

**General Edward M. Daly  
Commander, Army Materiel Command**

**Defense Writers Group  
Project for Media and National Security  
George Washington School of Media and Public Affairs**

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**Moderator:** Good morning everyone. I'm Thom Shanker. I'm the Director of the Project for Media and National Security at George Washington University and I'm really, really honored to welcome you all to this Defense Writers Group with General Edward Daly, Commander of the Army Materiel Command. As always, this conversation is on the record but it's not for rebroadcast, either audio or video. And as always per our protocols I'll ask the first question of the General before I go around the room asking for questions from the Defense Writers Group.

General, good morning to you, sir, and thanks for joining us today.

**General Daly:** Thanks so much for having me. I really appreciate the opportunity to speak with all of you and appreciate your time. I really look forward to the discussion. Thank you.

**Moderator:** General, I'd like to jump right into it. While like all Americans I'm concerned about the supply chain, I wanted to open our conversation talking about your industrial base modernization plan which I know is your \$16 billion priority. As you can tell by my gray hair or my lack of hair, I'm more of the Rosy the Riveter generation. So if you can walk us through how the Commander of Army Materiel Command is going to wrench this industrial age system already transforming, of course, into a new era of high tech and robotics while maintaining quality work, environmental safety and new efficiencies.

**General Daly:** Thom, thanks for that question. I think to start off, you know the mission of Army Materiel Command in terms of providing sustainment really from the continental United States for the tactical edge throughout the globe. So our presence in terms of work force and personnel is about 175,000 people, military, Department of the Army civilians and contractors throughout the battle space, or throughout the world.

When we talk about sustainment, obviously intuitively it's

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ammunition, it's repair parts, it's foreign military sales with partners and allies, it's infrastructure, soldier programs, et cetera. But one critical piece is the organic industrial base. The organic industrial base is comprised of 23 depots, arsenals and ammunition plants in the continental United States, about 30,000 workforce strong. Those are artisan workforce personnel, professionals, as you mentioned, the Rosy the Riveter comparison to World War II.

But the organic industrial base was designed and really implemented in World War II. So what we have is really a 20<sup>th</sup> century capability to support a 21<sup>st</sup> century Army and Joint Force.

What the Secretary of the Army and the Chief of Staff of the Army have chartered me with as the Commander of Army Materiel Command is modernize the organic industrial base, bring it into the 21<sup>st</sup> century, and make sure that we understand its purpose and its relevance and then attack it in terms of an investment strategy along several lines of effort.

The purpose of the organic industrial base is one so that in times of conflict and crisis that the organic industrial base with certain critical capabilities can surge to support wartime capabilities.

So in peacetime it has to maintain this core capability and foundational skill set juxtaposed with robotics, investments in infrastructure, investments in computer program logic, really looking at our processes and making sure that it's a 21<sup>st</sup> century capability to support not only the current equipment within the Army and the Joint Force but everything we're moving towards in terms of modernization.

The Army is undergoing a four-year transformation unlike anything we've seen and commensurate to that has to be the organic industrial base. So whether it's making gun tubes up at Watervliet, New York in our arsenal there; or it's rebuilding aircraft in Corpus Christi, Texas; or it's making bombs to support the Air Force in McAlister in Oklahoma, that ammunition base. It's updating along not only the facilities, the processes, the technologies, the robotics, but also really retraining the workforce and realigning the workforce so that they can remain relevant and essential and critical to the process.

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So the organic industrial base modernization is something that I've been tasked to lay out not just now but for a 15-year strategy. I'll brief that to the Army senior leaders here in the next 30 days and then I'm being asked to go to the Hill in concert with the Assistant Secretary of the Army for Acquisition, Logistics and Technology, and really show them what that means. And really lay out that 15-year organic industrial base modernization strategy. If that makes sense.

**Moderator:** Great. Thank you, sir, very, very much.

Our first question from the floor is Ethan Sterenfeld of Inside Defense.

**DWG:** General, good morning.

I wanted to ask about the effect of the continuing resolutions on OIB modernization and upgrades. The Army has already said that some programs have been delayed. How long can we go without a budget before some of the work planned for FY22 can't be done this year?

**General Daly:** I appreciate your question. In fact the Vice Chief of Staff of the Army just testified on the Hill and talked about the magnitude and the effects of the continuing resolution that would potentially last throughout the fiscal year.

