



THE SECRETARY OF THE NAVY  
WASHINGTON DC 20350-1000

May 26, 2022

MEMORANDUM FOR CHIEF OF NAVAL OPERATIONS  
COMMANDANT OF THE MARINE CORPS  
ASSISTANT SECRETARIES OF THE NAVY

SUBJECT: Actions to Improve the Department of the Navy Sustainment

At the heart of the ability of the Navy and Marine Corps to fight and win wars is our ability to plan and execute effective sustainment of weapons systems and platforms, including logistics operations and activities, in a dynamic and increasingly contested environment. To meet the warfighter's needs today and in the future, we must enhance our ability to conduct and support strategic operations. When our Sailors and Marines are called upon, we must be able to respond, whether for a humanitarian response or high-end combat. Enduring operational readiness is built upon a solid foundation of sustainment; therefore, improving the effectiveness of weapon system sustainment is a top priority. Sustainment is an essential capability providing a key strategic advantage and a resolute requirement for the Department. Long-term sustainment improvements must become foundational to how we, as a Department, do our business every day.

There are a number of important efforts underway across the Navy to improve sustainment across the Navy, including Performance-to-Plan, Naval Sustainment Systems, and Sustainment System Working Group (SSWG), representing critical elements of the solution, and these must continue. Yet, I believe we must redouble our efforts to make enduring improvements in sustainment across the Department in this area. Therefore, I am directing the following actions.

**Industrial Base Optimization**

We depend on a dynamic and diverse industrial base to support timely, efficient procurement, maintenance, and sustainment of Navy and Marine Corps warfighting platforms. Several challenges have undermined the performance of the industrial base, notably, uncertainty in long-term requirements, level of funding, as well as generational changes to workforce demographics and experience. To ensure the readiness of our fleet to meet current and future threats, we must tackle these challenges head-on.

We have embarked on industrial optimization plans for depot maintenance facilities that support Aircraft Carriers, Submarines, Aircraft, and Marine Corps vehicles. We must drive improved efficiency into our industrial base as it sustains ALL warfighting capabilities and platforms and look for gaps that are not addressed in our current plans.

A major part of our effort to optimize the industrial base supporting the Navy and Marine Corps will be optimization of our public shipyard infrastructure. The Shipyard Infrastructure Optimization Plan (SIOP) is a once-in-a-century investment in reconfiguring, modernizing, and

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optimizing our four public Naval Shipyards into new modern facilities that will keep pace with the evolving needs of the fleet. SIOP must not only recapitalize our infrastructure, it must also transform the way we meet our maintenance requirements. Thanks to strong support from Congress, we are already moving aggressively to address the most urgent infrastructure requirements that will generate immediate returns on our investments. Planning undertaken to date provides us with a firm foundation for our work in the near-term, but I want to ensure we have a comprehensive plan covering the full spectrum of SIOP investments envisioned across the program, in order to help guide and synchronize individual projects.

The Assistant Secretary of the Navy for Research, Development & Acquisition (ASN (RD&A)) will report back to me in 120 days with an evaluation of key gaps in infrastructure and workforce capacity hindering the Department of the Navy (DON) from meeting force readiness requirements, including an evaluation of the need for additional depot maintenance capacity, that are not currently addressed in the Department's SIOP. In particular, this evaluation should include recommendations on potential high-return investments in infrastructure and/or workforce development that could substantially improve the ability of the industrial base to meet future requirements, as well as on potential changes to DON policies or processes to improve predictability, efficiency, affordability, and performance in depot maintenance and sustainment activities.

ASN (RD&A) will develop, within 30 days after analysis and 3D modeling is complete on each public shipyard, an updated, a detailed plan of action and milestones for the SIOP, with the schedule and cost required to deliver the optimized depot maintenance facilities needed to sustain the fleet.

### **Sustainment Innovation**

Transition and implementation of sustainment technologies needs renewed emphasis. Advanced manufacturing, including additive manufacturing, improved coatings to fight corrosion, and systems/sensors to improve application of condition-based maintenance are all examples of capabilities that need to be in warfighters hands now.

The DON spends more than \$8 billion each year combatting corrosion of metal surfaces on our ships, aircraft, and vehicles. Legacy paints and surface coatings provide insufficient protection against corrosion, creating substantial requirements for both cosmetic and structural maintenance. Not only do these maintenance requirements generate substantial costs, they also require enormous investments of time from Sailors and Marines – time that takes them away from their primary warfighting responsibilities. We must proactively incorporate corrosion prevention requirements, metrics and investments across the acquisition and sustainment of weapon systems.

Conditions-based maintenance plus (CBM+) holds great promise as a way to help us identify and address maintenance issues before they become problems. The ability to leverage CBM+ technologies and processes to be more predictive on maintenance requirements will

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enable us to avoid catastrophic system failures, streamline maintenance availabilities, and reduce maintenance costs while giving time back to warfighters to hone their warfighting skills. The Department has embraced CBM+, and CBM+ will be incorporated into requirements for all new Major Weapons System designs. The Navy is currently conducting a pilot of its CBM+ approach that will help us better understand how to employ CBM+ within the Navy's sustainment enterprise.

