U.S. Army Industrial Base Strategic Plan

U.S. Army Materiel Command
April 2006

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1.0 Introduction

1.1 Background

In April 2005, the AMC Commanding General directed the development of a strategic plan for the Army Industrial Base (IB). See Appendix A.

The purpose of this plan is to establish strategies for transforming the industrial base into a responsive, integrated civil-military capability that can effectively and efficiently support a joint and expeditionary Army.

The original issue of this strategic plan dated 1 Sep 2005 addressed the Army organic industrial base only. This document includes the organic and commercial industrial base and supersedes the 1 Sept 05 document.

Aerial view of Rock Island Arsenal

1.2 Strategic Environment

We are an Army at War. The depots, arsenals, plants and commercial facilities that form the industrial base are vital contributors to both winning the Global War on Terrorism and enabling Force Transformation. As a result, demands for industrial base products and services are very high and may remain at this level for years.

This environment is creating a transformation within the industrial base. Depot maintenance requirements continue to evolve, with a growing percentage of the depot workload consisting of component repair rather than major systems overhaul. The lines between arsenals and depots continue to blur, with depots performing more manufacturing and arsenals performing more depot-level maintenance. Depots and arsenals are increasingly called upon to deploy skilled workers into theaters of operation in order to conduct maintenance and manufacturing support.

The industrial base must deal with deepening globalization issues such as foreign sourcing and foreign acquisitions of U.S. firms. In some sectors, research and development (R&D) expenditures have fallen, reducing innovation. Both private industry and the organic industrial base must contend with demand fluctuation, competition for raw materials, and a tenured work force.

To be successful, the future industrial base must be capability and capacity based, using innovative practices like Lean Six Sigma to achieve integrated capabilities that are both flexible and responsive. It must be multipurpose and multi-use, structured to provide the required capabilities and capacities to satisfy peacetime and wartime needs.

But the environment will not remain stable while the industrial base evolves. Although the current wartime environment has provided an increase in major systems manufacturing and rebuild requirements, the industrial base workload will likely return to lower sustainment levels. Base Realignment and Closure (BRAC) decisions will modify the shape of the organic industrial base. Initiatives like contractor logistics support, Performance Based Logistics and two-level maintenance will establish and change the roles of important contributors.

The strategic challenges for the industrial base are threefold. First, how to sustain current level of production, perhaps indefinitely; second, how to prepare for emerging requirements and unplanned work in the future; and third, how to transition to lower production levels while retaining the ability to meet future surge demands.

The key outcome for today, as well as the future, is materiel readiness for the Joint Warfighter.

2.0 Strategic Baseline

2.1 Mission

The industrial base mission is to equip and sustain the Joint Warfighter in support of military operations as described in the National Security Strategy, and support the Army's goals for Transformation and readiness.

2.2 Vision

The Army's vision is to create a complementary and synergistic industrial base (private and government owned) that has the capability and capacity to satisfy the soldier's materiel requirements in peacetime and during national emergencies. Materiel must be available, reliable, sustainable and affordable.

2.3 Readiness Drivers and Enablers

To achieve the vision, the industrial base must support the following ***readiness drivers***:

- The right stuff
- At the right place
- At the right time
- At the right cost

In today's rapidly changing environment, three ***key enablers*** of readiness are:

Speed: Reducing the time to deliver materiel and capabilities
Agility: Increasing the ability to respond to new requirements
Cost efficiency: Maximizing capability produced per unit cost

There are many ways to achieve speed, agility and cost efficiency. But traditional approaches will not provide lasting responses in today's rapidly changing environment. The Army Materiel Command will continue to leverage industry best practices including Lean Six Sigma to create both the outcomes we need today and the cultural change required to sustain these outcomes in the future.

2.4 Strategic Objectives

There are three top-level objectives that the Army must achieve to realize the vision:

- **Sustain Readiness:** Support the materiel needs of the Joint Warfighter.
- **Enable Surge:** Rapidly expand capabilities and capacities to meet new demands.
- **Deploy Forward:** Provide a robust in-theater maintenance support capability.

2.5 Focus Areas

To ensure Warfighter support through pervasive and lasting actions the organizations that compose the industrial base must address the following six focus areas:

- **People:** Maintain essential personnel skills across the industrial base by hiring, training and sustaining the right workforce.
- **Infrastructure:** Maintain, modernize and develop the industrial base's essential capabilities and capacities.
- **Customers:** Provide timely support to Combatant Commanders.
- **Business Processes:** Implement a customer-focused approach to process improvement.
- **Financial Management:** Provide financial processes that enable efficient and effective management.
- **Partnering:** Cultivate productive partnerships with industry, within the Department of Defense and with others.

3.0 Initiatives

The following twenty-two initiatives define the actions needed to support the strategic objectives. Each is described in the following context:

Current Situation: The as-is condition including barriers to achieving strategic objectives.

Desired Future State: The to-be condition.

Change Needed: The actions required to get from the as-is to the to-be condition.

Process Owner(s): The key organization(s) that own and/or influence the process.

Champion(s): The individual who will lead initiative implementation and report status.

Outcome(s): What industrial base change(s) will result from the initiative.

Measurement(s): How to determine success.

Marine Corps tank line at Anniston Army Depot

3.1 Prepare the Future Workforce

Current Situation: The Army's organic industrial base has a tenured workforce, creating significant potential for loss of key skills over the next five years. Additionally, new production requirements will drive the need for new and different skills. Each site is independently implementing actions to alleviate this problem through various programs (e.g., Interns, Fellows, Co-ops, university partners, apprentices).

Desired Future State: A smooth transition from today's workforce to the one needed to support future missions.

Change Needed: Create expanded strategies for establishing the replacement workforce with the goal of achieving a flexible, multi-skilled workforce for meeting future skill requirements.

Process Owner(s): HQ AMC G-1, LCMCs

Champion(s): Ms. Maureen Viall, HQ AMC G-1

Outcome(s):

- A flexible, multi-skilled workforce.
- The ability to meet future mission requirements.
- Future skill requirements identified with stakeholders.
- A comprehensive strategic recruiting plan developed with stakeholders that includes recruitment strategies from a global AMC perspective.

Measurement(s): Percent of required skill areas that are filled.

T-700 engine work at Corpus Christi Army Depot

3.2 Perform Integrated Industrial Base Analyses

Current Situation: IB analyses are typically performed for individual weapon systems, as needed for milestones, using ad hoc processes with varying levels of fidelity, and are often isolated to the organization performing the study. Information obtained is often limited to major domestic commercial sources with intermittent sub-tier, organic or global considerations. Without this information, it is difficult to project needed IB capabilities and capacities.

Desired Future State: A formalized and integrated sector assessment is performed bi-annually, with a focused assessment of critical spares resulting in a specific course of action. Capability studies conducted in an integrated fashion, looking across all sectors. Analyses are shared across the Army and the Services. Resources are in place to support assessment recommendations and metrics are established to measure performance. Align analyses for input to financial process (Program Evaluation Group) to compete for resources as needed.

Change Needed: Establish a formal assessment process for the entire integrated industrial base to determine the required mix of capabilities and capacities for peacetime, surge and national emergency.

