



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

(L&MR/SCI)

SEP 18 2002

MEMORANDUM FOR DEPUTY CHIEF OF STAFF FOR LOGISTICS, US ARMY  
DEPUTY CHIEF OF STAFF, NAVAL OPERATIONS (FLEET  
READINESS AND LOGISTICS)  
DEPUTY CHIEF OF STAFF FOR INSTALLATIONS AND  
LOGISTICS, US AIR FORCE  
DEPUTY COMMANDANT, INSTALLATIONS AND LOGISTICS,  
US MARINE CORPS  
DIRECTOR, DEFENSE LOGISTICS AGENCY

Subject: Minutes of the Customer Wait Time (CWT) Committee Meeting

The CWT Committee met on August 21 and 22, 2002 at Headquarters, Defense Logistics Agency, Fort Belvoir, VA. Agenda is at attachment 1. Attendees list is at attachment 2. The US Marine Corps and US Coast Guard representatives did not attend. CWT Decisions Items List is at attachment 3.

**Agenda Items:**

**Welcome Introductions and Administrative Remarks.** Jack Carter, the DoD CWT Committee Chairperson, opened the meeting and welcomed everyone.

**CWT Meeting Agenda.** The order and times of the agenda were changed based on Service inputs prior to the meeting and to accommodate speakers' schedules. Minutes will follow the revised agenda included in the attachment.

**OSD CWT Briefing to Leadership Update.** Debra Bennett, ADUSD (SCI), opened the discussions with a review of discussions with OSD leadership and the Defense Logistics Executive Board.

The decision was made to continue measuring CWT as currently measured (Class IX items for organizational maintenance activities) for purposes of the Government Performance and Results Act (GPRA) reporting. The GPRA reporting is enterprise level reporting and the CWT measure, as currently defined, provides enterprise level information in one number. Including other types of items or fills would weaken the integrity of the enterprise level reporting. Enhancements to the measure, below the enterprise level, will be used internally by OSD, the Military Services, DLA or the TRANSCOM to determine need for future process improvements but will not be included in the GPRA. The enhancements or expansions of the measure will be worked within the Services and the CWT Committee.



The Office of the Secretary of Defense (OSD) is interest in assisting the Military Services and DLA in developing two areas. First, there is the opportunity to analyze data from the current measure and focus emphasis on driving process improvements. Second, there are other types of customer requests which may be appropriately measured, below the enterprise level, for which the measure should be expanded. OSD is interested in pursuing both areas through the CWT Committee. Since any expansion of the CWT measure will be below enterprise (GPRA) level, efforts to fully develop such expansion will fall on the Military Services and DLA. Decisions made by the Military Services and DLA, on areas for which they believe it is not feasible to expand the CWT measure, will be documented for future reference.

The End-to-End Distribution (E2E) initiative was discussed briefly. The E2E initiative will be looking to CWT as one of its key metrics. While E2E will use CWT, the CWT Committee must participate in the establishment of goals.

Ms. Bennett asked the Committee to support some administrative changes to facilitate Committee deliberations. She asked that, for future meetings, briefings be forwarded to the CWT Chairperson two weeks prior to the meeting as a read ahead. This would provide everyone with the opportunity to review and become familiar with issues prior to the meeting. She also indicated that there would be a more formal release of the resulting minutes. While the minutes will be released to the appropriate Service and Agency organization, a copy will also be provided to the Military Service and DLA representatives either as a pdf file via email or a hard copy via fax.

**DAASC Updates, LMARS/CWT Reports, DODAACs and RICs Updates.** Mary Maurer updated the Committee on progress using the Hyperion and Crystal tools and identified a number of issues (attachment 3) for which DAASC requested Service review, comment, and/or approval.

CHA/CHI transactions with old serial dates. Some off-line requisitions received at DLA have very old serial dates when received at DLA. DLA is concerned that these old dates are unfairly skewing their performance data. They have asked that the date issue be addressed and resolved. Out of the discussion, the committee agreed that the old serial date issue needed to be resolved, but the Services need to do more research before a final determination can be made.

