

Challenge and Change in Supply Chain Management: Pointed Questions and Blunt Answers

Lt. Gen. Claude V. "Chris" Christianson, USA (Retired),
Former Joint Chiefs Director for Logistics,
Takes Tough Questions from ICAF Students

The Supply Chain Management Concentration Program at the Industrial College of the Armed Forces is one of the most demanding and highly regarded focused study programs in the DoD education system. This year, 36 senior officers, government civilians, and industry fellows are participating in the year-long experience, which includes the opportunity to interact with senior officials and supply-chain experts from military and civilian organizations. After retired Army Lt. Gen. Claude "Chris" Christianson's presentation to the class last fall, they asked that he be invited back for a no-holds-barred, 2-hour, one-on-36 Q&A session about critical supply-chain issues in DoD. Their intent was to ask their toughest questions about the most vexing issues for the department's senior logistics leadership.

Christianson readily accepted the role of target to a room full of sharpshooters. No amateur at defending his views, Christianson has long been noted for his candor, strongly held opinions, and willingness to engage and discuss

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his views with anyone; he is frequently called upon to speak at events around the nation and the world. Having served 37 years on active duty with tours as both the Army G4 and the Joint Chiefs of Staff J4, as well as assignments as a C4 in three operational theaters, including as the Coalition Forces Land Component Command C4 for Operation Iraqi Freedom, he is particularly suited to discussing these issues.

The Feb. 9, 2011, session turned out to be one of the most valuable classes in the entire supply chain program and lasted well beyond the 2 hours allotted, with several questions—and ensuing debates—left unfinished. The National Defense University (NDU) received such a favorable response from the students on both the quality of the questions asked and Christianson's responses that it submitted the Q&A in its entirety for publication in *Defense AT&L*. NDU did so for the benefit of not only the logistics career field, but also for the other acquisition career fields whose activities and mission are so often cross-functional with supply chain management.

[Ed.: Questions were provided in advance; some responses are partially from notes Christianson had prepared and have been adjusted based on the actual discussions during the Q&A session.]

People and Leadership

Q: When we strive for efficiency, we can only be as efficient as the political process allows us. Why don't we see more senior leaders pushing back on Congress when we know that certain things we are developing/buying/doing are only a result of congressional pressure (such as earmarks) but are of no or limited value to the procuring Service?

Christianson: I recommend against wasting your energy here, because we will always have earmarks, and we will always have congressional pressure. Your job is to ensure that we, as a nation, get the most from every dollar, regardless of where it comes from or where it's applied. You should always focus on conserving the resources we have and doing what you can to ensure

that we are positioned to support future requirements. As for “pushing back,” each leader has to determine how hard and how far to push based on the previous two sentences; it won’t be the same for everyone.

Q: How can we better integrate logistics and acquisition professionals (besides having them receive the same ICAF curriculum) to improve the overall success of a supply chain?

Christianson: This is a question that could consume this entire session—and I hope will be a focal point for your studies here and your professional efforts in the years ahead. In a nutshell, we should do this by implementing policies that merge acquisition and sustainment in a way that delivers the required operational capability over the life of our systems at best value to the nation. I suspect we will spend much of our time today on issues related to this question. At the end of the day, the acquisition and sustainment communities must come together on this issue. I don’t see strong indications of that today.

Q: What do you think of the Army’s decision to exacerbate the separation of ACQ officers from their operational peers by removing them from Command and General Staff College (CGSC) and having them attend an Intermediate-Level Education (ILE) program? Do you think ILE was the right way to go?

Christianson: I’m not familiar with this action. I view ILE and CGSC as being at the same level of education. If there was a decision by the Army to take the acquisition students out of ILE to send them to their “own” intermediate school, then I think that was a mistake. There is a need for all specialties to spend time learning in their specific profession, but the more we separate our specialties, the more difficult it becomes to work in an integrated, coordinated manner.