Process Owner(s): HQ AMC, ASA(ALT), LCMCs

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s): Needed capabilities and capacities available to respond to customer needs, resulting in better performance and increased agility.

Measurement(s): Process is established and documented in AR 700-90, Industrial Base Process.

750 pound bombs being loaded on a truck at Crane Army Ammunition Activity

3.3 Ensure Core Logistics Capabilities are Workloaded

Current Situation: DoD policy on maintenance workload required to maintain needed mix of capabilities is being interpreted in different ways across the organic industrial base. Per 10 USC 2464, core capabilities must be exercised in government owned and operated facilities, using government equipment and personnel, to assure adequate maintenance support for operations.

Desired Future State: DoD and Army policy is consistently applied across the organic industrial base for both peace time and surge.

Change Needed: Enforce DoD policy for Core Workloading.

Process Owner(s): HQ AMC, LCMCs

Champion(s): Mr. Gary Motsek, HQ AMC Deputy G-3 for Support Operations

Outcome(s):

- Essential skills are maintained to ensure a more agile organic industrial base.
- Unit costs are reduced through distribution of overhead across more work.
- Readiness of the organic industrial base is enhanced by maintaining skills.

Measurement(s): Percent of required Direct Labor Hours accomplished.

Receiver/Transmitter repair at Tobyhanna Army Depot

3.4 Integrate Facility Investment Strategies

Current Situation: The organic industrial base will require continued investment to remain viable; however, investment strategies across the enterprise are not always synchronized. This is a systemic issue, as the various types of investments (e.g., Military Construction, Capital Investments and procurements) are each developed from independent processes by separate organizations. This fragmented approach may lead to sub-optimization, as well as difficulty in programming for total facility investments that require more than one type of investment. Additionally, there is a need to improve the investment planning process's ability to integrate investments across the organic industrial base enterprise.

Desired Future State: Integrated and synchronized requirements and investment processes.

Change Needed: Integrate long range investment strategies for modernization and capitalization.

Process Owner(s): AMC G-1/G-3/G-8, LCMCs

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s): Modernized organic industrial base with facilities that enable flexibility, responsiveness and cost effectiveness.

Measurement(s): Integrated process is established.

Rapid Response Manufacturing Cell at the Joint Manufacturing and Technology Center (JMTC) Rock Island

3.5 Develop a Weapon System Transition Process

Current Situation: Acquisition strategies tend to focus on the commercial base when fielding new systems. Consequently, provisions for ensuring organic sustainment capabilities are often delayed until later in the life cycle, resulting in sub-optimal facility decisions. In addition, the move to Performance Based Logistics arrangements will require adjustments in how the organic industrial base plans and executes work.

Desired Future State: Close cooperation between the acquisition and sustainment communities to allow for more integrated transition of technologies to the organic industrial base. Acquisition strategies address the full life cycle to insure facilitization decisions in the production phase minimize the follow-on facilitization in the sustainment phase.

Change Needed: Develop a process that provides closer interface among the LCMC elements (MSCs, PEO/PMs, installations) in order to match future weapon system requirements to organic installation capabilities and capacities.

Process Owner(s): LCMCs, RDECOM

Champion(s): Mr. Jack Dugan, TACOM Deputy to the Commanding General

Outcome(s): The organic industrial base will be more responsive because it has needed capabilities to meet requirements.

Measurement(s): Process developed and institutionalized.

HMMWV axle assembly repair at Red River Army Depot

3.6 Develop a Workforce Plan for Forward Support

Current Situation: The organic industrial base has become a significant maintenance support capability when our Army deploys. However, deployment of maintenance skills to the theater tends to be ad hoc. The organic installation commanders do not plan for deployment as part of their mission, nor do they have traditionally-deployed positions within their organizations. Those who do deploy do so on a volunteer basis. As a result, it is often the same key people that are needed to sustain the mission at home that volunteer to deploy, leaving gaps in essential capabilities at home. This is compounded by the lack of funding to support the planning and preparation for organic industrial base deployment.

Desired Future State: Depot mission expanded to include deployability. The industrial base has well-defined deployment mission requirements with documented emergency essential positions staffed with skilled workers who are pre-qualified and prepared to deploy. This includes contingency plans for transitioning to contractor support where appropriate. Organic industrial base training integrated with operational training opportunities such as National Training Center (NTC) and Joint Readiness Training Center (JRTC).

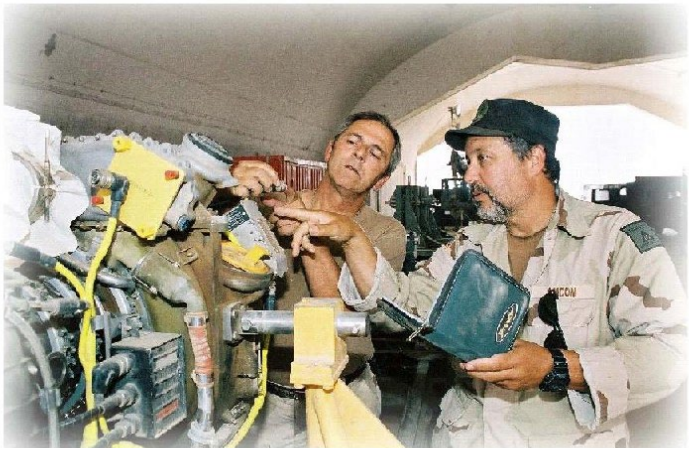
Change Needed: Establish a formal planning process to deploy skilled organic industrial base staff to support forward-deployed troops and equipment maintenance.

Process Owner(s): HQ AMC, AFSC

Champion(s): Mr. Niels Biamon, HQ AMC Deputy G-3 for Current Operations

Outcome(s): Improved readiness.

Measurement(s): Percent of targeted deployment capabilities with a workforce plan.



AMCOM Logistics Assistance Representative assisting T-700 engine repair in SWA

3.7 Establish Deployable Equipment Packages for Forward Support

Current Situation: The organic industrial base has become a significant maintenance support capability when our Army deploys. There currently are no preplanned or positioned sets of equipment to support the organic industrial base forward repair capability. Organic industrial base personnel deploy with whatever tools they can bring with them and then call forward additional tools and equipment as needed. This frequently results in them being less effective because they do not have the appropriate tools and shop capabilities when they arrive in theater.

Desired Future State: Modular maintenance equipment packages to support organic industrial base personnel upon deployment are available to deploy.

Change Needed: Develop and procure appropriate deployable modular maintenance equipment packages to allow rapid establishment of in-theater maintenance capabilities.

Process Owner(s): HQ AMC, PM Sets, Kits, Outfits and Tools (SKOT), AFSC, LCMCs, Installation Commanders

Champion(s): Mr. Niels Biamon, HQ AMC Deputy G-3 for Current Operations

Outcome(s): Increased readiness and agility.

Measurement(s): Percent of targeted deployment packages in a ready status.

Destruction of small arms at Anniston Army Depot

3.8 Develop Formal Process for Unplanned Requirements

Current Situation: Solutions to unplanned Warfighter requirements are often developed independent from the organic industrial base. This may result in sub-optimization across the organic industrial base or additional lead-time to establish and execute the defined solution.

