Exhibit R-2, RDT&E Budget Item Justification: PB 2012 Defense Logistics Agency										DATE: February 2011	
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 2010**	**FY 2011**	**FY 2012 Base**	**FY 2012 OCO**	**FY 2012 Total**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**Cost To Complete**	**Total Cost**
Total Program Element	50.559	20.542	23.887	-	23.887	24.350	20.432	20.721	21.076	Continuing	Continuing
1: *Medical Logistics Network (MLN)*	2.268	2.837	2.866	-	2.866	2.900	2.948	2.998	3.049	Continuing	Continuing
2: *Weapon System Sustainment (WSS)*	4.500	5.637	5.700	-	5.700	5.765	5.859	5.961	6.064	Continuing	Continuing
3: *Supply Chain Management (SCM)*	1.996	3.005	3.093	-	3.093	3.059	3.177	3.166	3.220	Continuing	Continuing
4: *Strategic Distribution & Reutilization (SDR)*	2.857	3.601	5.705	-	5.705	5.806	3.787	3.853	3.919	Continuing	Continuing
5: *Energy Readiness Program (ERP)*	1.740	2.179	3.696	-	3.696	3.966	2.265	2.305	2.344	Continuing	Continuing
6 : *Defense Logistics Information Research (DLIR)*	1.843	2.304	2.329	-	2.329	2.357	2.396	2.438	2.480	Continuing	Continuing
7: *Tent Network for Technology Implementation (TENTNET)*	0.848	0.979	-	-	-	-	-	-	-	Continuing	Continuing
8: *Other Congressional Adds (OCAs)*	34.507	-	-	-	-	-	-	-	-	Continuing	Continuing
9: *Applied Research Initiative*	-	-	0.498	-	0.498	0.497	-	-	-	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) 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.

Exhibit R-2, RDT&E Budget Item Justification: PB 2012 Defense Logistics Agency	DATE: February 2011
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B. Program Change Summary ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total
Previous President's Budget	19.043	20.542	24.007	-	24.007
Current President's Budget	50.559	20.542	23.887	-	23.887
Total Adjustments	31.516	-	-0.120	-	-0.120
• Congressional General Reductions		-			
• Congressional Directed Reductions		-			
• Congressional Rescissions	-	-			
• Congressional Adds		-			
• Congressional Directed Transfers		-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-1.215	-			
• FY2010 Congressional General Reductions	-0.272	-	-	-	-
• FY 2010 Congressional Additions	33.003	-	-	-	-
• FY 2012 Departmental Fiscal Guidance	-	-	-0.058	-	-0.058
• FY 2012 Defense Efficiency - Service Support Contractors	-	-	-0.062	-	-0.062

Congressional Add Details ($ in Millions, and Includes General Reductions)	FY 2010	FY 2011
Project: 8: *Other Congressional Adds (OCAs)*		
Congressional Add: *Aging Systems Sustainment and Enabling*	2.388	-
Congressional Add: *Alternative Energy from Organic Sources*	5.969	-
Congressional Add: *Biofuels Program*	1.591	-
Congressional Add: *Commodity Management System Consolidation*	1.591	-
Congressional Add: *Continuous Acquisition and Lifecycle and Integrated Data Environment and Defense Logistics Enterprise Services Program*	3.183	-
Congressional Add: *Fuel Cell Hybrid Battery Manufacturing for Defense Operations*	0.796	-
Congressional Add: *Defense Fuel cell Locomotive*	2.388	-
Congressional Add: *Next Generation Manufacturing Technologies Initiative*	1.592	-
Congressional Add: *Progressive Research for Sustainable Manufacturing*	1.194	-
Congressional Add: *Reduced Cost Supply Readiness*	1.193	-
Congressional Add: *Vehicle Fuel Cell and Hydrogen Logistics Program*	6.367	-