I would tell you it would have very significant consequences as it applies to the organic industrial base which is my portfolio. Obviously we wouldn't be able to start any new work with regard to facilities modernization predicated again, on a budget. A continuing resolution wouldn't allow us to do that. Then there's implications beyond that to the modernization signature programs in terms of certain decisions that can and can't be made and money and funding that can be applied accordingly.

I would just tell you that I think the Vice Chief was very, very specific in terms of the effects. I concur with those effects obviously. And from my portfolio as the senior logistician in the Army, I will just tell you that a continuing resolution does have significant effects, and with every day that passes by it becomes more and more, it demonstrates more and more effects to our Army if that makes sense.

**DWG:** Are there any more specific examples you can give us?

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**General Daly:** As you know, a continuing resolution, we can execute to current or the prior year's budget, but we can't execute any new spends. So specifically my concerns are, military construction is an example. We can't really start any military construction. We can't do any modernizations beyond what we programmed for last year.

So if you use last year as a baseline, and knowing what we need to do to modernize, as an example, we'll increase our readiness status. The use of new funds is very difficult. You can't do it, it's against the law.

So I'm just concerned that it's almost status quo and the effects, again [inaudible].

**Moderator:** Next question Carla Babb, VOA.

**DWG:** I was just curious what your command is doing tying in in preparation for the situation in Ukraine, potentially having to bring a lot more troops, a lot more resources over to Europe. Can you talk a little bit about what your day to day is currently and what your command has to do with getting ready for that?

**General Daly:** I appreciate the question. I will tell you that I do not attend any of the administration's or the Department of Defense's meetings, so I'm not privy to a lot of the information.

I can tell you that from an Army Materiel Command perspective, just across the world in general terms, that my job is to make sure that the Army [inaudible] worldwide at any point in time.

So that really ranges from day to day supporting exercises to Army's movements in support of those exercises, to foreign military sales optimizations throughout the world to our allies and partners. That, one, gives them, builds partner capacity. Positioning decisions with regard to commodities, ammunition and prepositioned stocks and medical supplies around the world so that we can be responsive to any crisis or conflict that should arise.

For us it's just normal business throughout the world where we continue to execute the day to day operations that Army Materiel Command does based on the Secretary and the Chief's guidance.

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**DWG:** Have you repositioned any additional security measures or materials over in Europe for the potential influx of, you know, the 8,500 that they announced? We know that Mobility Command has been moving stuff to Ukraine, but I was just curious for our troops there, have we increased the supplies as well?

**General Daly:** Again, what I would tell you is we're postured to support any operations worldwide. So when you talk about positioning in support of a specific operation or a hypothetical situation in Ukraine, I would say no. Right now the Army just continues to do what it always does day to day. That is separate from what you've seen on the major cable network stations. Foreign military sales materiel being shipped into the Ukraine. That's public knowledge, obviously, and so I am aware of that. Some of that lies in the AMC portfolio.

**Moderator:** Next question is Rose Thayer of Stars and Stripes.

**DWG:** Good morning. I wanted to ask about family housing and also barracks because you mentioned MILCON. A lot of measures have been put in place in the last two to three years to improve and rebuild [Traxton] family housing. And I've seen some of that come back but there's been a number of like the Tenant Bill of Rights with pieces of that that just aren't really ringing true with residents. So I'm wondering what the next step is to really getting families on board and feeling like their problems are being taken seriously and their houses are safe.

Then with barracks sort of the same question, as MILCON is not potentially coming through in the way it needs to.

**General Daly:** That's a great question. If I could, can I take privatized family housing first and then barracks second, is that okay?

**DWG:** Yes.

**General Daly:** Let me kind of set the context for you because I think it's a great question, a very, very fair question as well.

Privatized housing numbers are about 87,000 homes. As you probably know, AMC up until two years ago didn't have privatized housing in its portfolio. Installation Management Command was separate from the Army Materiel Command. A decision was made by the Chief of Staff of the Army, the Secretary of the Army, it was

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time to pull Installation Command into AMC and therefore we, AMC, became the responsible executing organization for privatized housing under really the policy set by the Assistant Secretary of the Army for Installation, Energy, Environment. I feel very, very comfortable that we have made tremendous strides.

We meet on a regular basis with our six - was seven, now six - privatized partners and really we would categorize our successes in a couple of different pockets. Tactical successes and then strategic successes.

I would just tell you that one, in terms of the implementation of the Bill of Rights, we've implemented all the Bills of Rights and we hold the partners accountable to executing the Bill of Rights, all 18 of them.

