Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Defense Logistics Agency										DATE: February 2010	
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*				R-1 ITEM NOMENCLATURE PE 0603712S: *Logistics Research and Development Technology (Log R&D)*							
COST ($ in Millions)	**FY 2009 Actual**	**FY 2010 Estimate**	**FY 2011 Base Estimate**	**FY 2011 OCO Estimate**	**FY 2011 Total Estimate**	**FY 2012 Estimate**	**FY 2013 Estimate**	**FY 2014 Estimate**	**FY 2015 Estimate**	**Cost To Complete**	**Total Cost**
Total Program Element	72.541	51.851	20.542	0.000	20.542	20.933	21.143	21.555	21.840	Continuing	Continuing
1: *Medical Logistics Network (MLN)*	2.864	2.628	2.837	0.000	2.837	2.880	2.920	2.970	3.020	Continuing	Continuing
2: *Weapon System Sustainment (WSS)*	5.400	5.214	5.637	0.000	5.637	5.729	5.804	5.903	6.005	Continuing	Continuing
3: *Supply Chain Management (SCM)*	3.067	2.660	3.005	0.000	3.005	3.108	3.080	3.201	3.189	Continuing	Continuing
4: *Strategic Distribution & Reutilization (SDR)*	3.440	3.309	3.601	0.000	3.601	3.684	3.750	3.815	3.881	Continuing	Continuing
5: *Energy Readiness Program (ERP)*	1.691	2.016	2.179	0.000	2.179	2.215	2.243	2.282	2.322	Continuing	Continuing
6 : *Defense Logistics Information Research (DLIR)*	0.271	2.135	2.304	0.000	2.304	2.341	2.373	2.414	2.456	Continuing	Continuing
7: *Tent Network for Technology Implementation (TENTNET)*	0.000	0.982	0.979	0.000	0.979	0.976	0.973	0.970	0.967	Continuing	Continuing
8: *Other Congressional Adds (OCAs)*	55.808	32.907	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

The central idea of the Focused Logistics Joint Functional Concept "is to build sufficient capacity into the sustainment pipeline, exercise sufficient control over the pipeline from end to end, and provide a high degree of certainty to the supported joint force commander that sustainment, and support will arrive where needed and on time." The Defense Logistics Agency (DLA) Research and Development (R&D) program helps achieve this vision by pioneering advanced logistics concepts and business processes that provides the leanest possible infrastructure, the use of the best commercial and government sources, and the application of business practices. The Logistics R&D program develops and demonstrates high risk, high payoff technology that will provide a significantly higher level of support at lower costs, than would be otherwise attainable. The program has a proven track record of implementation and benefits. One example is the Department of Defense (DoD)

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Electronic MALL (EMALL). DoD EMALL was the first web based, distributed architecture on-line ordering capability. It has been adopted by the Army, Navy and the Department of Homeland Security. DLA's overall Log R&D program has demonstrated positive net present value and a positive return on investment.

B. Program Change Summary ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Previous President's Budget	76.135	19.043	0.000	0.000	0.000
Current President's Budget	72.541	51.851	20.542	0.000	20.542
Total Adjustments	-3.594	32.808	20.542	0.000	20.542
• Congressional General Reductions		-0.173			
• Congressional Directed Reductions		0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds		33.080			
• Congressional Directed Transfers		0.000			
• Reprogrammings	-1.004	0.000			
• SBIR/STTR Transfer	-2.590	0.000			
• FY 2011 Other Program Changes	0.000	0.000	20.542	0.000	20.542
• FY 2010 Economic Assumptions	0.000	-0.008	0.000	0.000	0.000
• FY 2010 Federally Funded and Development Center Reduction	0.000	-0.091	0.000	0.000	0.000

Congressional Add Details ($ in Millions, and Includes General Reductions)	FY 2009	FY 2010
Project: 8: *Other Congressional Adds (OCAs)*		
Congressional Add: *Advanced Mobile Microgrid*	2.713	0.000
Congressional Add: *Aging Systems Sustainment and Enabling*	1.995	2.387
Congressional Add: *Alternative Energy from Organic Sources*	5.984	5.969
Congressional Add: *Biofuels Program*	1.596	1.592
Congressional Add: *Commodity Management System Consolidation*	1.596	1.592
Congressional Add: *Connectory Expansion for Rapid Identification of Technology Sources for DoD*	0.399	0.000
	3.191	3.183

Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Defense Logistics Agency	DATE: February 2010
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Congressional Add Details ($ in Millions, and Includes General Reductions)	FY 2009	FY 2010
Congressional Add: *Continuous Acqusition and Lifecycle and Integrated Data Environment and Defense Logistics Enterprise Services Program*		
Congressional Add: *Defense Fuelcell Locomotive*	1.995	2.387
Congressional Add: *Emerging Critical Interconnection Technology*	1.995	0.000
Congressional Add: *Energy Strategy for the Department of Defense*	19.943	0.000
Congressional Add: *Florida Defense Manufacturing Supply*	1.995	0.000
Congressional Add: *High Pressure Mobile Water Delivery System*	0.000	0.000
Congressional Add: *New England Defense Manufacturing Supply Chain Institute*	0.798	0.000
Congressional Add: *On-Site Alternative Fuel Manufacturing System*	1.197	0.000
Congressional Add: *Reliability Testing of Lead Free Circular Components*	1.436	0.000
Congressional Add: *Smart Modular Regenerative Off-Grid Hydrogen Fuel Cell*	0.997	0.000
Congressional Add: *Vehicle Fuel Cell and Hydrogen Logistics Program*	7.978	6.366
Congressional Add: *Progressive Research for Sustainable Manufacturing*	0.000	1.194
Congressional Add: *Reduced Cost Supply Readiness*	0.000	1.194
Congressional Add: *Cellulosic-Derivied Biofuels Research*	0.000	2.387
Congressional Add: *Fuel Cell Hybrid Battery Manufacturing for Defense Operations*	0.000	0.796
Congressional Add: *Next Generation Manufacturing Technologies Initiative*	0.000	1.592
Congressional Add: *Woody Biomass Converison for JP-8 Fuel*	0.000	1.273
Congressional Add: *Radio Frequency Identification Technologies*	0.000	0.995
Congressional Add Subtotals for Project: 8	55.808	32.907
Congressional Add Totals for all Projects	55.808	32.907

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Change Summary Explanation

FY 2009 Economic Assumptions: $.206M

FY 2009 Reprogram High Pressure Mobile Water Delivery System to the United States Army Tank Automotive Research, Development, and Engineering Center (TARDEC): $.798M.