Exhibit R-2, RDT&E Budget Item Justification: PB 2012 Defense Logistics Agency	DATE: February 2011
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Congressional Add Details ($ in Millions, and Includes General Reductions)	FY 2010	FY 2011
Congressional Add: *Woody Biomass Conversion for JP-8 Fuel*	1.273	-
Congressional Add: *Radio Frequency Identification Technologies*	0.995	-
Congressional Add: *Cellulosic-Derived Biofuels Research*	2.387	-
Congressional Add: *California Enhanced Defense Small Manufacturing Suppliers Program*	1.600	-
Congressional Add Subtotals for Project: 8	34.507	-
Congressional Add Totals for all Projects	34.507	-

Change Summary Explanation

FY2010 Congressional General Reductions: $ .272M

FY 2010 Congressional Additions: $33.003

FY 2012 Departmental Fiscal Guidance Reductions: $ .058M

FY 2012 Defense Efficiency - Service Support Contractors: $ .062M

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency			DATE: February 2011
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 1: *Medical Logistics Network (MLN)*	

COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
1: *Medical Logistics Network (MLN)*	2.268	2.837	2.866	-	2.866	2.900	2.948	2.998	3.049	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 Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Medical Logistics Network Accomplishments/Plans	2.268	2.837	2.866
FY 2010 Accomplishments: DMLT: Developed a collaborative acquisition planning process for medical items in support of GEN IV medical/surgical Prime Vendor contract. Netcentric Infrastructure and Implementation (NII): Expanded external customer web services' pilots to full production Service Oriented Architecture features.			
FY 2011 Plans:			

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
DMLT - 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 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. NII - Enhance initial web services framework to fully integrate standard repeatable web services and streamline development and fielding procedures. ***FY 2012 Plans:*** MLN has submitted three new start charters which will replace current MLN projects towards the end of FY11 and will be in full development in FY 12. The efforts, if approved, will automate several manual, laborious medical business practices including determining "fair and reasonable" pricing for medical products and performing analytical queries of source data; eliminating the need for IT resources to be engaged in assisting medical business analysts. In addition MLN will create a strategic sourcing functionality that will allow the Defense Medical Logistics community to standardize on specific medical products; giving the Services the opportunity for greater cost savings associated with volume sales.			
Accomplishments/Planned Programs Subtotals	2.268	2.837	2.866

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.

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency			DATE: February 2011
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COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
2: *Weapon System Sustainment (WSS)*	4.500	5.637	5.700	-	5.700	5.765	5.859	5.961	6.064	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 Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Weapon System Sustainment Accomplishments/Plans	4.500	5.637	5.700
FY 2010 Accomplishments: Planning Process Improvement: The next generation inventory model development was successfully completed and the transition process initiated. The peak policy automation project also was completed, and a smooth transition is in progress to DORRA, which has the responsibility to set the peak policies. The FY2009 starts in emulation, demand reduction and forecast analytics were completed and transition initiated. The emulation project has led to a follow-on effort at the request of the Process Owner, entitled Enterprise Business Solution (EBS) Planning Laboratory, to continue to use the emulation capability to evaluate potential improvements to the EBS demand planning software suite. New projects were initiated 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. In addition a new effort was initiated to evaluate potential improvements to Inventory Policy Optimization (IPO). Technical/Quality Process Improvement: The automated capability to search Supply Discrepancy Reports (SDRs) and flag systemic item or supplier issues was completed and ownership assumed by the Tech/Quality process owner, who has responsibility for subsequent transition to DLA Aviation, Land & Maritime, and Troop Support sites. The project to recommend			