Desired Future State: Conduct a formal coordination process, to include both the commercial and the organic industrial base, allowing for a more integrated transition to solutions. (One example where this was done effectively was the development of survivability kits for HMMWVs. In this case as soon as ARL had an initial prototype they contacted the organic industrial base, which allowed it to respond quickly, order long lead materials, conduct production planning and establish production capability.)

Change Needed: Establish a formal coordination process, to include TRADOC, HQ DA, HQ AMC, LCMC elements (PEO/PMs and organic industrial facilities) and RDECOM, to address unplanned requirements.

Process Owner(s): LCMCs, RDECOM

Champion(s): Dr. Richard Amos, AMCOM Deputy to the Commanding General

Outcome(s):

- Solutions to unplanned requirements will more fully benefit from the organic industrial base's capabilities.
- The organic industrial base will be able to meet requirements and thereby improve readiness.

Measurement(s): Percent of emerging requirements that use the formal coordination process.

Workers at Letterkenny Army Depot work on an Avenger air defense vehicle

3.9 Use Lean Six Sigma to Create Dramatic Performance Improvements

Current Situation: The organic industrial base has experienced efficiency and effectiveness improvements from Lean Six Sigma initiatives. Additional effort is needed to make these initiatives self-sustaining and an integral part of organic industrial base culture. There is no formal practice for communication of successes and best practices across the organic industrial base. Individual organizations and installations have processes for communicating with customers and obtaining feedback. However, there is no formalized, comprehensive approach for soliciting and responding to customer feedback and measuring performance improvements across the organic industrial base.

Desired Future State: A customer-focused organic industrial base that continuously seeks and achieves performance improvement through Lean Six Sigma, and vigorously shares best practices across the entire base.

Change Needed: Implement formal processes for tracking Lean Six Sigma results, sharing lessons learned and collecting/acting on customer feedback.

Process Owner(s): HQ AMC, LCMCs

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s): The organic industrial base will be able to better meet customer requirements and facilitate readiness by improving materiel performance, schedule and cost.

Measurement(s): Performance, schedule and cost.

AN/TPS-75 Radar Lean Event at Tobyhanna Army Depot (before and after)

3.10 Enable the Return/Investment of Lean Six Sigma Savings

Current Situation: Savings for work completed by the organic industrial base are not always returned to the customer in the year of execution. Typically, savings are included in the budget/rate calculation and benefit future customers for the next rate cycle, which is on a two-year basis.

Desired Future State: Savings are returned to customers or reinvested to fund increased production quantities or additional continuous improvement activities during the year of execution.

Change Needed: Adopt policy, regulation and legal changes as required to enable return or reinvestment of Lean Six Sigma savings. Use savings to fund increased production quantities or additional continuous improvement activities in the year of execution.

Process Owner(s): HQ AMC G-7 with HQ AMC G-8 support

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s):

- Immediate additional buying power for the Warfighter.
- Incentives to become cost-efficient by facilitating self-funded improvement activity.
- Organic industrial base flexibility and improved readiness through modernization from additional investment.

Measurement(s): Dollar value of savings returned to customers.

Return of $990K in Lean Savings to SOCOM customer (Letterkenny Army Depot)

3.11 Improve the Army PPBES Process

Current Situation: The Army's implementation of Planning, Programming, Budgeting and Execution System (PPBES) is a time-consuming process with many steps and approval levels. Multiple, manual, non-standard processes are involved that make it highly labor intensive.

Desired Future State: A streamlined PPBES process.

Change Needed: Influence ongoing DA G-8 Lean Six Sigma look at PPBES.

Process Owner(s): DA G-8 and HQ AMC G-8

Champion(s): Mr. Greg Boddorf, HQ AMC G-8

Outcome(s): Improved flexibility through a more efficient PPBES process.

Measurement(s): Time saved in the Army PPBES process.

Parts inspection at the Rapid Response Manufacturing Cell at JMTC Rock Island

3.12 Improve AMC Budget and Programming Processes

Current Situation: AMC budget and programming processes are time consuming, with many steps and approval levels. Multiple, manual, non-standard processes are involved that make it labor intensive.

Desired Future State: Streamlined AMC budget and programming processes.

Change Needed: Apply Lean Six Sigma to AMC internal budget and programming processes to achieve efficiencies.

Process Owner(s): HQ AMC G-8 with G-3 support

Champion(s): Mr. Greg Boddorf, HQ AMC G-8

Outcome(s): More time-efficient, agile resource processes.

Measurement(s): Time saved in AMC's internal budget and programming processes.

Work on Special Forces Ground Mobility Vehicles at Letterkenny Army Depot

3.13 Establish Partnering Offices at Each Organic Site

Current Situation: Management of partnering initiatives is fragmented among numerous organizational entities. This creates challenges that limit the ability for both the Army and for potential partners in taking advantage of partnering opportunities.

Desired Future State: Each organic industrial base site will provide a focal point for both public and private partners to engage in partnership discussions.

Change Needed: Establish partnering offices and points of contact at HQ AMC and at each site to facilitate integration, coordination and sharing of partnering initiatives.

Process Owner(s): HQ AMC, LCMCs and installations

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s): Combining skill sets and capabilities through partnering allows for a more flexible, responsive and cost-efficient industrial base.

Measurement(s): Performance improvements, cycle time reduction and cost reduction.

M40 series mask partnering analysis at the Edgewood Chemical Biological Center

3.14 Provide Partnering Guidelines

Current Situation: Incomplete knowledge of partnering processes is in some cases preventing partnerships that could benefit the Joint Warfighter. There are numerous ways to engage in partnerships, but many are either not known or not well understood. Some that are understood are still thought to be too difficult to implement. Additionally, while many forms of public-private partnerships are codified in law, other forms of partnerships, such as public-public partnerships with academic institutions, are not.

Desired Future State: An organic industrial base that has a complete understanding of partnering processes and ready access to templates such as partnership agreement documents and Business Cases Analyses for demonstrating partnership benefits.

Change Needed: Create standard partnering guidelines based on key lessons learned gained from current public/public and public/private partnerships.

Process Owner(s): HQ AMC G-7, LCMCs, installations

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s): A more flexible, responsive and cost-efficient industrial base by combining skill sets and capabilities through partnering.

Measurement(s): Performance improvements, cycle time reduction and cost reduction.

HMMWV line at Letterkenny Army Depot

3.15 Streamline the Partnership Approval Processes

Current Situation: Presently, the partnership initiation cycle time is typically longer than the equivalent process for the private sector. This is most evident for direct sales. Though certain aspects of the Army decision process are necessary, this extra work and time involved reduces the ability to establish partnerships between the public/private sectors.

Desired Future State: A more efficient and effective partnership decision process that maintains oversight and decreases cycle time, enabling the organic industrial base to be more responsive in concert with the private sector.

Change Needed: A faster and more effective partnership approval process.

Process Owner(s): LCMCs

Champion(s): Mr. Jack Dugan, TACOM Deputy to the CG

Outcome(s): Reducing the number of partnership approval steps will enable the organic industrial base to engage in certain categories of partnerships such as direct sales. Direct sales, for example, provide additional sources of workload and revenue that reduce costs and allow the installations to maintain essential skills. Direct sales also establish relationships between the organic industrial base and private industry that form the basis for broader partnership relationships in the future.