FY 2010 Total Economic Assumptions: $.022M

FY 2010 Total Federally Funded Research and Development Center Reduction: $.250M

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency			DATE: February 2010
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COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
1: *Medical Logistics Network (MLN)*	2.864	2.628	2.837	0.000	2.837	2.880	2.920	2.970	3.020	Continuing	Continuing

A. Mission Description and Budget Item Justification

Defense Medical Logistics Transformation (DMLT) provides a comprehensive, standardized, unified, and policy compliant enterprise architecture, plan and implementation of initiatives to further unify the Medical Logistics Enterprise. The medical logistics community requires a multi-organizational, multi-disciplinary approach to future healthcare supply that spans the military services, the Office of the Secretary of Defense, our coalition partners, and commercial industry and involves diverse, yet complimentary functional disciplines such as cost estimating/financial management, system architecture and design, functional process mapping, transportation, telecommunication, networking, program management, contracting, engineering, and supply chain management.

Netcentric Infrastructure and Implementation (NII) The Netcentric Infrastructure and Implementation initiative will provide DoD Medical enterprise with a .NET web service provisioning framework based on Service-Oriented Architecture. A services-based information environment extends effectively to the outer reaches of the network, and allows the timely exchange of data among the various business systems and databases in an efficient and effective manner. Authoritative data sources distributed throughout the Enterprise can be leveraged, and unnecessary replication of data repositories will be reduced. Data services will reach a broader customer base compared to current technical solutions because data access will no longer be limited to the capabilities that are under direct command; rather, the partnering systems will benefit from a global, trusted, and reliable network. Adherence to the guidelines of Netcentric Operations will limit ad hoc design, discourage stove-pipe development, and reduce the development lifecycle. Metrics will provide feedback on value added and support the identification of further enhancement of this capability.

Controlled Room Temperature Cold Chain Packaging Protocol Development: DLA purchases a large variety of pharmaceutical products requiring special environmental handling from distributor to the battlefield. This project developed a pilot protocol to control packaging and shipping conditions for these medical items. Examples of these products are Tami Flu and Nerve Agent Antidote Auto-Injectors. These procedures will ensure that medical items reach the Warfighter in useable condition.

B. Accomplishments/Planned Program ($ in Millions)

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Medical Logistics Network Accomplishments/Plans	2.864	2.628	2.837	0.000	2.837
FY 2009 Accomplishments: DMLT: The benefits of the DMLT project impact the enterprise at four key levels: 1.) portfolio investment management 2.) requirements management 3.) legacy system integration and 4.) data duplication. As-is and to-be architectures developed as part of the DMLT project provide clear identification of current IT system functionalities and process standardization opportunities, enabling senior executives to avoid duplicative software development and target investment to the specific system or composite application that fulfills the enterprise need at least cost. The enterprise architecture tools and methodologies established by the DMLT project ensure far more rigorous definition, specification and traceability of requirements as well as development of more effective test scenarios to verify that delivered software solutions fulfill the complete requirements as funded. By facilitating more rigorous data and process definition, the DMLT project enables more informed development of web services linking data between legacy systems and composite applications. As a result, re-use of services will decrease development costs and new capabilities can be fielded without major investments in modification of legacy software or duplication of existing databases. This also reduces the cost of maintaining unnecessarily duplicative data in synchronization. Documented internal and external DMLSS information exchange relationships. Phase 1 foundational document for managing enterprise systems evolution. DMLT developed the DML Enterprise Architecture, which includes the Systems Interface Description (SV-1). This artifact is used to gain visibility to and manage, system interfaces. Significant progress moving DML culture towards evidence-based management. Supporting process, tools, and artifacts are required to institutionalize this thinking. Improved customer support depends on DML ability to quantitatively manage its enterprise with a vision of optimizing at the process level. The enterprise architecture gives the stakeholders a tool to manage their processes and communicate their requirements through structured architecture models. Used Enterprise Architecture methodology and tools to support the joint identification and development of Prime Vendor (PV) Generation IV Contract medical / surgical business requirements to support systems planning and execution.					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Netcentric Infrastructure and Implementation (NII): Completed initial development of Netcentric Framework Infrastructure to provide DoD Medical enterprise with a .NET web service provisioning framework based on Service-Oriented Architecture. This initiative supports the timely exchange of data among the various business systems and databases in an efficient and effective manner throughout the outer reaches of the network. Expanded Web services framework to development of two web services that can be utilized by DSCP internal Medical IT applications. Controlled Room Temperature Cold Chain Packaging Protocol Development: Completed development and validation of packaging protocol for frozen materials that are within the FDA-defined range of -25 to -10 degrees C. Currently, DLA Cold Chain Packaging locations only have the option to maintain frozen materials for shipment at Dry Ice temperatures (-80 degrees C), which is frequently too cold for many items due to physical structure weaknesses. This protocol allows DLA to use an FDA/United States Pharmacopeia (USP) compliant packaging protocol to move ALL temperature sensitive materials within DLA supply chains. Initiated 3rd party testing of controlled temperature protocols for two specific temperature ranges. Results will verify contractor design and allow transition to production of new protocols. *FY 2010 Plans:* DMLT: Develop a collaborative acquisition planning process for medical items GEN IV development process is using a combination of Contracting, Medical Logistics Functional experts and DMLSS R&W system experts to define business process and identify system change opportunities to effectively implement the GEN IV Med/Surg Prime Vendor follow on contract to GEN III. Additionally, DMLT will pursue Expeditionary Medical Logistics (EML) as a subspiral effort. EML will identify and/or develop the 'to-be' capabilities and processes required to prepare for, transition to, and sustain Health Readiness support for expeditionary operations, addressing identified gaps and 'lessons learned' in order to achieve seamless and responsive support to expeditionary medical requirements. The EML sub-spiral will incorporate functional processes identified in DML mission threads into a collaborative					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
operational framework to plan, prepare, project and provide operational medical logistics support. It will include the development of architecture artifacts and identify functional solutions for further validation through doctrine, organization, training, leadership and education, personnel and facilities (DOTLMS-PF) assessment and JCIDS, as appropriate to enable Operations planning, Acquisition, Deployment, Sustainment, Disposition, and Data resources supporting expeditionary operations. Netcentric Infrastructure and Implementation (NII): Expand external customer web services' pilots to full production Service Oriented Architecture features. Enhance initial web services framework to fully integrate standard repeatable web services and streamline development and fielding procedures. *FY 2011 Base Plans:* DMLT and Netcentric activity TBD based on FY 2010 accomplishments.					
Accomplishments/Planned Programs Subtotals	2.864	2.628	2.837	0.000	2.837

