“Every generation of Airmen has faced seemingly insurmountable challenges in accomplishing these missions, and yet, each generation of Airmen before us found a way to adapt.”

Gen Mark Welsh
Chief of Staff of the Air Force
Air Force Logisticians successfully carried out a diverse set of missions in all corners of the globe this year. We continued to support Operation INHERENT RESOLVE in the Middle East, conducted exercises with our NATO partners in support of European Reassurance, and delivered critical humanitarian relief to places like West Africa to combat the Ebola pandemic and Nepal to help its citizens rebuild after a devastating earthquake.

The incredible tenacity and dedication of our Airmen enabled us to take on each and every one of these missions with purpose and adaptability. Sustaining our dominance in any environment placed before us is crucial to our success as the world’s premier force for air, space, and cyberspace operations. However, as history has taught us, the missions of today may be quite different from the missions of tomorrow. To be successful in the future, we have to adapt as the challenges change.

This year’s annual report is centered around the theme of momentum. Isaac Newton’s 1st Law of Motion taught us a stationery object remains at rest until you place an unbalanced force on it. The 2nd Law of Motion states the more mass an object has the more force it takes to accelerate it. Once the massive object is accelerating, it can build great momentum.

Those laws of motion can be applied to our Logistics Strategy. During my time as a Logistics Board (LB) member, and now the chair of the LB, I have had the privilege of a front-row seat watching the momentum build as a result of the collective thinking and hard work of our Logistics Board, Logistics Working Group, and supporting teams. Since May 2012, when we first established the Enterprise Logistics Strategy (ELS), we have consistently focused on improving what matters most to us: being joint, ready and cost-effective.

As we look ahead, “Joint, Ready and Cost-Effective” will continue to serve as our enduring principles and help us build momentum as we proactively think and plan for the near and long-term future of our business. Our Enterprise Logistics Flight Plan (ELFP) was released earlier this year and helps us to do just that. Our ELFP incorporates concepts outlined in Air Force Strategic documents such as America’s Air Force: A Call to the Future, the Strategic Master Plan (SMP), and the Air Force Future Operating Concept (AFFOC) to help us ensure we are focusing on the right areas for the future. I am excited about the momentum we have created, and even more excited by the momentum we will build in 2016 to continue improving the Logistics enterprise for the future!

Thanks for what you do for Air Force Logistics every day!
OUR STRATEGY

MISSION
Air Force logistics fields, generates, and sustains power in air, space, and cyberspace

Evolve logistics core competencies to fully support Joint operations
Posture logistics resources for the current and future fight
Deliver cost effective readiness through product support & operational logistics

VISION 2022
Leading ready, affordable logistics in a Joint world

One Logistics Team - One Shared Vision

Joint, Ready, Cost-Effective.

In May 2012 an expanded Air Force Logistics Board composed of Senior Logistics leaders met to develop the first-ever Air Force ELS. Over the last three years, our enduring ELS continues to serve as our North Star and helps us steer our Logistics Enterprise to remain joint, ready, and cost-effective in a unified and concerted direction.

Established first enterprise-level Logistics strategy and the first three Initiatives

Expanded ELS portfolio of Initiatives from 3 to 9 representing all three strategic priorities

Conducted ELS Risk Refresh; developed first Flight Plan with shift to operational enablement

2012 (FY13) 2013 (FY14) 2014 (FY15)

THIS YEAR’S PROGRESS

• In FY15, we continued to drive momentum by building on our previous year’s hard work and milestones across the portfolio of ELS Initiatives. We prioritized and scoped the three strategic concern areas (Setting the Theaters, Logistics Ability to Survive and Operate, and the Advanced School) that came out of our October 2014 In-Person Logistics Board (LB). Lastly, we deployed the first version of our Enterprise Logistics Flight Plan (ELFP).

• The release of our ELFP was a major milestone as it helped us to properly align and begin to integrate with the Air Force’s Strategic Planning and Programming Process (SP3) and what the Air Force will look like in 2035 as depicted in the America’s Air Force: A Call to the Future and the Air Force Strategic Master Plan.
LOGISTICS HUMAN CAPITAL STRATEGY (HCS)

The release of the Call to the Future and the Strategic Master Plan have helped us begin to envision the future of our Air Force. Our senior Logistics leaders recognize that achieving and realizing such a future starts with properly developing our Airmen with the competencies, training, and experience they need in 2035 and beyond.

