NAVSUP WSS Industry Day

CDR John Bredenkamp,
LCDR Christian Booth
Our Customers

MECHANICSBURG, PA
- SHIPS & SUBS
- NUCLEAR

PHILADELPHIA, PA
- AVIATION
- INTERNATIONAL

MARITIME
NAVSUP WSS-M

AVIATION
NAVSUP WSS-P

PENNSYLVANIA
110 mi on PA Turnpike

Who We Are...
Structure

One Command ... Three Locations
Supply & Program Support

- Parts, Components and Assembly Spare Parts for:
  - Surface
  - Submarine
  - Aviation
  - Strategic Systems

- Functions:
  - Requirements Determination
  - Retrograde Management
  - Allowance Development
  - Procurement
  - Customer Service
  - Life Cycle Management

Logistics & Program Support

- Hardware Systems Command Program Support
- Performance Based Logistics Contracts
- Delivering Best Cost Logistics

Stock Positioning & Maintenance

- $23B Inventory Investment
- $5B Annual Sales
- 400,000 Repairable Items
- Navy, Contractor and Other Services’ Depots

Warfighter-Focused Weapon Systems Support
### Who We Are...

#### Business Profile

<table>
<thead>
<tr>
<th>(ANNUAL VALUES)</th>
<th>NAVSUP WSS</th>
<th>Maritime / Mech</th>
<th>Aviation / Phil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees:</td>
<td>2,370</td>
<td>1,134</td>
<td>*1,236</td>
</tr>
<tr>
<td>Sales:</td>
<td><strong>$5.5B</strong></td>
<td>$1.2B</td>
<td>$4.3B</td>
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<tr>
<td>Line Items Managed:</td>
<td>375,020</td>
<td>278,555</td>
<td>96,465</td>
</tr>
<tr>
<td>Customer Orders:</td>
<td>566,226</td>
<td>246,674</td>
<td>319,552</td>
</tr>
<tr>
<td>Contract Actions:</td>
<td>42,118</td>
<td>28,807</td>
<td>13,311</td>
</tr>
<tr>
<td>Repair Actions:</td>
<td>165,765</td>
<td>45,212</td>
<td>119,553</td>
</tr>
</tbody>
</table>

*146 in Norfolk  **Additional .8B in BP28*

- Fiber Channel Network Switch
- EA-6 Tactical Jamming System Pod
- F/A-18 FLIR Optics Stabilizer
- LM-2500 Propulsion System
- Close In Weapons System
Recapitalization / Resetting the Force Structure in stride

Continue to Operate Forward - 95 Ships Underway Today ... 115 by 2020

Supporting the Optimized Fleet Response Plan (OFRP) and Disaggregated Operations

Transitions Present Opportunities and Challenges

- Littoral Combat Ship (LCS) ... 32 total ... transition to Small Surface Combatants in FY19
- VA-class Subs ... two per year ... total 22 by 2020
- Sustain 14 ship nuclear ballistic missile sub force (SSBN) ... Ohio replacement SSBN delivery in 2028
- Restore Carrier Fleet to 11 ... USS GERARD R FORD (CVN 78) in 2016 ... first in new class of carrier
- Ten additional ARLEIGH BURKE-class DDGs ... two per year ... 72 total by 2020

Maintain Our Naval Forces, Sustain Forward, Win Decisively, Focus On Readiness & Naval Integration, Sustain Industrial Base
GAP BTWN Fleet Demand & Organic + Commercial Capacity

Estimated Gap between Fleet demand for component repair and current NAE capacity = Backorders/RBA material degradation

Demand exceeds capacity… How do we close the gap?
Industry Skillsets Sought – Enabling Threads

1. Reverse Engineering
2. Development/ Prototyping
3. First Article Testing
4. Spares Manufacturing/ Full Production
5. Repair Source
6. Innovative Sourcing
7. Innovative Solutions/Additive Manufacturing
8. IT & Data Analytics
Challenges:
• Increasing Backorders
• Obsolescence issues
• DMSMS
• No bid contracts
• Lack of synergy between WSS and Industry
• Poor reliability
• Long lead time with existing OEM (>300 days)
• Data rights

Way Forward:
• Provide real time data to industry – what parts are needed and how many
• Expand industry base
• Reduce difficulty of navigating the approval process – education and assistance
• Additive Manufacturing Solutions
• Obsolescence Optimizer Growth

**BLUF:** Incentivize industry partners to invest in providing responsive logistics solutions

How can Industry Provide Supply Solutions Today?
Questions?