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

DMLT: Currently in last option. New work will be competitively bid on Defense Logistics Standard Support Blanket Purchase Agreement (DMLSS-W BPA).

E. Performance Metrics

DMLT: 1.) Eighty seven percent of Gen IV Requirements are supported by Arch Products. Documented the business processes that allowed both the vendor and the government to fully understand the business needs supporting the developed statement of work and clarified the contract requirements to minimize future changes to the contract. This also supports the functional requirements for future development of systems. 2.) Measurement of the progress of compliance of mandated Executive Agent (EA) usage within the DML Enterprise. The Clinger-Cohen Act and various other laws and regulations require complete enterprise architecture. 3.) Percentage alignment between Balanced Scorecard Transformation Initiatives and Enterprise Architecture

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COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
2: *Weapon System Sustainment (WSS)*	5.400	5.214	5.637	0.000	5.637	5.729	5.804	5.903	6.005	Continuing	Continuing

A. Mission Description and Budget Item Justification

Support Defense Logistics Agency (DLA) Strategic Plans Goals 1.) Warfighter Support) and 2.) Internal Process. The program spans multiple weapon systems and supply chains to improve internal processes, provide new methods, reduce costs and lead times, and ultimately, improve readiness for DLA customers.

The program is focused in three initiatives:
1.) Planning Process Improvement: The program improves elements of current inventory policy models, assesses potential benefits of new technologies and seeks more efficient approaches to deliver customer requirements while reducing inventory and order fulfillment costs. 2.) Technical/Quality Process Improvement: The program improves internal efficiency and customer satisfaction through new tools and methods to proactively address supply issues resulting from current technical/ quality processes. 3.) Procurement Process Improvement: The program will demonstrate tailored data collection and business processes for well-defined subsets of suppliers and procurement types to improve supplier responsiveness, cycle time and cost.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Weapon System Sustainment Accomplishments/Plans	5.400	5.214	5.637	0.000	5.637
FY 2009 Accomplishments: Planning Process Improvement: Projects in this area focus on producing new capabilities which, when implemented, will improve perfect order fulfillment while reducing inventory cost and procurement workload. Accomplishments in this area were led by continued support to DLA efforts to implement the WSSP-developed peak policy and matching economic retention rules. These included establishing peak policies for eight weapon systems and analyses to answer questions raised by the process owner. A companion project to automate the process of setting peak policies, which today requires extensive effort by personnel with specialized skills, was continued and is on track for successful completion in early FY 2010. Effort continued to mature the next generation inventory					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
model and confirm its enormous potential to reduce inventory costs and unfilled orders. The project is on schedule for completion in mid-FY 2010, plans to transition the technology to routine use at that time are complete, and the initial steps taken. A new capability to more accurately predict initial wartime spares requirements was successfully completed and transitioned for Army use to Army Material Command (AMCOM), which cost-shared the project. A project was completed that analyzed the effects of the Stock Transport Order (STO) process that moves material from DLA depot to DLA depot, on the number of Unfilled Orders and material losses, and made recommendations to the process owner for actions to ameliorate those effects. Three projects were initiated to develop and demonstrate improvements to specific planning sub-processes and their performance metrics. The first project will emulate the performance of the Manu Demand Classification software and then use that capability to simulate the performance of forecasts that result from changes on Demand Classification parameters for the purpose of evaluating potential improvements. The second project will determine whether it is possible to work with Service program offices to assess which of their planned modification and upgrade activities will reduce future demand for DLA parts and thereby greatly reduce the incidence of DLA stocking items that are no longer needed. The third project will evaluate forecast model accuracy metrics to determine their reliability and validity, determine factually if the models are biased, if so how, and if there are predictive factors that would allow either the models to be corrected or adjusted with more fidelity, analyze forecast coverage interval aspects, and recommend improvements to the process owner. Technical/Quality Process Improvement: Projects in this area focus on resolving issues associated with various T/Q functions that are contributing to sourcing problems, unfilled orders, NSN proliferation and workforce inefficiencies. Accomplishments in this area were led by completion of an effort that successfully developed an attribute-based parts search and comparison capability for a simple user interface to DoD.					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
FY 2010 Plans: Planning Process Improvement: The next generation inventory model development will be completed and the transition process initiated, but as the transition process proceeds during FY 2009, it is possible that additional R&D may be required to address specific issues to include a pilot project. The peak policy automation project also will be completed, and a smooth transition is expected to Defense Office of Operations Research and Resource Analysis (DORRA), which has the responsibility to set the peak policies. The FY 2009 starts in emulation, demand reduction and forecast analytics will be completed and transition initiated. New projects will build on those results and be defined jointly with the planning process and sub-process owners. New projects are planned to develop a multi-echelon next generation inventory model and an integrated stocking model that integrates the next generation inventory model for R items and the Peak Policy for N items with a more effective method of managing the movement of items between the R and N categories and a new economic retention method for controlling disposal. Technical/Quality Process Improvement: The automated capability to search Supply Discrepancy Reports (SDRs) and flag systemic item or supplier issues will be completed and transitioned to daily use at Defense Supply Center Philadelphia (DSCP), with ownership assumed by the Tech/ Quality process owner, who will have responsibility concerning subsequent transition to Defense Supply Center Columbus (DSCC) and Defense Supply Center Richmond (DSCR). The project to recommend ways to automate aspects of the Quality Notice (QN) resolution process will be completed and transitioned to the T/Q process owner and the key DSCP stakeholders. The Logistics Information Review Concept (LIRC) effort to identify what improvements could be made to the initial cataloging process that would reduce downstream sustainment problems will be completed through recommendations to the T/Q process owner and Defense Logistics Information Services (DLIS), and if warranted, a pilot will be defined and initiated to validate the benefits of selected recommendations. Effort will be initiated in partnering with Services to dramatically increase the flow of Technical Data Packages (TDPs) containing modern technical data of record for procurement, including identification					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