This year, an enterprise working group guided by the LB laid the groundwork for an overarching human capital strategy that encompasses all of the men in women in our Logistics enterprise.

FY15 HCS ACCOMPLISHMENTS

• Facilitated an enterprise working group that produced problem and vision statements and a way ahead to begin building an overarching Logistics HCS that includes Officers, Enlisted, Civilians from across the Total Force
• Began to capture “current state” human capital related Initiatives from the enterprise for future alignment and integration into overarching strategy

Our Logistics Enterprise is fueled by our highly skilled, dedicated, and resilient Airmen who always find a way to successfully execute the mission. In FY15, we began to shape an overarching Human Capital Strategy (HCS) across our Total Force Logistics Enterprise, prepared our people for the next mission by developing our leaders for Joint opportunities and framed the concept of an advanced logistics school. Our body of work in this arena better positioned us to develop a full-spectrum and high-end focused force as outlined in America’s Air Force: A Call to the Future.
In FY16, the HCS team will develop and finalize the Logistics HCS. The Logistics Board will also convene at Sheppard Air Force Base in February to discuss and approve the HCS and enterprise-level human capital related topics as we look to align our force of the future with our Enterprise Logistics Flight Plan and Air Force strategic documents.

**DELIBERATE CONTINUUM OF LEARNING (DCoL)**

In its third year, the Deliberate Continuum of Learning (DCoL) Initiative continues to help us shape opportunities to affordably and innovatively train and educate our Joint Logistics Airmen to lead in a global DoD environment.

In March 2015, the initial phase of creating a single Air Force Logistics Officer school was completed with the relocation of basic and intermediate courses for the 21X community to Sheppard AFB, TX.

**FY15 DCoL ACCOMPLISHMENTS**

- Completed 12 of 25 planned exportable courses designed to provide gap-filling training or knowledge enhancements to more easily integrate 21X Field Grade Officers (FGO)s heading into Command, Joint, Wholesale, and Enterprise logistics tours. All 25 courses are on track to be completed by October 2016
- Created the Base Level Broadening Program, designed to give young logistics officers a wider range of skills across functional disciplines.

Find out more at [http://tinyurl.com/h94qptn](http://tinyurl.com/h94qptn)

**FY16 OUTLOOK FOR DCoL**

In FY16, the DCoL team will culminate the second phase of the Air Force DCoL Program Guidance Letter (PGL). When implemented, the PGL will authorize and direct the standup of the Advanced Course at Nellis AFB, NV and the Enterprise Logistics Course at Sheppard AFB, TX.

**ADVANCED LOGISTICS SCHOOL**

In Fall 2014, Air Force senior logistics leaders recognized a deficit of knowledge in the conduct of operations within a Contested and Degraded Operations (CDO) environment. As a result, the Initiative team is in the process of creating an Advanced Logistics School which will challenge maintenance, munitions, and logistics readiness officers to think creatively in this new environment and allow them to research emerging concepts. Operational-level doctrine validated at the school will be cross-pollinated throughout the logistics community, and then imbued into our culture via the logistics basic and intermediate courses.

Of 25 new targeted courses with Air Force Institute of Technology (AFIT) completed to prepare 21X Field Grade Officers (FGO)s for staff and sustainment tours
FY15 ADVANCED SCHOOL ACCOMPLISHMENTS

- Collaborated with representatives from the Air Staff, Lead Major Commands (MAJCOMs), and all three officer communities to develop a strategic vision and the key topics the school will address in its curriculum
- Drafted initial charter for Advanced School outlining how it will address the deficit of knowledge in the CDO environments and a focus on teaching how to posture and expand logistics capabilities in a contested environment where the enemy is actively targeting our Logistics Airmen, systems and processes

FY16 OUTLOOK FOR ADVANCED SCHOOL

FY16 will see the development of curriculum for the new school. The Advanced Maintenance and Munitions Officer School (AMMOS) and the Advanced Logistics Readiness Officer Course (ALROC) have been stood-down, and a combined maintenance, munitions and logistics readiness officer course will be created in its place. The new course should achieve Initial Operating Capability (IOC) and see the first set of students by October 2016.

