MUNITIONS EXECUTIVE SUMMIT
Ammunition Enterprise Cross Service Panel

Brigadier General Frank Kelley
Commander, Marine Corps Systems Command

“Achieving Efficiencies in an Uncertain Budget Environment”

3 February, 2011
Total Production Pipeline: 377 Open Orders @ $2.3B
FY11-FY16 Procurement Breakout - $4.5B
(PRESBUD11 – in millions)

- NLW, $28,901
- Misc, $99,775
- Demolition, $164,615
- Small Arms, $691,817
- Linear Charges, $174,207
- 40MM, $712,090
- 60MM/81MM, $947,084
- 120MM Tank, $169,641
- 120MM Mortar, $191,982
- Medium Cal, $68,291
- Grenades/Pyro, $140,057
- Artillery/Fuzes, $984,555
- Rockets, $138,915
USMC Ammunition Investment
(FY99 thru FY16)
USMC Live Fire Training
(FY98 thru FY10)
Scoping the Future Requirement

Defense Secretary Gates’ Efficiency Initiatives

“We cannot support our troops with the capabilities they need unless we achieve greater efficiency.”  - Robert Gates, Secretary of Defense

Better Buying Power: Mandate for Restoring Affordability & Productivity in Defense Spending

Objectives:

“Obtain 2-3% net annual growth in warfighting capabilities without commensurate budget increases by identifying and eliminating unproductive or low-value added overhead and transfer savings to warfighting capabilities.

“Do more without more.”
Adopting Government Practices that Encourage Efficiency

- Adopting “Should-Cost” and “Will-Cost”
- Improving Audits
- Mandating Affordability as a Requirement
- Stabilizing Production Rates
- Eliminating Redundancy within Warfighting Portfolios
- Establishing Senior Managers for Procurement of Services
- Protecting the Technology Base
Scoping the Future Requirement
“We have been prepared in the past because we understood that a force in **readiness** must be **well-trained**, broadly educated, and **properly equipped** for employment across all forms of warfare. We believe the **individual Marine** is the most formidable weapon on today’s battlefield and will remain so tomorrow.”
Priorities of the 35th CMC

• We will continue to provide the best trained and equipped Marine units to Afghanistan. This will not change. This remains our top priority!

• We will rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations.

• We will better educate and train our Marines to succeed in distributed operations and increasingly complex environments.

• We will keep faith with our Marines, our Sailors and our families.
Will affect the Munitions Industrial Base!

- End of OCO funding – FY03-FY11 $2.3B
- Force Structure reduction – heavy on trigger pullers
- POM13 Bottoms up review
- Efficiencies will now drive our relationship with the industrial base
USMC Expectations

- Quality is a must - every investment dollar must buy me a dollar

- USMC will continue to align procurement profiles with ALL customers in the best interests of Need first AND industry!

- We have increased investment in our O&MMC account to maintain our inventory (quality, maintenance, rework) – may be a component procurement driver
• Unstable Funding Profiles
• Requirements Fluctuation
• Alignment of Procurements & Requirements
• Joint Ordnance Commanders awareness
• Continued Reliance on Industry

• Single Manager for Conventional Ammunition

• The Key to Success
  • Collaboration
  • Open and frank Communication
  • Reasonable Expectations