of existing modern technical data, as well as development of a strategy roadmap for the process owner. Other new projects addressing tech/quality problems, including those identified during the LIRC project will be planned jointly with the process owner. The roadmap developed for counterfeit parts should lead to follow-on projects to quantify benefits and demonstrate process improvements. The Commercial and Government Entity Code (CAGE) hopping project will be completed which may result in the need for a pilot on selected commodities to quantify expected improvements. A Product test center capability assessment will be completed with recommendations for sizing the capability to fit DLA's requirements. Procurement Process Improvement: The project to assess the feasibility of using radio frequency identification device (RFID) or other automatic identification technology to improve Government Furnished Property (GFP) inventory accuracy will be complete and a pilot project defined to validate the benefits of the recommended approach. Other new projects will be developed jointly with the process owner and initiated. Benefits from projects in this area are reduced procurement workload, acquisition cost and backorders. *FY 2011 Base Plans:* Planning Process Improvement: A pilot project begun in late FY 2010 to initiate the process of transitioning the next generation inventory model for the wholesale level to daily use within DLA will be continued through the year, and other required transition activities initiated as defined jointly with the planning process owner. The FY 2010 project to develop and validate the benefits of a multi-echelon version of the next generation inventory model applicable to wholesale and retail levels will be completed late in the year and efforts initiated to define a pilot program as the first step in transition. FY 2010 projects will be completed that will provide and operate an Enterprise Business System (EBS) laboratory that will enable tuning the existing EBS Demand Classification software to optimize demand planning performance, define requirements for an approach to manage the risk of extreme values in the key performance metrics of unfilled orders, PRs and investment levels, and define requirements for an integrated stocking model that integrates the next generation inventory model for R items and					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
the Peak Policy for N items with a more effective method of managing the movement of items between the R and N categories and a new economic retention method for controlling disposal. Follow-on development, validation and transition activities for these FY 2010 will be defined jointly with the planning process owner, and activities initiated as appropriate. New FY 2011 projects in the planning process area will be initiated as a result of problem definition efforts undertaken with the planning process team in FY 2010 and early FY 2011. Technical/Quality Process Improvement: The Logistics Information Review Concept activities will be completed and the results transitioned to the T/Q process owner and DLIS cataloging activity. Activities resulting from the Counterfeit Parts project completed in FY 2010 will focus on transitioning the process improvements into daily use within the Defense Supply Centers. FY 2010 projects will be completed that will pilot the new business processes containing specific review procedures for assessing Product Quality Deficiency Reports (PQDRs) to identify systemic quality issues so that the root causes can then be evaluated and addressed, establish that sharing, standardizing and integrating OEM, Government and supply chain commodity parts data has sufficient mutual advantage to warrant broader undertaking, map out an as-is high-level view of provisioning, Supply Support Request (SSR), NSN establishment, and cataloging processes to identify potential improvements/ enhancements to existing processes and identify and define process improvements, including a feedback mechanism, for alerting customers about product quality issues. Follow-on development, validation and transition activities for these FY 2010 will be defined jointly with the T/Q process owner, and activities initiated as appropriate. New FY 2011 projects in the T/Q process area will be initiated as a result of problem definition efforts undertaken with the T/Q process team in FY 2010 and early FY 2011. Procurement Process Improvement: The pilot of using automatic identification technology to improve GFP inventory accuracy will be initiated and continued through the year. Activities resulting from the CAGE Hopping project completed in FY 2010 will focus on transitioning the process improvements into daily use within the Defense Supply Centers. A wide-area workflow (WAWF)-focused project initiated					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
in FY2010 will be completed to understand issues with receipt and destination acceptance for Direct Vendor Delivery (DVD) and Industrial Product-Support Vendor (IPV) shipments as they impact DoD's ability to correctly pay supplier invoices and recommend alternatives to address those issues. A follow-on pilot project will be initiated to validate the recommendations and prove their benefits as the first step in transitioning the results into daily use. New FY 2011 projects in the procurement process area will be initiated as a result of problem definition efforts undertaken with the procurement process team in FY 2010 and early FY 2011.					
Accomplishments/Planned Programs Subtotals	5.400	5.214	5.637	0.000	5.637

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

The metric is percent of completing demonstration projects transitioning per year. In FY 2009, nine demonstration projects were completed, and eight transitioned.

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency			DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*	R-1 ITEM NOMENCLATURE PE 0603712S: *Logistics Research and Development Technology (Log R&D)*	PROJECT 3: *Supply Chain Management (SCM)*	

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
3: *Supply Chain Management (SCM)*	3.067	2.660	3.005	0.000	3.005	3.108	3.080	3.201	3.189	Continuing	Continuing