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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
ways to automate aspects of the Quality Notice (QN) resolution process was completed and transitioned with specific implementation recommendations to the T/Q process owner and the key stakeholders. The Logistics Information Review Concept (LIRC) analysis effort to identify sustainment impacts and potential improvements to the initial cataloging process was completed with recommendations provided to the T/Q process owner and the DLA Logistics Information Services (DLIS). An FY 2009 WSS project successfully demonstrated a database tool capability to extract and consolidate Product Quality Deficiency Report (PQDR) information at the part level and higher. An FY 2010 pilot effort was initiated to maximize the utility of this new capability and demonstrate business processes to identify, consolidate, investigate, and resolve systemic issues. A project was initiated to define requirements for process improvements, including a feedback mechanism, for alerting customers about product quality issues, a follow-on to the QN project referenced above. The initial phased effort to develop a strategic roadmap for the process owner for identifying and dealing with counterfeit parts was completed, and results to date and recommendations for future efforts successfully briefed by the process owner to the Director. A project was initiated entitled Part Management / Data Sharing (PM/DS) to demonstrate how sharing information about commodity parts can help reduce cost while improving lead times and support to the War Fighter, and that sharing, standardizing and exchanging OEM, Government and supply chain part data has sufficient mutual advantage to warrant a broader undertaking. The Commercial and Government Entity Code (CAGE) Hopping root cause analysis project neared completion, with strong potential for a pilot activity on selected commodities to quantify expected improvements. A Product Test Center (PTC) capability assessment was completed with recommendations for sizing the capability to fit DLA's requirements. Procurement Process: A project to assess the feasibility of using Radio Frequency Identification Device (RFID) or other automatic identification technology to improve GFP inventory accuracy was awarded and is on track for successful completion in early FY2011. A new project was initiated 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 identify, analyze and recommend alternatives in the near-, mid-, and long-term to address those issues. ***FY 2011 Plans:*** FY 2011 Plans Planning Process Improvement: Efforts will continue to transition the Peak Policy by continuing the pilot at DLA Aviation started in late FY2010, starting a pilot at DLA Aviation, and gaining process owner approval of a plan to complete transition. A pilot project will be initiated to start the process of transitioning the next generation inventory model for the wholesale level to daily use within DLA and continued through the year, and other required transition activities initiated as defined jointly with the planning process owner. The FY2010 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. FY2010 projects will be completed that will provide and operate an EBS Planning Laboratory that will enable			

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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
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 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 FY2010 starts will be defined jointly with the planning process owner, and activities initiated as appropriate. New FY2011 projects in the planning process area will be initiated as a result of problem definition efforts undertaken with the planning process team in FY2010 and early FY2011. Technical/Quality Process Improvement: The FY 2010 projects dealing with the piloting of new business processes containing specific review procedures for assessing PQDRs to identify systemic quality issues so that the root causes can then be evaluated, and the effort to define process improvements for specific notifications to customers of quality alerts will be completed and transition planning and support activities undertaken. Pilot activities and business process improvement recommendations resulting from the Counterfeit Parts strategic roadmap project will focus on transitioning the process improvements into daily use within the DLA Aviation, Land & Maritime, and Troop Support sites, as well as HQ. The PM/DS project initiated in FY 2010 will be expanded to include additional OEM participation and commodity part data sharing, and benefits assessments and transition recommendations will be developed. The CAGE Hopping analysis effort will be completed and business process improvement pilot recommendations will made to the T/Q process owner for subsequent agency socialization. Selected pilot activities focused on PTC capability enhancement and benefits validation will be initiated. A new project assessing the viability of product marking with DNA to prevent introduction of counterfeits in the supply chain will be initiated. Where applicable, follow-on development, validation and transition activities for these FY 2011 projects will be defined jointly with the T/Q process owner, and activities initiated as appropriate. Additional, 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 project to assess the feasibility of using RFID or other automatic identification technology to improve GFP inventory accuracy will be completed early in the year and the results transitioned to J-74. The Wide Area Workflow (WAWF)-focused project initiated 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 will be completed and the recommendations delivered to J-33. 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 if desired by the J-33 sponsor. New FY2011 projects in the			