CHECK-IN: LIFE CYCLE LOGISTICIANS (LCL) INITIATIVE

While the LCL Initiative was deployed in June 2014, the team continues to drive incremental progress for this critical segment of our logistics workforce.

- Acquired $284.6K in Defense Acquisition Workforce Development Fund (DAWDF) funding to send 40 LCL certified members (Civilians, Officers and Enlisted) to Life Cycle Executive Leadership Program and Logistics for the 21st Century programs in FY15 and an additional 40 slots for FY16
- Acquired $60K in DAWDF funding for six internal hire relocation incentives in increments of $10K to promote movement of LCLs among acquisition and sustainment organizations across various phases of the life cycle

CHECK-IN: JOINT CORE COMPETENCY MODEL

In June 2014, the Logistics Board formally approved JCCM to be absorbed into DCoL

- Program Guidance Letter (PGL) 14-03 relocated the Logistics Readiness Officer (LRO) Initial Skills Training Course and management of the Intermediate Readiness Officers Course (IROC) from JBSA-Lackland AFB, to Sheppard AFB NLT 31 Mar 15. Moving these two courses centralized them with the already in place Aircraft Maintenance Officers Courses at Sheppard AFB

Life Cycle Logistics Workforce

The LCL workforce was formally recognized in April 2004. The LCL workforce was formed to more aptly identify the two career paths of acquisition logistics and systems sustainment management.

Our LCL professionals help us plan, develop, implement, and manage effective and affordable weapons, materiel and information systems and product support strategies.
This year, the War Reserve Materiel Global Management Office (WRM GMO) continued to validate and correct accountable WRM records in multiple source systems, providing a more complete picture of WRM readiness for the Air Force. The WRM GMO also increased visibility and availability of enterprise WRM to support global WRM shortfalls, improving a Combatant Commander’s (CCDR) ability to analyze contingency operations readiness factors in their respective Area of Responsibility (AOR).

Storing locations across all commands received critical funding in spares to repair non-mission capable WRM equipment and vehicles and funds to procure Supply Management Activity Group-Retail General Support Division (SMAG-R GSD) stock fund ordering authority to strengthen stock levels of WRM consumable equipment and Mobility Readiness Spares Package (MRSP).

**FY15 WRM ACCOMPLISHMENTS**

- Declared AFMC’S WRM GMO Full Operational Capability (FOC) on 24 April 2015 and published AFI 25-101; submitted first-ever WRM Program Objective Memorandum (POM) (FY17)
- Satisfied enterprise-wide unfunded requirements include MRAP site preparation, SMAG-R GSD ordering authority, re-positioning and site preparing Flight Support Equipment (FSE), PACAF WRM equipment corrosion control/refurbishment, and Mobile Aircraft Arresting System (MAAS) trailer overhaul
REPAIR NETWORK INTEGRATION

Repair Network Integration (RNI) is a Total Force Initiative that transforms current repair processes into an integrated, centrally managed, Air Force-wide repair network. Specifically, RNI examines repair network processes that impact weapon system availability across the enterprise including product flow, funding, requirements, capability, capacity, and supply chain replenishment.

As a critical component of the supply chain, RNI’s purpose is to efficiently harness the Air Force’s substantial investment in Maintenance, Repair, and Overhaul (MRO) capabilities in a manner that will increase throughput and responsiveness, identify unnecessary capacity, and proactively posture future repair capability to meet emerging Air Force and Joint missions. The RNI 2022 Vision is to manage repair capability and capacity at an enterprise-level by a single process owner that provides integrated support to the warfighter.

This year’s accomplishments contributed to achieving IOC for the hydraulics network to include standing up 7 Continental US (CONUS) Centralized Repair Facilities (CRF)s beginning 1 October 2015.