A. Mission Description and Budget Item Justification

DLA has organized along Supply Chains to provide an integrated, combat logistics solution that is coordinated among the services and across DoD. There is a need for the Agency to stay abreast of the latest supply chain management principals and techniques that will improve the supply availability of DLA managed items by managing supply chains to shorten lead times and reduce costs. The dynamic nature of DLA's mission requires a flexible R&D mechanism to rapidly take advantage of the evolving supply chain improvements and innovations.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Supply Chain Management Accomplishments/Plans	3.067	2.660	3.005	0.000	3.005
FY 2009 Accomplishments: 1.) DLA Land weapon systems supply chain, in conjunction with the USMC Light Armored Vehicle (LAV) Program Manager, developed the first version of a broad-based, forward-looking analytic tool based on parametric search methods; 26 triggers have been identified that would indicate when parts might have a high risk of becoming problems of supply. These parts are then reviewed and prioritized by DLA and LAV for potential support solutions. 2.) Surge Manufacturing Optimization Project. This project will demonstrate and document the increased surge capacities and reductions in manufacturing costs that can be achieved by replacing industry standard methods with equipment fully designed for integrated use. It will also determine the ROI for full roll-out under various surge scenarios.					
FY 2010 Plans: High power microwave tubes are used in military radar, communications, and other electronic warfare systems such as Aegis, Patriot, Harpoon, Phalanx, Advanced Medium Range Air to Air Missile (AMRAMM), Airborne Warning and Control System (AWACS), Standard Missile, and Lantirn. DLA					

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*	R-1 ITEM NOMENCLATURE PE 0603712S: *Logistics Research and Development Technology (Log R&D)*	PROJECT 3: *Supply Chain Management (SCM)*

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
must continue to support legacy systems and new systems that are being deployed with these components. There are only a handful of U.S. based microwave tube manufacturers. These companies make specialized products while relying on a supply base that is aging and becoming increasingly risky. A survey of 10 selected tubes indicates that backorder quantities grew from under 20 in 2004 to over 1200 in FY 2008. This initiative will conduct several pilot projects to improve critical manufacturing processes. *FY 2011 Base Plans:* Microwave tube project will continue with efforts focused on increased first time yields and improved process documentation and process optimization.					
Accomplishments/Planned Programs Subtotals	3.067	2.660	3.005	0.000	3.005

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

Competitive Broad Area Announcement.

E. Performance Metrics

Backorder reduction.

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency			DATE: February 2010
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COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
4: *Strategic Distribution & Reutilization (SDR)*	3.440	3.309	3.601	0.000	3.601	3.684	3.750	3.815	3.881	Continuing	Continuing

A. Mission Description and Budget Item Justification

This program consists of two thrusts: improvements and extensions to DLA distribution capabilities—especially for deployed warfighters—and technology insertions to enhance DLA's reutilization, de-militarization, and disposal capabilities. The distribution focus is on quickly establishing distribution operations in new theaters of operation, cutting customer wait time and reducing demands on strategic airlift. The reutilization focus is on reducing risks that militarily-sensitive equipment will be sold to potential enemies or other parties that could use the surplus material for nefarious purposes. Transition organizations are DLA's Defense Distribution Center (DDC) and Defense Reutilization and Marketing Service (DRMS).

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Strategic Distribution & Reutilization (SDR) Accomplishments / Planned Program	3.440	3.309	3.601	0.000	3.601
FY 2009 Accomplishments: Supported transition of Node Management & Deployable Depot (NoMaDD) Advanced Concept Technology Demonstration (ACTD) capabilities, including completion of Node Management development, CONOPS, and assessments. Demonstrated baseline Expeditionary Depot/Defense Reutilization and Marketing Office (DRMO) interoperability during TALISMAN SABER '09 field exercise, identifying gaps and seams in respective DDC and DRMS systems, CONOPS, and Information Technology systems. Analyzed Expeditionary Depot stock planning processes, revealing inter-Service/Agency process and system gaps and seams. Identified the Integrated Consumable Item Support (ICIS) system as project transition/implementation path. Launched the Humanitarian Assistance/Disaster Relief Asset Visibility Experiment (HAVE) to eliminate Expeditionary Depot capability gaps identified during its deployment following Hurricane Ike.					

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
FY 2010 Plans: Extend Node Management capabilities to encompass distribution reports and analytics for the Expeditionary Depot and DLA Joint Logistics Operations Center. Support fielding of Node Management to sustain Afghanistan surge operations. Develop and execute an Expeditionary Depot/ DRMO integration plan, including CONOPS and technology development. Define requirements, begin development, and establish CONOPs for an ICIS-based stock planning system. Develop and demonstrate HAVE capabilities to support CONUS disaster recovery requirements. Establish a DRMO Test Bed to allow assessment of DRMS training and technology development efforts in a controlled environment. Define requirements for DRMS' Life-Cycle Reutilization Technology Initiative, including development and assessment of methods and tools necessary to identify and properly manage Service-disposed property. Demonstrate suitability and accuracy of passive Real-Time Location System technology for use in DLA distribution centers. *FY 2011 Base Plans:* Complete Node Management development, assessment, and transition of distribution reports and analytics for the Expeditionary Depot and DLA Joint Logistics Operations Center. Demonstrate and assess integrated Expeditionary Depot/DRMO capabilities during TALISMAN SABER '11 or another field suitable exercise. Demonstrate and assess improvements to the ICIS system to facilitate Expeditionary Depot stock planning. Develop and demonstrate HAVE capabilities to support OCONUS disaster recovery requirements. Capture baseline operational and training metrics in the DRMO Test Bed and develop technology demonstration plans. Through the DRMS' Life-Cycle Reutilization Technology Initiative, launch development and assessment of methods and tools necessary to identify and properly manage Service-disposed property. Demonstrate distribution operation benefits of passive Real-Time Location System technology in DLA distribution centers.					
Accomplishments/Planned Programs Subtotals	3.440	3.309	3.601	0.000	3.601

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency			DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*	R-1 ITEM NOMENCLATURE PE 0603712S: *Logistics Research and Development Technology (Log R&D)*	PROJECT 5: *Energy Readiness Program (ERP)*	

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
5: *Energy Readiness Program (ERP)*	1.691	2.016	2.179	0.000	2.179	2.215	2.243	2.282	2.322	Continuing	Continuing

