NDIA Joint Armaments Forum & Exhibition

Presented by: BG John McGuiness
May 2014
Agenda

• Overview
• Future Outlook
• Industrial Base
• What Can Industry Do?
• Summary
Our Vision/Mission/Priorities

• **Vision:** To be a world class organization delivering the most capable and affordable ammunition, weapons and counter IED products to the Joint Warfighter as efficiently as possible.

• **Mission:** Develop a workforce focused on continuous improvement and efficiency that delivers innovative, affordable and quality solutions that provide combat overmatch to the Joint Warfighter.

• **Priorities:**
  – Support the Warfighter
  – Grow People and Teams
  – Deliver Improved Capabilities
  – Efficient & Effective Operations
  – Improve Industrial Base Capabilities
  – Develop Future Business
# PEO Ammunition

<table>
<thead>
<tr>
<th>PEO Ammunition Systems</th>
<th>PM Close Combat Systems</th>
<th>PM Maneuver Ammunition Systems</th>
<th>PM Towed Artillery System</th>
<th>PD Joint Services</th>
<th>PD Joint Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Fire Munitions and Mortar Weapon Systems • Excalibur • Guided Precision Munitions &amp; Mortar Systems • Conventional Ammunition</td>
<td>Networked Munitions, Force Application Systems, Explosive Hazard, and Countermine • Counter Explosive Hazard • Area Denial • Combat Munitions • Support Munitions</td>
<td>Direct Fire Munitions • Large Caliber • Small Caliber • Medium Caliber • Non-Standard Ammo</td>
<td>Towed Artillery Fires for Army and USMC • M777A2 Lightweight Howitzer • M119A2/A3 Digitization</td>
<td>Integrates the SMCA Mission • Demilitarization • Ammunition Industrial Base • Ammunition Logistics • Technology and Prototyping</td>
<td>Air Force and Navy Unique Items • Bombs • Navy Deck Gun Ammo • Energetics • CAD PAD</td>
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</tbody>
</table>
### PEO Ammunition FY15 Budget

**Key Program Metrics**

- **Programs (Army Only):**
  - ACAT I: 1
  - ACAT II: 4
  - ACAT III: 157
  - QRCs: 18

- **Product Phases***:
  - Pre-System Acquisition: 2
  - Development & Production Projects: 23
  - Eng & Mfg Dev: 5
  - Prod & Dep: 238
  - Operations & Support: 679

*Some programs in multiple phases*

**Source:** FY15 PB Lock
# PEO Modernization Strategy

<table>
<thead>
<tr>
<th>Emerging Technology (next 6 Years)</th>
<th>Next Generation (6-16 years)</th>
<th>Future Concepts (16+ years)</th>
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<tbody>
<tr>
<td><strong>Artillery Systems</strong></td>
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<tr>
<td>Precision Guidance Kit</td>
<td>Extended Range Ammo</td>
<td>Affordable, Anti-Jam Precision</td>
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<td><strong>Mortar Munitions and Weapon Systems</strong></td>
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<td>Precision Mortar w/6 DOF Ballistics</td>
<td>Extended Range Ammo</td>
<td>Extended Range Guided (Ammo and Weapon)</td>
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<td><strong>Demolitions, Flares &amp; Signals</strong></td>
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<tr>
<td>Modernized Demolition Initiators (MDI)</td>
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<td>Lightweight FC</td>
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<td><strong>Tank Ammo</strong></td>
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<tr>
<td>120MM, Advanced Kinetic Energy</td>
<td>Advanced Multi-Purpose</td>
<td>Extended Range Guided Projectiles</td>
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<td><strong>Small &amp; Medium Caliber</strong></td>
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<tr>
<td>7.62 EPR</td>
<td>40mm Non Dud Prod.</td>
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<td><strong>Non-Lethal</strong></td>
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<tr>
<td>Individual Non-Lethal System (INS)</td>
<td>40mm &amp; 12ga Improvements</td>
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<td><strong>Shoulder Launched &amp; Area Denial</strong></td>
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<td>Individual Assault Munition (IAM)</td>
<td>Passive and Covert Target Marking</td>
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<td><strong>Counter Explosive Hazard</strong></td>
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<tr>
<td>Mounted Detection and Marking</td>
<td>Robotic Dismount Detection and Marking</td>
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<td><strong>Grenades</strong></td>
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<tr>
<td>Enhanced IM with Benign Smoke</td>
<td>Fuze &amp; Primer Improvements</td>
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<tr>
<td><strong>Industrial Base, Ammunition Logistics &amp; Demil</strong></td>
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<td>Ammunition Plant Modernization</td>
<td>Design for Demil</td>
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<tr>
<td>Lighten the Logistics Load</td>
<td>Enhanced Equipment and Process for Demilitarizing IM Explosives</td>
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- **Future Concepts (16+ years)**:
  - Extended Range Autonomous Weapons
  - Swarming Munitions
  - Non-Kinetic Engagement
  - Long Range Scalable Effects
  - Autonomous Systems
  - Non-Kinetic Engagement
  - Scalable Effects / Swarming Munitions
  - Non-Kinetic Engagement
  - Ammo on Demand
  - Information Dominance / Reduced Detection
  - Longer Range – Advanced Target IAM
  - Non-Kinetic Engagement
  - Lighter Weight
  - Greater Effects
  - Non-Kinetic
  - Flexible Production Lines/On-site production
  - Automated Condition Monitoring, Distribution & Re-Arm
  - Integrated Life-Cycle Design for Demil
  - Advanced Bio-Demil Technologies
Historical Background