Q: What do you think about the Army Acquisition Corps? Should the Army disband it (if it legally could) and return its 1,477 officers to the operational force?

Christianson: The Acquisition Corps is essential; our defense establishment could not survive without them. However, I do not think that, as a group, they should be viewed as separate and distinct from the operating forces. We should regard—and manage—acquisition professionals more like critical enablers/integral members of the team. I think our biggest challenge is to find better ways to connect the acquisition process and its professionals to the operating force and its requirements.

Q: Workforce downsizing has hurt our ability to define requirements, generate independent government estimates, and evaluate industry proposals. What can DoD do to retain/regrow these capabilities amid pay/hiring freezes?

Christianson: If we can change the processes, better integrate acquisition and sustainment, and establish true life-cycle

partnerships with industry, it may well be that we won’t need as many people to accomplish the tasks you’ve identified. In other words, if we can change the business model, maybe we can become way more efficient in doing business.

Life Cycle Systems Management

Q: With the advent of numerous rapidly fielded systems to support urgent operational needs, systems flowed into theater without full consideration of the impact to sustainment and life cycle costs. What steps can DoD take to better integrate ad hoc maintenance and sustainment efforts for unforeseen requirements?

Christianson: All systems have to be viewed through the lens of life cycle systems support. If the “normal” process (5-year defense programs [FYDPs], for example) will not support the need to rapidly respond to a changing operational environment, then we will have to find ways to effectively integrate emergent support concepts into the larger whole. I believe we will always have to work “outside the system” at times to meet urgent needs, so we must find a better way to rapidly integrate urgent, rapid acquisition with life cycle sustainment concepts. Once again, this exemplifies why merging acquisition and sustainment becomes so important for long term viability of our systems/capabilities.

Q: As wartime commitments decrease, what strategies should DoD use to dispose of or store these systems as they compete for funding with established programs of record?

Christianson: It will be critically important for the department to start by agreeing on the joint requirements—“What will the joint force need to meet future operational imperatives?” Allowing the Services to determine what they need absent a “joint requirements framework” could result in unknown risks and will most likely drive the development and retention of unnecessarily redundant capabilities.

Q: How do we establish a life-cycle emphasis when working supply-chain issues?

Christianson: First we have to agree on what “life cycle” is. It is important that we agree upon the outcome we must deliver, how we will determine total ownerships costs, and what time horizon we will use as an expected useful life for decision making. I believe it is also important to continually/periodically review the assumptions we’ve made to revalidate our operational requirements—do we still need this equipment?—and to verify that it will “cost-effectively” perform its mission as long as we “predicted.”

Q: The Air Force has stated it would like to change the support contract for the C-17. What are the issues involved, and how can DoD and Boeing be better partners?

Christianson: There are many issues here, but I think the primary ones are related to costs and organic depot capacity.

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These issues are exacerbated, I believe, by the misplaced belief that everything contracted is more expensive—or if you're a contractor, everything in the government is more expensive. This is related to the next four questions and requires that we (both government and industry) develop the ability to evaluate our national supply chain requirements in a new way.

Q: The Navy and the Air Force recently stated they would like to make changes to the Joint Strike Fighter sustainment arrangement with the contractor. The Air Force and Navy would like to have more of the sustainment supply chain organic to the Services rather than be a performance based logistics arrangement. What are the support and readiness implications for the Joint Strike Fighter? What might be the life cycle sustainment issues and costs of making changes now to the sustainment plan?

Christianson: If done right, we should be able to achieve the system availability we need at the best value/cost to the Service. If, however, we do not share a common denominator, cannot see the total ownership costs over time, have hidden costs, etc., we will end up delivering a system that could very well be unaffordable. The key, then, is to bring government and industry together to develop a common picture, look at options, and work together to develop a partnership that shares both reward and risk over the life cycle of the system.

Q: Should the military direct consolidation of engine refurbishment/depot-level repair capabilities at select depots? What are the pros and cons of such an action, which will take business away from installations?