A. Mission Description and Budget Item Justification

Program Management Office Support (PMO) for developing program strategies and goals, preparing documentation for the program, and performing quick reaction studies and analysis. Alternate Energy Development (AED) to include synthetic fuel specifications and acquisition plan; renewable fuels studies and planning, continued study of the use of hydrogen by DoD, and other directives specified in the Energy Policy Act (EPA) of 2005. Testing and approving of additional +100 Thermal Stability Additives (TSA) for use in Jet Propulsion Fuel (JP-8), and additional additive studies for +100 Low Temperature and Static Dissipater. Study and implementation of Automated Information and Data Collection (AIDC) to Defense Energy Supply Center (DESC) business processes, and automated adaptive planning tool to optimize the class III supply chain.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Energy Readiness Program (ERP) Accomplishments/Plans	1.691	2.016	2.179	0.000	2.179
FY 2009 Accomplishments: Continued PMO support in program implementation and planning ($.220 PMO), Alternative Fuel Engine Test ($.7 AFE), Cold Weather Biodiesel Additive Project ($.069 CWB), Continued support of testing and approval of additional +100 Thermal Stability Additives ($.025 TSA), FAME Cross Contamination Project (.085 FCC), Congressional Studies (.529 CMS).					
FY 2010 Plans: Continued PMO support in program implementation and planning ($.25 PMO), Continued Alternative Fuel Test support ($.2 AFE), San Pedro Net-Zero Plus initiative to assess/establish a net-zero energy defense fuel support point ($.200 AED), RP-2 Qualification (.2 R2Q), Continued support of FAME Cross Contamination Project (.1 FCC), Continued support of testing and approval of additional +100 Thermal Stability Additives ($.350 TSA).					

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*	R-1 ITEM NOMENCLATURE PE 0603712S: *Logistics Research and Development Technology (Log R&D)*	PROJECT 5: *Energy Readiness Program (ERP)*

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
FY 2011 Base Plans: Continued PMO support in program implementation and planning ($.250 PMO), Continued support of Alternative studies and testing ($.5 AED), San Pedro Net-Zero Plus initiative to assess/establish a net-zero energy defense fuel support point ($.500 AED), Continued support of testing and approval of additional +100 Thermal Stability Additives ($.300 TSA).					
Accomplishments/Planned Programs Subtotals	1.691	2.016	2.179	0.000	2.179

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N//A

E. Performance Metrics

Successful program documentation and support to include timely budget delivery and programmatic details (PMO). Successful identification of alternative drop-in replacement fuels suitable for further testing and certification (AFE). Successful incorporation of alternative fuel use (wind, solar, geothermal, hydrogen, waste-to-fuel) at the defense activities (AED). Successful qualification of RP-2 (R2Q). Successful completion of testing additional +100LT Thermal Stability Additives and incorporation into MILSPEC (TSA). Identification of risk for FAME contamination in Jet Fuel and methods for measuring FAME contamination (FCC).

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency			DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*	R-1 ITEM NOMENCLATURE PE 0603712S: *Logistics Research and Development Technology (Log R&D)*	PROJECT 6 : *Defense Logistics Information Research (DLIR)*	

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
6 : *Defense Logistics Information Research (DLIR)*	0.271	2.135	2.304	0.000	2.304	2.341	2.373	2.414	2.456	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Logistics Information Research (DLIR) program objective is to research, identify, and implement potential or existing technologies using high-risk, high-payoff tools, methods, techniques, and products. The DLIR program partners with commercial industry to perform short-term projects (STPs) in various logistics business areas which align with the Defense Logistics Agency's (DLA's) strategic vision. DLIR improves functional and business processes using the latest technologies available, which support the nation's warfighter. The technical areas of interest are:

1.) Development of Logistics Data Interoperability & Availability. Enhances the functionality and compatibility of data in a complex data environment using supply chain relationships and lifecycle management to allow flexible visibility. 2.) Next Generation Automated Electronic Commerce and Sourcing. The Next Generation Automated Electronic Commerce and Sourcing technical area of interest focuses on employing the best of breed processes, practices, and technology to enable and/or streamline electronic commerce from the customer's point-of-need to point-of-satisfaction.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Defense Logistics Information Research (DLIR) Accomplishments/Plans	0.271	2.135	2.304	0.000	2.304
FY 2009 Accomplishments: Broad Agency Announcement released August 2008 – received 56 proposals against two technical areas of interests. Source selection board reviewed and forwarded eleven proposals for contract award to DSCP. DLIR R&D efforts in closing out FY 2007 and FY 2008 contracts; finalizing invoicing. DLIS continues to research industries cutting edge technology to improve and integrate logistics data management and information technology, into a broad array of data systems, data products and related services for the warfighter. DLIS provides life cycle supply item information for logistics processes from initial entry into the DoD supply chain through final disposal. DLIS uses its Information					

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Technology expertise to provide this logistics data throughout the globe through interfacing systems, and other media to ensure the data gets to and can be used by the warfighter in any environment they may face. *FY 2010 Plans:* From the FY 2009 short-term projects – continue to award/fund proposals for the remaining base partner contract. Capturing more timely, accurate and complete data for supply item descriptions that support such logistics processes as procurement, technical quality, packaging, standardization, transportation, and disposal/demilitarization. Some of the DLIR R&D projects being pursued are looking at capturing web based commercial data, engineering and other technical data, photographic images and adding relevant data into the Federal Logistics Information System in order to improve National Stock Number records in the federal logistics information system (FLIS). Using advanced technologies to capture and translate commercially available web and other data to promote improved electronic commerce processes. These efforts serve to identify additional potential sources of supply for NSNs in order to support DLA in reducing procurement lead time, address diminishing sources issues and support reduced prices for competitive items. It also provides support to using commercial sources directly, such as prime vendors, commercial catalog contracts, long term contracts and others. For promoting internal efficiencies, these tools are also being pursued in order to provide DLIS with more productive and efficient technologies by enhancing the use of information technology and reducing the human footprint required. This will enable DLIS to manage its resources better and provide more services by reducing costs and improving productivity. Another focus area is to integrate the Federal Catalog System with other commercial and Federal agency data taxonomy and classification systems by developing tools for comparing and linking/translating other such classification systems with the National Stock Number. This enables the entirety of the DoD Supply					