Measurement(s): Dollars saved.

Metal pouring at the Joint Manufacturing and Technology Center Rock Island

3.16 Create Incentives that Encourage Partnering

Current Situation: Existing statutes and policies may not provide sufficient incentives to partnering.

Desired Future State: Use of partnering contract incentives that promote business advantages for both the organic industrial base and the partner.

Change Needed: Develop and use contract incentives that promote partnering.

Process Owner(s): HQ AMC Contracting and Legal, LCMCs

Champion(s): Mr. Jeff Parsons, HQ AMC Contracting

Outcome(s): A more flexible, responsive and cost-efficient industrial base by combining skill sets and capabilities through partnering.

Measurement(s): Performance enhancements, cycle time reduction and cost reduction.

Sierra Army Depot HMMWV Armor Survivability Kit team

3.17 Deploy Partnering Training

Current Situation: Partnering is inadequately addressed in current training.

Desired Future State: LCMC personnel are supported by the training needed to routinely consider partnering in acquisition strategies. They fully understand partnering and are prepared to implement and execute partnerships.

Change Needed: The acquisition workforce needs to be made aware of the full array of business practices that can be applied to effectively establish partnerships. Insert partnering module into DAU courses and export to the organic industrial base.

Process Owner(s): HQ AMC, Defense Acquisition University

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s): Combining skill sets and capabilities through partnering allows for a more flexible, responsive and cost-efficient industrial base.

Measurement(s): Percent of targeted workforce trained.

UH-60 Blackhawk repair at Corpus Christi Army Depot

3.18 Coordinate Between Critical Infrastructure and Industrial Base Efforts

Current Situation: The current Army critical infrastructure program is not fully understood. The process to identify the critical infrastructure is not consistently applied across the industrial base. Critical infrastructure identification and analysis under development is not fully communicated. Impacts of additional mission assurance costs could impact domestic competitiveness.

Desired Future State: A fully coordinated process to ensure IB mission assurance. Incremental impact of mission assurance costs is competed in the budget process and resourced external to product costs. Recognize the cost of mission assurance and the subsequent impact on domestic competitiveness.

Change Needed: Establish a process to coordinate between critical infrastructure and IB efforts.

Process Owner(s): HQ AMC G-3

Champion(s): Mr. Niels Biamon, HQ AMC Deputy G-3 for Current Operations

Outcome(s): Assured critical infrastructure readiness and availability.

Measurement(s): Percentage of Mission Essential Assets for which Senior Mission Commanders have completed the seven step Mission Assurance Process.

Aerial view of Letterkenny Army Depot

3.19 Generate Secondary Items Planning Requirements

Current Situation: Specific IB surge requirements for secondary items have not been calculated and communicated from a central source on a systematic basis. This has hampered efforts to conduct comprehensive and consistent supply chain planning.

Desired Future State: Requirements for secondary items are routinely updated and communicated to LCMCs/PMs and the Defense Logistics Agency for planning purposes. Updated requirements will be disseminated not less than every two years.

Change Needed: Develop a process to identify and disseminate secondary item requirements.

Process Owner(s): DA G-3/5/7, AMSAA, LCMCs

Champion(s): Mr. Dave Shaffer, Director, AMSAA

Outcome(s): Improved readiness and increased agility.

Measurement(s): Requirements produced are published and distributed on a systematic basis.

Vehicles from the 1st Cavalry Division await shipment at the Port of Corpus Christi

3.20 Address Surge/Ramp Down Issues

Current Situation: The need to surge and subsequently ramp down is driven by limited duration contingency or emergency situations. The requirements to support these situations are unstable and/or not known. In peacetime there is minimal effort spent on planning for surge/ramp down. Contingency planning and peace time support frequently compete for resources. There is no centralized investment or planning to accommodate surge or ramp down efforts.

Desired Future State: Strategies and planning that leverage routine acquisition activities are in place to rapidly surge and to manage the subsequent ramp down. The acquisition community has a set of common tools (policies, processes, systems, and metrics) for managing surge/ramp down. Contract options to support IB planning and surge are incorporated as appropriate. Surge/ramp down requirements included in budget process to compete for resources.

Change Needed: Develop and implement a process to address surge/ramp down across the IB. Integrate process into acquisition strategies and communicate to industry. Incorporate surge options into contracts.

Process Owner(s): HQ AMC, LCMCs/PEOs

Champion(s): Mr. Gary Motsek, Deputy G-3 for Support Operations and Mr. Ron Davis, HQ AMC G-7

Outcome(s): Improved readiness, cost efficiencies and increased agility.

Measurement(s): Percent of weapon systems with surge plan.

Inspecting rounds at Lake City Army Ammunition Plant

3.21 Implement Integrated Performance Based Logistics Approach

Current Situation: Opportunities to partner between industry and the organic base are not exploited to minimize life cycle sustainment cost given statutory requirements (e.g., 50/50, Core). As a result, there is limited involvement of the organic industrial base, potentially leading to a failure to meet statutory workloading requirements or duplicative procurement of equipment.

Desired Future State: An integrated Performance Based Logistics approach focused on fiscal responsibility and long-term sustainment. BCAs to include consideration of the organic base. Requirements for statutory workloading met through the integrated performance based approach.

Change Needed: Implement policy to ensure both the organic and commercial IB are considered when implementing a Performance Based Logistics approach.

Process Owner(s): HQ AMC, LCMCs/PEOs

Champion(s): Mr. Greg Kee, HQ AMC G-5

Outcome(s): Improved readiness and increased agility.

Measurement(s):

- Policy is published, and implemented.
- Percent of Performance Based Logistics contracts with BCAs that include organic base consideration.

Sustainment supplies in support of Operation Iraqi Freedom

3.22 Establish Policies and Processes for Acquiring Product Data

Current Situation: Accurate Product Data is often not available for competitive re-procurement of systems, for maintenance support of systems and/or to allow modernization/technology insertion within systems. In many cases, the Government's rights to access and use contractually required Product Data are not being properly executed in a timely fashion, so no Product Data is available. Where it is available, it is often not being maintained in an accurate state so that it is suitable for use.

Desired State: Policies and processes in place that ensure access to the right Product Data, where and when required. Product Data will be rapidly, accurately and reliably accessible and exchangeable between authorized users in engineering, procurement, program management and logistics communities. Product Data requirements are validated and entered into the resource planning process.

Change Needed: Establish policies and processes for acquiring Product Data, accessing Product Data (with rights to use as required), and exchanging Product Data.