Second, I would tell you that we are holding the partners accountable for as resident occupy the quarters they are guaranteed quality housing. So there's a process by which with all the privatized companies that we go through to award incentives and really retain incentive dollars that potentially go to those companies based on their performance of really fixing more quarters; reducing mold; abating lead; life, health and safety work orders; timeliness; et cetera. I will tell you unequivocally that we are holding those partners accountable.

When you get more to the strategic level what we've focused on that hadn't been focused on before is the financials of the companies and their ability and what they do with their reinvestment account which is the money they get from the rent given from the residents to additional capital they can allow in and find from investors.

I will just tell you, as we look at those financials, we go back to those companies and really get in a level of specificity never seen before to drive them for additional capital investment.

So what's the bottom line? Between all the partners we're going to be investing about \$4.9 billion between now and FY26 into housing. The effects of that are really about 3800 new houses and about 18,000 homes renovated. That's about a 26 percent turnover. And when you look at industry standard, that's exponentially better than what industry could do in that period of time. When with industry I mean like community living areas, et cetera, local communities where builders and developers are

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doing the same things.

So we're completely changing the complexion and the quality of the homes. We're modernizing them, we're getting residents better floor plans, more open floor plans, more quality appliances, those types of things, and forcing the partners to build to a level not just to code but to quality. I feel really, really comfortable about that. And every single partner, I will tell you, we know exactly what's in their reinvestment account and what we tell them to invest in, and we know exactly how much, based on debt/capital ratio, they should go out and get new capital investment from, and we're holding them accountable to that.

In fact you saw a couple of months ago the announcement of Lend/Lease to invest with additional shareholders about \$1.1 billion. That wasn't arbitrary. That's because we went to Lend/Lease and said we know your financial situation and you have a debt to capital ratio that you can go out and get about \$1.1 billion and invest it in these certain installations. Then we have another one that's forthcoming as well. And two other companies that I think in the next year to two years will invest additional capital.

So we're really getting after this.

I'm always concerned when I get situations where people are complaining about mold or lead abatement, et cetera, every single family matters. We take those very, very seriously. And there have been a couple of situations where I've personally called the CEOs, they're on my speed dial, every single one of them. So much so that I will tell you that it's not by chance that Clark is no longer a partner. That was very calculated. I made it well known that they were a failing partner and they needed to really leave the business. Their understanding of taking care of soldiers and families and servicemembers was not the same as ours in the Army. So we now have Michaels that have taken over their properties and Michaels is doing exponentially better.

So we're attacking every single problem at echelon, whether it's at the strategic level with the CEOs and holding them accountable, or whether it's at the tactical level at the installation where a garrison commander is talking to a resident and pulling the partner in at that local level and saying hey, fix these quarters.

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I personally went down to Fort Belvoir one day and walked into a quarters that I was dissatisfied with the response from the company and said you need to compensate them for what's happened here in mold to their personal property, and they did.

Again, are we perfect? No. But I would just tell you that we are truly - because I'm executing the Secretary of the Army and Chief's intent here that we're taking care of every single service member and their families.

Anything else on privatized housing? I can move to barracks.

**DWG:** It's not necessarily a question but just sort of, I've been asking for several months now for some transparency in [ACRA] R&D reinvestment account. I haven't been able to get any answers. If there's a possibility to get transparency on how that reinvestment funding is used.

**General Daly:** I will tell you that I will get my team in touch with you and I will personally brief you on the reinvestment account. I have that level of fidelity and visibility and I feel very, very comfortable that - and everything in the reinvestment account I will tell you goes through me for approval. So I can see the dollars, I now what it's being applied to, and we know how to hold the partner accountable to doing what they said they were going to do. So I feel very, very comfortable not only that we know where we are, but we will absolutely be transparent with you. That's a huge piece of it, how we use the reinvestment account coupled with the long-term additional capital investment which quite frankly is groundbreaking. We hadn't asked in 25 years of privatized housing, we had never asked for additional capital investment outside the reinvestment account.

**DWG:** I appreciate that and look forward to it.

**General Daly:** Your question on barracks. The Secretary and the Chief have been very, very clear on their priority on barracks. When we started looking at how we optimize funding and programming of every dollar in the budget to support quality of life, and within that was all types of barracks - permanent barracks, institutional training barracks, when soldiers enter the Army, and then transient training barracks. The barracks that soldiers use when they mobilize and when they go to training long term, et cetera, as well as child development centers and

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child youth centers.

The guidance I got from the Secretary and the Chief was optimize every dollar and make sure that we are focused on those priorities. We have done that over the last couple of years. I'll give you a couple of numbers.