Army Ammunition Organic Installations Over Time

Typical Annual Funding Distribution (Ammunition)

Industrial Base Stats

- Commercial Suppliers: Principal Source of Ammunition
  - 200+ Commercial Sources

- Government-Owned Contractor-Operated Army Ammunition Plants (GOCO AAPs)
  - 6 AAPs: Radford, Lake City, Holston, Iowa, Milan, Scranton and QCCCF

- Government-Owned Government-Operated (GOGO) Ammunition Installations
  - 8 Army Multi-Mission Installations (Production and Logistics): Crane, McAlester, Pine Bluff, Tooele, Hawthorne (GOCO), Blue Grass, Anniston, Letterkenny

Warfighter Readiness directly linked to viable Industrial Base

We Have and Continue to Take Steps to Become LEANER
Munitions Readiness Report

December 02

30 of 42 Ammo Groups rated Red or Black!

93% of PEO Ammo Groups Rated Green
7% Amber
No Red

Pushing Forward to Not Repeat History
Industrial Base Assessment Process

- POM & TMR Requirements
- Identify critical ammunition capabilities & facilities
- Industry Input
- Identify facilities at risk over POM
- Conduct risk & financial assessments
- Input to POM process and acquisition strategy formulation

Industrial Base Assessment Tool (IBAT)

Minimum Sustaining Rate

Section 806 Watch List

Single Point Failure Program

<table>
<thead>
<tr>
<th>No.</th>
<th>Facility Name</th>
<th>DCMA Rating</th>
<th>MSR Rating</th>
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<tbody>
<tr>
<td>1</td>
<td>DCMA Facility</td>
<td>A</td>
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<tr>
<td>2</td>
<td>MSR Facility</td>
<td>B</td>
<td>2</td>
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Monitoring - In Mitigation - Risk Mitigated
Ammunition Industrial Base
The Way Ahead

OBJECTIVES:
- Sustain Critical Capabilities (production / logistics)
- Sustain the Ammo Industrial Base
- Right-size to balance risk & efficiencies
- Enhance the competitiveness of the organic base
- Ensure ability to support surge requirements

Short Term (1-2 years)
- Submit Ammo Industrial Base Strategic Plan
- Continue GOCO Tiger Team
  – Indemnification, reclassification
- Identify/execute facility options
- Identify/execute capacity right-sizing
- Services utilize Integrated Logistics Strategy

Mid Term (3-5 years)
- Respond to DoD Requirements
- Modernize Critical Facilities
  - Modify regulations/policies to represent industrial site
  - BRAC?
  - Submit budget for right-sizing
  - Increase demilitarization funding to free up capacity

Long Term (5-7 years)
- Execute optimum mix of organic and commercial capacity/capability
- Reduce footprint to right size the base

Working Towards the “New Normal”
# ICAP Sector Webinar Schedule

As of: 23 Jan 14 v6

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Wednesday June 4, 2014</td>
<td>1400 to 1500 (EST)</td>
<td>Large Caliber/Bombs</td>
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<td>Small/Medium Caliber</td>
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<tr>
<td>Wednesday July 9, 2014</td>
<td>1400 to 1500 (EST)</td>
<td>Demilitarization</td>
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<td>Warheads &amp; Rockets</td>
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<tr>
<td>Wednesday August 6, 2014</td>
<td>1400 to 1500 (EST)</td>
<td>Systems, Electronics &amp; Sensors</td>
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<td>Fuzes/Timers</td>
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<tr>
<td>Wednesday September 10, 2014</td>
<td>1400 to 1500 (EST)</td>
<td>GOCO's</td>
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Notes:
URL and Telecon Information to be provided prior to meeting.
Summary

• Industrial Base is Changing
• Partnerships are Crucial
• Threats Still Exist