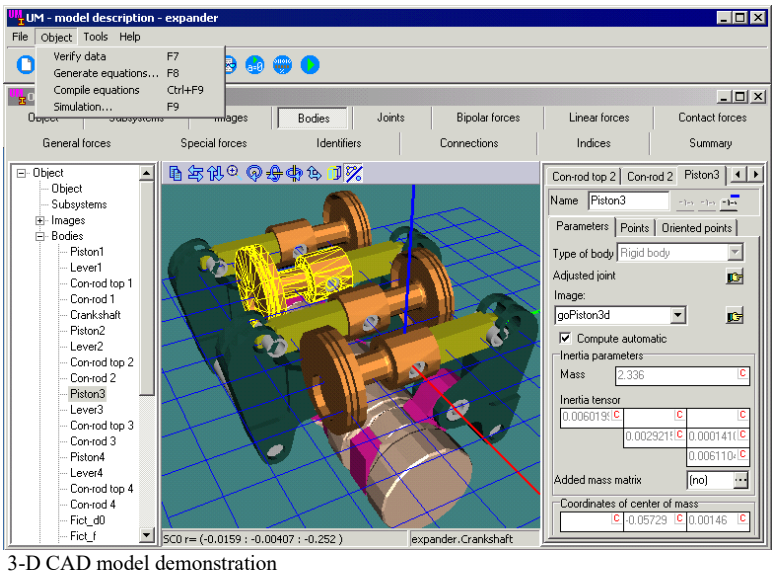
Process Owner(s): HQ AMC G-7, LCMCs/PEOs

Champion(s): Mr. Ron Davis, HQ AMC G-7

Outcome(s): Increased agility and cost effectiveness.

Measurement(s):

- Number of Technical Data Packages (TDPs) ready for use without requiring updates.
- Percentage of major systems with full access to adequate TDPs to support Acquisition and Logistics Support strategies.



3-D CAD model demonstration

4.0 Deployment

4.1 Approach

The Champion listed for each initiative will be responsible for development and implementation of action plans. Champions will use Lean Six Sigma throughout the development process to ensure focus on customer-defined value and to achieve rapid improvements in implementation.

Initiatives should be programmed for completion within one year. Status will be updated quarterly via Strategic Readiness System metric updates and reported at the bi-annual Army Industrial Base Conference. The Industrial Base Strategic Plan will be reviewed and updated as required annually. The following schedule provides a timeline for plan implementation that supersedes the previous Organic IB Strategic Plan schedule.

Date	**Action**
18 Aug 2005	Part I Industrial Base Strategic Plan (organic base only) presented at Army Industrial Base Conference
1 Sep 2005	Part I Strategic plan deployed
Dec 2005	Part II (Integrated Organic and Commercial Strategic Plan) complete and deployed
Apr 2006	Strategic Plan status reported at Army Industrial Base Conference
June 2006	Strategic Plan status reported at Army Industrial Base Conference
Dec 2006	Strategic Plan status reported at Army Industrial Base Conference
Jan 2007	Review and update comprehensive Industrial Base Strategic Plan
June 2007	Strategic Plan status reported at Army Industrial Base Conference

4.2 Action Plans

Action plans will include:

- Approach to be used
- Action plan of and milestones
- Participants
- Resource requirements
- Metrics

4.3 Status Updates

Status updates will include:

- Progress on goals
- Help needed
- Recommended adjustments to plan

Appendix A – Strategic Plan Establishment Memorandum

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
9301 CHAPEK ROAD
FORT BELVOIR, VA 22060-5527

AMCOPS-I

10 April 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: U.S. Army Industrial Base Strategic Plan

1. The Army Campaign Plan (ACP) lays out the Army's strategic direction and lines of operation to ensure we create and sustain a "campaign-capable, joint and expeditionary Army." The lines of operation extend from operating forces back through generating forces. The ACP identifies three key enabling capabilities for the generating force: supporting global operations, setting the force, and supporting transformation to a modular force structure. As recognized in the ACP, these enabling capabilities can only be achieved and sustained by a responsive civil-military sustaining base and a joint interdependent logistics structure.

2. Our current civil-military industrial resources are supporting all three enabling capabilities; however, they are being applied in an old paradigm of relatively independent, stovepipe operations. Additionally, we struggle with translating war fighting requirements to industrial base capability and capacity requirements. This is exacerbated by a general lack of metrics relating readiness to production. In my first 90 days in command, I have seen this across our Army and supporting industrial facilities. I am concerned we lack the appropriate strategy to transform our industrial base into a responsive, integrated civil-military capability that can effectively and efficiently support a joint and expeditionary Army. Accordingly, I have asked Mr. Ron Davis, Director of Industrial Operations, to lead a team of experts from across the Army, Defense Agencies, and Industry in an effort to formulate an Industrial Base Strategic Plan. I have asked him to lay out the general structure and the elements of the organic component of the strategy at the Industrial Base Conference in June 2005, and provide a complete lay-down of the finished product at the December 2005 Industrial Base Conference.

3. We need your help to make this happen. The timeline is aggressive and the effort will require the best people dedicating their time to achieving the required objective. Mr. Davis will be contacting his counterparts in each of your organizations within the next week to pull together the team. I truly appreciate your support for an effort that is critical to enabling and sustaining our Army.

BENJAMIN S. GRIFFIN
General, USA
Commanding

Appendix B – Approval Letter for Part I Army Organic IB Strategic Plan

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
9301 CHAPEK ROAD
FORT BELVOIR, VA 22060-5527

AMCOPS-I

15 September 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: U.S. Army Industrial Base Strategic Plan

1. Reference Memorandum dated 10 April 2005, subject as above.

2. The tremendous capability of our depots, arsenals and ammunition plants is truly impressive. Over the last ten months, I have witnessed first-hand the responsiveness and dedication of the men and women who go out every day and find new ways to support the joint warfighter. You can all be very proud.

3. As our support mission will continue to evolve, we must continue to prepare for new and unpredictable futures. The enclosed Industrial Base Strategic Plan is our roadmap for change across the organic industrial base. This is our action plan for leveraging Lean Six Sigma to create even higher levels of speed, agility and cost efficiency that we need if we are to support future fights as well as we are supporting this one. I have seen the power of Lean Six Sigma produce remarkable results at many of our sites, but I've also seen what private industry is accomplishing, and I know that we have only scratched the surface. So now I need you to focus your improvement efforts on preparing for the future so that we can continue to provide the critical support needed to enable and sustain our Army.

4. My POC for this action is Ms. Nannette Ramsey. She can be reached at: 703-806-9233 (nan.ramsey@us.army.mil).

5. I'm looking forward to seeing your progress on this plan. Thanks for all that you do.

6. Know all understand our bottom line is improved support to the warfighter! BJ

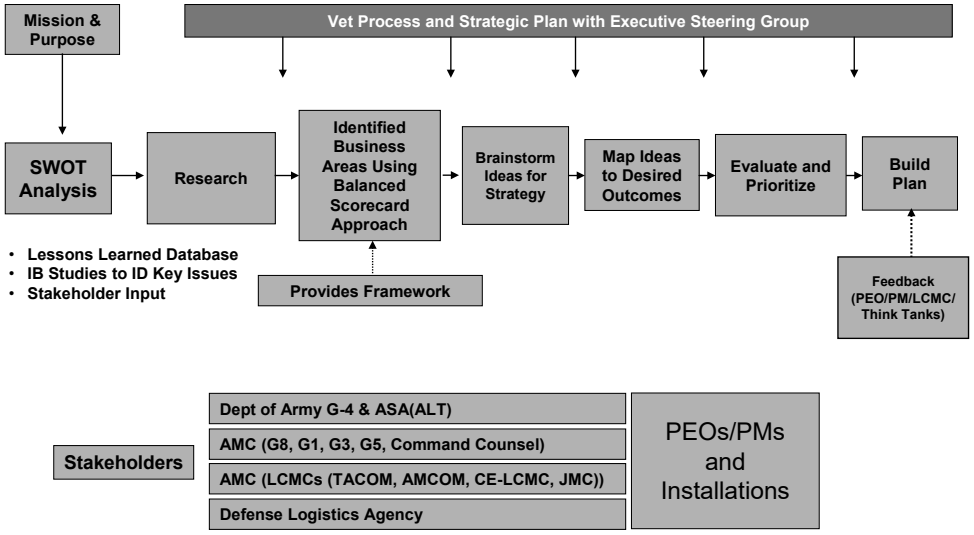
BENJAMIN S. GRIFFIN
General, USA
Commanding