One is that we will have invested by the end of next year in the last three years, actually four - '20 to '23 - about \$4.5 billion in barracks. Going forward, in fact I brief the Secretary of the Army tomorrow, is a recommended decision on how many more billions of dollars we put into barracks over the next ten years. I feel very, very comfortable that our barracks are getting exponentially better.

And just to give you a data point, we have about 1955 permanent barracks in the United States Army. That's how much we look at it every day. When we started this process three years ago without really focused investment on that priority the number of barracks that were to standard were about 67 percent. Now we're at just under 80 percent with a trajectory to go to almost 90 percent over the next several years.

The Army senior leaders have really committed to continuing to invest in barracks and to build not just, again, to code but to quality. Energy efficient. Certain barracks configuration to give soldiers space so that they feel like they're being treated well. And then quite frankly, there's a bunch of [energy] issues we're working in as well.

So I feel very comfortable that we continue to be on a great trajectory on getting better in barracks. Again, are we perfect? No. But we are making a significant difference. And I'll just tell you at AUSA, I don't know if you were there, but the Family Forum with the Secretary and the Chief, hundreds of people up on the net and hundreds of people physically there, not one question to the Secretary and the Chief on privatized housing or barracks. The year before, I will tell you, there were dozens of questions on it because there was dissatisfaction.

So it tells me we're heading in the right direction, but we can't rest on our laurels by any means.

**Moderator:** The next question goes to Jen Judson of Defense News.

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**DWG:** Thank you so much, General, for joining us today.

I wanted to ask about Army prepositioned stock. I know the Army is in the process of right-sizing APS, so I'm hoping that you can talk a little bit about what you're doing in that process and where you think you are. Would you say you're getting close in say Europe? Do you have a little further to go in the Indo-Pacific region? Then also if you could talk a little bit about the evolution of APS, how you're using it differently than you have maybe five years ago even. Because it seems like you're pulling it and using it more often than you used to.

**General Daly:** I really, really appreciate the question because it's a great one. One, it gets back to if we're going to be able to support the Army service component commands in the AORs throughout the world, then we have to be able to be responsive in setting the theaters correctly and that means commodity and positioning of stocks accordingly so that we are not late to meet. We can be very, very responsive, as you know.

So you're exactly right. Take it back seven, ten years ago Army prepositioned stock was in some cases dated in terms of not having the most modern equipment. Usage of the stocks was really 911 break glass. In other words you didn't use it, you kept it. It was sacrosanct. You couldn't issue it and use it for exercises. The third piece is that it was very static and hadn't been updated in terms of where we positioned it.

Here in the last couple of years we have taken on a new strategy developed by the United States Army Headquarters Department of the Army, really endorsed from an execution perspective by Army Materiel Command because we're in charge of everything to do with Army prepositioned stocks.

So one is, making sure that Army prepositioned stocks is modernized and configured with the most lethal, the most current, and the most up to date equipment and supplies. That's one.

The second piece is that we want to use it. We want to use it during exercises because that creates a muscle memory and now it allows speed of issue if we were to have to do it under duress, under contested conditions.

The third is positioning throughout the world. I will just tell you that we're still working through some positioning decisions.

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I feel comfortable at this point, and this is not just based on subjectivity, this is really based on the National Defense Strategy, the Global Posture Review. I feel more comfortable where we're positioned in Europe right now and where we are templated to be positioned. I feel comfortable where we are in terms of our prepositioned stocks afloat which are flexible stocks that still are very responsive but they can support the Pacific, they can support Europe, they can support the Central Command AOR as well. And I think we are continuing to refine what we're doing in the Pacific.

But the bottom line is that I feel much better about Army prepositioned stocks, and here's what I would tell you. Army prepositioned stocks throughout the world right now, whether it's Europe, the Pacific, Central Command or afloat, are ready. Even if in some cases they may not have the most modern equipment. In most cases they do, but if they don't, they're ready. They're ready to be issued and they're ready to respond to crisis or conflict. But again, it's part of this strategy that will be enduring over the next four to eight years where we continue to refine what we're doing.

I can tell you that I know there are several commodities and units where we're building, where we're building with the most modern equipment. So it is more modern and more effective than ever, and we use it in exercises. We've used it in defender exercises in Europe, we've used it to support Pacific Pathways in the Pacific. We've issued it in the Central Command AOR. And we've downloaded prepositioned stocks afloat. All have been effective in terms of supporting Army training exercises and contingency operations.

