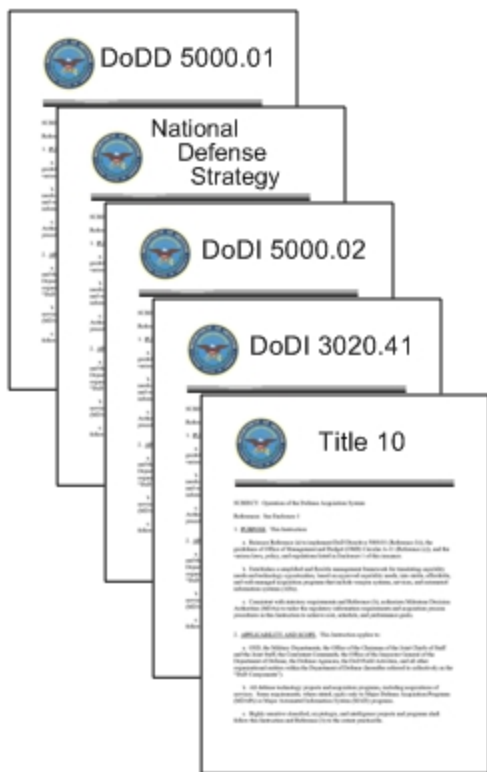


Welcome to Regulatory Environment

This lesson will provide a detailed description of the various policies and regulations guiding the Life Cycle Logistician (LCL) during the continued evolution of the Life Cycle Sustainment Plan. Understanding these regulations will help achieve program success during the Integrated System Design effort (ISD) of Engineering and Manufacturing Development (EMD) phase of the product life cycle.



Objectives

Upon completion of this lesson you should be able to:

- Identify the key policies, regulations, and guidance that influence the updated Life Cycle Sustainment Plan (LCSP), and how they apply to the LCL.

This lesson will provide you information regarding the LCL's role in applying regulatory guidance to development of the LCSP during the ISD effort of the EMD life cycle phase.

Life Cycle Product Support Planning Documents

On September 14, 2011 the PDUSD(AT&L) issued Life-Cycle Sustainment Plan (LCSP) guidance and a newly developed LCSP outline. The guidance references earlier PDUSD(AT&L) direction to separate the LCSP from the Acquisition Strategy and requires an LCSP for **all** acquisition programs. The outline is designed to be a tool for programs to effectively and affordably satisfy life-cycle sustainment requirements. The PDUSD (AT&L) memo provides additional implementation detail.

The mandated LCSP outline addresses the following topics:

- Product Support Performance
- Product Support Strategy
- Product Support Arrangements
- Regulatory/Statutory Requirements that Influence Sustainment Performance
- Integrated Schedule
- Funding
- Management
- Supportability Analysis
- Sustainment Planning Factors

Some specific regulatory documents will be discussed during this lesson. LCLs must ensure that product support planning is consistent with applicable public law, DoD policies, and regulations.

Title 10, United States Code

Statutory requirements that must be considered when planning for product support are contained in various public laws. Chief among these is Title 10, United States Code. Specific requirements are contained in TITLE 10--ARMED FORCES--Subtitle A--General Military Law, PART IV--SERVICE, SUPPLY, AND PROCUREMENT, CHAPTER 131--PLANNING AND COORDINATION.

§ 2202. Regulations on procurement, production, warehousing, and supply distribution functions: The Secretary of Defense shall prescribe regulations governing the performance within the Department of Defense of the procurement, production, warehousing, and supply distribution functions, and related functions, of the Department of Defense.

LCLs must ensure that product support planning is consistent with applicable public law, DoD policies, and regulations.



Title 10, United States Code, Cont.

Additionally, there are other sections in Title 10 ([Chapter 146](#)) that the LCL must consider when planning for product support:

- [§ 2460 - Definition of depot level maintenance and repair](#);
- [§ 2464 - Core logistics capabilities](#);
- [§ 2466 - Limitations on the performance of depot-level maintenance of materiel](#)
- [§ 2474 - Centers of Industrial and Technical Excellence: designation; public-private partnerships](#)

Please select each for more detailed information.

United States Code

Popup Text

§ 2460 – Definition of Depot Level Maintenance and Repair

§ 2460 – Definition of depot level maintenance and repair. The term “depot-level maintenance and repair” means material maintenance or repair requiring the overhaul, upgrading, or rebuilding of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair or the location at which the maintenance or repair is performed. The term includes:

- All aspects of software maintenance classified by the Department of Defense as of July 1, 1995, as depot-level maintenance and repair, and
- Interim contractor support or contractor logistics support (or any similar contractor support), to the extent that such support is for the performance of services described in the preceding sentence.

