



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

MAY 10 2004

MEMORANDUM FOR DISTRIBUTION

Subj: DIMINISHING MANUFACTURING SOURCES AND MATERIAL SHORTAGES
(DMSMS)

Diminishing Manufacturing Sources and Material Shortages (DMSMS) remain a major challenge confronting the Department of the Navy (DoN). Obsolescence and the corresponding technical refresh costs are significant and hamper the Fleet's ability to maintain and operate today's equipment. Industry has developed and implemented proven strategies and methods to address this problem. Throughout the Department, organizations are individually addressing DMSMS and, in some instances, reducing its negative impact on material availability. In order to gain a clear understanding of ongoing DoN DMSMS efforts, I would like to survey the current state of affairs in our acquisition domain.

To accomplish this initial assessment, request Program Executive Officers and Direct Reporting Program Managers designate a point of contact (POC) to liaison with the DASN Logistics representative, Mr. Eric Grothues who will arrange dates for future visits to review individual program's DMSMS efforts and needs. Please e-mail your POC information to ulrich.grothues@navy.mil by 19 May 2004.

In the near term, I will sponsor a DMSMS EXCOM to include senior leadership, SYSCOM/PEO logistics and DMSMS leads. Invitees will also include selected program offices and representatives from industry and Government who perform DMSMS services. The purpose of the EXCOM is to:

- Review ongoing DoN DMSMS practices;
- Gain exposure to the myriad of both Government and industry DMSMS tools and programs available;
- Identify best practices; and
- Chart a future DMSMS course for the Department.

Further information on the DMSMS EXCOM will be provided at a later date. Your help in addressing this issue is vital to lowering our cost structure and improving readiness of our operating forces.

A handwritten signature in black ink that reads "Nicholas Kunesh".

Nicholas Kunesh
Deputy Assistant Secretary of the Navy
(Logistics)

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