



Munitions Executive Summit



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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”



**FOCUSED ON THE
WARFIGHTER**



Back-up Slides



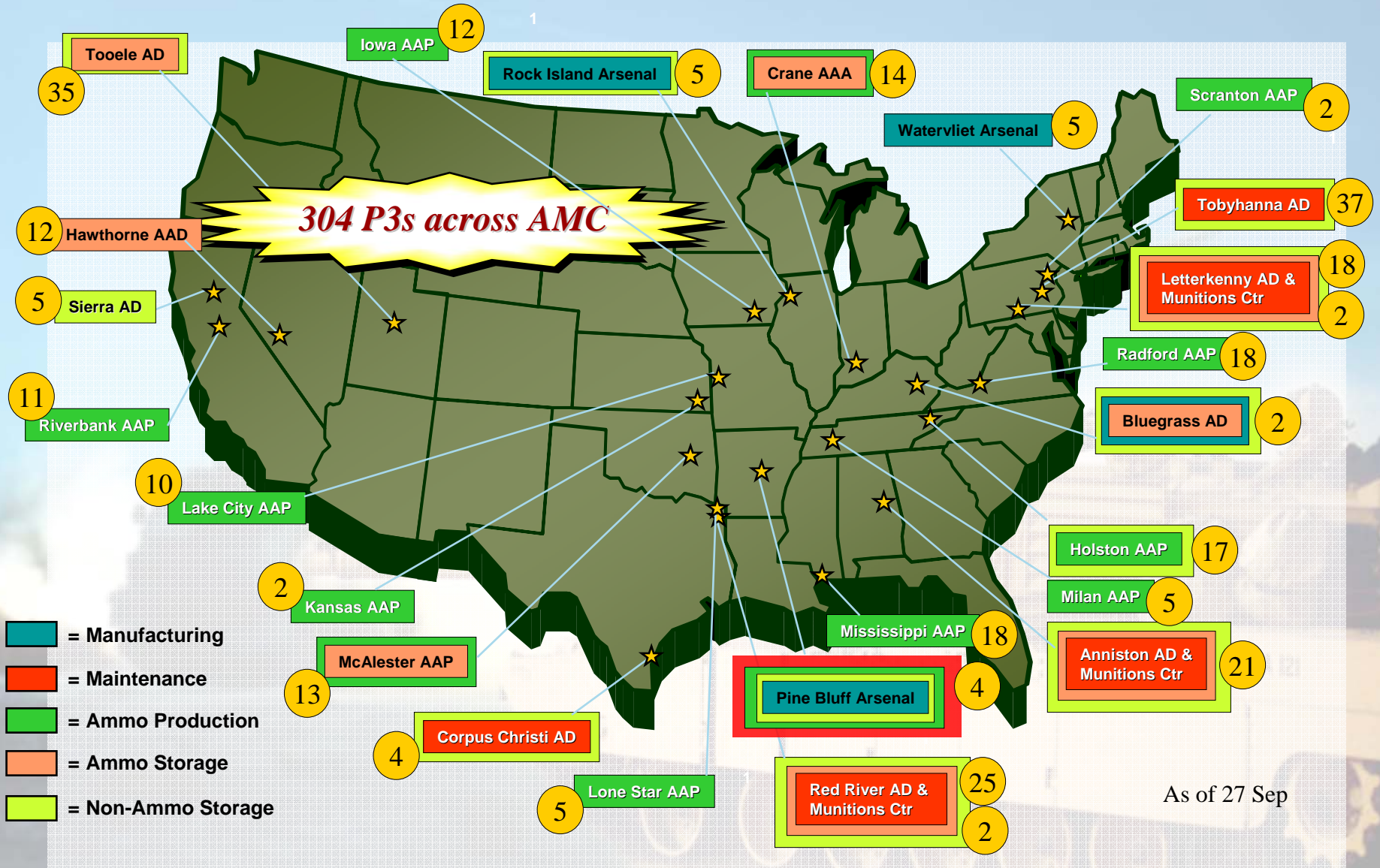
BRAC 05 AAP Recommendations Production Mission Migration

Relocate To: Close	Rock Island Arsenal	Iowa AAP American Ordnance	Milan AAP American Ordnance	McAlester AAP	Crane AAA
Riverbank AAP NI Industries	<ul style="list-style-type: none"> >Stryker/Navy Gun Cartridge Case Metal Parts ● 				
Kansas AAP Day & Zimmermann		<ul style="list-style-type: none"> >105MM/ 155MM HE (key equip only) ● >Missile Warhead (key equip only) ● 	<ul style="list-style-type: none"> >155MM ICM Artillery (key equipment only) ● >Mortar 60/81/120MM (key equipment only) ● 	<ul style="list-style-type: none"> >SFW (phase production) ● >Missile Warhead (key equip only) ● 	<ul style="list-style-type: none"> >Detonators/ Relays/ Delays (key equip only) ●
Mississippi AAP Mason Tech	<ul style="list-style-type: none"> >155MM ICM Artillery Grenade Metal Parts (no current buys) ● 				
Lone Star AAP Day & Zimmermann		<ul style="list-style-type: none"> >Mines (tooling) ● >Detonators/ Relays/ Delays (phase production) ● 	<ul style="list-style-type: none"> >Artillery ICM ● >MLRS ICM Grenades ● >M67 Hand Grenades ● >60MM/81MM Mortar (key equip only – all items) ● >Primers ● 		<ul style="list-style-type: none"> >Demolition Charges (key equip only) ●

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



As of 27 Sep