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COMPTROLLER GENERAL'S REPORT TO
THE COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

~~70-1733~~
MOBILIZATION PLANNING FOR AMMUNITION
IN THE DEPARTMENT OF DEFENSE
B-172707

D I G E S T



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WHY THE REVIEW WAS MADE

The Committee Chairman asked GAO to review the concepts and methods which the Department of Defense (DOD) used to determine ammunition mobilization requirements and the manner in which DOD plans to meet those requirements.

This request stemmed from an earlier GAO report to the Committee on the Army's program to modernize ammunition plants (B-172707, May 31, 1972). A subsequent report on this subject was issued on April 9, 1973 (B-172707).

As agreed, GAO discussed this report with DOD officials but did not obtain their official comments.

FINDINGS AND CONCLUSIONS

Because of the billions of dollars involved in the modernization projects and war reserve stockpile, the Army and the Navy should reexamine their needs and the validity of assumptions used in their plans.

Requirements data needs to be verified

The Army and the Navy have long-range programs to modernize and expand ammunition plants at a cost of over \$4 billion. These programs are based on mobilization plans for

different threats to the Nation. For proper mobilization planning, the services need to know what weapons they intend to use in the future, how many weapons they need, and what firing rates to expect.

Research on new weapons and rounds has a direct impact on the type of ammunition needed in the future. The services did not always consider such research in planning modernization programs.

For example, the Army included \$27 million in its fiscal year 1974 appropriation request to expand production lines for ammunition scheduled to be replaced, in large part, by improved rounds. If the lines are expected to produce the improved rounds, they will have to be extensively modified.

Similarly, some of the requirements being used to plan the modernization of the Navy's ammunition plants may exceed those needed by the time modernization is completed. (See p. 7.)

The number of weapons used in determining the Army's ammunition war reserve requirements exceeded the number planned for use by the forces authorized by the Secretary of Defense for mobilization planning.

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If the number for the authorized forces had been used, the war reserve stockpile requirement for five items reviewed by GAO would have been reduced by over \$134 million. Also, Army projects to modernize production lines for one of the items could have been reduced by three lines costing about \$33 million. (See p. 10.)

Modernization plans based on less than maximum use of plants

Both the Army and the Navy planned modernized plants to operate for only two 8-hour shifts a day, 5 days a week--considerably less than maximum capacity. The plans could result in modernizing too many production lines. The Army should reconsider its mobilization needs. Eliminating one of the four lines being modernized to make 105-mm. rounds could reduce modernization costs by at least \$10 million. (See p. 13.)

The Army and the Navy are separately planning to modernize their plants. How much is needed and where it should take place have not been adequately considered and resolved on a DOD-wide basis. To achieve coordinated programs, the Secretary of Defense should provide firm guidance and central direction. (See p. 17.)

Reducing the cost of war reserve stockpile

The Army, Navy, and Air Force buy complete rounds to fill the multi-billion dollar war reserve stockpile. If part of the stockpile were in components, rather than complete rounds, the load, assemble, and pack plants could more rapidly accelerate production

during mobilization and the services could save substantially. GAO suggests that the services consider this alternative.

GAO did not estimate the overall cost savings but did estimate the savings for one artillery and one ship-gun round to be \$26 million. (See p. 19.)

MATTERS FOR CONSIDERATION BY THE COMMITTEE

The Committee may wish to ask the services about:

- The extent to which the services' plans for modernizing plants adequately consider long-range projections of ammunition requirements.
- The need for procedures to validate weapon quantities.
- The impact of overestimated needs on the modernization programs.
- The extent to which various plant capacities were considered and their impact on the modernization programs.
- The extent to which DOD-wide needs for plants were considered.
- The extent to which DOD-wide optimum locations for plants were considered as contrasted with individual service interests or with modernizing existing plants at present locations.
- The extent to which the services considered stocking part of the war reserves in components rather than complete rounds.