**Decision 0802-01:** DAASC will provide each Service the top 50 transactions falling into this category. The Services will review the data and be prepared to arrive at a final solution at the next CWT Committee Meeting.

Ship date year assignment. The ship date only has a three-digit date released to carrier. DAASC asked that the Committee approve two actions.

1. Do not report any segment after the TPT has been reported.

**Decision 0802-02:** The CWT Committee approved this action.

2. Allow a five-day window for the MRO when assigning a year to the date. *shipment date released to carrier*

*Decision 0802-03:* The Services will review the data to determine an appropriate window or other approach to address this issue. The Services should be prepared to discuss and approve at the next CWT Committee Meeting.

DAASC rejects and cancellations. DAASC is concerned that some of its cancellations count against LMARS segments. From discussions, it appeared that Navy requisitions that should be rejected are, currently, cancelled.

*Decision 0802-04:* The Committee consensus was that this issue was outside the scope of the Committee's work. A more appropriate solution might be to correctly code the Navy requisitions. The Navy agreed that they would request the Supply Process Review Committee (PRC) approve a change to correctly code these requisitions as rejected rather than cancelled.

DAASC asked for assistance in maintaining accurate DODAAC area lists. DAASC no longer has the expertise in this area. TRANSCOM, with its movement operations, may have accurate area lists that DAASC could use. TRANSCOM agreed to check to see if TRANSCOM tables might help to resolve the DAASC issue.

*Decision 0802-05:* DAASC and TRANSCOM will work together to determine whether TRANSCOM data may be used by DAASC to maintain DODAAC areas.

Immediate Issue and Other Categories. The Navy has raised an issue with DAASC concerning immediate issues. Because of a variety of circumstances, the "other" category has become substantial. In the Navy's case, up to 58 percent of their requisitions may fall into the other category. There was some discussion over this issue, but no one had sufficient analysis available to support a decision.

*Decision 0802-06:* The Services will review their LMARS reports and be prepared at the next CWT Committee Meeting to discuss and to act on this area.

**Navy Updates/Issues.** The Navy provided two updates. The first (attachment 4) was a review of data systems that might support calculation of a depot maintenance CWT. The results of their efforts indicated that some method might be available, but it would likely involve cobbling together data from dissimilar systems. The second (attachment 5) was a review of the Navy treatment of partial issues. Partials, on the aviation side, account for approximately 2 percent of their transactions. On the maritime side, partials are less significant. Currently planned system upgrades will provide the Navy with flexibility to better address partial issues in the future.

**DLA Updates/Issues and Discussion of GTN.** The DLA representative reported that the first release of BSM occurred on July 31, 2002. This release is a concept demonstration with 80 percent functionality. The items included in this cut across all DLA commodity classes but represent lower demand with more variability. DAASC has produced LMARS reports to document the BSM process to include a report on the BSM items alone (with the SMS ICP designator), and DLA ICP performance with and without BSM items included. These reports are available to the other CWT Committee members. The DLA representative also reported on DLA efforts to reduce backorders. Backorders have been reduced by 34 percent from a high of

549,000 to the current level of 362,000. Efforts continue within DLA to draw down the backorder levels even further.

**Army Updates/Issues.** The Army update consisted of two informational briefs and a CWT presentation. An informational Single Stock Fund briefing (attachment 6) provided the Committee members with an overview of the effort and the progress to date. The Army also provided an informational briefing on their Logistics Modernization Program (attachment 7) that included fielding and process impact information. LTC Tony Fuller reviewed Army CWT developments with a briefing on CWT (attachment 8). The discussion centered on the Army CWT brief.

Of particular interest to the Committee members was the Army description of their analysis process. To analyze the CWT data, the Army stratifies the data according to method of fill. This process enables them to isolate areas of particular interest or concern.

