

International Logistics Center FMS Support Initiatives: "Doing Things Differently with Less"

By

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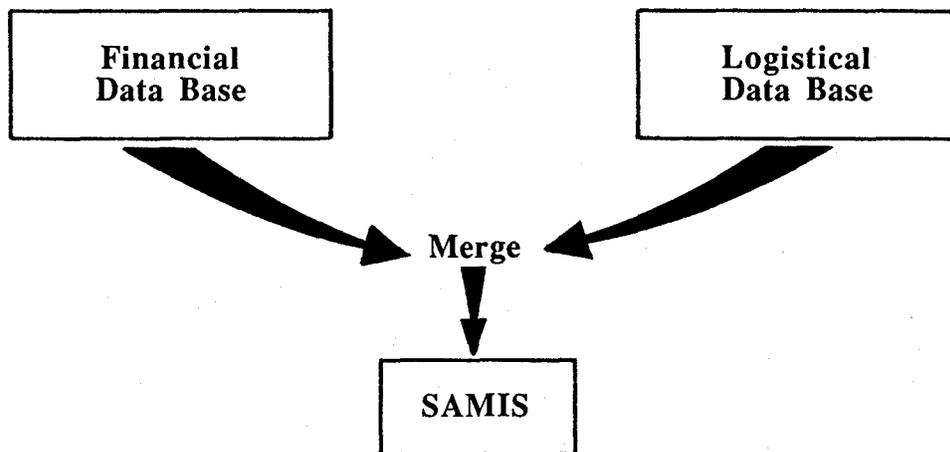
The AFLC International Logistics Center (ILC) has taken the lead in a number of efforts to improve support to FMS customers. Of particular interest are initiatives in automation, transportation, procurement, and wartime coalition planning. In each of these areas, the ILC has concentrated on improvements to our customers' logistics systems as we seek to make the U.S. Security Assistance process more effective and efficient. We are also involved in a number of tri-service/Defense Logistics Agency (DLA) groups, including the annual FMS streamlining initiatives. Some examples of our initiatives follow:

AUTOMATION

The keystone of ILC automation improvements is the Security Assistance Management Information System (SAMIS) which provides for the basic processing, tracking, and reporting of FMS transactions. SAMIS is a large scale computer operation, with a data base of over 13 million records, and which supports an average daily processing of 2,500 requisitions, 11,000 status transactions, and 200 product interrogations. With terminals located at the ILC and all of the five ALC depots, SAMIS provides real-time information and more accurate, timely records to manage our FMS programs. A recent use of these capabilities involved an automated follow-up on a number of older requisitions; the resulting cancellations freed a single country's case funds of \$6,000,000 to use for higher priority requirements.

SAMIS offers superior management tools, early problem identification, and on-line access to FMS data. Among these management tools are visibility of case and line logistical status, requisition error rates, priority requisition tracking, and fill-time statistics. Additionally, the use of tables within the basic SAMIS design allows for a rapid change capability in the ever-shifting world of FMS policy and procedures.

FIGURE 2



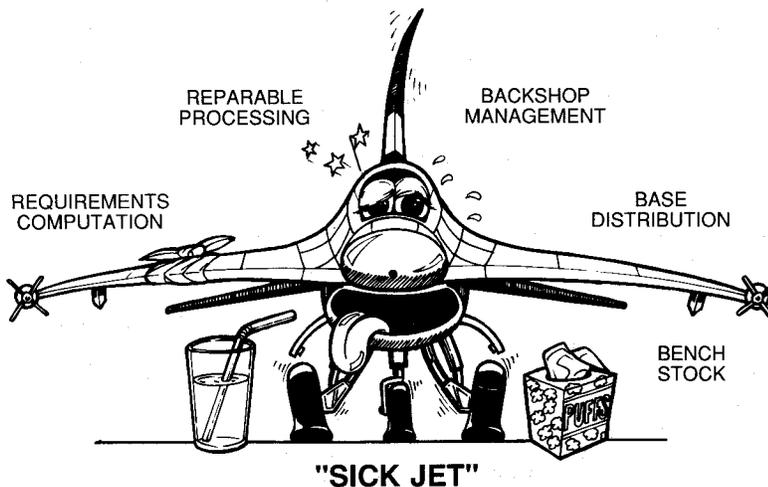
Current ILC automation upgrade efforts include plans to rehost the AFLC financial delivery reporting system onto the SAMIS hardware. The change will simplify FMS interfaces and make delivery reporting more efficient and reliable. The consolidation of financial and logistical records in SAMIS should significantly reduce case reconciliation problems and provide a single source for tracking case performance. Merging these systems also will eliminate redundant recordkeeping, allow us to tie deliveries to actual contract payments, and highlight problems when they first occur and can be most easily corrected.