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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
procurement process area will be initiated as a result of problem definition efforts undertaken with the procurement process team in FY2010 and early FY2011. ***FY 2012 Plans:*** Planning Process Improvement: Efforts to transition Peak Policy should be completed after process owner acceptance in FY2011 of the plan. Efforts will continue to transition the next generation inventory model for the wholesale level and to pursue transitioning the next generation inventory model applicable to both the wholesale and retail levels. Transition activities will be initiated for the projects completed in FY2011 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, purchase requests (PRs) and investment levels, and define requirements for 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. FY2011 new start projects will be completed and transition activities initiated. New FY2012 projects in the planning process area will be initiated as a result of problem definition efforts undertaken with the planning process team in FY2011 and early FY2012. Technical/Quality Process Improvement: Pilot activities and business process improvement recommendations resulting from the Counterfeit Parts strategic roadmap project will be expanded to address related identification and prevention business process improvements throughout the supply chain, including at supplier and retail inventory sites. The PM/DS project will be continued and expanded to include demonstration of improved business processes for product data specialists at the DLA Aviation, Land & Maritime, and Troop Support sites. Pilot activities in support of PTC capability enhancement and benefits validation will be completed and transition activities initiated. Additional pilot activity will be undertaken to demonstrate functional application of DNA product marking for counterfeit part identification and prevention to include affected DLA processes. New project starts will be defined and initiated in the T/Q interest of areas of modern technical data / model based enterprise (MBE) demonstrations and Item Unique Identification (IUID) marking technologies. Where applicable, follow-on development, validation and transition activities for these FY 2012 projects will be defined jointly with the T/Q process owner, and activities initiated as appropriate. Additional, new FY 2012 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 2011 and early FY 2012. Procurement Process Improvement: DVD acceptance follow-on and other projects initiated in FY2011 will be completed. New projects will be initiated as a result of problem definition efforts undertaken within the Agency in FY2010 and FY2011.			
Accomplishments/Planned Programs Subtotals	4.500	5.637	5.700

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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 2010, nine of fourteen completed projects transitioned.

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COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
3: *Supply Chain Management (SCM)*	1.996	3.005	3.093	-	3.093	3.059	3.177	3.166	3.220	Continuing	Continuing

A. Mission Description and Budget Item Justification

DLA operates in a very dynamic environment. To meet customer expectations DLA must be able to address problems in a timely manner and be able to respond to emerging opportunities. The Supply Chain Management Program within R&D provides the Agency with the resources needed to quickly take advantage of new ideas emerging from the Center Commanders, Process Owners, or Staff Directors.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Supply Chain Management Accomplishments/Plans	1.996	3.005	3.093
FY 2010 Accomplishments: Supply chain management initiated a significant effort with the National Institute of Standards and Technology (NIST) to bring additional suppliers, particularly small businesses, into the DLA supplier base. The NIST Manufacturing Technology Extension Partnership (MEP) has facilities in all 50 States and helps small and medium manufacturing companies improve their processes. Working with NIST DLA Land and Maritime is developing additional sources for sole-source and no-source parts. Stand unit pricing. Using emerging technology from another R&D program, a project was completed that allowed adjustments to FY 10 standard unit pricing thus avoiding significant negative operating result (NOR) impacts Contract Pricing for catalog items – it was an FY 09 project call start that's transitioning into production. Cost avoidances resulting from this program are estimated to be $10M over the FYDP.			
FY 2011 Plans: During FY 11 the Supply Chain Management will be conducting a number of supply chain analyses to identify emerging strategies for achieving DLA goals. These analyses will be aimed at improving interface among DLA, DLA's customers, and the DLA supplier base. In particular, SCM will be examining the emerging technologies associated with engineering data capture, archiving, and discrimination.			
FY 2012 Plans: During FY 12 Supply Chain Management will invest in the technologies to implement advanced Supply Chain Management techniques into DLA's Supply Chains. DLA is expecting to reduce the Production Lead-time needed to produce critical DLA Land and Maritime items.			
Accomplishments/Planned Programs Subtotals	1.996	3.005	3.093

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

Competitive Broad Area Announcement.