Christianson: First of all, any depot repair, regardless of where it's being accomplished, is supposed to be approved by the materiel command responsible for that item. I do think that all national maintenance should be done in approved national facilities (government or contract) and "taking business away from an installation" should not be viewed out of the national level, life-cycle-systems context. If an installation can meet the system's national standards and show a business case that provides value over the life of the system, they certainly can and should compete for that work. However, I would be very

surprised if there are many installations that can truly meet national standards. I do know there are installations that have been doing national-level (depot-level) work for some time, and many have been doing so without oversight of the national maintenance programs.

Q: As you know, there are discussions of closing depots (due to BRAC) and a struggling industrial base. Other discussions suggest that there may not be enough business for the depots post Operation Iraqi Freedom (OIF)/Operation Enduring Freedom (OEF). Can depots/should depots compete for private-sector business in order to sustain depot capability? For example, should Anniston Army Depot rebuild engines used by private companies? Doing so would sustain the necessary skills and depot capabilities—possibly at reduced cost compared to that which private companies might charge at private firms.

Christianson: This question is somewhat related to the previous question, but I think there are a couple of issues here. First, and most importantly, I'm not sure that as a nation we know how much government-owned depot capacity we need to deliver the systems operational availability we require. Since many of our government-owned depots are being funded out of Overseas Contingency Operations money today, there is a danger that if we are not clear on what the base requirements are, we may not identify enough funding in the Department's base budget for future years. Once we determine how much government-owned capacity we need, I believe we'll find that there won't be a lot of excess out there. However, if we do have excess capacity that we feel must be retained for reasons of national security, then I do believe that the government-owned depots could compete in the commercial space. However, there will certainly be some legal issues to face regarding a level playing field.

Q: BRAC 2005—are we going to realize the expected benefits once the changes are fully implemented, and is this just an interim step toward an even greater degree of jointly managed, owned, and operated logistics systems?

Christianson: We will not even come close to achieving the estimated benefits unless we change the way we do business. The BRAC activity at Warner Robins Air Logistics Center is a case in point. We are struggling there to realize the savings because we haven't fundamentally changed our business processes between the Air Force and the Defense Logistics Agency (DLA). The BRAC intent in this example was to bring the supplier (DLA) right to the Air Force production line. Like in the commercial space, this would require the supplier to be vested in the manufacturing process and the Air Force to be open and transparent with the supplier. We are not there yet. In general, I do not believe that BRAC is just a step toward a more jointly owned and operated logistics system. I believe, rather, that it should be a step toward a more integrated and optimized supply chain across the entire defense logistics enterprise.

Supply Chain Management

Q: Why can't DoD develop one supply system that can be utilized by all four Services? How integrated should the robust DoD and interagency supply chain be, considering efficiencies to be achieved through NORTHCOM [U.S. Northern Command] as well as security limitations?

Christianson: I don't believe it is realistic to expect that we can design and sustain a single system for everyone. The Services have some uniqueness to them that should be retained, and fundamentally, I believe the Services know better than anyone else how best to do their business. So I don't think we need, or should pursue one system—if by system we mean an application. One could argue that we should have one “process” that is shared by all, and we should be able to make it work much better than it does today. The key here is developing a data architecture that enables the sharing of logistics information across the entire supply chain and coalesces the logistics community around the common outcomes we want to achieve. We don't need one supply system to do that.

Q: What changes to the supply system do you recommend for improving supply support at the “last tactical mile?” What policies, relationships, organizational structures need to be changed to maintain readiness and reduce costs?

Christianson: First, link in real time the customers' consumption to the source of supply. Next, enable 100-percent visibility into our distribution process. And last, measure fulfillment of the requirement at the customer end of the supply chain. When you have completed these tasks, come back and see me, and show me the results. I will be very impressed, and so will you!