During the discussion, the members were asked whether they had internal CWT standards. The Army has set internal standards at 10 days for CONUS and 15 days for OCONUS. The Navy has set 10 days for aviation and 23 days for maritime (with average time equal to 19 days). The Air Force has not established internal standards. Rather, they are focusing on the volatility of the measure and attempting to address that area. There was consensus among the members that the variability of the transactions is a concern to all.

**JCS J-4 Joint Logistics Warfighters Initiative (JLWI) Updates/Issues.** The JCS representative reported that the JLWI test is over. No further data exchanges or reports are necessary, and JCS will not accept future data. JCS and OSD have discussed and mutually agreed that OSD is the appropriate organization to establish standards. (L&MR) SCI documented discussions between JCS J-4 and SCI on the future of JLWI data and CWT in a letter to JCS J-4. Ms. Bennett elaborated on the contents of the letter indicating that the 95<sup>th</sup> percentile might be the best starting point for a time definite delivery (TDD) standard. "Reliability" is the key consideration in establishing a TDD standard. The preference will be to establish an indicator of the number days a customer can rely on for delivery when ordering a part. Once the reliability indicator is established, process improvements and goals can then be adopted to improve the number.

OSD reported that the JLWI data will be passed to DAASC to hold. DAASC pointed out that the data issues have not been worked out. If there is work involved, DAASC will need to budget to do this. At present, there is no need for data manipulation. However, the CWT Committee will be involved in the decision making for establishing reliability indicators as well as goals. This may warrant some data handling by DAASC at a future date.

**USTRANSCOM Updates/Issues, GTN Briefing.** The TRANSCOM representatives provided two updates to the Committee members. The first dealt with the efforts of the Strategic Distribution Division, and the second addressed many of the GTN issues of concern to DAASC and the Committee members.

The Strategic Distribution Division briefing (attachment 9) updated the Committee on the efforts of TRANSCOM and DLA to transition SDMI into a Program Office and a standard process. The goal of the division is to promote an agile global distribution network that addresses both velocity and reliability of service. The briefing described the board structure under development to govern the process and the movement to synchronized hubs.

1. The primary area of concern to the Committee members was the use of customer wait time terminology. The Strategic Distribution Program uses the term "CWT-Minus". Members believe that this term might confuse senior decision makers, since it is not the complete CWT. Rather, it measures the portion controlled within TRANSCOM and DLA distribution.
2. DAASC was interested in the data sources for the TRANSCOM analysis. Rand prepares the analysis for TRANSCOM and gets data from DAASC. DAASC was interested in GTN data that Rand might have used. The DAASC interest here carried over into the GTN briefing.
3. TRANSCOM did remind the members that this effort is not strictly transportation. DLA and TRANSCOM are working together to position stock to better support customers. An initiative with PACOM began in August.

The GTN briefing (attachment 10) went a long way toward addressing Committee concerns and questions. The briefer was knowledgeable and forthright, describing how the GTN worked, where it got its data, and what data was not received within the GTN. He identified GTN limitations in data handling and data access. GTN cannot verify the data, but they do verify that they are receiving a data feed.

1. The discussions between the GTN and DAASC representatives indicated that there were continuing issues on data exchange that needed to be worked out between these organizations.

**Decision 0802-07:** DAASC and GTN representatives need to collaboratively define their individual and collective responsibilities. OSD will facilitate this effort as needed and suggested that a meeting of a few key individuals to look at actual concerns between GTN and LMARs may be helpful. At the next CWT Committee Meeting, DAASC and GTN representatives should present the results of their efforts to the Committee.

2. Some members indicated an interest in getting better data from the commercial transport operations. The TRANSCOM representative advised the members to make sure that the requirement is in the contract and to understand that additional data requirements come with a price tag. The TRANSCOM representative offered to check to see what the price might be and provide that data to the CWT Committee Chair.

**Continue Discussion of Class IX and Other Supply Classes Data Collection, TDD Standards and Next Steps.** The discussion of next steps covered a wide variety of topics and addressed both areas to be included in the CWT measure and commodities that should likely be excluded.

