



AVIATION WEEK EXECUTIVE ROUNDTABLE:

Sustainment/Reset Priorities 2009-2010

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March 10, 2009

Among the top concerns as the United States moves through the current economic environment is the shaping of a new Defense Dept. budget that integrates supplemental funding with the baseline budget. This topic and its impact on the support/sustainment/reset of weapon systems in support of the warfighter were the focus of the March 10 AVIATION WEEK Executive Roundtable, held at the National Press Club in Washington, D.C.

The roundtable, hosted by VADM (USN Ret) Walter Massenburg, now Operating Group VP, Readiness & Sustainment, Electronics & Integrated Solutions for BAE Systems, and Michael Bruno, Dept. Man. Editor – Defense, AVIATION WEEK, examined the funding situation and priorities moving forward in terms of meeting national economic needs while also assuring readiness for the Defense Dept. Sponsors for the roundtable were SAP and SRA International.

Organizations participating in the roundtable were BAE Systems, AeroStrategy, Boeing, Chromalloy Gas Turbine, EADS NA, Goodrich, ITT Defense, Lockheed



Martin Integrated Systems-Owego, Lockheed Martin Aeronautics Co., Raytheon, SAIC, Sikorsky Aircraft Corp., and Woodward Governor Co.

The roundtable preceded AVIATION WEEK'S Defense Technology & Requirements Conference, an annual review of Defense Dept. priorities and issues.

The number one finding for the Executive Roundtable is to establish Sustainment Advisory Boards for each Service Branch. The Advisory Boards would be comprised of industry partner subject-matter experts.

Other findings include:

- There is a risk in supporting necessary Readiness levels as Defense Dept. Supplementals are integrated into the baseline budget.
- The key attribute of driving intelligent decisions, identifying the true readiness capability, and improving execution of sustainment/maintenance/repair/overhaul and modifications is consistent data collection and analysis.
- Despite a multi-year effort, there is no common definition for Readiness across all service branches.

The Roundtable participants were challenged to respond to three questions –

1. What are the risks/opportunities associated with this time of change?
2. What can industry do to assure the Defense Dept.'s current weapon systems portfolio is supported in the future?
3. What are the top actions that will enable the MRO enterprise to meet the new environment?

RISKS AND OPPORTUNITIES

- Current situation offers opportunity to rebalance depot/readiness center enterprise.
- Metrics/data are not consistent across the services, depots, platforms and among contractors; users/depots/contractors all measuring different things with different definitions.
- Current financial systems do not track actual cost – cost per hour of flight results in less than optimal operation (creating field repairs versus returning to depot, etc.).

- There is no consistent agreement on what is repairable and what is not, on the same part or component or platform.
- Consistent data could drive better prognostic behavior and assure improvements in next generation/upgrade performance.
- New environment should show higher value for performance-based operation, which drives metrics.
- There is a significant gap between what regulation calls for and operation throughout the enterprise (Memorandum of July 2007).
- There is currently no performance guide (e.g. Nunn-McCurdy) on post production/operational stage of lifecycle.

SUPPLEMENTALS REPLACED BY CONTINGENCY FUND WITHIN BASELINE

- Important moving forward to drive down the cost of MRO man hours per flight hour; driving this down allows Defense Dept. to increase support of the warfighter in the field. This should be the ultimate and common goal.
- The current Supplemental Budgets are paying for “expedite” – how will this be handled going forward?
- Each MRO Enterprise Partner needs to push this issue directly with program leadership and at top levels of each service branch.

PRIORITY REQUIREMENTS TO DRIVE READINESS

- Due to lack of common readiness definition, from warfighter perspective, it is near impossible to calculate the risk to readiness as budget process changes. This is a top imperative.
- The MRO/Sustainment Enterprise requires that clear, consistent metrics based on the Key Performance Parameters (Availability, reliability, Cost and Cycle Time); this will not create new available funds but it will assist in maintaining funding to sustain/MRO of systems.
- Data will set you free! Data collection and analysis is critical to advocating for visible funding of sustainment/MRO.
- The underpinning of information is a stronger partnership between service branches and industry.

- Build in operational performance/sustainment metrics into original acquisition; shared metric for Program Management Office, User, Sustainer.
- Program Management/Executive Officer needs to have role in sustainment ownership.
- Improve ability to model readiness.

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