**Moderator:** The next question goes to Kaitlin Kinney of Defense One.

**DWG:** I would also like to ask about prepositioned stocks. Can you talk a little bit more about the stocks and like impacts from the Global Posture Review? Was anything removed from like Europe and then moved to say the Indo-Pacific? Was anything added like ammo or specific equipment? Thanks.

**General Daly:** Let me just be clear that Army prepositioned stocks are really equipment sets, so it's really some commodities and equipment in units, unit sets. But we usually talk about Army prepositioned stocks divorced of ammunition.

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From a standpoint of what we're moving from one AOR to another, I would just tell you, not to get into the details of the Global Posture Review, but that I feel very comfortable that where we have stocks positioned currently, that we're going to build on where we have locations established right now.

I don't personally believe, based on the guidance that I've gotten, that we'll be moving stocks from one AOR to another. But again, as we continue to refine and this is ever-changing based on conditions throughout the world. But right now I have no order to move stocks from one location to another in the world.

**DWG:** Going to some current events, how would the prepositioned stock be used if this NATO Response Force is activated? And also if other additional troops are sent to Europe to defend NATO countries? How many troops or units does it support? What will be kind of seeing if people are drawing out from these stocks?

**General Daly:** That's a great question. Unfortunately, I really don't want to answer any specifics with regard to the NATO Response Force or anything going on with current events right now for operational security reasons.

I will tell you though that, again, what I mentioned earlier is that any stocks that we have that are in prepositioned locations are ready to be issued. And I will just tell you as a senior logistician within the Army that I feel very, very comfortable that my job is to make sure there are no shortfalls in logistics for any type of commodity or any type of equipment.

**DWG:** The public release you have says there are tanks that you guys kind of like modernize. If you can just give any specifics about some of the stocks even that are there.

**General Daly:** I would just tell you that this is not in response to Ukraine or anything going on in Europe, but the Army does have prepositioned stocks consisting of combat systems in Europe. That is not a response where we have done that recently as a preemptive approach. We have done nothing to reposition stocks based on hypotheticals of what's going on in Europe right now.

**Moderator:** The next question is Ellen Milhiser of Synopsis.

**DWG:** I want to go back to what AMC has done for the national

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pandemic response and the fact that y'all sent out so much medical materiel, PPE and so on. And you were talking earlier about ensuring the organic industrial base is ready and available throughout times of peace. Is the AMC involved in bringing back or improving domestic production capability for things like PPE, masks, medical equipment?

**General Daly:** First if I could just, you didn't really ask this question but if I could just set the context for what we did for the pandemic. I think it's really important. Most people don't understand what the Army did for the pandemic in terms of medical teams, et cetera. I will just give you a couple of quick data points.

From a contracting perspective every contract for vaccinations, for therapeutics, for PPE that was done by the government, whether under Operation Warp Speed or a national mandate of buying, those contracts and those requirements were refined by the Army. So \$51.7 billion of contracts were executed by the Army to deliver vaccinations and therapeutics to various locations throughout the country. I think that really speaks to the responsiveness of the Army in terms of the pandemic.

To your point on PPE and other things bringing into the organic industrial base, you know, we did that a little bit in the beginning to bridge the gap between production and the corporate sector. So it was masks, hand sanitizers, some other areas where we were able to do some offsetting and production in the organic industrial base.

Going forward we see it a little bit differently. Several have talked about, Thom talked about supply chain vulnerabilities. You hinted at it. So I feel very, very comfortable that the organic industrial base modernization strategy incorporates those supply chain vulnerabilities that either have gone offshore or that are lagging in the continental United States that we potentially can bring them into the Army's organic industrial base. I'll give you a couple of examples.

Castings and forgings as an example. Outsourced outside the United States. The United States has really lost about 300,000 workers in casting and forging jobs and about 1600 foundries went offshore in the last ten years.

Microelectronics and microchips, offshore, as you know.

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Then you look at the rare strategic materials that support our ammunition industrial base. So whether that's explosives or propellants, really energetics in general, we know exactly where what's gone offshore and our intent is to bring some of those into the organic industrial base to reduce vulnerability over time. That's what we're working to. That's another key piece of the organic industrial base modernization strategy.

It's not secret that China's influence over the supply chain and really the Pacific's influence over the supply chain. We're trying to reverse that. So we're working not just by ourselves in the Army but with the Office of Secretary of Defense, the Defense Business Board, the Defense Science Board, and so a whole bunch of organizations within the government are working with the corporate sector to work that out. So over the next five to seven years we'll bring some of those capabilities - production and manufacturing capabilities back into the organic industrial base as well as the U.S.' corporate sector.