Q: Demand variability is seen by many executives today as one of the major challenges to improving supply chain performance. What can and should the DoD supply chain managers do to improve response to demand and account better for variability?

Christianson: Variability will always be a given; we all know the future is uncertain, so we have to expect variability. The key is not trying to just “manage” variability, but to design your supply chains to be able to efficiently respond to those requirements that have a reasonable chance of prediction, and then responding rapidly and with precision (effectively) to the emerging/unexpected requirements as they're generated. In other words, do not treat all supply requirements the same, and do not design all supply chains the same.

Q: I would like to hear your comments on DoD supply chain security. How do we deal with the counterfeit parts and tampering issues? These are exacerbated by globalization of the supply chain, procurement policies driving buyers to “lowest cost” suppliers, and diminishing sources of supply. What policy revisions or best practices should DoD implement?

Christianson: I think we have to modernize our sourcing processes to ensure that we understand the elements of risk in the supply chain, establish some methods to assess that risk, and then have the kind of contractual instruments that will enable us to manage the risk as the environment changes. I'm not sure that, today, we actually use risk as a criteria for supply chain design or for source selection in the supply chain.

Q: I would like to hear your thoughts on whether DLA should start restocking rare-earth elements to potentially sell to our defense contract suppliers if needed. This would be akin to our strategic oil reserves. As we have seen during many of our supply chain trips and the case studies we have reviewed, the ability to react to customer demand and having a supply chain that can respond quickly is critical. The military uses prepositioned stock and equipment to ensure it can react to real-world crises. As future logistics leaders of military and government agencies, what issues do we need to be aware of for prepositioned equipment to ensure our supply chain can respond to future crises?

Christianson: DLA is and has been stockpiling critical material and supplies such as rare-earth elements; it's in their charter. Stockpiling, strategic reserves, and prepositioned supplies/capabilities should all be related to how well we are able to assess global risks, what kind of action we take to position global capabilities in response to that risk, and then how effectively we are able to manage our global assets as the environment changes. The bottom line is that we must share a common view of what the nation expects of our military capabilities (requirements) and then design our supply chain to minimize the risk (acceptable risk) in support of those expectations.

Q: Does DoD's wholesale supply chain need to sacrifice effectiveness as it strives to become more efficient in lean fiscal times, or is there a happy medium?

Christianson: There is a happy medium, but it should not be viewed as a template solution. The first part of the question implies that effectiveness and efficiency may not be compatible—i.e., it's an “either/or” decision. Our supply chain cannot put effectiveness at a high degree of risk; I would offer that only the customer (operational element) can make a change in the effectiveness outcome (operational availability). However, the design of the supply chain to support operational availability of “X” at a fixed base in the U.S. should not look the same as the supply chain designed to support the same operational availability at a forward operating site in another country. The objective is that, even though the outcome metric (availability) is not a logistician's call, it is the logistician's responsibility to optimize the network and the costs to deliver that outcome, and to ensure that all costs are transparent and accurate so that the operational element can make informed decisions.

Q: I would ask what the COCOMs can be doing to improve partner capacity in developing nations (such as those in Africa) in the logistics arena.

Christianson: First of all, the COCOMs' theater engagement strategies drive the train in this area. Fundamental to that is building an understanding first of what your regional partners need to help themselves and then what the United States' objectives are in that region. Then, match the two to find the best ways to enhance both parties' capabilities/needs.

Q: How do we obtain visibility of joint and multinational requirements and capabilities/resources and leverage the latter against the former across all forces?

Christianson: We start first by establishing a collaborative planning environment where the members of the team (whoever they are) can be a part of the process. In execution, we have to create a shared decision support environment so leaders can make the best decisions.