The discussion from previous CWT meetings on extending the CWT measure into depot maintenance continued. From decisions in the past meetings, DAASC has produced reports for depot maintenance DODAACs identified by the Services. The Service representatives were polled to determine Service interest in expanding CWT measurement into depot maintenance. The Navy update illustrated the difficulty in data collection that must be overcome. While the Navy representatives consider the expansion to have merit, the ability of their systems to deliver data today is mixed. The Army indicated that they could collect data. However, they were not convinced that the CWT measure would be meaningful, since depot maintenance operations may order parts weeks or months before actual need. The Air Force is already measuring CWT within the depot maintenance organizations and sees merit in the measure. There was no comment from the Marines. All present agreed that the expansion of the CWT measure to depot maintenance operations is only useful below the enterprise level and should not be included in the enterprise level measure within the GPRA.

*Decision 0802-08:* The Committee consensus was to continue toward a depot maintenance CWT measure. The details of the measure have yet to be worked out. However, all participants see some merit in collecting the data for review at the Military Service level in determining internal process improvements.

*Decision 0802-09:* The DAASC report that has already been produced relies on accurate depot maintenance DODAACs. The Navy and Air Force have validated their DODAACs with DAASC. The Army, Marines, and Coast Guard should complete this action and forward the results to DAASC not later than one week from the date of these minutes.

The Committee additionally considered other Classes of Supply. The Defense Logistics Information Service (DLIS) has confirmed that only the Army-used portion of the population of national stock numbers have assigned classes of supply. Nevertheless, Class of Supply is a convenient way to look at the overall scope of commodities managed within DoD.

The Committee reviewed the Classes of Supply to identify those commodities that ought to be excluded. Subsistence (Class I), medical (Class VIII), and clothing and textiles (part of Class II) were identified as possible classes for exclusion. The Committee's consensus was that Logistics Response Time (LRT) properly measures the performance of these commodities. The committee further determined that Munitions (Class V) should be excluded from CWT. Munitions are a specialized community that manages both the commodities and the support structures. There are munitions boards that manage the process from OSD and within the Services. The remaining commodities will be further reviewed at a later date.

*Decision 0802-10:* The Services will review the LRT reports covering subsistence, medical, and clothing and textiles and report to the OSD representative via e-mail whether LRT is a sufficient measure of support. If the Services collectively agree that LRT captures commodity support, the CWT Committee will no longer consider these classes of supply. The e-mail is due to OSD within 30 days from the date of these minutes.

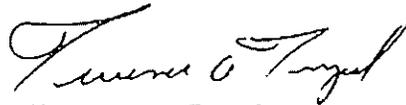
One concern that carried over from the previous CWT Committee Meeting concerned the impact of partial issues on the CWT measure. LMI performed a brief analysis of DLA partial shipments

and the impacts on CWT. DLA partial shipments account for under 2 percent of the total shipments. The impact of these shipments on Service CWT calculations appears to be minimal.

The OSD representative expressed interest in developing a handbook or guide that would document CWT process changes over time. This handbook or guide would serve as an authoritative source, describing Service and DoD CWT calculations, rules, and options. The Committee generally agreed with the need.

*Decision 0802-11:* OSD will explore the availability of engaging LMI to perform this work on a continuing basis and report at the next meeting.

**Next Meeting:** The next meeting will be held in the first week of November in the Washington DC area. The specific times and location will be announced at a later date.



Terrence A. Trepal  
Acting Assistant Deputy Under Secretary  
of Defense (Supply Chain Integration)

**Attachments:**

1. Meeting Agenda
2. Attendees List
3. DAASC Issues
4. Navy CWT for Depot Maintenance
5. Navy Partial Fills
6. Army Single Stock Fund
7. Army Logistics Modernization Program
8. Army CWT
9. Strategic Distribution Division
10. GTN Briefing

cc (without attachments):  
Committee Members/Attendees