

INDUSTRIAL PANEL

“Reshaping the Munitions Base”

Munitions Executive Summit

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INDUSTRIAL PANEL

“RESHAPING THE MUNITIONS BASE...”

THE GOOD...

THE BAD...

AND THE...

COOPERATION

PANEL ARCHITECTURE

BOB HARRIS

DYNAMICS OF THE MUNITIONS INDUSTRIAL BASE

BILL HOLMES

ORGANIC BASE

EMPHASIS ON INDUSTRIAL COMMITTEE OF
AMMUNITION PRODUCERS (ICAP)

RAY BRONSON

PRECISION MUNITIONS AND THE INDUSTRIAL BASE

EMPHASIS ON U.S. ARMY TRANSFORMATION AND
INDUSTRIAL PLANNING WITHIN THE
PEO AMMUNITION ORGANIZATION

MIKE WILSON

INDUSTRIAL BASE PERSPECTIVE

EMPHASIS ON THE MUNITIONS INDUSTRIAL BASE TASK
FORCE (MIBTF)

PANEL REPRESENTATION

AEROJET

BAE
SYSTEMS

BT FUZE

ARMTEC

OSRAM
SYLVANIA

ALLIANT
TECHSYSTEMS

VALENTEC

MASON &
HANGER

CHAMBERLAIN
MFG

THIOKOL

OLIN
WINCHESTER

ENSIGN
BICKFORD

GENERAL DYNAMICS

KDI PRECISION
PRODUCTS

DAY & ZIMMERMAN

TEXTRON

AMRON

INTERNATIONAL
MFG

TALLEY

MEDICO
INDUSTRIES

THE DYNAMICS OF THE MUNITIONS INDUSTRIAL BASE

- **MUNITIONS INDUSTRIAL BASE CONSISTS OF BOTH ORGANIC AND COMMERCIAL FACILITIES**
- **INDUSTRIAL BASE CAPACITY DOWN 68% LAST TEN YEARS**
- **SINGLE SOURCES EXIST FOR 71 OF 302 CRITICAL COMPONENTS**
- **PEACETIME BUYS DRIVE THE BASE...YET POM BUYS EXIST FOR ONLY 76 OF 171 CRITICAL ITEMS – LOST CRITICAL SKILLS, INCREASED START-UP COSTS AND MINIMAL INCENTIVE FOR CAPITAL INVESTMENTS / NEW TECHNOLOGY**

THE DYNAMICS OF THE MUNITIONS INDUSTRIAL BASE CONT'D

- **NO U.S. / CANADIAN SOURCE FOR CERTAIN CRITICAL COMPONENTS AND ...OTHERS AT HIGH RISK**
- **SURGE CAPABILITY VIRTUALLY NON-EXISTENT...CAN ONLY AFFECT 10% OF THE “GO TO WAR” SHORTFALLS**
- **MARGINAL CAPABILITY EXISTS FOR PREFERRED AND PRECISION MUNITIONS**
- **ENDURING FREEDOM HOMELAND DEFENSE AND SMALL SCALE CONTINGENCIES WILL INCREASE INDUSTRIAL BASE DEMANDS**

THE DYNAMICS OF THE MUNITIONS INDUSTRIAL BASE CONT'D

- SURVIVAL OF THE BASE IS MANDATORY IN SUPPORT OF THE CURRENT MUNITIONS TO SUPPORT READINESS AS WELL AS THE NEW PRODUCTS BROUGHT ABOUT AS A RESULT OF THE “TRANSFORMATION”
- EXCESS COMPETITION AND GLOBALIZED PROCUREMENT STRATEGIES CAN HAVE A DETRIMENTAL AFFECT ON THE INDUSTRIAL BASE
- THE MUNITIONS BASE IS RIPE FOR RECAPITALIZATION, HOWEVER, UNCERTAINTIES PREVENT THE INVESTMENTS REQUIRED
- THERE ARE NO MAGIC OR SIMPLISTIC SOLUTIONS TO THE INDUSTRIAL BASE ISSUES

THE DYNAMICS OF THE MUNITIONS INDUSTRIAL BASE CONT'D

- **SINCE 95% OF ALL MUNITIONS ARE PRODUCED BY THE COMMERCIAL SECTOR, INVOLVEMENT AND COOPERATION BETWEEN GOVERNMENT AND INDUSTRY IS CRITICAL**
- **THE RESHAPING OF THE MUNITIONS INDUSTRIAL BASE WILL BE A COMPLEX EVOLUTIONARY PROCESS THAT CAN ONLY BE DEFINED AND EXECUTED WITH A GREAT AMOUNT OF COMMUNICATION, COOPERATION AND CONTINUED DESIRE TO MEET THE NEEDS OF OUR NATIONAL DEFENSE**