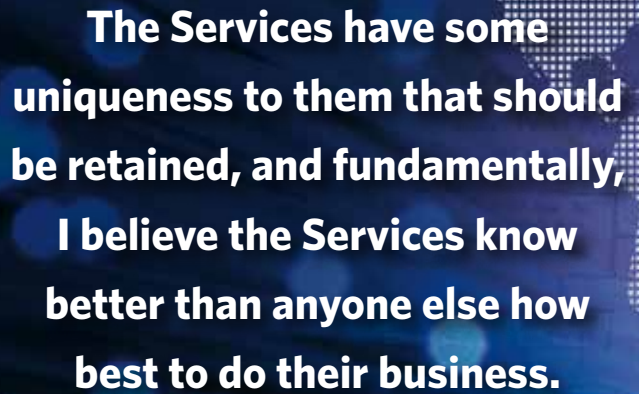
Contractor Support

Q: DoD relies heavily on contractor support, like LOGCAP IV, training, and private security services. With defense budgets reducing and Operation New Dawn/OEF operations eventually coming to an end, how do you see the health of the defense industry? And will it remain a viable alternative to DoD in terms of maintenance, supply chain management, and combat logistics training?

Christianson: I believe we will see some significant shrinkage in some of the service providers like LOGCAP, but overall there will continue to be both a viable and necessary requirement to have contract support as part of our support concepts. As I have mentioned, we need to plan for this capability to be an integral part of our support concept, assess the risks and comparative "costs," and make effective decisions about where and how to source support to provide the highest possible readiness at best value. Last, it is important that we not view all contract support through the same lens; service support from contractors like LOGCAP should not be approached the same way we approach contract support for systems readiness, for example.

Q: If outsourcing remains a viable alternative for DoD, is there a second- or third-order effect to DoD's ability to sustain its own competencies in the areas for which contractors provide support, such as maintenance operations, supply operations, depot operations, mission skills, training, etc.?

Christianson: This question gets to some of the fundamental issues related to contracting—issues we haven't yet come to grips with. As noted earlier, we must assess the risks of delivering capabilities by contract. Are there, for example, some things that the military must always do? Are there some tasks that are always best done by contract? For the rest, under what conditions can we use contract support, and what operational effect will that have? Without answers to these types of questions, we cannot really know the second- and third-order effects that may result.



The Services have some uniqueness to them that should be retained, and fundamentally, I believe the Services know better than anyone else how best to do their business.

Q: Outsourcing or "Alternate Service Delivery (ASD)" in the areas of operational support in theater to maintenance in CONUS—what have the Services learned from, let's say, the last 10 years of outsourcing (ASD) to private contractors and firms?

Christianson: I think we've learned that contract support is a valid requirement for operational sustainment. We've learned that we still aren't very good at using contract support under crisis because we: (1) continually try to use peacetime rules in the operational environment; (2) do not do well in the transition from a steady-state, peacetime-support construct to an operationally driven, outcome-focused construct; (3) have not built an effective expeditionary capability in this area; and (4) do not really look at operational contract support as a joint capability requirement.

Q: Is the U.S. taxpayer receiving value in these relationships?

Christianson: It depends upon our baseline. In most cases, I would say that we are receiving much more than we've paid for. However, that's not always the case. I think the challenge is how we "measure" success. If our metric is based on rules and procedures designed for peacetime, regional contracting offices, we will rarely, if ever, meet the standard in the operating environment.

Q: Has ASD been taken too far?

Christianson: Maybe. In some cases, we may not have done a good job of assessing the operational impacts of our outsourcing decisions. There are cases where we have made an enterprise decision regarding ASD that has not been translated into operational expectations. In other words, the enterprise capabilities may not be aligned with what commanders in the field want.

Q: Are there now known and better understood constraints/restraints associated with ASD in the areas of supply chain, provision of services, and equipment maintenance?

Christianson: There is no doubt that we know more about this today than we did 8 years ago, and that's a good thing. But we have a long, long way to go, and that's one of the reasons you're here.