E. Performance Metrics

Implementation of advanced technologies into DLA's supply chain operations.

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency			DATE: February 2011
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COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
4: *Strategic Distribution & Reutilization (SDR)*	2.857	3.601	5.705	-	5.705	5.806	3.787	3.853	3.919	Continuing	Continuing

A. Mission Description and Budget Item Justification

This program delivers improvements and extensions to DLA Distribution and Disposition capabilities - especially for deployed warfighters and technology insertions to enhance DLA's worldwide distribution, disposition, reutilization, and de-militarization capabilities. The DLA Distribution focus is on quickly establishing distribution and disposition operations in new theaters of operation, whether for humanitarian relief or military purposes, cutting customer wait times and reducing demands on strategic airlift. The DLA Disposition 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 Distribution and DLA Disposition Services.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Strategic Distribution & Reutilization (SDR) Accomplishments / Planned Program	2.857	3.601	5.705
FY 2010 Accomplishments: Supported Army transition and fielding of Node Management to sustain Afghanistan surge operations. Contributed to Army led Joint Recovery and Distribution System (JRaDS) Joint Capability Technology Demonstration (JCTD). Defined requirements and selected the site for a DLA Disposition Simulation Lab to allow assessment of disposition training and technology development efforts in a controlled environment. Launched requirements definition and CONOPs development for an ICIS-based stock planning system (SPX) for overseas contingencies. Planned Expeditionary DLA Disposition capability development. Developed and demonstrated Humanitarian Assistance/Disaster-Relief Asset Visibility Experiment (HAVE) capabilities to support CONUS disaster recovery requirements.			
FY 2011 Plans: Establish and transition DLA Disposition Simulation Lab. Capture baseline operational and training metrics. 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. Through the Life-Cycle Reutilization Technology Initiative, launch development and assessment of methods and tools necessary to identify and properly manage Service-disposed property. Plan First-Destination Transportation & Packaging Initiative (FDTPI) trial. Plan implementation of the Industrial Base Extension & Execution (IBex2) system.			
FY 2012 Plans:			

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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 4: *Strategic Distribution & Reutilization (SDR)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Conduct DLA Disposition development projects in the DLA Disposition Simulation Lab. Demonstrate and assess SPX and HAVE capabilities. Conduct initial trials of FDTPI. Begin development and demonstration of IBex2 capabilities. Develop humanitarian assistance demonstration plans. Support technology transition planning.			
Accomplishments/Planned Programs Subtotals	2.857	3.601	5.705

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 2012 Defense Logistics Agency			DATE: February 2011
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 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
5: *Energy Readiness Program (ERP)*	1.740	2.179	3.696	-	3.696	3.966	2.265	2.305	2.344	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, including Congressionally Mandated Studies (CMS), and analysis. Alternate Energy Development (AED) to include test and certification to support the addition of synthetic and alternative fuels to mobility fuel specifications and acquisition plan; renewable fuels studies and planning; continued study of directives related to the implementation of alternative fuels and renewable energy. Improving Class IIIB supply chain through Current Product Improvement (CPI) (e.g. the study and development of fuel additives), and Infrastructure & Process Improvement (IPI) (e.g. the development of analytical tools).

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Energy Readiness Program (ERP) Accomplishments/Plans	1.740	2.179	3.696
FY 2010 Accomplishments: Continued PMO support in program implementation and planning ($.07 PMO). Commenced FY10 NDAA Section 334 Study ($0.396 CMS). Initiated Alternative Fuel Feedstock Study ($1.0 AED), Feedstock Data Capture Analysis ($.25 AED), Aerospace Kerosene Qualification Model Development ($0.1 IPI). Continued support of testing and approval of additional +100 Thermal Stability Additives ($.20 CPI).			
FY 2011 Plans: Continued PMO support in program implementation and planning ($.329 PMO/CMS), Continued support of alternative/renewable energy solution study, test, and demonstration ($0.9 AED). Continued support of Aerospace Kerosene Qualification Model Development ($0.15 IPI). Continued support of testing and approval of additional +100 Thermal Stability Additives ($.300 CPI). Initiate collapsible alternative fuel storage tank study ($.5 IPI).			
FY 2012 Plans: Continued PMO support in program implementation and planning ($.415 PMO/CMS), Continued support of alternative/renewable energy solution study, test, and demonstration ($1.4 AED). Support of infrastructure/process improvements for mobility fuels and development for renewable energy solutions ($1.4 IPI). Continued support to improve petroleum products ($.5 CPI).			
Accomplishments/Planned Programs Subtotals	1.740	2.179	3.696

