Munitions Executive Summit

LTG Mortensen
8 February 2006
AMC Strategic View of Munitions Base

AMC’s role… sustain the Joint Warfighter through effective management of munitions items throughout their life cycles (R&D, production, storage, distribution and demilitarization). Ensure the industrial base is prepared to support that mission.
The Joint Munitions Team Challenge

- **Joint Munitions Life Cycle Management Command (JM LCMC):**
  - Understand how SMCA concept and JM LCMC fully support Joint Force munitions requirements.
  - Develop economies of scale through continued pursuit of the SMCA Concept.

- **Logistics:**
  - Apply funding for real-time asset management and visibility.
  - Gain efficiency through regionalized transportation planning.
  - Realize efficiency improvements in storage utilization and asset accountability.

- **Industrial Base:**
  - Providing modernization funding (reinvestment by both government and industry).
  - Eliminating or mitigating effects of single-point failures.
  - How can we harmonize industry and organic operations to improve overall readiness, responsiveness and profitability.

  - Section 806 compliance needs consistent application throughout DOD.
  - Minimizing impact of declining funding levels.
  - Determining optimum type and length of contracts.
Ammunition Readiness (Perspectives)

• Warfighter viewpoint
  – Can we meet strategic resource requirements for the Combatant Commanders/Joint Warfighters?
  – Do we have sufficient resources to meet expanded force training requirements?
  – Do we have sufficient War Reserves?

• Sustainment & industrial base viewpoint
  – Do we possess the quantity and quality of materiel to meet the requirements?
  – Do we have an adequate logistics base for outloading, receipt, storage, inspection, etc.?
  – Do we have a production base capable of responding to requirements?
Ammunition Readiness

• Ammunition readiness – on hand inventory
  – 91% of the items reported on the munitions readiness report are green (>90% of requirement O/H; quality concerns).
  – Remaining ~10% cover critical combat items.
• Impact of the 10%
  – Just in time delivery required.
  – Spot shortages.
  – Transportation system becomes critical element.
• Effects of mitigation efforts
  – Funding and production workarounds done at expense of plan.
  – Fixes may cause peaks and valleys in production.
BRAC Impacts

• No final production impact - destination site will be capable of meeting requirements

• Interim Risks
  – Break in production during move of a previously active production line.
  – Start up problems at new site for reassembled production lines.
    • Loss of experienced workforce- workers not inclined to move.
    • Training for destination workforce.
    • Contract issues.

• Costs and savings at recommendation level

“How we would execute BRAC in a perfect world; not what we are doing”
Globalization of Munitions Sourcing

- Potential to obtain best item for lowest cost.
- Access to increased pool of suppliers.
- Complements treaties and partnerships with allied nations.
- Demonstrates US munitions business is not insular.
- Current trend – auto, steel, textiles, etc.

But......

- Foreign dependence is two edged during conflicts.
- Foreign sources may cause demise of North American industry.
- Generally not popular with industry and Congress.
- Questionable success to date.
Risks And Failures

• Ammunition business profitability
  – Without profit the business exits industry.
  – Loss of production expertise - skills will leave the market place if there are no jobs.

• Low volume
  – Business will eventually be absorbed or disappear.
  – Does not attract new entrants to industry.

• Increased demand for select items surpassing capacity

• Supply chain management - disparate sources integrated into production

• Is CONUS industry failure to produce, a risk if global suppliers are available?
AMC’s Partnership Intent

• **Vision**  
Continue a partnership fostering atmosphere between government facilities and private entities that benefits all parties.

• **Goal**  
Improve the output and performance of AMC organic facilities through increased participation by the private sector via industrial partnerships or cooperative activities.

• **Objectives**  
– Enhance support to the warfighter via stronger cooperative partnership relationships with industry.  
– Leverage industry’s best practices.  
– Improve organic operations efficiencies.  
– Reduce and offset cost of ownership of organic facilities.  
– Leverage private investment in Army facilities.
Munitions Transformation and Readiness
Future Challenges

- Training strategy changes – increased frequency and volume of training.
- Modularity - more weapons, especially crew served, independent operations.
- New QDR emphasis on preparation to address adversaries that are:
  - Irregular
  - Catastrophic
  - Disruptive
- Simultaneously support munitions requirements for:
  - Increased SOF force structure per QDR
  - Precision strike
- Modernization and Production Funding Level
- Post-conflict production requirement – “soft landing”
Back-up Slides
## BRAC 05 AAP Recommendations
### Production Mission Migration

<table>
<thead>
<tr>
<th>Relocate To:</th>
<th>Rock Island Arsenal</th>
<th>Iowa AAP American Ordnance</th>
<th>Milan AAP American Ordnance</th>
<th>McAlester AAP</th>
<th>Crane AAA</th>
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<tbody>
<tr>
<td>Riverbank AAP</td>
<td>Stryker/Navy Gun Cartridge Case Metal Parts</td>
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<td>NI Industries</td>
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<tr>
<td>Kansas AAP</td>
<td>105MM/ 155MM HE (key equip only)</td>
<td>155MM ICM Artillery (key equipment only)</td>
<td>SFW (phase production)</td>
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<td>Detonators/ Relays/ Delays (key equip only)</td>
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<tr>
<td>Day &amp; Zimmermann</td>
<td></td>
<td>Missile Warhead (key equip only)</td>
<td>Mortar 60/81/120MM (key equipment only)</td>
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<tr>
<td>Mississippi AAP</td>
<td>155MM ICM Artillery Grenade Metal Parts (no current buys)</td>
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<td>Mason Tech</td>
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<tr>
<td>Lone Star AAP</td>
<td>Mines (tooling)</td>
<td>Artillery ICM</td>
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<tr>
<td>Day &amp; Zimmermann</td>
<td>Detonators/ Relays/ Delays (phase production)</td>
<td>MLRS ICM Grenades</td>
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<td></td>
<td></td>
<td>M67 Hand Grenades</td>
<td>60MM/81MM Mortar (key equip only – all items)</td>
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<td>Primers</td>
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### Tech Challenges
- Minimal: minimum to no impact on mission requirements & readiness. Capability exists at gaining installation or no peacetime buys
- Moderate: Moderate technical risk/minimum impact on mission requirements/readiness
- Significant: Significant technical risk and impact on mission requirements/readiness
# of Public-Private Partnerships (P3s) Across AMC’s Industrial Facilities

![Map showing the # of Public-Private Partnerships (P3s) across AMC’s Industrial Facilities.](image)

**304 P3s across AMC**

- **Tooele AD**: 35
- **Hawthorne AAD**: 12
- **Sierra AD**: 5
- **Riverbank AAP**: 11
- **Lake City AAP**: 10
- **Kansas AAP**: 2
- **McAlester AAP**: 13
- **Corpus Christi AD**: 4
- **Lone Star AAP**: 5
- **Rock Island Arsenal**: 5
- **Crane AAA**: 14
- **Watervliet Arsenal**: 5
- **Tobyhanna AD**: 37
- **Letterkenny AD & Munitions Ctr**: 18
- **Anniston AD & Munitions Ctr**: 21
- **Bluegrass AD**: 2
- **Scranton AAP**: 2
- **Holston AAP**: 17
- **Milan AAP**: 5
- **Radford AAP**: 18
- **Mississippi AAP**: 18
- **Riverbank AAP**: 11
- **Iowa AAP**: 12
- **Kansas AAP**: 2
- **Anniston AD & Munitions Ctr**: 25
- **Red River AD & Munitions Ctr**: 2

As of 27 Sep