Q: I'd be interested in your perspective on the near-term and long-term likelihood of the Services using Performance Based Logistics (PBL) contracts. I think people often associate PBL contracts with contractor support services contracts. I see a difference in that PBL contracts have defined deliverables and performance criteria by the Original Equipment Manufacturer, but I see other types of support contracts (such as service contracts) as basically staff augmentation. Maybe I'm confused, but any additional insight you can provide on the differences (perceived or not) would be educational for me.

Christianson: I don't think the question's premise is correct. All contracts should have defined deliverables—ideally, deliverables that meet the customer needs. The difference in PBL contracts is related to “performance,” and the basic philosophy is to enter into an agreement with a contractor based on the performance outcomes the customer wants. The PBL contract would then have both customer and contractor share in the delivery of that outcome. So I would recommend that we look at all contracts through the PBL lens; I'm not sure why anyone would want anything other than a contract based on a performance agreement between customer and contractor.

Even something like a staff augmentation contract can be written like a PBL contract. There is risk associated with clarity in this area. Over the near term, there is a risk from a lack of understanding about how PBL can provide value. Over time, I feel the risk will be reduced because we will develop the kind of knowledge needed to establish true partnerships with industry—partnerships that will be reflected in new, more effective PBL agreements that will: (1) ensure we deliver readiness at best value; (2) incentivize the behaviors we want to drive down life cycle costs; (3) provide assurance of reasonable profit to industry (shared risk and reward); and (4) provide best value to our nation.

Information Technology and the Supply Chain

Q: Enterprise Resource Planning (ERP) systems are vastly more expensive and harder to implement than initially projected. An IT contractor told me off the record 2 weeks ago that the DLA ERP program is now about 75 percent custom coding. Can we leverage our ERPs to get an acceptable (to Congress and GAO) return on investment when we're still forcing commercial software to model our processes, rather than more fully adopting and adapting commercial practices?

Christianson: No! We will only get acceptable returns if we change the way we do business.

Q: We are reliant on information systems, and the Services are investing heavily in ERP solutions. Are these invest-

ments needed? How are we going to continue to fund these solutions? Are we going to “re-engineer” our processes? Anniston, and I believe the Army, is having issues with integration of the Logistics Modernization Plan (LMP). We visited the new Power train/Flex Maintenance Facility—a nearly \$76 million facility designed to overhaul 6- to 12-cylinder internal combustion engines—not tanks, engines. State of the art. The problem is with LMP. It appears software-integration issues caused a stop-work order for the past 3 weeks, and they are not yet sure when they will start up work again. Way-ahead plans seemed to be lacking definition. Also, we learned that this new facility is still competing with installation DOLs.

Christianson: The investments being made in enterprise solutions are essential; however, if we are not willing to change the way we do business, those investments will not provide the benefits we want. The Anniston example is but one of many across the DoD logistics community where we have tried to apply a commercial application of a business process and then customized that software to meet our old way of doing business. Over the long run, that approach will not work; it is too expensive and does not support modernization of our business.

Q: What is the way ahead for completing the integration of LMP at the depots and across the Services? What happened that caused the issues currently ongoing?

Christianson: The issues surrounding LMP are a reflection of [the issue raised in] the previous question and emblematic of our failure to heed the lessons of business in ERP implementation. In this case specifically, we asked LMP to replace two existing depot software applications that had been designed back in the '70s. And as a result, nearly all of the LMP (SAP) code had to be customized. However, 40-year-old business processes have long been supplanted in the commercial space. In other words, we weren't willing to adjust our processes to fit the application we bought. Additionally, we didn't own the code, so it was not possible to take the best and leave the rest. To make this even more complicated, when SAP updates its software for the commercial market, we can't just update our LMP; we will have to spend lots of time and money revising our custom code to ensure we're up to date.

Q: Why do you see automated information technology (AIT) adding little value to DoD supply chain management?

Christianson: I see AIT adding tons of value if applied in ways that will enable decision making across the supply chain. At this point, I'm not sure we have actually come to an agreement on exactly how AIT is going to help us make better decisions. We have had a tendency to buy AIT technology without considering the decisions we wanted that technology to enable.