Another ILC automation effort involves our role as the single U.S. Air Force activity for processing and approving Reports of Discrepancy (RODs). During the last year, we have modernized our ROD processing with a major redesign of our IBM System 38 control system. Through this system, we track from initial ROD receipt through final completion. Forwarding and follow-up letters are automatically generated and printed. The creation of a new billing verification interface (BVI) replaced a manual line-by-line review of billing histories with an automated interrogation and exception process which allows for machine identification of most common problems. Using this system, we can now develop statistical data comparing submission reasons, trouble spots, packaging complaints, billing problems, etc.

COUNTRY INFRASTRUCTURE

An area of particular interest to the ILC is the ability of our customers to provide an internal logistics framework to support their weapon systems. In discussions with representatives of many of our countries, Brigadier General Stuart R. Boyd, ILC Commander, has stressed the "Back to Basics" approach, which emphasizes reliable base-level functions as the foundation for building a solid infrastructure. By concentrating on such basics as reparable processing, base distribution, and bench stock (see Figure 3), we can help assure FMS operational success at all levels. Experience with several countries has shown that even first class depot capability, including automation, cannot overcome fundamental deficiencies at the bases.

FIGURE 3
Back to Basic Logistics - at the Base



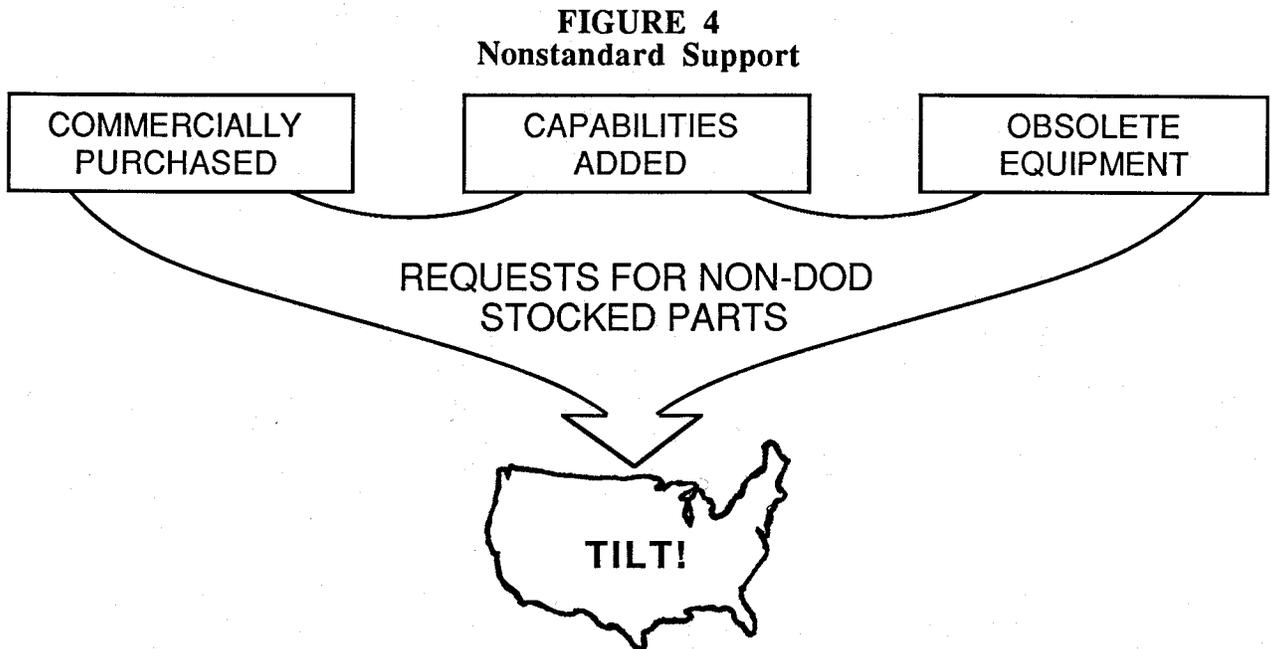
When the basics have been established, automation can assist our customers in doing things differently with less. We have designed modular logistics software packages to encourage FMS country self-sufficiency in their logistics processes. These modules include freight tracking, cataloging, requisition tracking and status, and stock balance/inventory control. By integrating logistics and data automation efforts, we have assisted a number of our customers in using these modules (or similar, commercially available packages) to improve their in-country logistics capability.