We must move forward aggressively to adopt and deploy CBM technologies. I look forward to being briefed on the outcome of the Navy's CBM+ pilot and to working with the Navy and Marine Corps to ensure we make appropriate investments in CBM+ in the forthcoming budget cycle.

Advanced Manufacturing (AM) holds a great deal of promise with regard to improving the agility, efficiency, and timeliness of meeting maintenance needs. Innovative work is underway across the DON. Bringing a more centralized organizational structure to this work and codifying its critical role will help us bring rigor, standardization, and more widespread adoption to the DON's use of AM. We must aggressively adopt technologies that can reduce the maintenance burden on our Sailors and Marines, particularly when those technologies can also reduce our maintenance costs.

ASN (RD&A) will develop, in 120 days, a strategy for the acquisition of sustainment capability alongside weapon system procurement that will improve sustainability of the fleet.

ASN (RD&A) will provide to me, within 120 days, recommendations on improving the development and adoption of AM across the DON, including recommendations on policies and governance relating to AM.

ASN (RD&A) will provide to me, in 90 days, an assessment of effectiveness of current corrosion control policy and the status of implementing corrosion control technologies and other measures across the Department. The assessment will include recommendations for actions that will improve corrosion control and prevention across the Department.

### **Supply Chain Support for Sustainment**

Coronavirus Disease 2019, natural disasters, and the current conflict in Ukraine have both highlighted risk and fragility in our supply chain. Ensuring we optimize the logistic support to the warfighter is critical to our success both in peacetime and beyond. We must have access to the right spare parts in the right quantities in the right places as part of our sustainment foundation. We must instill an improved and enduring understanding of our industrial base so we can make informed decisions on establishing logistic support for weapon systems. The Supply Chain Management Industrial Base Transformation initiative will expand upon current efforts to identify additional suppliers and risk within the industrial base highlighting areas where we can invest to improve resiliency. The DON is a key stakeholder and participant in the implementing the recommendations highlighted in Executive Order 14017, "Securing Defense-Critical Supply Chains Report of February 2022." The DON will continue to work with the Office of the Secretary of Defense and the other Services to improve supply chain resiliency.

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ASN (RD&A) will report, in 90 days, in coordination with Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC), a strategy for Supply Chain Illumination that can improve our understanding of DON supply chain risks.

### **Sustainment Governance**

Underpinning our success in improving our ability to effectively sustain our fleet, including the above efforts, will be an effective approach to sustainment governance. Last year, in its final report, the SSWG concluded that, "to generate the ready forces required by our nation across all of the DON's warfighting areas in a time of constrained budgets, a true whole of Enterprise Sustainment System (ESS), with a common organization, process, and governance framework is required." The top recommendation of the report was to "identify a well-defined Sustainment Governance Architecture to support a DON ESS." A key enabler of this recommendation is the consolidation and alignment of sustainment funding across the DON Sustainment Enterprise.

ASN (RD&A) will lead a team that will provide me, within 180 days, a plan to implement this recommendation. CNO and CMC will each provide support from the Navy and Marine Corps, respectively, as warranted. The plan will include a proposed sustainment governance architecture and recommendations for consolidating and aligning operations and sustainment enabling accounts and resources, as appropriate, to enable the most cost effective execution of the Sustainment System.

As part of this sustainment governance architecture, we have embraced Congress' direction in the 2018 National Defense Authorization Act, to add sustainment reviews to our processes for evaluating and improving sustainability of weapon systems. I recently updated the Department's latest guidance for implementing the Defense Acquisition System that includes Sustainment Reviews as Gate 7 reviews, and we have already conducted the first reviews for 2022. These reviews will increase our understanding of sustainability of our weapon systems, to include effectiveness of our product support and maintenance strategies, actual reliability, engineering support capability total ownership costs, and specific industrial base concerns for each program. We must continue to evolve the Gate 7 process to gain better control over sustainment strategies and costs. The Navy will continue to execute additional reviews throughout the rest of this Fiscal Year in accordance with our plan for executing Gate 7 reviews for all covered programs, but we should not wait to understand our readiness to conduct Gate 7 reviews across the Department.

ASN (RD&A) will report, in 120 days, the readiness of all covered systems to execute sustainment reviews for all covered systems.

### **Sustain to Win**

Redoubling our efforts to improve naval sustainment is an essential force multiplier for the fleet. We must continue to improve how we sustain our naval forces, and increase our focus on sustainment, as one Navy-Marine Corps team. We have supported the nation's needs for more than 246 years and will continue to support for many years to come. Sustainment is a

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capability enabling the enduring strategic assurance our nation requires. Undertaking these efforts will improve our Navy's ability to sustain the fleet more effectively for many, many years to come.



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