§ 2464 – Core Logistics Capabilities

§ 2464 – Core logistics capabilities (often referred to as "Core"). It is essential for the national defense that the Department of Defense maintain a core logistics capability that is Government-owned and Government-operated (including Government personnel and Government-owned and Government operated equipment and facilities) to ensure a ready and controlled source of technical competence and resources necessary to ensure timely response to a mobilization, national defense contingency situations, and other emergency requirements.

§ 2466 – Limitations on the Performance of Depot-Level Maintenance of Materiel

§ 2466 – Limitations on the performance of depot-level maintenance of materiel (also known as the “50/50 rule”). This section of the statute establishes the limit of contracting funding by service that can be used for non-organic (commercial) sources of depot level maintenance.

§ 2474 – Centers of Industrial and Technical Excellence: Designation; Public-Private Partnerships

§ 2474 – Centers of Industrial and Technical Excellence: designation; public-private partnerships. Each Service Secretary is required to designate Centers of Industrial & Technical Excellence (CITE) in their core competencies. The head of each CITE has the authority to enter into partnerships with employees of the center, private industry, and others to perform the work related to core competencies. The head of the CITE also has the authority to allow private industries and others to use facilities and/or equipment of the center that is not fully utilized. Any depot facility designated as a CITE is exempt from 10 USC 2466 (50-50) as long as work is performed on location and the work must be pursuant to a partnership with private industry.

Federal Acquisition Regulation (FAR)

LCLs must recognize applicable portions of the Federal Acquisition Regulation (FAR) when developing their product support plans. For example, the FAR implements the Federal Government's preference for the acquisition of commercial items contained in Title VIII of the Federal Acquisition Streamlining Act (FASA) of 1994 (Public Law 103-355). The FAR establishes acquisition policies more closely resembling those of the commercial marketplace and encourages the acquisition of commercial items and components. An example of this requirement is Part 12 - Acquisition of Commercial Items:

Product requirements documents must contain sufficient detail for potential suppliers of commercial items to know which commercial products or services may meet government needs. Generally, an agency's statement of need for a commercial item will describe the type of product or service to be acquired and explain how the agency intends to use the product or service in terms of function to be performed, performance requirement or essential physical characteristics. Describing the agency's needs in these terms allows suppliers to propose methods that will best meet the needs of the government.

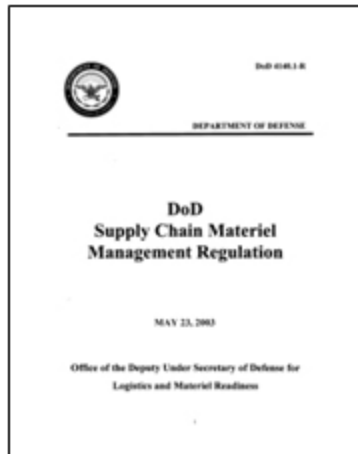
More detailed information on the FAR is available at <http://acquisition.gov/far/index.html>

Additional Regulatory Documents

In addition to the Title 10, DoDI 5000.02, and the FAR, the LCL must be familiar with many other regulatory documents when planning for product support. These documents include:

- [DoD 4140.1-R - DoD Supply Chain Materiel Management Regulation](#)
- [DoDD 4151.18 - Maintenance of Military Materiel](#)
- [DoDI 4151.19 - Serialized Item Management \(SIM\) for Materiel Maintenance](#)
- [DoDI 4151.22 - Condition Based Maintenance Plus \(CBM+\) for Materiel Maintenance](#)
- [DoDI 8320.04 - Item Unique Identification \(IUID\) Standards for Tangible Property](#)

Please select each for more detailed information.



Popup Text

DoD 4140.1-R - DoD Supply Chain Materiel Management Regulation

DoD 4140.1-R: provides materiel management guidance for developing materiel requirements based on customer expectations while minimizing DoD investment in inventories, selecting support providers on the basis of best value, determining how best to position and deliver materiel to satisfy highly variable readiness and combat sustainment needs in a variety of unique and demanding environments; and executing other supply chain functions and programs, some of which are unique to the Department of Defense.

DoDD 4151.18 – Maintenance of Military Materiel

DoDD 4151.18: establishes policies and assigns responsibilities for the performance of DoD materiel maintenance, including maintenance of weapon systems, hardware, equipment, software, or any combination thereof for both organic and contract sources of repair.

DoDI 4151.19 – Serialized Item Management (SIM) for Materiel Maintenance

DoDI 4151.19: establishes a Serialized Item Management Program where the Military departments and defense agencies will identify populations of selected items (parts, components, and end items), mark all items in each population with a unique item identifier (UII) and generate, collect, and analyze maintenance, logistics, and usage data about each specific item.