FY15 RNI ACCOMPLISHMENTS

- Distributed hydraulics consolidation Program Guidance Letter (PGL) 14-02 signed by the Secretary of the Air Force (SecAF) and the Chief of Staff of the Air Force (CSAF) directing standing up CRFs
- Completed Quick Look analysis on avionics backshop repair

FY15 WRM ACCOMPLISHMENTS CONT’D

- Cross-utilization of WRM equipment/spares resulted in a 19% increase in Basic Expeditionary Airfield Resources (BEAR) Spares MRSP fill-rates and 9% improvement in WRM equipment fill-rates directly impacting the WRM programs ability to support operation plans
- Executed 100% of the WRM program’s $92M FY15 Operations & Management (O&M) budget to store and maintain previously procured WRM items. FY15 execution bought the WRM program the following: Sustainment of 65,846 pieces of WRM equipment, 4,996 WRM vehicles, satisfied 1,356 previously unsupportable WRM equipment authorizations, reduction of unsupportable WRM MRSP details by 48.5%, funding of Overseas Contingency Operations (OCO) WRM contracts in AFCENT and PACAF, and funding of non-OCO WRM contracts in USAFE

FY16 OUTLOOK FOR WRM

Looking ahead to FY16, the WRM team will continue to build partnerships within the Air Force Global WRM community, the Defense Logistics Agency (DLA), and sister services. By identifying WRM global requirements and recalibrating the baseline, the WRM team is better postured to revise the current WRM Global Positioning Strategy.

Centralized global management presents the opportunity to provide efficiencies while reducing inventory management cost. As the WRM GMO strives for maturity, our focus will remain on providing organizational excellence and developing an event management approach that pushes the GMO to address the most pressing challenges impacting the WRM program and metrics to optimize our processes.

Increase in BEAR Spares MRSP fill-rates and 9% improvement in WRM equipment fill-rates directly impacting the WRM programs ability to support operation plans

RNI 2022 Strategic Vision

Right-sized, geographically dispersed repair nodes with appropriate repair capabilities organized into flexible, high velocity networks
During the October 2014 LB, our senior logistics leaders discussed the need to assess the Logistics Enterprise’s capability to properly posture support for world-wide contingency operations.

In FY15, the Set the Theaters Initiative Team comprised of logistics personnel from the Air Staff, MAJCOMs, Air Force Material Command’s (AFMC) Sustainment Center, and RAND identified inconsistent processes between Air Force, Joint planners across multiple theaters, and Global Resource Managers. This resulted in inadequate posturing strategies with respect to constrained combat support capability, capacity, and access, putting our ability to effectively support future operations at risk. The team started to address the four key process performance gaps this year (listed below).

**FY15 SETTING THE THEATER ACCOMPLISHMENTS**

Identified four process performance gaps that inhibited the Air Force from efficiently prioritizing and posturing limited assets on an enterprise basis in support of the Geographic Combatant Commanders:

1. Demand side not fully articulating requirements to include concepts of operations, capability, capacity, and access
2. Supply side not developing balanced resourcing options. These resourcing options include Joint Services, Operational Contract Support, Host & Partner Nations, and Military Industrial Base
3. Integration function not developed
4. Analysis capability to assess resourcing options/decisions in achieving desired operational effects is not developed

**FY15 RNI ACCOMPLISHMENTS CONT’D.**

- Established performance metrics baselines allowing impact measurement within networked operations on the supply chain
- Started Business Case Analysis (BCA) on electrical and environmental (E&E) backshop repair aimed at determining most efficient network structure
- Analyzed Unit Type Codes (UTC) support for hydraulics UTCs allowing for backshop hydraulics technicians to be repostured from aviation UTCs to CRFs in order to allow for centralization of support at existing locations
- Identified gaps in supply policy related to CRF operations and published AFI 20-117, Repair Network Integration, ensuring appropriate guidance exists prior to establishing CRFs in FY16

**FY16 OUTLOOK FOR RNI**

Looking ahead to FY16, the RNI team will publish AFMAN 20-118, Repair Network Integration Operations, aim to achieve FOC status for the hydraulic network and CRFs, develop and implement the plan for the E&E enterprise-wide network. Additionally, the RNI team will continue collaboration with the Air Force Reserve (AFRC) and Air National Guard (ANG) to identify RNI integration opportunities.

