Medical Command, Combined Sealift Command Center, J4 Munitions, and J4 Petroleum. All personnel are assembled in a Joint Operation Fusion Center watch floor and are responsible for the planning, coordinating and executing non-combatant Evacuation, JRSOI, and sustainment of US Forces in the event of a contingency.

The Republic of Korea is both a challenging and rewarding assignment for U.S. Navy logistics professionals. There are exciting opportunities at United Forces Korea, U.S. Naval Forces Korea, and FISC Yokosuka Chinhae Detachment for logisticians to work with our ROK counterparts to deliver solutions to both real world and contingency requirements.

In closing, keep in mind that sometimes the best answers to your logistics questions can be found by stepping away from your computer and visiting the ships, port facilities, and commercial infrastructure of your host nation.

GHRC Executive Board Officers:

**Carl Lilieberg 757-896-5335
Chairman**

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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-Chain Council Announces Winners of 2009 Supply Chain Excellence Awards

(Reprinted from <http://www.supply-chain.org/node/2882>)

ATLANTA -- United States Transportation Command, SRA International Inc., United States Army CECOM LCML, and Intelligroup Inc. are the winners of the 2009 Supply Chain Excellence Awards, announced here today at the SCOR Seminar - Focus on Defense and IT Industries.

The Supply Chain Excellence Awards are bestowed annually by the Supply-Chain Council (SCC), a global not-for-profit organization and owner of the Supply-Chain Operations Reference (SCOR(R)) Model. The awards recognize organizations that understand the critical role of, and are committed to optimizing, supply chain performance.

United States Transportation Command was awarded the Global Award for Supply Chain Excellence, which is selected from the winners of four other categories. USTRANSCOM had also been awarded and previously presented with the US Department of Defense Award for Supply Chain Operational Excellence. While this project was initiated and led by USTRANSCOM Strategy, Policy, Programs, & Logistics Directorate (J5/J40), the scope and recommendations of this effort span the entire DOD supply chain and include USTRANSCOM's strategic supply chain partners, the Defense Logistics Agency (DLA) and the General Services Administration (GSA). USTRANSCOM serves as the Distribution Process Owner (DPO) for the Department of Defense.

The DSO team estimates that the DOD can save between \$300-700M(1) in annual supply chain costs with commensurate increases in customer service levels of 20-45%(2). All five opportunities are based on practices commonly used in commercial supply chain organizations today, and are being measured using the Supply Chain Operations Reference (SCOR) model metrics adopted by the Office of the Secretary of Defense (OSD), and already being implemented at USTRANSCOM and DLA.

Winners are selected by the Supply-Chain Council's Technical Development Steering Committee (TDSC) based on the nature and complexity of organizations' improvement project and their ability to demonstrate value. Recipients of the awards include some of the world's most influential organizations representing a wide spectrum of industries.

The awards are based on four principal criteria:

- Accurate demonstration of the implementation of the SCOR reference model
- Nature and the complexity of the project undertaken
- Ability to objectively demonstrate the value of the project
- Ability to characterize the project and effectively communicate its significance

"On behalf of everyone at the Supply-Chain Council, I congratulate the winners of this year's Supply Chain Excellence Awards," said Joseph Francis, Executive Director, Supply-Chain Council. "We greatly appreciate their efforts, and the efforts of all past award winners, in contributing to the advancement of supply chain practices and the application of those practices in the pursuit of improved operational performance."

About Supply-Chain Council (SCC)

The Supply-Chain Council (SCC) is a global non-profit organization whose methodology, diagnostic and benchmarking tools help nearly a thousand organizations make dramatic and rapid improvements in supply chain processes. SCC has established the supply chain world's most widely accepted framework for evaluating and comparing supply chain activities and their performance. The framework--the SCOR(R) process reference model--lets companies quickly determine and compare the performance of supply chain and related operations within their company or against other companies. SCC continually advances its tools and educates sponsors about how companies are capitalizing on those tools. For information, visit www.SCORlabs.org, or www.supply-chain.org <<http://www.supply-chain.org>> ; call +1 202-540 8030; or e-mail info@supply-chain.org.