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Chain with its commercial and government processes by integrating those data systems and processes together. *FY 2011 Base Plans:* Release a Broad Agency announcement (BAA); anticipate receiving 59-75 proposals for source selection review and expect 3-4 contract awards as a result of the BAA.					
Accomplishments/Planned Programs Subtotals	0.271	2.135	2.304	0.000	2.304

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency			DATE: February 2010
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COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
7: *Tent Network for Technology Implementation (TENTNET)*	0.000	0.982	0.979	0.000	0.979	0.976	0.973	0.970	0.967	Continuing	Continuing

A. Mission Description and Budget Item Justification

The purpose of the TENTNET program is to significantly improve supply chain surge capabilities for military tent requirements. The program is building a community of practice amongst DLA/DSCP, academia, and industry to help identify supply chain bottlenecks and structure short term R&D projects to address these bottlenecks.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
TENTNET Accomplishments/Plans	0.000	0.982	0.979	0.000	0.979
FY 2010 Plans: New Starts: Shop Floor Automation: This project will demonstrate and document the increased surge capacities and reductions in manufacturing costs that can be achieved by introducing automated seam-welding and material handling equipment into key bottleneck areas in the tent manufacturing process. It will also determine the ROI for full roll-out under various surge scenarios. E-Mall Access for TENTNET: This project will make it possible for MilSpec Tent information to be available to all EMALL users. It will expand the number of tent and shelter products that have rich technical and performance information available on DoD EMALL. The project is structured to benefit the entire tent manufacturing community by making their product more visible and, more importantly, it will improve the quality of product information available to the warfighter. Extension of Supply Chain Simulation project: This represents additional tasking for an existing project. The project will simulate the capability of the tent supply chain to surge production under varying conditions and requirements. We expect this project to produce an effective decision making					

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
tool for DLA's Industrial Capabilities Programs allowing program management to evaluate the effect of placing buffer stocks at various levels within the supply chain. *FY 2011 Base Plans:* Shop Floor Automation: This project will demonstrate and document the increased surge capacities and reductions in manufacturing costs that can be achieved by introducing automated seam-welding and material handling equipment into key bottleneck areas in the tent manufacturing process. It will also determine the ROI for full roll-out under various surge scenarios. E-Mall Access for TENTNET: This project will make it possible for MilSpec Tent information to be available to all EMALL users. It will expand the number of tent and shelter products that have rich technical and performance information available on DoD EMALL. The project is structured to benefit the entire tent manufacturing community by making their product more visible and, more importantly, it will improve the quality of product information available to the warfighter. Extension of Supply Chain Simulation project: This represents additional tasking for an existing project. The project will simulate the capability of the tent supply chain to surge production under varying conditions and requirements. We expect this project to produce an effective decision making tool for DLA's Industrial Capabilities Programs allowing program management to evaluate the effect of placing buffer stocks at various levels within the supply chain.					
Accomplishments/Planned Programs Subtotals	0.000	0.982	0.979	0.000	0.979

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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E. Performance Metrics

The goal of the program is to transition positive project results to industry, assuming there is a credible business case to do so. With this goal in mind, each STP team will develop a set of key performance parameters (KPPs) at the onset of the project – the KPPs will be used to measure the success of the technology or process improvement involved.

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COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
8: *Other Congressional Adds (OCAs)*	55.808	32.907	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

Logistics Research and Development Technology Demonstration program overseas the management of Congressional Add programs assigned to the Defense Logistics Agency.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
Congressional Add: Advanced Mobile Microgrid *FY 2009 Accomplishments:* The objectives of this program are to field and demonstrate mature alternative/renewable energy/ power generation and distribution technology with a “sense of urgency” through participation in the Advanced Concept/Joint Concept Technology Demonstrations (AC/JCTD) process and to develop Defense Logistics Agency (DLA)/Defense Energy Support Center (DESC) Overseas Contingency Operations (OCO) and transition strategy for alternative/renewable energy and power technologies.	2.713	0.000
Congressional Add: Aging Systems Sustainment and Enabling *FY 2009 Accomplishments:* This program has been in operation with congressional funding since 1994. It’s current objectives are to: expand the industrial supply base in the Oklahoma area, identify, nurture and certify companies to participate in the procurement processes through their electronic Virtual Enterprise Development (VED) - of which, 65% are registered as 8A, minority owned, veteran owned, or Hub Zone, and	1.995	2.387

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
to introduce technology applications and product enhancements through reverse engineering or redesign. *FY 2010 Plans:* To be determined.		
Congressional Add: Alternative Energy from Organic Sources *FY 2009 Accomplishments:* The objective of this program is to evaluate an old technology using new advances in genetic engineering; this process stimulates various strains of algae to produce oil from carbohydrates as a renewable alternative to petroleum in the refining of diesel and jet fuel. *FY 2010 Plans:* To be determined.	5.984	5.969
Congressional Add: Biofuels Program *FY 2009 Accomplishments:* The objective of this program is to develop advanced biofuel blends from biomass feed stocks to replace JP-8 fuels. *FY 2010 Plans:* To be determined.	1.596	1.592
Congressional Add: Commodity Management System Consolidation	1.596	1.592

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
FY 2009 Accomplishments: The objective of this program is to provide a flexible tool to optimize Depot part ordering while improving knowledge management via collection of Point-of-Use data. *FY 2010 Plans:* To be determined.		
Congressional Add: Connectory Expansion for Rapid Identification of Technology Sources for DoD *FY 2009 Accomplishments:* The objective of this program is to maintain/develop a continuous sourcing tool for a wide range of backorder/parts manufacturers, Diminishing Manufacturing Source Material Shortage (DMSMS), and market/technology assessments.	0.399	0.000
Congressional Add: Continuous Acqusition and Lifecycle and Integrated Data Environment and Defense Logistics Enterprise Services Program *FY 2009 Accomplishments:* This program is a group of projects designed to promote information technology as a key element in achieving war fighter superiority in the 21st century. Objectives include: supporting the warfighter and Overseas Contingency Operations (OCO) with customs clearance of Department of Defense (DoD) shipments, developing Government Industry Data Exchange Program (GIDEP) Next Generation System focused on the Diminishing Manufacturing Source and Material Shortage (DMSMS) centralized database, logistics transformation and nanotechnology. *FY 2010 Plans:* To be determined.	3.191	3.183
	1.995	2.387