**SET THE THEATERS**

CONUS CRFs successfully established as part of achieving IOC for the hydraulics network

Key process performance gaps identified by Initiative team that were found to inhibit Air Force from efficiently prioritizing and posturing limited assets at enterprise level
The Sustaining Future Operations Initiative aims to answer how we strike the right balance between business and operational logistics using an established, repeatable process to assess, plan, execute, and control the measurement of logistics capabilities and capacity. Currently, the Logistics Enterprise lacks the capability, tools, and models needed to assess its ability to effectively support a wide range of employment scenarios (e.g., austere locations, operating for short durations, smaller footprints) across the full spectrum of conflict. In short, Sustaining Future Operations is helping the Logistics Enterprise make sure it has both the capacity and velocity required to support emerging and future operations in light of the projected supply chain, transportation network, and sortie generation process changes.

**FY15 SUSTAINING FUTURE OPERATIONS ACCOMPLISHMENTS**

- Collaborated with Wargame POCs to assess and identify current mechanisms that are looking at logistics in light of new efficiency efforts; currently there is no focus on looking at the balance between the business end and operational end of logistics
- Worked with Combat Operations in a Denied Environment (CODE) and Defense Logistics Agency Energy (DLA-E) POCs to understand how they tested logistics during wargame scenarios; determined there are many linkages between logistics initiatives
- Topic submitted to the AFIT for PhD student to study; student is in the process of conducting research which is slated for completion in June 2016

**FY16 OUTLOOK FOR SET THE THEATERS**

FY15 accomplishments framed the problem and set the stage for follow-on workgroups and Initiatives. The process performance gaps lead to making integration capabilities a FY16 goal across the Air Force Enterprise. A major integration activity in FY16 is to collaborate with the component MAJCOMs to identify mutual Set the Theater logistics capability gaps and provide to the ACS Core Function Lead Integrator (CFLI) for FY18 and FY19 POM consideration.

Workshops are planned to review and determine if Air Force policy is adequate and make any recommended changes to Logistics Command & Control capabilities to support Set the Theater Initiative Integration Strategy options. In addition, findings from Set the Theaters Initiative will be inserted into the Long Duration Logistics Wargame (LDLW). Lessons learned from the LDLW will help in the development of the Set the Theaters problem solution process.

**SUSTAINING FUTURE OPERATIONS**

**What does it mean to “sustain future operations”?**

Sustaining future operations means we have the capability, tools, and models to ensure we have the capacity and velocity required to effectively support a wide range of employment scenarios across the full spectrum of conflict.

**FY16 OUTLOOK FOR SUSTAINING FUTURE OPERATIONS**

As the ELFP is updated, we will intentionally focus on future logistics capabilities needed to support future operating concepts. In turn, these will drive more specific and bounded Initiatives related to sustaining longer term military operations. At the conclusion of the October Logistics Working Group (LWG) Meeting, the members agreed that Sustaining Future Operations is a critical element that must be taken into consideration for our entire portfolio of Initiatives rather than a separate line of effort. The board also decided to place the Initiative in a state of abeyance until the AFIT PhD student completes their thesis in June 2016.
LOGISTICS ABILITY TO SURVIVE AND OPERATE (LOG ATSO)

Logistics has a high level of dependency on unclassified, networked systems to deliver mission-critical warfighter support. These systems, as well as the underlying technology framework on which they are built, are demonstrably vulnerable to intrusion and exploitation. Air Force logisticians need a methodology to detect, evaluate, and mitigate system anomalies to determine if the suspect behavior is simple error or an adversary action.

Leveraging “Every Airman as a Sensor,” the Log ATSO Initiative will establish necessary processes and training for logistic personnel providing critical warfighting support in a cyber-compromised environment. The long-range end state for Log ATSO is that Air Force logisticians are sufficiently trained to identify and report anomalous logistic system behaviors in a timely manner and can continue to operate effectively in a cyber-compromised environment. Units will be exercised, evaluated, and inspected on their ability to provide logistics services in an inherently hostile cyber environment.