TRANSPORTATION

As the ILC is working to enhance both U.S. and FMS country systems, we have also turned our attention to the link between them. Today's transportation environment includes both commercial freight forwarders and the U.S. Government arranged Defense Transportation System (DTS). Concerns over the visibility of in-transit materiel, varying levels of freight forwarder services, and the dependability of support in contingency/crisis situations prompted the ILC to propose a closer look at these issues during last year's FMS Streamlining Conference. While we have concentrated on leading a tri-service effort in developing a concept (still under study) for DOD contracting of freight forwarder services, we are working with the transporters to further address the issues of necessary minimum levels of service and required visibility of assets. The design of SAMIS includes the capacity to handle formatted receipt and movement data from freight forwarders and USG carriers.

NONSTANDARD ITEM SUPPORT

One of the most persistent problems in the FMS business is how we support items and systems used by our FMS customers but not by the U.S. services. Nonstandard items can result from original procurement of different hardware, customer modifications, nonacceptance of U.S. configuration modifications, differing levels of maintenance, or even discontinuance of U.S. use of a weapon system. Since these items are not normally stocked, customers experience long procurement leadtimes and the U.S. procuring source (depot or DLA) cannot efficiently buy in their usual wholesale manner. The ILC has proposed to transfer responsibility for buying these items and providing support for these "deactivated" systems to a contractor. While we continue to develop the details for this process, we are confident that some form of contractor involvement is the most effective way to support these requirements without adversely impacting upon the support of U.S. forces.



Another concept with which the ILC expects to benefit our FMS customers is the new "blue-light special." As we phase-down a weapon system in the U.S. inventory, various opportunities are given to FMS customers to buy any on-hand stocks for life-of-type support. Country budget constraints often restrict their ability to respond to these offers. The blue-light special is a proposal to add one more chance for countries to buy the items before they are disposed of; budgetary

constraints can be eased by discounting the items before sale. A similar approach is possible for deactivated systems like the old aircraft at Davis-Monthan. While final approval of details is pending, some form of discounting holds good promise for relieving some crowded warehouses while helping our customers to better control their support costs for these hard-to-obtain items.

COALITION PLANNING

An unwarranted perception pervades allied war planning: allies often assume their material shortfalls will automatically appear when they are needed. Thirty years have passed since America supplied more than one ally in a prolonged conflict. These years have seen changes in the U.S. industrial base, changes in the threat to western governments, and dramatic changes in the weapons of war. These changes should suggest to our allies they re-think the risk they assume by not possessing sufficient wartime stocks. Coalition planning is a three-pronged effort to identify the wartime requirement, establish a sustainability program, and create interim and long-range plans for logistics support. We have begun discussions with several of our foreign customers to establish such a coalition planning process.

STREAMLINING

As a participant in the tri-service/DLA task group, established under the guidance of Lieutenant General Philip C. Gast, USAF, Director, Defense Security Assistance Agency (DSAA), to improve the overall management of FMS, the ILC's involvement has resulted in several initiatives which change our way of doing business. The ILC has led tri-service groups not only studying DOD freight forwarding and the support of nonstandard items, but also in the area of improving and standardizing cataloging data. ILC-sponsored items led to some needed changes in countersignature requirements and a time-saving change allowing the transfer of values between cases with a Modification (DD Form 1513-2) which requires no country signature.

Internal ILC streamlining items have included a top-to-bottom review of FMS roles and missions within the AFLC community. The resulting redefinition of roles between the ILC and the system program managers (SPMs) at the depots led to a transfer of ILC personnel positions to the SPMs, along with more clearly specified duties in the activation of weapon systems. Clarification of the SPM's responsibility for technical support of the weapon system and the ILC's role in financial and logistical case management allows us to make more efficient use of FMS funds and people.

CONCLUSION

Security assistance in future years will require that we do things differently, better, and with fewer resources. The ILC is planning for that future. Over the past few years we have had significant accomplishments: the SAMIS computer system is fully operational; participation in DSAA's streamlining effort has led to improvements in our process; a redesigned tracking system provides more positive control of RODs; our workforce is housed in new facilities at Wright-Patterson AFB; and we continue to support our customers flying everything from modern F-16s to vintage C-47s.

We are pursuing many initiatives with the help and advice of Security Assistance Organizations (SAO) in the field. Our involvement with these SAOs is enhanced by our liaison officers in Europe and the Pacific. We continue to solicit the SAOs' assistance in identifying country concerns so that we can concentrate our efforts in key support areas. The true test of any new concept will come in the FMS country's hangars, shops, and warehouses; the most useful information will come through the SAOs.

As we face a future of shrinking resources with continued demand for follow-on logistics support, the International Logistics Center maintains its basic goals: the best possible customer support and most effective country logistics process. We plan to take advantage of automation, contracting services, coalition planning, and new concepts of operation to ensure viable and supportable allies.