Appendix C – Strategic Plan Development Process

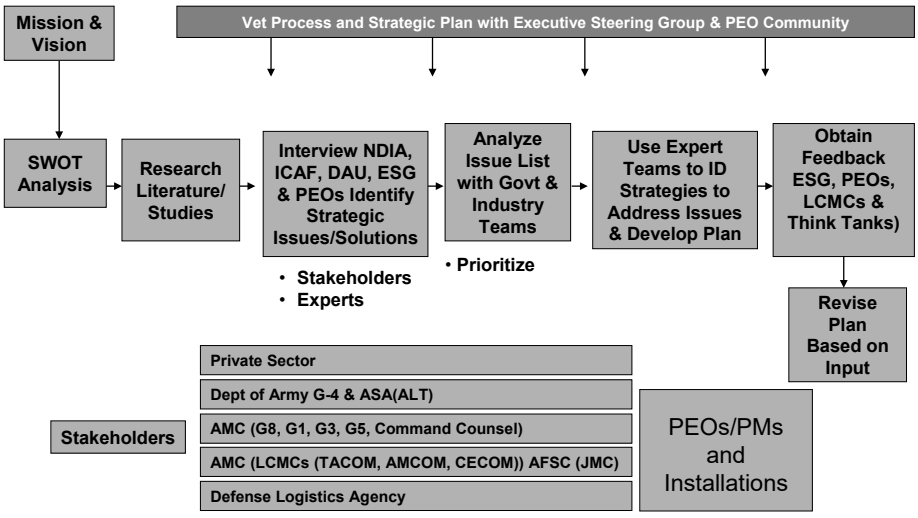
This strategic plan provides alignment with higher-level plans, starting with the National Security Strategy, as listed in Appendix D.

A team of industrial base experts from across the Army and the Defense Contract Management Agency built this strategic plan. Team members are listed in Appendix D. The team followed the strategic planning processes shown below for Parts I and II. The team leveraged the work of others in selecting the best of the best ideas from other recent industrial base analyses. Work of the team was guided, reviewed and approved by an Executive Steering Group, Appendix E. A listing of references is in the bibliography, Appendix G. The group also conducted interviews of selected experts in fields directly or indirectly related to the IB, Appendix H.

Part I



Part II



Appendix D - Strategic Planning Team

U.S. Army Materiel Systems Analysis Activity
Nan Ramsey (Team Lead)

Department of the Army G-4
LTC Sharalyn Brown
Vivian McBride-Davis
Fredi Hensley
Sally Kann

Assistant Secretary of the Army (Acquisition, Logistics & Technology)
Steven Linke
Joseph Pieper

U.S. Army Materiel Command Industrial Operations
Luis Garcia-Baco

U.S. Army Materiel Command Resource Management
Ron McCray

U.S. Army Materiel Command Support Operations
Robert Dittmann
Carol Basile

U.S. Army Aviation and Missile Life Cycle Management Command
Tom Reynolds
Doug Johnson
Jeff Sheppard
Robert Olson

U.S. Army Communications-Electronics Life Cycle Management Command
John Myer
Bernie Price

U.S. Army Tank-automotive & Armament Command Life Cycle Management Command
Prince Young
Dennis Dunlap

U.S. Army Chemical Materials Agency
Robert Eldringhoff

U.S. Army Joint Munitions Life Cycle Management Command
Al Beuster
Christian Otto

Defense Contract Management Agency - Industrial Analysis Center
Drew Chester

Defense Logistics Agency
Luis Villarreal

Appendix E – Executive Steering Group

U.S. Army Deputy Chief of Staff G-4
Modell Plummer
Director of Sustainment Directorate

Assistant Secretary of the Army (Acquisition, Logistics & Technology)
James T. Inman
Director, Acquisition and Industrial Base Policy

U.S. Army Materiel Command Industrial Operations
Ronald J. Davis, Jr.
Assistant Deputy Chief of Staff

U.S. Army Materiel Command Resource Management
John C. Lawkowski
Assistant Deputy Chief of Staff

U.S. Army Materiel Command Support Operations
Gary J. Motsek
Deputy G-3 for Support Operations

U.S. Army Aviation & Missile Command Life Cycle Management Command
Ronald E. Chronister
Acting Director, Engineering Directorate

U.S. Army Communications-Electronics Life Cycle Management Command
Anthony A. LaPlaca
Director, Logistics Readiness Center

U.S. Army Tank-automotive & Armaments Command Life Cycle Management Command
John P. Dugan
Deputy to the Commander

U.S. Army Chemical Materials Agency
Michael A. Parker
Director

U.S. Army Joint Munitions Life Cycle Management Command
Colonel William Dowdy (Part I)
Deputy Commander

Colonel Jyuji Hewitt (Part II)
Deputy Commander

U.S. Army Material Systems Analysis Activity

David Shaffer
Director

Defense Contract Management Agency
Rebecca L. Davies
Executive Director, Contract Management Operations

Defense Logistics Agency
Kathy Cutler
Executive Director
Acquisition, Technical & Supply Directorate

Appendix F – Higher Level Strategic Documents Reviewed

The National Security Strategy of the United States of America
The Way Ahead: Relevant and Ready
Transformation Planning Guidance
Army Campaign Plan
The Army Modernization Plan
The Army Plan
The Army Posture Statement 2005
Army Strategic Planning Guidance 2005
Joint Vision 2020
National Military Strategy 2004
Serving a Nation at War: A Campaign Quality Army with Joint and Expeditionary Capabilities
The Army Future Force: Decisive 21st Century Landpower
The Army Materiel Command Strategy 2004
Adapt or Die: The Imperative for a Culture of Innovation in the United States Army
Homeland Security Presidential Directive 7, Critical Infrastructure Protection, Prioritization, and Protection