DoDI 4151.22 – Condition Based Maintenance Plus (CBM+) for Materiel Maintenance

DoDI 4151.22: establishes policy and guidance for Condition Based Maintenance Plus (CBM+) as the primary reliability driver in total life-cycle systems management supportability strategy. CBM+ is the application and integration of appropriate processes, technologies, and knowledge based capabilities to improve the reliability and maintenance effectiveness of DoD systems and components.

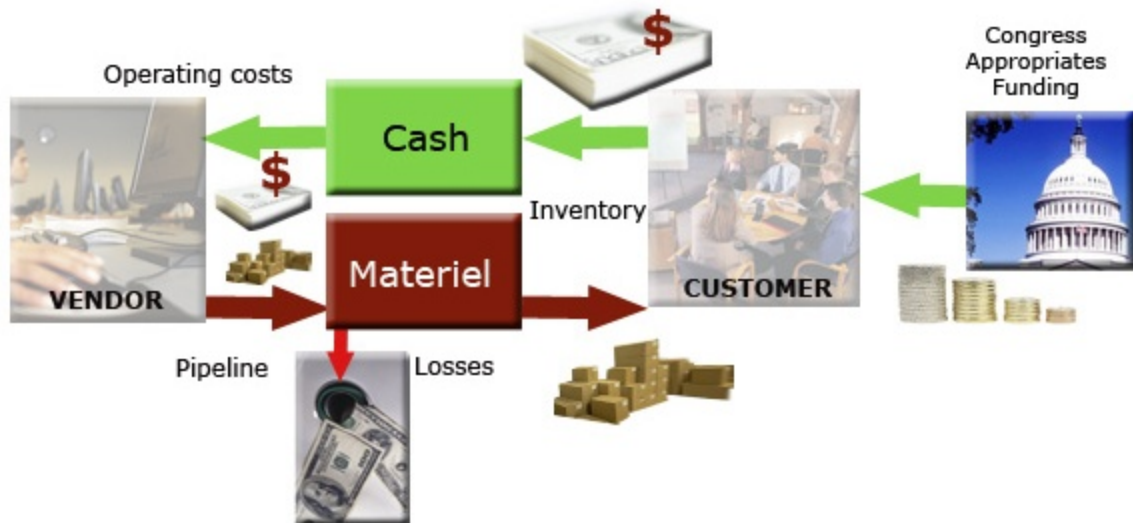
DoDI 8320.04 – Item Unique Identification (IUID) Standards for Tangible Property

DoDI 8320.04: implements policy that prescribes the procedures and assigns responsibilities for a process of uniquely identifying personal property and their associated selected attributes. It prescribes procedures and assigns responsibilities for establishing accountability and value over uniquely identified items of tangible personal property through use of transaction derived data. This instruction prescribes standards for constructing the Unique Item Identifiers.

DoD Financial Management Regulation (FMR) 7000.14-R

The FMR provides guidance for management of the Defense Working Capital Funds ([DWCF](#)). DWCF activity groups that the LCL should be concerned about include Depot Maintenance, Transportation, Supply Management, and Distribution Depots as these are the ones that finance product support in sustainment for weapon systems and equipments.

[Click here for additional information concerning the FMR and DWCF.](#)



Popup Text

FMR

The basic objectives of these financial controls include:

- Provide a more effective means for controlling the costs of goods and services required to be produced or furnished by DWCF activities, and a more effective and flexible means for financing, budgeting, and accounting for the costs thereof.
- Create and recognize contractual relationships between DWCF activities and those activities that budget for and order the end-products or services.
- Provide managers of DWCF activities the financial authority and flexibility required to procure and effectively use manpower, materials, and other resources.
- Encourage more cross-servicing among the DoD components and among their operating agencies, with the aim of obtaining more economical use of facilities.
- Facilitate budgeting for and reporting of the total life cycle costs of weapons and equipment.

The LCL should understand and give full consideration to the workings and requirements of the DWCF as the financial basis for life cycle sustainment resources.

Long Description

Pictorial representation of the Defense Working Capital Fund (DWCF). Congress appropriates funding (represented by a bag with a dollar sign) to DoD (the customer). The customer uses the cash (represented by a stack of dollar bills) to pay for operating costs (including supplies from vendors). Vendors provide the supplies (material) to the customers through the supply pipeline. Differences in actual operating costs versus planned operating costs can result in losses which require working capital cost recovery rates to be applied.

