

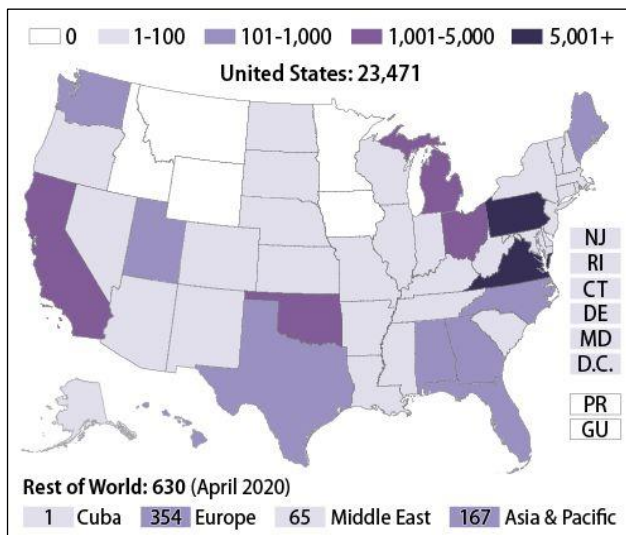


Defense Primer: The Defense Logistics Agency

Established under Title 10 Sections 191 and 192 of the *U.S. Code* (U.S.C.), the Defense Logistics Agency (DLA) is the Department of Defense (DOD) agency responsible for supply or service activities common to all military departments. Section 193 of Title 10 identifies DLA as a combat support agency, a designation that DLA describes as “a formal oversight relationship with the chairman of the Joint Chiefs of Staff and allows combatant commanders to request specific support from the agency.” Under these authorities, DLA manages the global supply chain for DOD and interagency partners by providing procurement, storage, distribution, disposition, and other technical services that are essential to the Joint Logistics Enterprise (see Joint Publication 4-0).

Headquartered in Fort Belvoir, VA, DLA operates in most U.S. states and territories (Figure 1). In addition to DOD customers, its portfolio includes 40 federal, 50 state, 300 local, and 122 international partners. In fiscal year (FY) 2022, DLA reportedly procured and/or provided over \$46.7 billion in total goods and services.

Figure 1. Distribution of DLA Employees, November 2022



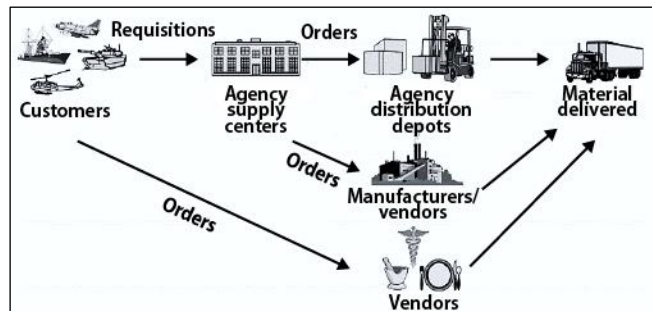
Source: CRS graphic based on DLA data.

Major Responsibilities

DLA’s primary purpose is to meet the armed forces’ logistics requirements for food, clothing, fuel, parts, and other items. Its major responsibilities are to buy or contract, warehouse when needed, and distribute about 5 million distinct consumable, expendable and repairable items to its military customers. The agency contracts for high-volume, commercially available items. It then distributes these items directly to the customer (e.g., a shipyard or maintenance depot), or stores them for later delivery. DLA also allows customers to order supplies directly from integrated supply

chain contractors if they are an approved provider through the Prime Vendor Program (Figure). DLA product delivery typically includes supplementary services like warehousing, packaging, and transportation.

Figure 2. DLA Supply Chain Management Process



Source: Government Accountability Office (GAO-02-776).

Energy Products and Services

DLA exclusively procures and manages distribution of energy products for DOD, including bulk petroleum (i.e., petroleum, oil, and lubricants, or POL), coal, natural gas, electricity, alternative fuels, and missile fuels. DLA-Energy (DLA-E) secures vendor contracts for energy products, manages product inventory, and ensures the delivery of those products worldwide. Where appropriate, DLA-E utilizes international fuel agreements with 43 allied nations (as of FY21) to deliver cost-efficient, reliable fuel supplies to DOD customers. DLA also provides energy-related services to military installations (including energy acquisition support and utilities contracting) and propellants, cryogenic fluids, and gases for military weapons systems and space programs. In the event of natural disasters or domestic emergencies, DLA can also provide fuel to support the Federal Emergency Management Agency, U.S. Customs and Border Protection, the National Capital Region, and other civil authorities.

