

NDIA Industrial Base Panel Briefing

Munitions Executive Summit

5-8 February 2007



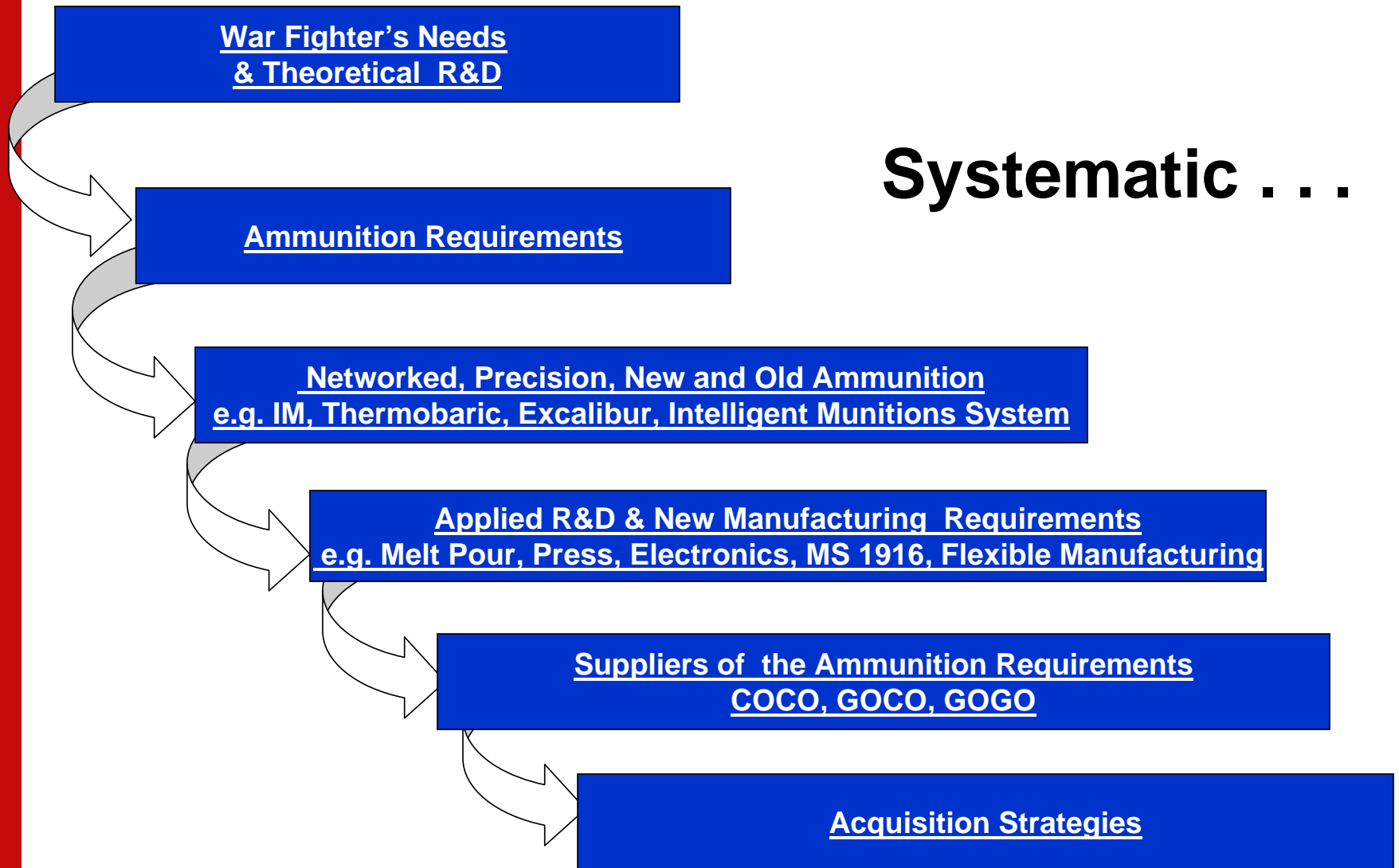
The Panel

- Mr. Steve Dart President of MECAR USA
- Ms. Patti Felth Deputy Project Manager Close Combat Systems
- Mr. James Flaherty VP and General Manager GD-OTS
(Scranton Operations)
- Mr. Kevin Knotts Principal, CSC, Federal Consulting Practice
(Defense Logistics)
- Mr. Jerry LaCamera Jr. Technical Operations Manager, NSWC
Indian Head Division
- Mr. Thomas Rockne VP Mission Assurance ATK
- Mr. Rob Shenton VP and Chief Operating Officer, Aerojet
- Mr. Andrew Wilson VP Marketing and R&D, BAE Systems,
Ordnance Systems