JOINT CHIEFS OF STAFF RELEASE CAPSTONE CONCEPT FOR JOINT OPERATIONS

(Reprinted from US Joint Forces Command Website)

The joint logistics community has new guidance on how the Chairman of the Joint Chiefs of Staff (CJCS), Admiral Mike Mullen, sees the future of joint force operations. The Capstone Concept for Joint Operations (CCJO) Version 3.0, signed by the CJCS on 22 January, outlines a vision for the joint forces of 2016 to 2028.

The CCJO describes joint operations as integrating four key areas of military activity-combat, security, engagement, and relief and reconstruction. Joint force commanders will need to be able to combine two or more of these activities to accomplish operational requirements.

Among the common operating precepts that underlie all joint operations, the CCJO notes that joint force commanders must be able to envision the performance of joint functions such as logistics independently of each service's capabilities.

For the sustainment community, the CCJO explains that relief and reconstruction, in particular, can primarily become focused on logistics and engineering tasks, where the military's "most important contribution may be to assist other organizations in such areas as transportation, communications, logistics, and emergency healthcare."

The CCJO emphasizes the importance of partnerships among the services, local authorities, other U.S. Federal agencies, and nongovernmental organizations to relief and reconstruction efforts. It notes, "Military commanders must be able to tolerate a certain degree of ambiguity and inefficiency as the price of successful cross-agency collaboration." However, commanders must monitor and control joint force employment in these activities so that the combat readiness of units is not degraded.

The CJCS intends for the CCJO to "guide force development and experimentation" on a broad scale. Subordinate joint and service operating concepts will address this joint concept in further detail and apply the ideas to specific situations.

The capstone concept reinforces the recently published Army training doctrine, FM 7-0, Training for Full Spectrum Operations, by calling for the recruiting, developing, and rewarding of flexible leaders who-

- * Are comfortable acting on their own authority when they have an understanding of how their actions will affect the big picture.
- * Share information with subordinates, leaders, and **peers**.
- * Give subordinates the opportunity to make as many decisions as conditions allow.
- * Foster an environment that is "more tolerant of errors of commission than errors of omission."

A copy of the CCJO is available at the U.S. Joint Forces Command website at www.ifcom.mil/newslink/storyarchive/2009/CCJO_2009.pdf
<http://www.ifcom.mil/newslink/storyarchive/2009/CCJO_2009.pdf>

NEIGHBORHOOD ELECTRIC VEHICLES DRIVE ARMY TOWARD ENERGY INDEPENDENCE

(Reprinted from the Army Logistian, May/ June 2009)

The Army's largest acquisition of electric vehicles is underway, bringing the service a projected multimillion-dollar fuel and vehicle-lease savings, reducing carbon-dioxide emissions, and allowing it to meet future requirements for energy independence. On 12 January, Fort Meyer, Virginia, received the Army's first 6 of more than 4,000 neighborhood electric vehicles (NEVs) planned. The Army will receive 800 NEVs this year, an additional 1,600 in 2010, and another 1,600 in 2011.

According to Secretary of the Army Pete Geren, the acquisition moves the Army 42-percent closer to meeting the 2007 Energy Independence and Security Act requirement for a 2-percent reduction in the Army's annual petroleum use by 2015. The purchase will also prevent the release of some 218.5-million pounds of carbon dioxide i environment. The vehicles will replace non-tactical vehicles operated primarily on installations.

The Army will have to spend some \$800,000 to install the infrastructure needed to charge the vehicles, but Secretary Geren says the 11.5-million gallons of gasoline saved over the 6-year life of the 4,000 vehicles will offset the cost. Global Electric Motorcars, a Chrysler company, manufactured the first NEVs. The Army will lease additional cars through the General Services Administration, which will solicit bids from additional vehicle manufacturers.