**DWG:** When you talk about the organic industrial base and bringing it back, are you talking about bringing everything back to the United States itself, or to trusted allies and partners?

**General Daly:** I think there's two pieces to it. When I talk organic industrial base I'm talking about that's the Army's own depots, arsenals and ammunition plants. Your question about bringing back to allies and partners and then to the corporate sector, that's the industrial base. And really, you can't talk about one without the other. They're inextricably linked.

This is why I think it has to be a concerted effort. The organic industrial base within the Army can't take on everything, but one of the critical capabilities, manufacturing capabilities or production capabilities that are most foundational to our focus of the OIB, but they complement what the commercial sector is doing. So we don't want to bring everything into the organic industrial base. What we want to do is really partner with the corporate industrial base and run that delicate balance.

I will tell you that we don't do this in a vacuum. We do it very, very closely aligned with the industrial base and the corporate sector. So much so that we have about 220 public/private partnerships with corporations. So if you went down to a depot or arsenal you would see companies like General

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Dynamics or BAE that are operating within the walls and structure of our organic industrial base partnering together.

There are several different options on how we do this, but the ultimate goal of really reducing supply chain vulnerabilities across the whole United States, and I particular for us we're concerned about those that affect materiel and our warfighting capabilities.

**DWG:** Do you have any programs that are medically focused? For example as you build this, are you concentrating on ensuring that the Army has a domestic source for PPE, hand sanitizers and so on going forward? Or are you going to continue to rely upon the commercial sector to produce those items?

**General Daly:** That's a great question. The organization that's responsible, and these are consumable items, as you know. The organization within the Department of Defense that's responsible for it is the Defense Logistics Agency. So we work with the Defense Logistics Agency who works with the corporate sector to figure out how we do that. But I would just tell you that Class 8 and consumables, this is more a Defense Logistics Agency arena because it is consumables that it's working with, companies like Cargo and others on how we do that, make sure we have the right stockages.

So we're involved in that but just from a consumer perspective in terms of the medical consumables we need to support our wartime requirements, if that makes sense.

**Moderator:** The next question goes to Dmitry Kirsanov of TASS.

**DWG:** Thank you so much, General, for doing this.

A follow-up on Ukraine that I had was asked and answered, so I was hoping to ask you on APS with regards to Europe and Asia, in the Pacific or Asia Pacific. You were talking about how you're bringing new equipment about creating muscle memory, things of that nature. But are you also like building new Army depots and warehouses, just essentially bringing more stuff in those theaters or not?

**General Daly:** I don't want to give the impression that - Army prepositioned stocks are the, I would just ask you to keep in mind the purpose of it. Generally speaking here's what happens

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with Army prepositioned stocks. We alert a unit and the unit, if we put their equipment on a ship it would take two to three weeks to get their equipment to its destination and then to link up the soldiers with their equipment.

What Army prepositioned stocks give you is the ability to have the equipment already pre-staged. Then what happens is the soldiers are alerted, they don't have to move their equipment to the port and they don't have to wait three weeks. They just fly in and they occupy the equipment and they're ready to go. So it's this response time. It's making sure that we're responsive to the timelines so that we're not geographically displaced from the standpoint of the equipment positioning. That's one area. So it's really equipment that units use.

In terms of commodities, class five ammunition, class one food and subsistence, class three bulk storage. That's separate from Army prepositioned stocks. That's what we refer to as setting a theater. The great thing that I think that the United States Army does is that we can project forces better than any country in the world and we can sustain those forces and not be late to need.

So you have a couple of things happening simultaneously and in crisis. One is that you're deploying units to certain locations to be able to execute missions. The second piece is you've got to sustain them. We do that very, very well between air and ground and prepositioned commodities. But I want to make sure that you know that every theater is different in terms of what we have positioned, and I feel very, very comfortable that the conditions are set throughout the world for the United States, with the understanding that the continued sustainment, follow-on sustainment stocks, there are plans in how we support that in perpetuity and that gives us staying power, something that most countries in the world don't have.

**Moderator:** Next is Matthew Beinart of Defense Daily.

**DWG:** I just wanted to ask for your latest assessment on the Army's use of 3D printing and advanced manufacturing. I believe in a discussion last year you mentioned a priority of yours was proliferating the advanced manufacturing capacity down to the corps and division level. So where's the progress in that space? What are maybe the latest technological breakthroughs that have kind of piqued your interest in that area?