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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)*

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 (AED). Successful development/demonstration of alternative/renewable energy solutions suitable for implementation. Successful implementation of aerospace kerosene qualification model (IPI). Successful completion of testing additional +100LT Thermal Stability Additives and incorporation into MILSPEC (CPI).

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency			DATE: February 2011
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 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
6 : *Defense Logistics Information Research (DLIR)*	1.843	2.304	2.329	-	2.329	2.357	2.396	2.438	2.480	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.

DLIR is working several short term projects in the first area of interest only.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Defense Logistics Information Research (DLIR) Accomplishments/Plans	1.843	2.304	2.329
FY 2010 Accomplishments: 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. One project, Technical Data Exchange Pilot within Model Base Enterprise, has been awarded. This pilot project will extract data for the Air Forces' A-10 wing replacement program using 3 Dimensional models instead of the traditionally used 2 Dimensional drawings. It is intended to provide more complete and accurate information for the life-cycle of the wing replacement program and ultimately reduce costs. It will also allow DLA to keep pace with private industry as the enterprise changes its business practices to adapt to changing technology.			

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
DLIR is funding two projects for the DLA Office of Operations Research and Resource Analysis (DORRA). One project will develop an enterprise parametric search and data mining requirements document. The other will develop a process to share information about commodity parts. ***FY 2011 Plans:*** The remaining two DLIR projects will be done simultaneously with the A-10 wing replacement project. Both relate to Technical Data Package (TDP) business process improvement. They will use something like model-based engineering, manufacturing and sustainability to obtain and extract information into the federal catalog system and meet contractual requirements for logistics information. The intent is to move away from paper-based technical data and move to computer-based models to obtain data. This will allow DLA to obtain more and better quality data. One of the projects will involve identifying all information needed for technical data packages using model base enterprise. The other involves working with the Army and Navy to develop a web-based tool to assist in writing technical data package requirements in government contracts. For promoting internal efficiencies, these tools are being pursued in order to provide Defense Logistics Information Service with more productive and efficient technologies by enhancing the use of information technology and reducing the human footprint required. Using advanced technologies to capture technical data and identifying what technical data is needed for logistics will improve the quantity and quality of logistics information. This will enable DLA Logistics Information Service to manage its resources better and provide more services by reducing costs and improving productivity. It will also reduce costs by improving the quality and quantity of logistics information. ***FY 2012 Plans:*** Anticipate issuing Broad Agency Announcement.			
Accomplishments/Planned Programs Subtotals	1.843	2.304	2.329

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

Improved quality of logistics data.

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency			DATE: February 2011
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 7: *Tent Network for Technology Implementation (TENTNET)*	

COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
7: *Tent Network for Technology Implementation (TENTNET)*	0.848	0.979	-	-	-	-	-	-	-	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, academia, and industry to help identify supply chain bottlenecks and structure short term R&D projects to address these bottlenecks.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: TENTNET Accomplishments/Plans	0.848	0.979	-

FY 2010 Accomplishments:

Shop Floor Automation: This project is demonstrating and documenting 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. Have installed automated movement system and primary welder at the manufacturing site and placed in operation supporting an initial set of production.

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. Have completed data collection and web design necessary to add seven additional MILSPEC tents to E-Mall.