FY15 LOG ATSO ACCOMPLISHMENTS

- Approved Blocks 1-3 of Log ATSO A3 by LB in April 2015
- RAND study was initiated on 1 October 2015 to describe how to best leverage AF logisticians to detect cyber intrusions, the best methods for reporting intrusions, potential solutions for operating at some level of effectiveness with compromised cyber systems, and preferred methods and timing for delivering meaningful Log ATSO training.

FY16 OUTLOOK FOR LOG ATSO

In FY16, the Log ATSO team will form a multiple MAJCOM team bound by the problem statement and a geographical area. This team will start with a specific area to better understand the problems and limitations. The capturing of root causes and development of countermeasures will build out Blocks 4 and 5 of the A3 product. The Log ATSO team project will leverage ongoing Air Force efforts and will work in conjunction with the RAND study.
Our Logistics business is centered around getting people, supplies, and aircraft to the point of need. Doing so, is a large, complex, multi-billion dollar operation consuming $33B* of the Air Force budget annually. As we experience smaller budgets, it is not enough to be effective, we must provide affordable logistics for the missions ahead. This year, we continued to evolve our understanding of what drives logistics costs and how those costs contribute to readiness. By making our business more agile as stated in the Call to the Future, we can make every dollar count to ensure a credible and affordable force.

*C Includes Air Reserve Component and Air National Guard

COST OF LOGISTICS

The Logistics Enterprise affects between 30 to 40% of the total Operations & Maintenance budget. The Cost of Logistics (CoL) initiative aims to accurately identify and explain the cause and effect relationship between logistics funding and operational readiness measures. Additional insight includes how to use cost information to make decisions across the enterprise.

FY15 CoL ACCOMPLISHMENTS

• Developed automated Logistics Cost Model (LCM) in the Logistics, Installations, and Mission Support - Enterprise View (LIMS-EV) on the Air Force Portal. LCM facilitates cost-informed logistics decision-making by providing Air Force logistics leaders visibility of Total Force logistics costs for 90 Mission Design (MD) and 160 Mission Design Series (MDS) at over 280 locations, what drives those costs, and how those costs contribute to AF readiness

• Created and released Enhanced Depot Level Reparable (DLR) Variance Dashboard. The Dashboard provides detailed sortable views of DLR maintenance function costs by Command, MDs, and National Stock Numbers (NSN)s; users can conduct normalized base to base comparative consumption analysis to identify improvement opportunities

• Collaborated with MAJCOMs and obtained feedback to gauge and evolve utility of data obtained from using the CoL tool suite

MODERNIZE OUR BUSINESS

Locations where there is visibility into Total Force Logistics costs available for 90 MDs and 160 MDSs facilitating defendable, data-driven decision-making

280

Locations where there is visibility
THE COST OF LOGISTICS (CoL) TOOLS: WHAT CAN IT DO?

In FY15, the LCM was made available in LIMS-EV. The DLR Variance Dashboard was made available to all Airmen through the CoL page on the Air Force Portal. These tools provide greater access and transparency of logistics cost data.

To learn more about the CoL tools, visit http://tinyurl.com/zpxreb6.

FY16 OUTLOOK FOR CoL

In FY16, the CoL team will review and update the Logistics Cost Readiness Document (LCRD) as applicable. Additionally, the team will develop variance dashboard for Depot Maintenance and Contractor Logistics Support.

The team will also focus on socializing the standard definition of logistics and continue to evolve the functionality and utility of the CoL tool suite through MAJCOM collaboration. The goal is to evolve our understanding of how logistics costs contribute to readiness and facilitate the shift to a more cost conscious culture.

Lastly, the CoL team will implement the Cost of Civil Engineering and Cost of Security Forces Initiatives to maximize the established capabilities.

CoL in Action: KC-135

The CoL team is collaborating with the KC-135 Program Office on how to use tools to identify the most expensive tails to facilitate aircraft retirement planning.
Through our Strategic Sourcing Initiative, the Logistics Enterprise continues to identify opportunities where we can establish a coordinated approach to acquire commodities and services across the enterprise to leverage our buying power and strengthen relationships with our critical industry partners. By understanding vendors we do business with, we are able to make better informed business decisions to confidently sustain our cost-effective readiness.