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**General Daly:** I'm so glad you asked that question. I remember we did talk about it last year. I have a refined vision. I said down to the corps and division levels. I think it's down to the battalion and brigade level, closer even to the tactical edge. And it really spans the battlespace.

The way I see it is that we'll be doing advanced manufacturing not only in depots, arsenals and ammunition plants, but also forward in the battlespace based on equipment that we have, whether it's 3D printers, CNC lathe capability, et cetera, coupled with a digital thread where we can pull 3D CAD drawings and then enter those specifications into the equipment so we can actually build.

The data repository, the data thread, digital thread, is there now. We're going to continue to progress that. So one, we're making progress on the number of parts that we have drawings for that we know we can 3D print. Two, we're making progress on the digital thread that's in place now so that the data repository, no matter where you are, whether you're at the tactical edge or you're in the depot, you can see all of the required files that you need to 3D print a part. And four, we're making progress on where we position the equipment from the tactical units all the way to the depots and investing appropriately.

I think we're on a very, very good trajectory.

I firmly believe that if these capabilities that going in the depots will allow increased velocity and production and manufacturing and resetting [in all] the equipment, and at the tactical level it will increase readiness. If that makes sense.

**DWG:** As a quick follow-up, is it something that you see putting together some sort of like an official plan to see that vision through? Like in five to seven years we want to be able to reach that capacity? Something like that.

**General Daly:** I would just tell you that you have to juxtapose that capability with a myriad of other capabilities that we are implementing and investing in from across really the continental United States at the tactical edge. So let me just give you a couple.

Advanced manufacturing is one. Another one is unmanned ground

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and aerial resupply systems is another. Another one is reduction of fuel, tactical fuel, in our combat systems. We've got a couple of prototypes that are working right now. Another one is water distribution. We're working with some organizations right now to reduce the water burden of distribution in the battlespace which is a huge endeavor. Army Research Lab is doing some phenomenal things that I think we can bring into the Army over time.

I also believe that at the strategic level that there's things we're doing to modernize as well. Other things, even like watercraft and prognostics and diagnostics, data analytics. So the way we take all those initiatives and we migrate them from really just science and technology and research development dollars into really manufacturing production is something that we're watching very, very closely. We have a strategy and we're inserting those investment requirements into our budget programming efforts and eventually the budget over the next five to seven years.

So I feel very, very comfortable that the sustainment warfighting function capabilities, from tactical to strategic. I talked about a couple of things at the tactical edge but also about the depots, arsenals and ammunition plants. It has to be from tactical to strategic, and an investment in totality between tactical, operational and strategic will really enable us to continue to meet the modernization efforts that the Chief of Staff of the Army and the Secretary of the Army are focused on.

So when you talk about modernization, many people think it's just signature programs. Well, it's a myriad of other things too, including the sustainment capabilities as well. I feel very, very comfortable we're on a very, very good trajectory on that.

**Moderator:** Our last question today is Meredith Roaten of National Defense Magazine.

**DWG:** Thank you so much for doing this.

My question is, I wanted to go back to your plans to modernize the organic industrial base. If you could talk specifically about one of the Army's modernization priorities which is long range precision fires and the organic industrial base's role in that. And if you want to talk about what needs to be done to prepare them for that modernization priority if you feel there's

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a gap that needs to be breached there.

**General Daly:** That's a great question. Let me just step back and tell you, all of our Army priorities in the signature programs, long range protected fires is one obviously. Whether it's FLRAA and FARA or long range protected fires or the new generation squad weapon, et cetera. There's a tie to a couple of things we've been doing in the sustainment community, specifically AMC.

One is that we work directly with the program executive officers under ASA(ALT). We work directly with the centers of excellence at TRADOC. And we work with the cross-functional teams in Army Futures Command to make sure that we're all sync'd in terms of how do we support not only the manufacturing and production of this materiel, but also how do we sustain it on the battlefield in the long run?

So I feel very, very comfortable. If you just take long range protected fires as an example, Watervliet Arsenal, in terms of the cannon/gun, Anniston in terms of some of the prime movers on components, an ammunition perspective that involves several ammunition plants. And so I would just tell you that even if you take the next generation squad weapon, Lake City Ammunition Plant. We're building a new facility at Lake City Ammunition Plant to be able to produce the munitions, the 6.8mm munitions that are required, and we do that in partnership with [Inaudible] Winchester who is the contracted organization that runs that ammunition plant.