New Start Extension of Supply Chain Simulation project: This represents additional tasking for an existing project completed in FY10 that developed a manufacturing supply chain simulation model. The model simulates the capability of the tent supply chain to surge production under varying conditions and requirements. This additional task will enhance the model by adding a simulation conversion methodology and applying the model to an additional supply chain for validation. 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.

FY 2011 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

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
bottleneck areas in the tent manufacturing process. It will also determine the ROI for full roll-out under various surge scenarios. Plans include completing equipment installation and conducting full production runs. 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. Plans include completing data collection and web design for three additional MILSPEC tents, complete modifications, and develop web-based training capability. 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. Anticipate completion by Sept 2011.			
Accomplishments/Planned Programs Subtotals	0.848	0.979	-

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

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.

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency			DATE: February 2011
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COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
8: *Other Congressional Adds (OCAs)*	34.507	-	-	-	-	-	-	-	-	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 Programs ($ in Millions)	FY 2010	FY 2011
Congressional Add: Aging Systems Sustainment and Enabling ***FY 2010 Accomplishments:*** This program has been in operation with congressional funding since 1994. Its 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 to introduce technology applications and product enhancements through reverse engineering or redesign.	2.388	-
Congressional Add: Alternative Energy from Organic Sources ***FY 2010 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.	5.969	-
Congressional Add: Biofuels Program ***FY 2010 Accomplishments:*** The objective of this program is to develop advanced biofuel blends from biomass feed stocks to replace JP-8 fuels. Results may alleviate dependence on a single biomass source for fuels. In contrast to biodiesel or ethanol, these advanced fuel blends will be derived from both plant carbohydrates and plant oils.	1.591	-
Congressional Add: Commodity Management System Consolidation ***FY 2010 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. The program will 1) Provide a flexible software interface between weapon system's Interactive Electronic Technical Manual (IETM), Federal Logistics Information System, and Service retail ordering system and 2) capture and maintain	1.591	-

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011
a historical record of a maintainer's part ordering actions to improve forecasting and maintenance. Results are expected to help optimize inventory forecasts.		
Congressional Add: Continuous Acquisition and Lifecycle and Integrated Data Environment and Defense Logistics Enterprise Services Program ***FY 2010 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.	3.183	-
Congressional Add: Fuel Cell Hybrid Battery Manufacturing for Defense Operations ***FY 2010 Accomplishments:*** The objective of this project is to advance fuel cell systems for class 2 Material Handling Equipment that provide sustained and improved performance. The project will optimize reduced balance of plant for a fuel cell system with a hybrid battery design and complete final build of 5 hybrid battery fuel cells, integrating into forklifts and support a 6 month field demonstration at DLA Distribution Services Warner Robins, GA.	0.796	-
Congressional Add: Defense Fuel cell Locomotive ***FY 2010 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.	2.388	-
Congressional Add: Next Generation Manufacturing Technologies Initiative ***FY 2010 Accomplishments:*** The objective of this program is to develop and demonstrate a virtual reality (VR) front-end to facilitate collaborative design. The project will 1) evaluate solutions to link Computer Aided Design (CAD) VR, 2) couple VR user interfaces into CAD packages, and 3) develop capability for multiple sites/suppliers to simultaneously view the same virtual prototype.	1.592	-
Congressional Add: Progressive Research for Sustainable Manufacturing	1.194	-

