

OSD's Estevez Pleased with DDC's Progress with RFID

During a September visit to the Defense Distribution Center (DDC), Alan Estevez, Assistant Deputy Under Secretary of Defense (Supply Chain Integration), toured the Eastern Distribution Center (EDC) for a first-hand look at DDC's use of Radio Frequency Identification (RFID) Technology.

As he toured the EDC, Estevez was impressed with DDC's proactive approach to using RFID to improve asset visibility and inventory accuracy as well as DDC's ability to custom design RFID systems to meet customers' capabilities. Estevez said he was interested in pursuing a Department of Defense standard for RFID tags based on a DDC design to improve universal RFID recognition.



During the tour of the EDC, Estevez received a demonstration of the new passive RFID mobile workstation. From left to right: Andy Leitzel, Deputy Commander of Defense Distribution Depot Susquehanna, PA (DDSP); Larry Loaicono of DDC's Information Technology division; Alan Estevez, ADUSD (Supply Chain Integration); Laurie Hallman of DDSP; Kathy Smith of the Office of the Secretary of Defense; Gene Bransfield of DLA's Logistics Operations Division; and Phyllis Campbell, SES, DDC Deputy Commander.

DDC Steps Closer to Full Implementation of Passive RFID

By Jessica Walter-Groft, DDC Command Affairs

In July, the Defense Distribution Center's (DDC) largest strategic distribution platform, Defense Distribution Depot Susquehanna, PA (DDSP), began a pilot program to test the effectiveness of using passive radio frequency identification (RFID) tags to enhance asset visibility and management, taking DDC one step closer to full implementation of passive RFID at both strategic distribution platforms by the beginning of 2005.

A small microchip imbedded in an antenna and enclosed within a thin label, the passive RFID tags will be applied to shipments as they leave DDSP on their way to pilot program partners Norfolk Container Freight Station or Camp Lejeune. A DDSP employee will scan the 2-D barcode on the shipping label, sending the information to a centralized server. The workstation's computer will then print out an RFID label to be placed on the package along side the military shipping label. When the items arrive at the Norfolk Container Freight Station or Camp Lejeune, the passive RFID tag will be read and used to access information about the shipment on the server.



The RFID label will be applied to the packaging along side the military shipping label, enabling the contents to be tracked throughout the supply chain.

"The benefits of RFID are tremendous—not only for the Warfighter in the ability to

track supplies, but also for DDC in allowing us to improve data accuracy," said Phyllis Campbell, SES, DDC Deputy Commander.

This testing of passive RFID is not the first for DDC. DDSP has been assisting in passive RFID tag research at the Mechanicsburg, PA detachment for many years by providing pallets of materiel and fork lift support to Oakridge National Laboratories, the DLA research and development firm for RFID. In addition, DDC's west coast strategic distribution platform, Defense Distribution Depot San Joaquin, CA (DDJC), was part of a successful passive RFID pilot project that simulated the tracking of combat rations through 11 points along the supply chain earlier this year. Also, this spring, DDJC validated tag placement for effective readability on vendor shipments of Individual Protective Equipment from DDJC to Blue Grass Army Depot in Kentucky.

These passive RFID pilots are being conducted in preparation of a January 1, 2005, deadline issued by the Department of Defense (DoD) that requests suppliers to begin applying passive RFID tags their shipments at the unit pack and pallet levels by that date.

DoD has also issued other policies relating to RFID technology. In January of 2003, DoD sent out an edict that all pallets and seawans destined for U.S. Central Command have an active RFID tag attached. Unlike the passive tags that are activated only when they pass by a reader, the battery-powered active RFID tags emit a constant signal that can be detected by a receiver from a distance.

The use of active RFID has aided significantly in the improvement of asset visibility throughout the logistics pipeline and has subsequently assisted in building customer confidence. This enhanced visibility has allowed the Warfighter to track his supplies throughout the supply chain, giving him the opportunity to know what is coming and when to expect it so that he can mobilize his resources accordingly.

Although passive RFID technology will be used to enhance asset visibility, its main

appeal is in additional functions such as inventory accuracy and supply management. When future enhancements link this technology to DDC's inventory system, the tags will reduce the chance for human error in the receiving process that is currently completed manually. Some passive RFID tags can also be used to hold information about expiration dates, maintenance schedules and manufacturer's information.

Passive RFID testing is expected to be completed by the end of the year, and DoD expects to have passive RFID rolled out department-wide within the next five years. In the fall, DDC will set in motion an internal plan to implement the passive RFID technology at DDSP and DDJC, with the rest of the distribution centers following on a roll-out schedule over the next two years.



The printer on the mobile workstation will generate the RFID tag as a paper label containing an antenna and microchip inside.

DPMS Increment 1 Granted Milestone C Approval

The Distribution Planning, Management System (DPMS) continues to improve how the Defense Distribution Center (DDC) does business. This increment, referred to as "First Destination," concerns inbound transportation planning and optimization, i.e., shipment of products from vendors to DDC distribution centers or direct to the customer. According to Grace Huston, DPMS Program Manager, "The people, applications, infrastructure, and support are ready. Testing has been extensive and successful; and has ranged from unit and system testing, to end-to-end and stress tests which validated that the DPMS can handle 200,000 shipments a day, every day. This assessment was confirmed when Dave Falvey, DLA Program Executive Officer, granted Milestone C ("Go Live") approval for the first increment of DPMS on May 26th, 2004. "Bottom line: the required capability and functionality for

Increment 1 has been provided, and DPMS continues to be delivered on schedule and within budget" said Huston.

The primary goal of DPMS is a modern, enterprise distribution system that provides DLA with the ability to:

- Optimize first and second destination shipments along with returns to achieve the most effective use of carriers and modes of transportation.
- Collect and access real-time and historical information on the location and movement of materiel, and to act on that information.
- Respond rapidly to crisis.
- Deliver tailored logistics packages.
- Initiate early sustainment directly at the strategic, operational and tactical levels.
- Provide standard documentation to ensure uninterrupted movement from origin to destinations

in CONUS and OCONUS.

- Provide advanced shipping notices to customers, distribution centers, military and commercial ports to ensure rapid, efficient receipt.

More than 156 DLA vendors are already using and reaping the benefits of DPMS, including access to current, up-to-the-minute military shipping addresses; the ability to print shipping documentation—including linear and 2D barcodes—at vendor locations; and access to Materiel Release Order (MRO) Tracker (DLA's Web Based Shipment Tracking System). "Overall, DPMS is improving responsiveness to mission requirements; saving tax payer dollars; enhancing shipment planning and intransit visibility; and improving integration within the supply chain," Huston said. "Best of all, these goals are being realized while customer service is improving."

Even with the success of Increment 1, Huston and her DPMS team have not skipped a beat. Work is well underway on Increment 2 ("Second Destination") which entails transportation planning, optimization, and modeling for shipments outbound from DDC distribution centers. Additionally, preliminary discussions are underway for Increment 3 which involves the integration of DPMS with BSM. A key point to remember according to Huston is that DPMS is complementary to BSM, and both are part of a larger DLA transformation. "DPMS will provide vital information to BSM, which will be particularly useful for planning and for order fulfillment" said Huston. "We're all part of the same DLA team working towards the same goals, and ever cognizant of why we are here—and that is for the Warfighter."