Panel's Objective

- Highlight some of the key Industrial Base (IB) drivers for change
- Address how requirements/needs impact a robust and modern manufacturing base
- Identify the goals & responsibilities of the Government and industry
- Discuss options on achieving a balance as we transition from traditional/legacy to emerging munitions
- Answer questions resulting from this briefing

Manufacturing Technology –Meeting the Evolving Needs of the U.S. Armed Forces



Drivers for Change

Military/USG:

- Changing face of the enemy
- Worldwide trend toward lighter more mobile forces
- Maintenance of the NTIB

Political:

- Buy American Act
- Elections
- Defense expenditures
- Export license approval
- Local Congressional support, plus-ups, ear marks etc

Social:

- Security/Terrorist threat
- Local Skills/Jobs

Economic:

- Consolidation of defense contractors
- Industry Shakeups - Reduction in competitors
- Reduction in suppliers
- BRAC

Technical:

- Insensitive munitions
- Thermobaric
- High strength materials
- Performance propellants
- Non-lethal
- Higher more stringent quality requirements
- Precision Guidance
- Critical Materials

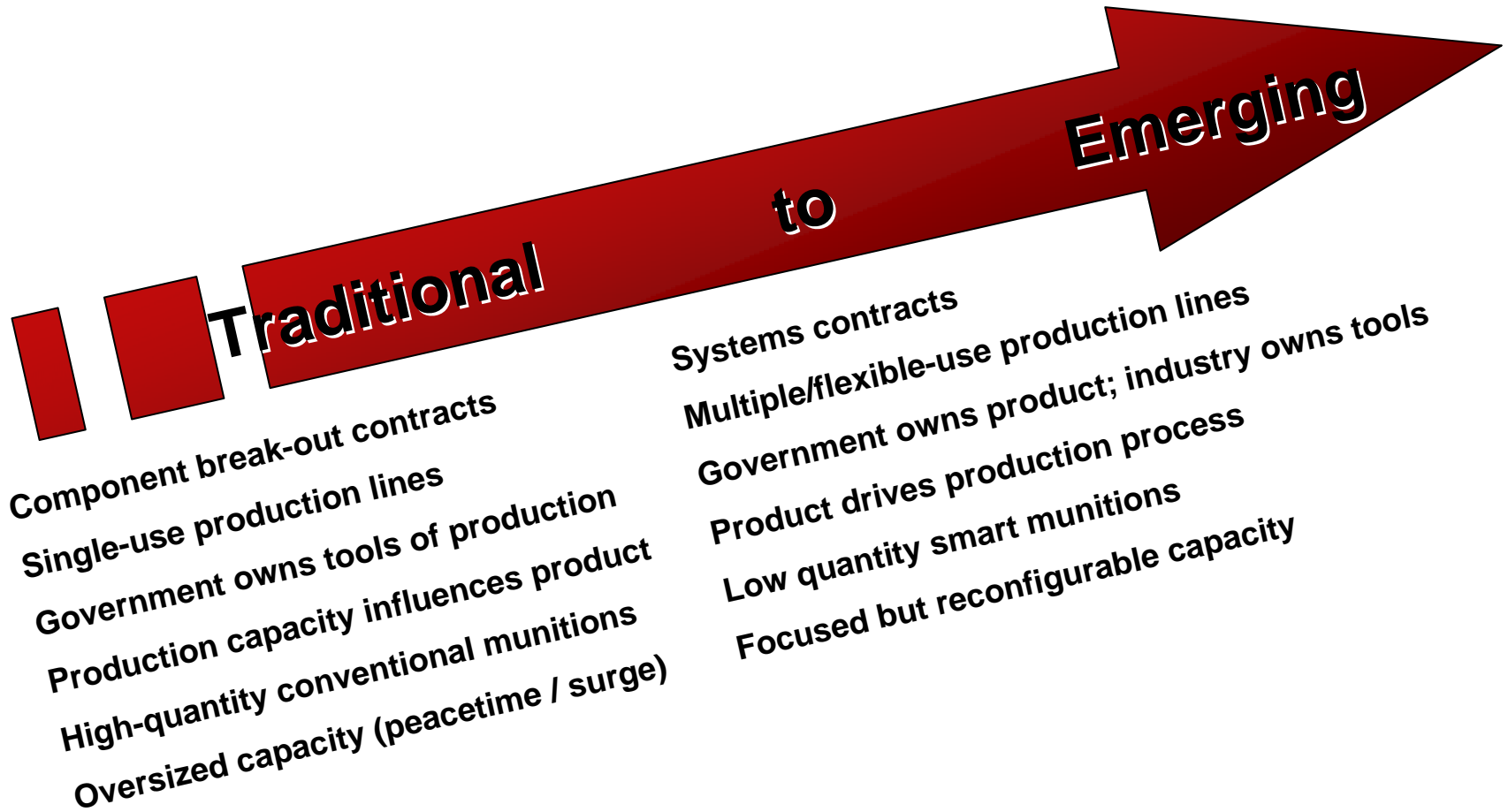
Environment:

- Green munitions
- Eventual demil (life cycle management)
- Security requirements in view of terrorist threats

NTIB = Commercial & Government = COCO, GOCO, GOGO

Maintaining a Balance; While Executing a Transition

FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY18-25
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Goals of Government and Manufacturers/Industry

- Goal of Government – Sustain Industrial Readiness
 - Timely, high quality products to the Warfighters
 - Innovative products & rapid technology insertion
 - Continuous product and process improvement
 - Healthy, modern, responsive industrial base, capable of meeting wartime and peacetime demands – (Surge based on the 2nd shift)

- Goal of Manufacturers/Industry
 - Ability to compete; to provide quality munitions at a reasonable cost
 - Long term investments need reasonable assurance investments are recovered
 - Support the Warfighter and the National Defense of our Country
 - Bottom line
 - Must satisfy the stakeholders
 - Must survive the peaks and troughs

Government's Responsibilities

Customer/Government should:

- Pursue best value acquisition strategies that reward/encourage
 - Improving production process, quality, technical & technical insertion over price
 - Providing for innovation and rapid technology insertion
 - Maintain needed capability and capacity
- Structure long term contracts with resources for modernization
- Effectively manage change through:
 - Providing current, production proven Technical Data Packages (TDPs)
 - Expediting and funding the qualification process
 - Accommodating the manufacturers recommendations for technology insertion
- Leverage WW technology insertion though smart NTIB procurement restrictions
- Invest in basic (6.1) and Advanced (6.2) RDT&E and transition technology into:
 - Legacy product developments
 - Emerging products
 - Manufacturing processes
- Maintain the capability and capacity (Surge based on the 2nd shift)

Manufacturers Responsibilities

Manufacturers should:

- Maintain awareness of product/process and technological advances world wide
- Propose technological insertion to the customer
- Maintain customer awareness of supply chain and facility vulnerabilities
- Provide quality, munitions on time and at a reasonable cost
- Conduct Applied R&D
- Maintain flexibility and responsiveness

Challenges We Face – Merging the Drivers, Goals, and Responsibilities

- How do we incentivize & fund modernization of IB capabilities?
 - Facilities
 - Equipment
 - Processes
- What key capabilities need to be retained and where should they be?
- How do you strike the right “Capability” and “Capacity” balance that is flexible to dynamic changes in needs – Peacetime and Wartime?
- What are the right Acquisition Policies/Strategies to promote a “Right-sized” Industrial Base (IB)?
- What key ingredients/materials, technologies, and capabilities are critical to sustaining IB readiness?
 - TNT, Nitroguandine, Binders
 - High Energy Nitramines
 - Nano-energetics
 - Melt-Pour, Cast Cure, TSE Continuous Processing
 - Chemical Scale up

**How do we ensure
continuity of supply
and
industrial base viability?**

Selected Topics for Discussion

- Roles and responsibilities of Government Acquisition Managers
 - How to Integrate acquisition approaches with industrial base management
 - How acquisition strategies can promote modernization
- Roles and Responsibilities of Ammunition Producers
 - Ammunition manufacturing
 - Modernization
- Flexible Manufacturing
 - Metal Parts
 - LAP – Melt Pour and Cast Cure
 - Energetics
- Research and Development
 - Energetics
 - LAP
- Insensitive Munitions

NDIA Munitions Technology Panel



GENERAL DYNAMICS



BAE SYSTEMS