So really what I'm telling you is that for every single signature modernization program that the Secretary of the Army and the Chief of Staff of the Army have looked at, to include FLRAA and FARA, Army Materiel is engaged from an organic industrial base perspective and then a long-term sustainment perspective. And I would just tell you that almost every one of those systems ties back to the OIB either on the depot or arsenal side or from an ammunition perspective. I feel very, very good that there's a great nesting early in the process so that we are determining the depot source of repair, we're determining the requirements, and those are feeding the modernization specificity of efforts going on in our depots, arsenals and ammunition plants.

So we're building the capability so we don't have to wait for it and then be late to need down the road.

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I hope that answers your question, but I wanted to give you the understanding that we're doing this across all systems, not just long range protected fires.

**DWG:** To follow up, if you could talk about do you feel like there is a gap for preparing for some of these more emerging technologies like hypersonic weapons, for example, that you need to kind of meet or have the goal of meeting before those are ready for the warfighter?

**General Daly:** That's a great question. I will tell you that Lieutenant General Neil Thurgood who is long range hypersonic weapons, directed energy, it's all in his portfolio. I meet with him on a regular basis, feel very, very comfortable that RCCTO, the Rapid Transition Office and his portfolio, that we're so well sync'd that we are incorporating the requirements for sustainment early in the process. That's what I would tell you across every cross-functional team and even RCCTO where as we develop the requirements, the sustainers from Army Material Command, whether that's Tank Automotive Command, Aviation and Missile Command, Communication Electronics Command, or even Joint Munitions Command. Those commanders are personally involved in the sustainment, to make sure, their task is to make sure we're not late to need in being able to support the weapon system once it's produced, or could be produced. In some cases we're [already producing it].

**Moderator:** Thanks, General.

Before I ask the General for any closing comments allow me a small housekeeping question. The Defense Writers Group follows George Washington University protocols, and while in-person classroom engagements have been allowed, the university is only moving slowly to in-person non-class [inaudible]. I'd appreciate an email from anybody on this call whether you all feel comfortable moving back to our in-person breakfasts for the next few weeks, or whether virtual feels safer to you.

General, thank you for giving me that moment. Sir, the floor is yours for any wrap-up comments.

**General Daly:** I really, really appreciate the time today and really fantastic questions by those in the session today. I'm very, very appreciative of your time and really enjoyed the

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session.

If anybody wants to follow up, I will be glad to follow up with you. I want to be completely transparent. And even when there's questions where I'm not at liberty to answer, I'll tell you that and be honest with you like I was in a couple of your questions.

I would just tell you that the Secretary of the Army and the Chief of Staff of the Army's priorities are clear in terms of people, readiness, and modernization. And the Secretary talks about a strategic sustainable path to 2030 and beyond. This goes back to, I got a question on the CR. And within that construct Army Materiel Command's job is really to provide sustainment support to not only the Army but the Joint Force based on Title 10 and Army support to Army services.

As I mentioned before, we didn't get a chance to talk about it, but foreign military sales is an example. Right now as we speak we're dealing with 137 countries, about 6500 different cases worldwide. And that's important because that's not just sale of equipment but that's building partner capacity for really ally and partner capacity.

Then we talked about just supporting exercises. We're supporting an Army in motion all the time, supporting exercises worldwide. Just this past year we moved, Army Materiel Command, about 70 brigade combat teams worth of equipment throughout the world. And this gets at the muscle memory. So that's why when I tell you I think we're postured to be able to support any operation, it's because we do it every day. And really it comes down to the reason why is because we have this great workforce of 175,000 people - military, DA civilians and contractors - who are going to work every day, leaning in, and demonstrating the ultimate professionalism and making a difference.

I really, really feel comfortable that Army Materiel Command is making a difference in supporting the Army and the Joint Force, and I really look forward to any follow-on discussions with any of you with regard to our mission or what we're doing in support of soldiers and families with readiness and modernization.

So thanks again everybody. Really appreciate it. And I would also add just as a caveat, anything you all can do to help us with predictive, constant funding to an earlier question, so we don't have to endure a CR, would be fantastic.

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**Moderator:** General, thank you most sincerely for sharing your time and wisdom today. Thanks to your staff for your support. And most of all, thanks to all the members of the Defense Writers Group for joining us today. We're here to serve your reporting needs, so any ideas or suggestions are welcome.

With that, I'll wish you all a good day. Stay safe and healthy everyone.

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