DoD Directive 4500.9E

LCLs should recognize the requirements of DoD Directive 4500.9E, "Transportation and Traffic Management," for addressing product support plan elements related to transportation of equipment and material. These basic requirements includes a strong Defense Transportation System (DTS), operating within a national transportation system that is fully responsive and globally capable of meeting personnel and material movement requirements of the Department of Defense across the range of military operations. This means:



- DoD shippers shall utilize commercial resources from the DTS to the maximum extent practicable unless there is a documented negative critical mission impact.
- Timely In-Transit Visibility (ITV) data should be maintained on all cargo and passenger movements across the range of military operations.
- Shippers shall use the DoD-approved suite of Automatic Identification Technology (AIT) devices to enable the creation, capture, and processing of accurate shipment data in a timely manner.

Contractors on the Battlefield

DoDI 3020.41 - "Contractor Personnel Authorized to Accompany U.S. Armed Forces." Historically, the focus of the DoD has been to have every job performed by a member of the armed services (military or civil service). In order to meet the requirements necessary to sustain operational tempo, this focus forced DoD to maintain a large workforce of civilian contractor personnel.

As time has evolved, reductions in personnel levels and budgetary constraints have forced the Department of Defense to adapt to performing the same level of service for the warfighter with reduced assets.



One solution to the problem was to determine those functions that are inherently military and maintain staffing for those functions. By performing this review, those functions not inherent could be contracted out with minimum impact to warfighter requirements.

A second solution to the problem is to maintain a core military group to perform the functions and then to augment the core group as operational tempo dictated. Regardless of each solution utilized, civilian contractors could be exposed to [combat situations](#).

Popup Text

Combat Situations

LCLs should recognize the requirements of DoDI 3020.41, "Contractor Personnel Authorized to Accompany U.S. Armed Forces – Contractors on the Battlefield," for addressing product support plan elements related to use of contractor support in combat areas.

In developing product support capabilities involving civilian contractors, the LCL must consider DoD policy and procedures concerning DoD contractor personnel authorized to accompany the U.S. Armed Forces. This includes:

- Implementing appropriate contractor planning, visibility, deployment, and redeployment requirements;
- Adhering to theater management procedures; abiding by applicable laws, regulations, policies, and international agreements; and
- Using contractor support only in appropriate situations consistent with the Defense Federal Acquisition Regulations.

Long Description

Representation of H-47 Chinook helicopter hovering over a shipping container with two people kneeling on top of the container preparing to hook up the container lifting sling to the helicopter.

DoD Logistics Policies

DoD logistics policies provide the LCL with the authoritative basis for creating the LCSP. In this context, the LCSP documents the life cycle support strategy that will be used to sustain the weapon system/equipment. It integrates the vision, strategy, and specific product support concepts and arrangements that will ensure the reliability, maintainability, and readiness necessary to meet the needs of the warfighter at best value cost.

Although developed by the LCL, the LCSP requires the early and consistent involvement of a wide range of stakeholders to ensure a broad DoD-wide policy-based perspective that will facilitate coordination and approval of the final plan.

The LCSP is the single, top-level document used to guide the detailed plans for life cycle sustainment, and as such serves as the primary object for corporate management review, coordination, and approval of sustainment strategies. A properly developed LCSP will also reflect the requirements of the operational customer and can be used as the framework for performance based agreements to satisfy customer supportability objectives.



Changing Nature of Life Cycle Sustainment Planning

LCLs must recognize that system development and product support are dynamic activities that cannot be sustained by a static logistics support strategy. DoD policies require LCLs to revise, correct, and improve existing life cycle sustainment planning to meet warfighters' performance requirements. Examples of such improvements include:

- Continuously monitoring engineering changes to determine the impact on supportability;
- Changing maintenance plans to transition to predictive strategies rather than reactive maintenance approaches;
- Applying technology enablers to develop an integrated support enterprise across functional boundaries;
- Decreasing cycle times for procurement, repair, and delivery;
- Transitioning to a performance-based support environment; and
- Transitioning to a commercial-type end-to-end supply chain management system.



Long Description

Aircraft flight line with two H-60 helicopters, two CH-47 Chinook Helicopters in the background and the front end of a C-141.

Knowledge Review

Which Regulatory Document is referred to as "50/50"?

☒ Title 10 USC 2466

☐ DoD 5000.01

Check Answer



Title 10 USC 2466 is commonly referred to as '50/50'.

Knowledge Review

Which document provides guidance for management of the Defense Working Capital Funds?

- ☐ DoD 5000.02
- ☒ DoD 7000.14-R
- ☐ Defense Acquisition Guide
- ☐ Title 10 - USC 2466

Check Answer



DoD 7000.14-R provides guidance for management of the Defense Working Capital Funds.

Regulatory Environment Summary

You have completed Regulatory Environment and should be able to:

- Identify the key policies, regulations, and guidance that influence the creation of a Life Cycle Sustainment Plan, and how they apply to the LCL.

Lesson Completion

You have completed the content for this lesson.

To continue, select another lesson from the Table of Contents on the left.

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