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
Congressional Add: Defense Fuelcell Locomotive *FY 2009 Accomplishments:* This program is a continuation of Fuel Cell Locomotive work to build, evaluate and report on the performance of a hybrid fuel cell locomotive using the design previously worked under FY 2007 funding. Funding is being applied to complete the integration of a fuel cell switcher locomotive by installing a 350 bar composite wrapped compressed hydrogen storage system, a Direct Current (DC) to DC electric converter to provide necessary voltage requirements for onboard equipment and a power to grid processing unit to conduct testing. Accomplishments to date include systems designed and largely built with current work focusing on system testing and integration. *FY 2010 Plans:* To be determined.		
Congressional Add: Emerging Critical Interconnection Technology *FY 2009 Accomplishments:* The objectives of this program are to assist North American printed circuit board (PrCB) technical and manufacturing interests in meeting current and future DOD Warfighter needs and to establish a technology transition program between the DOD Naval Seas Systems Command at Crane, Indiana (NAVSEA) and domestic industry participants supporting future DOD needs. Accomplishments to date include: Emulator demonstration project, training development, and solder-less assembly project.	1.995	0.000
Congressional Add: Energy Strategy for the Department of Defense *FY 2009 Accomplishments:* The objective of this program is to advance the state of knowledge of Carbon Capture and Sequestration (CCS) technology associated with the conversion of carbonaceous resources into liquid fuels for DOD.	19.943	0.000

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*	R-1 ITEM NOMENCLATURE PE 0603712S: *Logistics Research and Development Technology (Log R&D)*	PROJECT 8: *Other Congressional Adds (OCAs)*

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
Congressional Add: Florida Defense Manufacturing Supply *FY 2009 Accomplishments:* The purpose of this program is to leverage existing industrial capacity in Florida, as well as Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, to address Warfighter requirements for machined parts by developing methodologies to resolve parts shortages, surge demand, sustainment and obsolescence.	1.995	0.000
Congressional Add: High Pressure Mobile Water Delivery System *FY 2009 Accomplishments:* This project involves research, development, testing and evaluation of a high pressure mobile water delivery system, performing the engineering integration and prototyping of the system for defense wide applications. This system is capable of serving multiple functions for military ground operations, along with civilian and homeland security applications. This add is being reprogrammed to The U.S. Army Tank Automotive, Research, Development and Engineering Center (TARDEC).	0.000	0.000
Congressional Add: New England Defense Manufacturing Supply Chain Institute *FY 2009 Accomplishments:* The purpose of the program is to leverage existing industrial capacity in New England to address Warfighter requirements for machined parts by developing methodologies to resolve parts shortages, surge demand, sustainment and obsolescence. DoD and DLA will benefit by having access to a network of suppliers to meet DoD critical machined parts requirements. TimeWise Management Systems (TWMS) has developed; field tested, and verified a technology-assisted integrated engineering and production solution that includes the following capabilities. This integrated solution has been field tested with commercial and military machine shops. Results so far indicate that the	0.798	0.000

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
engineering and manufacturing time for machine shops can be reduced by 50 percent to 75 percent depending on the part.		
Congressional Add: On-Site Alternative Fuel Manufacturing System *FY 2009 Accomplishments:* The objective of this program is to reduce the logistics of electrical power generation at Forward Operating Bases (FOBs) using proprietary biomass feedstock production and processing technologies for hydrogen that is modular and transportable.	1.197	0.000
Congressional Add: Reliability Testing of Lead Free Circular Components *FY 2009 Accomplishments:* The objective of this program is to find solutions with respect to lead-free and the potential deleterious impact on the reliability and safety of critical military electronics. The impact of lead-free on the reliability and safety of military electronics is largely unknown. The acquisition of statistically rigorous technical data relevant to the military environments is paramount to establish a viable mechanism to manage the risks inherent with lead-free.	1.436	0.000
Congressional Add: Smart Modular Regenerative Off-Grid Hydrogen Fuel Cell *FY 2009 Accomplishments:* The objective of this program is to design and produce an upgraded mobile version of the stationary system currently under development for the Navy and advance next generation fuel cell and electrolysis stack technologies.	0.997	0.000
Congressional Add: Vehicle Fuel Cell and Hydrogen Logistics Program	7.978	6.366

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
FY 2009 Accomplishments: The objective of this program is to conduct Basic/applied Research and Development (R&D) and/or pilot programs in support of the Vehicle Fuel Cell and Hydrogen Logistics Program (VHP) - advance hydrogen fuel cells, hydrogen fuel infrastructure and vehicle integration Technology Readiness Levels (TRLs) and Manufacturing Readiness Levels (MRLs). *FY 2010 Plans:* To be determined.		
Congressional Add: Progressive Research for Sustainable Manufacturing *FY 2010 Plans:* To be determined.	0.000	1.194
Congressional Add: Reduced Cost Supply Readiness *FY 2010 Plans:* To be determined.	0.000	1.194
Congressional Add: Cellulosic-Derivied Biofuels Research *FY 2010 Plans:* To be determined.	0.000	2.387
Congressional Add: Fuel Cell Hybrid Battery Manufacturing for Defense Operations *FY 2010 Plans:* To be determined.	0.000	0.796

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APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 3: *Advanced Technology Development (ATD)*	**R-1 ITEM NOMENCLATURE** PE 0603712S: *Logistics Research and Development Technology (Log R&D)*	**PROJECT** 8: *Other Congressional Adds (OCAs)*

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010
Congressional Add: Next Generation Manufacturing Technologies Initiative *FY 2010 Plans:* To be determined.	0.000	1.592
Congressional Add: Woody Biomass Converison for JP-8 Fuel *FY 2010 Plans:* To be determined.	0.000	1.273
Congressional Add: Radio Frequency Identification Technologies *FY 2010 Plans:* To be determined.	0.000	0.995
Congressional Adds Subtotals	55.808	32.907

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

N/A