Organizations

Q: Should Transportation Command (TRANSCOM) and DLA be combined into a “supply chain” command?

The investments being made in enterprise solutions are essential; however, if we are not willing to change the way we do business, those investments will not provide the benefits we want.

Christianson: I do think the United States should have a global support chain organization—but I do not believe that TRANSCOM is that organization. However, I do believe TRANSCOM should be the headquarters around which we should design that organization, and it would include what is today DLA. But this would not work if all we did was merge DLA with TRANSCOM; we would not gain the benefits many feel we deserve and could achieve. The problem we're trying to address, I believe, is the effective and efficient integration of the defense supply chain. We should create an organization to do just that.

Q: Should logistics forces be tasked/allocated in the Joint Forces Air Component Commander (JFACC) fashion under a joint logistics commander or under the Combatant Command/Joint Task Force (COCOM/JTF) commander through the J4? What are the pros and cons?

Christianson: Joint Publication 4-0, Chapter 5 tries to address this issue. The publication explains that it depends upon what has to be accomplished and the context in which the mission has to be executed. For small operations, for example, the J4 staff can handle the integration of joint logistics support, and if that staff is augmented, it can deal with some pretty good-sized requirements. However, a coordinating element with the authority to task component resources will best serve those operations that are beyond the reach of an augmented J4 staff. We can look at Joint Force Reception as an example of a joint operation where a single logistics element is a key to success.

Q: How can the DoD better posture itself to support humanitarian assistance operations where it does not have the lead role? Specifically, how can greater efficiencies be gained through a whole-of-government approach to sustaining inter-agency operations? Can you identify some areas that you feel DoD should improve on regarding the whole-of-government concept?

Christianson: First of all, we have to embrace our role as "supporting" commands! Then, in that role, we have to understand the requirements as seen through the eyes of the lead federal agency and align the military capabilities against those requirements. I do not see clear distinctions between humanitarian assistance/disaster relief (HA/DR) and other operations in terms of how we do our jobs; it is really performing similar functions in a different environment and with different teammates. One of the most important considerations is figuring out how to make it quick and easy to join the logistics enterprise and be included in the "network" supporting the HA/DR mission.

Q: What are the impediments to joint logistics operations in support of forces? How can the impediments be removed or changed to improve operations and reduce costs?

Christianson: The most fundamental impediment is the inability (or limited ability) to "see" the joint force requirements. The next hurdle is the limited ability to "see" all the resources available to the joint force. And last, there is a very limited ability to "see" the processes that connect the two. These impediments can be addressed by creating a collaborative space in both planning and execution where information is gathered to provide situational awareness and understanding for all members of the joint team.

Distribution

Q: After seeing operations at commercial distribution companies and comparing that to my two deployments to OIF I and OEF, it seems they have proven they have a competitive advantage for delivering supplies and equipment on a global scale. If we can get the appropriate country clearances and FAA approvals to land their planes in Iraq or Afghanistan, why don't we use this as our primary means of delivery for all cargo from CONUS to theater, providing both inter- and intra-delivery routes? My thought is twofold: We would eliminate deliveries from DLA in CONUS to Dover, Norfolk, Charleston, etc.—we could let these commercial firms move the product on their trucks/planes, allowing Air Force planes to focus on providing intratheater lift for passengers/personnel. This would also force DoD to simplify the DoD Activity Address Code (DoDAAC) system, reducing frustrated cargo.

Christianson: Much like the earlier point regarding the supply chain writ large, decisions about how to design the distribution network should be based on how effectively and efficiently we can deliver the outcomes we are chartered to deliver, given the level of risk we are willing to accept. Much like industry would build a business case, we have to do the same. It's not just whether these firms can deliver from A to B at less cost; it's whether using commercial capabilities will actually improve overall supply chain performance. Fundamentally, that is the responsibility of DoD's DPO [distribution process owner].

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