Appendix G—Bibliography

Reports/Analyses			
Tile/Subject		**Organization**	**Date**
1.	Annual Industrial Base Capabilities Report to Congress	Office of the Under Secretary of Defense Industrial Policy (ODUSD(IP))	Feb 05
2.	Army Depot Maintenance – Ineffective Oversight of Depot Maintenance Operations and System Implementation Efforts	GAO	Jun 05
3.	Army Transformation Industrial Base Study – Interim and Legacy Forces	DCMA (Industrial Analysis Center)	Apr 03
4.	Defense Industrial Base Capabilities Study: Focused Logistics	ODUSD(IP)	Jun 05
5.	Defense Industrial Base Capabilities Study: Protection	ODUSD(IP)	Dec 04
6.	Defense Inventory – Army War Reserve Spare Parts Requirements Are Uncertain	GAO	May 01
7.	Defense Inventory – Improved Industrial Base Assessments for Army War Reserve Spares Could Save Money	GAO	July 02
8.	Defense Logistics – Actions Needed to Improve the Availability of Critical Items During Current and Future Operations	GAO	Apr 05
9.	Depot Maintenance – Key Unresolved Issues Affect the Army Depot System's Viability	GAO	Jul 03
10.	Executive Summary for GOCO/GOGO Plant Capacity and Utilization Study	PEO Ammo Industrial Base Office	15 Apr 05
11.	Foreign Sources of Supply: Assessment of the U.S. Defense Industrial Base	ODUSD(IP)	Nov 04
12.	A Fully Integrated Global Strategic Supply Network – A critical enabler of DoD Transformation	The Industrial College of the Armed Forces – National Defense University	AY 2003-2004
13.	Improving the Army's Management of Reparable Spare Parts	RAND	05
14.	Logistics Transformation – The Findings and Recommendations of the Logistics Transformation Task Force (LTTF)	LTTF	Aug 02
15.	Manufacturing – A Report on the Industry	The Industrial College of the Armed Forces – National Defense University	June 2004
16.	Options for Managing the Army's Arsenals and Ammunition Plants	RAND	03
17.	Public-Private Partnering Survey Report	Aerospace Industry Assoc., National Defense Industry Assoc., National Center for Advanced Technology	Oct 03
18.	Redesigning Defense – Planning the Transition to the Future U.S. Defense Industrial Base	Office of Technology Assessment (U.S. Congress)	July 91

Appendix G—Bibliography (continued)

19.	Rethinking Governance of the Army's Arsenals and Ammunition Plants	RAND	03
20.	The Aircraft Industry	The Industrial College of the Armed Forces – National Defense University	AY 2004
21..	The Army Organic Industrial Base: What is the Future for Depots and Arsenals?	Lexington Institute	Feb 05
22.	The Defence Industry in the 21st Century	PriceWaterhoueseCoopers	05
23.	Transforming the Defense Industrial Base: A Roadmap	ODUSD(IP)	Feb 03
24.	The Army Materiel Command Strategy	AMC	Mar 04
25.	Strategic Materials	The Industrial College of the Armed Forces – National Defense University	Spring 2004
26.	Weapons – A Report on the Industry	The Industrial College of the Armed Forces – National Defense University	AY 2003-2004

Briefings/Presentations			
	Tile/Subject	**Organization**	**Date**
1.	Air Force Sustainment	Air Force Materiel Command	12 Apr 05
2.	CSA Transformation Review – Industrial Base –	AMC	24 April 02
3.	Home Station Operations Center: Supporting the Expeditionary Force (DRAFT)	Robbins-Gioia, LLC	Undated
	Industrial Base Program Brief	DLA	4 Oct 05
4.	Logistics Transformation APBI	AMC	1 Nov 02
	Mission Assurance	AMC G-3	5 Oct 05
5.	Naval Air Systems Command Depots	Naval Air Systems Command	12 Apr 05
6.	Optimizing Transformation of the Army's Organic Industrial Base	Robbins-Gioia	28 May 05
7.	Supporting the Army Modular Force	DA G-8	14 Mar 05
8.	Team Redstone Industrial Base Enterprise	AMCOM	6 Aug 04
9.	TAA – An Overview of the Army's Process For Developing Force Structure Requirements	DA G-3/5/7	Undated

Appendix G—Bibliography (continued)

Laws/Regulations/Memos			
Tile/Subject		**Organization**	**Date**
1.	Annual Appropriation Act Provision for Public Private Competition [See e.g., Section 8031 of Public Law 108-287, 118 Stat. 977 (2004)]	U.S. Congress	2004
2.	Army Regulation 71-11 – Total Army Analysis	Department of the Army	29 Dec 95
3.	Army Regulation 700-90 – Army Industrial Base Process	Department of the Army	14 Dec 04
4.	Arsenal Support Program Initiative (Section 343 of Public Law 106-398 [114 Stat. 1654A -65 through 67 (2000])	U.S. Congress	2000
4.	Central Review of Industrial Facility Project for Contractors	ASA(ALT)	27 Jan 05
5.	Defense Industrial Base Transformation – Action Memorandum	Secretary of the Army	24 Mar 03
6.	Department of Defense Directive 4151.18	DoD	31 Mar 04
7.	Department of Defense Directive 3020.40	DoD	
8.	Policy Regarding Performance of Depot-Level Maintenance and Repair	DoD	Mar 96
9.	Procedures for Acquisition and Management of Contractor-Prepared Data	DoD	29 Apr 05
10.	Surge Contract Support to Deployed Forces	ASA(ALT)	19 Aug 04
11.	Title 10 2320 Rights and Technical Data	U.S. Congress	Various
12.	Title 10 (Depot Maintenance Related) 2460, 2462, 2464, 2466, 2469, 2470, 2304e	U.S. Congress	Various
13.	Title 10 (Direct Sales Statute Related) 2208(h), 2208(j), 2474, 2539b, 2563, 4543, 4544, 2770	U.S. Congress	Various
14.	Title 10 (Use of Army Facilities Related) 2667, 4551-4555	U.S. Congress	Various
15.	U.S. Army Industrial Base Strategic Plan	AMC	10 Apr 05
Articles			
Tile/Subject		**Organization**	**Date**
1.	21ST - Century Logistics: Joint Ties That Bind	U.S. Army War College Quarterly	Autumn 97
2.	The Defense Industrial Base: Myth vs. Reality (Suzanne Patrick)	DUSD for Industrial Policy	13 Sept 04
3.	Transforming Depots, Arsenals, and the Industrial Base (GEN Paul J. Kern)	Army AL&T	Jul-Aug 03

Appendix G—Bibliography (continued)

White Papers/Other			
Tile/Subject		**Organization**	**Date**
1.	AMC Transformation White Paper	AMC	Jul 03
2.	Defense Industrial Base Transformation The Kern Years	AMC	27 Sept 04
3.	Defense Industrial Base Transformation White Paper	AMC	Feb 03
4.	The U.S. Air Force Depot Maintenance Master Plan FY 04-20	U.S. Air Force	Feb 04
5.	Statutory and Regulatory Provisions Relevant to Public-Private Partnerships and Sales of Articles and Services	HQ AMC	Undated
Lessons Learned			
Title/Subject		**Organization**	**Date**
1.	Senior Logisticians Compare Iraqi Freedom to Desert Storm	SPECTRUM	Aug 03
2.	Early Employment of AMC Depot Level Repair Team	AFSC	23 Jun 04
3.	Automation Requirements for Forward Repair Activities	AMC	26 Jun 03
4.	Contingency Deployment Package Manning and Equipment	AMCOM	6 Oct 03
5.	On-site Depot Level Repair During Reset	AMC	11 Apr 05