National Defense Stockpile

The National Defense Stockpile (NDS)—established in 50 U.S.C. §98 et seq.—is a non-fuel, raw materials-based stockpile that “protects against a costly dependence upon foreign and single points of supply for strategic and critical materials needed in times of national emergency.” DLA Strategic Materials (DLA-SM) is responsible for managing the NDS and is required to provide a report to Congress every two years on stockpile requirements. As of September 30, 2021, DLA-SM reportedly stores dozens of critical base and precious metals, rare earth elements, alloys, ores and compounds valued at \$1.28 billion.

Organizational Structure

DLA is led by a three-star general or flag officer, and includes six one-star level subordinate commands:

- **DLA Troop Support (Philadelphia, PA).** Manages the DOD global supply chains for food, clothing and textiles, construction materials, and medical supplies, including pharmaceuticals.
- **DLA Distribution (New Cumberland, PA).** Provides DOD storage and distribution solutions and management, transportation planning and management, and logistics planning for contingency operations; and operates a global network of distribution centers.
- **DLA Disposition Services (Battle Creek, MI).** Disposes of excess DOD property by reutilization, transfer, and demilitarization; conducts environmental disposal and reuse.
- **DLA Aviation (Richmond, VA).** Manages the DOD supply chain for aviation weapons systems repair parts, flight safety equipment, maps, consumable hardware, environmental products and industrial plant equipment.
- **DLA Land and Maritime (Columbus, OH).** Manages the DOD supply chain for ground-based and maritime weapons systems repair parts, consumable hardware, small arms parts and fluid-handling systems.
- **DLA Energy (Fort Belvoir, VA).** Manages the DOD supply chain for POL products, alternative fuel/renewable energy, aerospace energy; provides fuel quality assurance and technical support, fuel card programs and installation energy services.

DLA also has three regional commands (about 600 total personnel located overseas (**Figure 1**)) that allow DLA to interface with the geographic combatant commands for logistics planning and supply chain support in their respective areas of responsibility.

DLA Funding

DLA activities are authorized through annual National Defense Authorization Acts. Budget authority for DLA activities is typically provided in both the Defense Appropriations and Military Construction, Veterans Affairs, and Related Agencies Acts. Appropriated dollars are managed through DLA’s General Fund; however, DLA occasionally requests appropriated dollars in support of two otherwise self-sufficient revolving funds (**Table 1**).

- **General Fund.** Appropriation titles generally include Procurement; Operations & Maintenance (O&M); Research, Development, Testing, & Evaluation (RDT&E); Military Construction (MILCON); and Family Housing.

DLA revolving funds:

- **DLA Working Capital Fund.** Used to manage DLA’s global supply chains and subordinate commands. Includes three major activity groups: Energy, Supply Chain Management, and Document Services.
- **NDS Transaction Fund.** Established under 50 U.S.C. §98h and managed by DLA, the fund is used for the acquisition and management of materials for the NDS.

Table 1. DLA FY2023 Request (\$ in millions)

Appropriation Title	FY2022 Enacted	FY2023 Request
O&M	427.26	429.06
National Defense Stockpile – Transaction Fund	0.00	253.50
RDT&E	350.90	227.97
MILCON	110.00	129.00
Procurement	510.90	24.50
DLA Working Capital Fund	127.80	8.30
Base Realignment and Closure (BRAC)	3.97	3.01
Total	1,530.83	1,075.34

Source: Department of Defense, <https://comptroller.defense.gov/>.

Considerations for Congress

- **Market Volatility.** Because it purchases materials on the open market, DLA is susceptible to price changes for oil, gas, and other high demand goods and services.
- **Commercially Obsolete Spare Parts.** DLA RDT&E funding addresses critical supply chain gaps for commercially obsolete spare parts, such as microelectronics in legacy equipment. As the pace of defense innovation increases, obsolescence of older parts may also increase. Congress may wish to assess and enhance DOD’s capacity to anticipate and respond to commercial obsolescence through DLA RDT&E.
- **Oversight of COVID-19 Response.** DLA played an active role in the U.S. Coronavirus Disease 2019 (COVID-19) response. According to DLA, as of October 31, 2021 (most recent available) it had executed over 48,000 contract actions worth about \$6.6 billion in these efforts. Congress may wish to leverage DLA lessons learned for enduring pandemic preparedness and consider decreasing or increasing DLA’s role in supporting national emergencies.

CRS Products

CRS In Focus IFI 1233, *Defense Primer: Defense Working Capital Funds*, by Cameron M. Keys and Brendan W. McGarry

Other Resources

DOD Directive 5105.22, *Defense Logistics Agency Joint Publication (JP) 4-0, Joint Logistics*

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