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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011
FY 2010 Accomplishments: This project is aimed at developing a streamlined, unified approach for sustainable manufactured products and processes for the DOD supply chain. This effort will focus on surveying regulation issues that impact small and medium enterprises doing business with DOD. The PRISM team will seek input from manufacturers to identify concerns, as well as gather their input for possible solutions and develop a case study that will aid small or medium enterprises in accelerating adoption of sustainable manufacturing principles.		
Congressional Add: Reduced Cost Supply Readiness ***FY 2010 Accomplishments:*** The objective of this program is to apply automated Logistics Decision Support Tool technology to identify and resolve root causes of persistent readiness problems. The project will 1) adapt and refine commercial Logistics Decision Support Tool to assist DLA finance, supplier, and customer operations, 2) focus on low-density land, maritime, and aviation weapon systems, implementing long-term DLA and DOD solutions as appropriate, and 3) involve DLA, customers, and service engineering authorities.	1.193	-
Congressional Add: Vehicle Fuel Cell and Hydrogen Logistics Program ***FY 2010 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).	6.367	-
Congressional Add: Woody Biomass Conversion for JP-8 Fuel ***FY 2010 Accomplishments:*** The objective of the program is to develop methods of converting woody biomass to liquid fuels and chemicals using the Fischer-Tropsch process. Results are expected produce a clean domestic source of fuel that may reduce the need for petroleum fuels and expand biomass feedstocks available for alternative fuels.	1.273	-
Congressional Add: Radio Frequency Identification Technologies ***FY 2010 Accomplishments:*** The objective of this program is to improve distribution operations through the use of advanced Radio Frequency Identification-based Automated Identification Technology (AIT). The program will 1) develop analytical and simulation models for distribution operations to evaluate where the insertion of advanced technology can enhance operations, 2) conduct feasibility studies and identify the advantages and shortcomings of the technologies in multiple applications, and 3) implement advanced technology projects at DLA distribution operations locations. Results are expected to include improved inventory accuracy and readiness.	0.995	-
Congressional Add: Cellulosic-Derived Biofuels Research	2.387	-

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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011
FY 2010 Accomplishments: The objective of this program is to demonstrate that cellulosic-derived biodiesel and JP-8 are viable for large scale production. The program will 1) conduct biomass surveys to identify sufficient suitable crops and available croplands for a commercial scale biofuel facility and 2) determine the optimal recipe of cellulosic material for the production of biodiesel and ultimately bio jet fuel using non-food cellulosic materials in a process that will utilize algae to convert the biomass into oils. Results may produce a clean domestic source of fuel that could minimize the need for petroleum fuels in the next decade.		
Congressional Add: California Enhanced Defense Small Manufacturing Suppliers Program ***FY 2010 Accomplishments:*** Insert Text here	1.600	-
Congressional Adds Subtotals	34.507	-

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

N/A

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COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
9: *Applied Research Initiative*	-	-	0.498	-	0.498	0.497	-	-	-	Continuing	Continuing

A. Mission Description and Budget Item Justification

The mission of the ARIA program is to improve the use of Automated Identification Technology (AIT) in logistics operations to better support the warfighter by reducing cost and improving service by:
- Identifying ways to apply technology to improve performance throughout the DLA Supply Chain.
- Developing better processes and applications of technology.
- Evaluating effectiveness of new projects for reducing cost, increasing logistics capabilities, and meeting customer needs.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Applied Research Initiative	-	-	0.498
FY 2012 Plans: Support for the ARIA program will enable depots to continue to provide increasingly efficient service to their customers, and ultimately, the Warfighter. Passive Radio Frequency Identification (pRFID) technology makes it possible for DLA to more easily track both inbound and outbound shipments. It also make is possible to identify bottlenecks that have an adverse impact on the supply chain. Under the CoE projects, the ARIA program will improve the automation (e.g. the routing of pRFID-enabled material on a conveyor system to receiving stations dedicated to expedient processing) at depots. The resulting improvements in speed within depots will make stowed materiel available faster for fulfilling orders, including those in the AOR. In short, the programs will make materiel available for delivery that otherwise might not be visible. The other ARIA projects will result in similar improvements in their respective areas by automating more tasks, and thereby reducing the opportunity for errors which will impact inventory counts, delivery accuracy, and ultimately the ordering processes themselves.			
Accomplishments/Planned Programs Subtotals	-	-	0.498

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2012 Defense Logistics Agency		DATE: February 2011
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E. Performance Metrics

N/A