Appendix H—Interviews

Stakeholder Input			
	Title/Subject/Stakeholder	**Organization**	**Date**
1.	Actions to Improve Organic Public/Private Partnering (Jack Dugan & BG O'Reilly)	TACOM, PEO CS/CSS	13 May 05
2.	Areas for High Level Team to Tackle (Charles Cebula)	PEO-C3T	11 May 05
3.	Organic Industrial Base Suggestions (Jerry Varela)	PEO Soldier	25 May 05
4	Responses to IB Questions (Alan Coady)	PM Combat Systems Support (CSS), Logistics Division Chief	2 Jun 05
5.	Responses to IB Questions (COL Glenn Walker)	Army National Guard	20 May 05
6	Responses to IB Questions (Diane Concepcion)	PM Tactical Radio Communications Systems (TRCS)	2 June 05
7.	Responses to IB Questions (David Dopp)	PM Medium Tactical Vehicles	27 May 05
8.	Responses to IB Questions (Jim Pantano)	VP, Stewart & Stevenson Services, Inc.	7 Jun 05
9.	Responses to IB Questions (Jim Satchfield)	PEO CS/CSS	25 May 05
10.	Responses to IB Questions (Jon Lowe)	Dep. PM Close Combat Missile System	31 May 05
11.	Responses to IB Questions (Kevin Brown)	Colt Firearms	3 Jun 05
12.	Responses to IB Questions (Kevin Glasgow)	Ultra (f.k.a. Canadian Marconi)	2 Jun 05
13.	Responses to IB Questions (LTC Carol Solesbee)	PM, Combat Engineer and Materiel Handling Equipment	1 June 05
14.	Responses to IB Questions (LTC Doug Gradwohl)	Army Reserve	20 May 05
15.	Responses to IB Questions (LTC Matthew Clarke)	PM, Individual Weapons	3 Jun 05
16.	Responses to IB Questions (COL Mahanna)	PM Blackhawk	7 Jun 05
17.	Responses to IB Questions (Tim Owings)	PM Tactical Unmanned Aerial Vehicle	09 Jun 05
18.	Responses to IB Questions (Pat Gallagher)	Business Development for Beretta and EOTech	3 Jun 05
19.	Responses to IB Questions (R. Bruce Harrison)	Stewart & Stevenson	31 May 05
20.	Responses to IB Questions (Richard Ordway)	Deputy PM, Apache	3 Jun 05
21.	Top 4 IB Issues (Mr. Blair)	PEO-IEW&S	Unknown
22.	Interview with Suzanne Patrick	DUSD for Industrial Policy	12 May 05
23.	Interview with Richard Payne	Government Accountability Office	20 Jun 05
24.	Comments provided by Ivan Susak	The Lexington Institute	5 Jul 05
25.	Comments provided by LTC Shipe	Industrial College of the Armed Forces	22 Jul 05

Appendix I—Definitions

Commercial Industrial Base
The privately owned industrial capability and capacity available for manufacture, maintenance, modification, overhaul and/or repair of items required by the United States and selected allies, including both the production and maintenance base.

Organic Industrial Base
The Government-owned industrial capability and capacity available for manufacture, maintenance, modification, overhaul and/or repair of items required by the United States and selected allies, including both the production and maintenance base.

Performance Based Logistics
A Strategy for weapon system product support that employs the purchase of support as an integrated performance package designed to optimize system readiness.

Mission Assurance
The certainty that DoD components can perform assigned tasks or duties in accordance with the intended purpose or plan.

Product Data
The totality of data elements and key relationships required to completely define a product for the purposes of design, analysis, manufacture, test, inspection, use, support and disposal (source, Product Engineering Working Group Charter).

Appendix J - Acronyms

1. AMC – Amy Materiel Command
2. AFSC – Army Field Support Command
3. AMCOM – Aviation and Missile Life Cycle Management Command
4. AR – Army Regulation
5. BRAC – Base Realignment and Closure
6. CLS – Contractor Logistical Support
7. CMA – Chemical Materials Agency
8. CE-LCMC – Communications-Electronics Life Cycle Management Command
9. DA – Department of the Army
10. DLA – Defense Logistics Agency
11. JM LCMC – Joint Munitions Life Cycle Management Command
12. LCMC – Life Cycle Management Command
13. MSC – Major Subordinate Command
14. PBL – Performance Based Logistics
15. RDECOM – Research, Development & Engineering Command
16. TACOM LCMC – Tank-Automotive & Armament Command Life Cycle Management Command
17. TRADOC – Training and Doctrine Command

Appendix K – U.S. Army Organic Industrial Sites

Arsenals:
Government Owned Government Operated
Pine Bluff Arsenal
Rock Island Arsenal Joint Manufacturing and Technology Center
Watervliet Arsenal

Armored Vehicle Production:
Government Owned Contractor Operated
U.S. Army Joint Systems Manufacturing Center, Lima

Mobility Facility:
Government Owned Government Operated
Sierra Army Depot

Maintenance Depots:
Government Owned Government Operated
Anniston Army Depot
Corpus Christi Army Depot
Letterkenny Army Depot
Tobyhanna Army Depot
Red River Army Depot

Ammunition Production:
Government Owned Government Operated
Crane Army Ammunition Activity
McAlester Army Ammunition Plant

Government Owned Contractor Operated
Holston Army Ammunition Plant
Iowa Army Ammunition Plant
Kansas Army Ammunition Plant (BRAC Designee)
Lake City Army Ammunition Plant
Lone Star Army Ammunition Plant (BRAC Designee)
Milan Army Ammunition Plant
Mississippi Army Ammunition Plant (BRAC Designee)
Radford Army Ammunition Plant
Riverbank Army Ammunition Plant (BRAC Designee)
Scranton Army Ammunition Plant
Hawthorne Army Depot (Storage)

Ammunition Depots (Storage):
Government Owned Government Operated
Anniston Munitions Center
Blue Grass Army Depot
Letterkenny Munitions Center
Red River Munitions Center (BRAC Designee)
Tooele Army Depot

Appendix L – Meeting with Industry

The Industrial Base Strategic Plan Working Group met with representatives from private industry. The National Defense Industrial Association invited senior representatives from various sectors of the industrial base to participate in the meeting. Industry provided valuable perspective on the strategy development and their comments related to the initiatives, were incorporated.

During the meeting, the industry representatives also made a number of comments concerning the current and future state of the industrial base, some of which are outside the scope of the strategic plan. These comments included:

- Longer term contracts would encourage industry research and development expenditures
- More visibility into the Army's requirements would assist commercial firms in planning for the future more effectively
- The global economy and overall cost sensitivity are driving greater use of foreign sources
- Foreign manufacturing facilities in some cases are more modern than U.S. facilities due to the development of emerging economies (e.g. China)
- Anticipated reduction in defense spending will result in a greater number of potential single source items
- Anticipated reduction in defense spending will result in increased merger and acquisitions activity (both U.S./U.S. and U.S./foreign)
    - Higher levels of mergers and acquisitions were seen with the end of the Cold War and after Operations Desert Storm
- Purchasing items offshore will result in the U.S. having no capability to produce certain items
- The U.S. should analyze the IB to determine where it cannot accept the risk of foreign dependency
- Industry research and development is limited due to low return on investment