**FY15 STRATEGIC SOURCING ACCOMPLISHMENTS**

- Air Combat Command (ACC) conducted a test-phase for the Hand Tool BPA Initiative at Offutt, Nellis, and Tyndall Air Force Bases during a three-month window to validate the Initiative.
- Hand Tool Initiative was modified in September 2015 to account for additional supply categories and was renamed the General Services Administration (GSA) Maintenance, Repair, and Operations Supplies Program (MRO); updated guides were distributed throughout the A4 community.
- Initial results from GSA yielded an average monthly savings of 16.5% or $400K; figures are projected to climb in FY16 and beyond.

**FY16 OUTLOOK FOR STRATEGIC SOURCING**

In FY16, the Strategic Sourcing team will continue to pursue strategic sourcing for Transient Alert (TA), anticipating a project cost savings of $2M per year through contract management process improvements and efficiencies, rationalizing suppliers, and leveraging spending.

In addition, the Strategic Sourcing team and the Air Force Installation Contracting Agency (AFICA) developed a Performance Work Statement this year with two Courses of Action (COA) to determine the implementation of TA. In FY16, the way forward will be finalized and the implementation is slated to take place in Summer 2016.

The current fiscal environment requires the Air Force to accept risk across the readiness portfolio including Weapons System Sustainment, Flying Hour Program, and Critical Skills accounts. The enterprise strives to find the balance required to meet the AA levels associated with “Steady State” operations. The challenge is that today’s funding levels are insufficient to sustain AA at wartime “Peak Surge” levels.

This new reality has emerged over the past 8-10 years as a by product of well-intentioned and independent actions taken to find savings opportunities that included divestiture of excess capacity across the enterprise—from supply chain, to the depots, and to flightlines.

We are learning that today’s logistics and sustainment environment is one in which operational challenges cannot be addressed with volume-based solutions alone; they must be met with collaborative, enterprise-wide solutions that exploit a combination of volume, velocity, and agility.

The F-15E and KC-135 are two examples of aircraft that demonstrated the success of AA Surge modeling and simulation methodology.

Projected cost savings a year through GSA MRO Strategic Sourcing Initiative

**$5M**
ACCURATE SUPPLY REQUIREMENTS (ASR)

The ASR Initiative was established to identify and reduce variability drivers to achieve more accurate supply requirements and enhance overall decision-making. Through the use of the Initiative Alignment and Execution process, the Headquarters Air Force (HAF/A4) staff linked current Initiatives to address three primary performance gaps: Flying Hour (FH) variability, Outdated Mobility Readiness Spares Packages (MRSP) Optimization, and Sub-optimal Demand Forecast Accuracy. In FY15, each of these gaps were actively addressed under the umbrella of the ASR Initiative.

FY15 AA SURGE ACCOMPLISHMENTS

• Delivered a modeling and simulation methodology that was tested against various scenario intensity levels across two pacing systems – the KC-135 and the F-15E
• Quantified the relationships between Spares Levels, Manpower Levels & Skill Mix, Aircraft Availability, and Sortie Generation linking AA Surge with predictive readiness, connecting Planning, Programing, and Budgeting actions with future response and readiness postures
• Informed development of the Air Force FY17 POM providing quantitative assessment of strategic options based on major investigations. This included $700M in the portfolio of readiness for FY17 POM Strategic Trades informed by the AA Surge team’s lessons learned.

FY16 OUTLOOK FOR AA SURGE

In FY16, the team will consolidate findings and lessons learned into a comprehensive after action report and will present a set of recommendations to the Champions and/or LB that enhances this element of the resources-to-readiness toolkit.

Optimizing Mobility Readiness Spare Packages

The ASR team made progress in optimizing MRSP this year by changing the Weapon System Management Information System Requirements Execution Availability Logistics (WSMIS-REALM) business rules from a fixed 30 days to a variable computation change.
FY15 ACCURATE SUPPLY REQUIREMENTS ACCOMPLISHMENTS

- **Flying Hour Variance:**
  - Developed methodology and processes to track FH variability and measure improvements, ultimately targets $290M of inefficiencies caused by FH variability (unneeded inventory and unavailable spares)

- **MRSP Optimization:**
  - Obtained approval from LB and submitted system change to update Weapon System Management Information System Requirements Execution Availability Logistics (WSMIS-REALM) business rules to account for a variable computation change
  - Developed Program Objective and Milestone Development (POAM) in May 2015 to track system change

- **Enterprise Supply Chain Analysis, Planning and Execution (ESCAPE)**
  - Purpose is to fully integrate supply chain planning processes across the Air Force Materiel Command (AFMC). Core mission functions include demand planning, inventory planning, supply planning, exception management, and manage performance
  - Passed Office of the Secretary of Defense (OSD) Cost Assessment & Program Evaluation (CAPE) audit to validate ESCAPE’s Return on Investment, about $924M of savings over its lifecycle
  - Received Problem Statement approval from the OSD Deputy Chief Management Officer
  - Validated over 600 functional requirements with the Air Force Sustainment Center (AFSC)
  - Completed documenting Authoritative Data Sources to complete Service Development and Delivery Process (SDDP) Step 3

FY16 OUTLOOK FOR ACCURATE SUPPLY REQUIREMENTS

In FY16, the ASR team will continue to focus on the three major performance gaps that were identified. For FH Variability, the team will look to complete analysis, measuring three years (FY14, FY15, and FY16) of FH variance to determine if new FH processes enable a 2% reduction in variability per MDS and update AFI 11-102 FHP Management to codify new guidance.

In terms of MRSP, the team will finalize resupply computation updates into WSMIS-REALM system and update applicable AFIs and modify plans to incorporate optimized supply levels. They will aim to identify if costs decreased while maintaining or increasing readiness.

Last, for ESCAPE, the ASR team will work closely with the ESCAPE Contracting Officer to finalize the Request for Proposal (RFP) package, enabling ESCAPE to conduct a Source Selection and move towards IOC in 2017.
SPECIAL FEATURE:

ALIGNING AND INTEGRATING WITH THE AIR FORCE STRATEGIC PLANNING AND PROGRAMMING PROCESS (SP3)

What is SP3?
The Air Force’s SP3 places strategy at the head of the programming and budgeting process. SP3 translates strategy into programs and capabilities that are budgeted and funded—and then become reality.

The SP3’s integration process enables Air Force senior leaders to make critical planning choices based on a comprehensive, unified portfolio of priorities, risks, and capabilities and more easily identify what we need (and what we do not need in support of our strategy).

How will SP3 work?
Planners will align their supporting flight plans with the goals and objectives of the SMP as they apply their expertise to inform planning and resourcing.

Core function leads will produce CFSPs that further refine resource planning in support of national security and the joint force. These flight plans will provide additional guidance and specific direction for crosscutting issues and other functional areas throughout the Air Force.

How will Logistics integrate and align with SP3?
In April 2015, the Logistics Board developed and released the first version of the ELFP.

The second iteration of the ELFP is slated for release in early 2016 and will include the Enterprise Logistics Future Operating Concepts and Capabilities needed for near, mid, and far time horizons. These logistics equities will be documented and communicated to the broader Air Force via our Flight Plan and the SP3.
As we sunset and reflect on FY15, we can take pride in the accomplishments, goals, and targets that we achieved collectively as a Logistics Enterprise. The accomplishments outlined in this year’s annual report are merely a glimpse into the innovative thinking, diligence, and hard work that went into each and every one of our ELS Initiatives. As we embark on our fourth year, we must keep in mind the momentum that made the past three years so successful.

To ensure we hold on to our momentum and follow our charted course along the path set by the SP3, we will focus on developing, finalizing, and publishing the next iteration of our ELFP that will ultimately position us to plan for the resources we need to fuel our Logistics Enterprise for success.

Guided by our three arrows, the next version of our ELFP will outline the Logistics capabilities we need to fly, fight, and win in the future.

Our ELFP will play two critical roles in FY16 and beyond:

1. **Inform SP3:**
   Communicate Enterprise Logistics direction to broader Air Force through SP3

2. **Shape our Logistics Enterprise:**
   Drive our Logistics enterprise way ahead through future capabilities and supporting initiatives
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