As the Single Manager for Conventional Ammunition, the Army has demil responsibility for DOD conventional ammunition. This includes storage, surveillance, demil and disposal of DOD’s excess, obsolete and unserviceable ammunition, including conventional munition items, tactical missiles and large rocket motors. Also, the Army is charged with planning, programming and budgeting. Obtaining the resources to reduce the demil stockpile is the single biggest challenge.
# Report Documentation Page

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<tr>
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<th>b. ABSTRACT</th>
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The current demil stockpile is estimated at almost 480,000 short tons of conventional ammunition and more than 300,000 missiles and missile components. At an approximate cost of $1,800 per ton to demil this stockpile with future additions or generations, the demil liability to DOD is almost $2 billion through the current budget and program years. At the current funding level, the stockpile, instead of getting smaller, continues to grow.

Most of the demil stockpile is stored and maintained by the U.S. Army Joint Munitions Command (JMC) at its major depots and ammunition plants, where they also receive, store and outload ammunition in direct support of the warfighter. The presence of demil stocks in the same place as the critical mission and training stocks results in storage inefficiencies, increased costs and decreased opportunity to apply Lean Six Sigma (LSS) principles to improve efficiency.

In addition, under the Base Realignment and Closure program, the JMC lost a significant amount of covered storage space without a corresponding decrease in stored stockpile. Demil is more critical than ever to ensure that excess, obsolete and unserviceable munitions items do not consume valuable covered storage space. In this regard, the JMC is the Demil Program’s major customer. In fact, for every ton of conventional ammunition demilitarized, approximately 7 to 9 square feet of covered storage space can be opened to store ammunition required by the warfighter.

At current funding levels, the demil stockpile is expected to grow to more than 500,000 tons by 2013. As the stockpile is demilitarized, the munitions toward the end of the queue are more complex than those currently being demilitarized, further exacerbating the
At an approximate cost of $1,800 per ton to demil this stockpile with future additions or generations, the demil liability to DOD is almost $2 billion through the current budget and program years. At the current funding level, the stockpile, instead of getting smaller, continues to grow.

The U.S. Army Materiel Command (AMC) G-3 and Command Counsel crafted language that would do just that. After a concerted effort by the Army, this language was codified into law through the John Warner National Defense Authorization Act for FY07 (NDAA 07).

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With NDAA 07 passage, the Army has the legal authority to establish and operate a recycling program that will benefit the Demil Program by offsetting demil R3 operations cost. While considerable, this accomplishment is just a first step in establishing and operating a program to help achieve the statute’s intent. Now that the Army has this legal authority, it can sell recyclable munitions materials resulting from demil and reinvest the proceeds into demil R3 operations. Proceeds from the reinvestment are estimated at $2-3 million annually.

In close coordination with AMC G-3 and Command Counsel, the Demil Enterprise Partners (Product Manager (PM) Demil); JMC; the U.S. Army Defense Ammunition Center; the U.S. Army Armament Research, Development and Engineering Center; and the U.S. Army Aviation and Missile Command G-3, as well as the Army G-4 and the Assistant Secretary of the Army for Acquisition, Logistics and Technology, started implementing the new statute as quickly as possible. A Department of the Army (DA)-level policy would be required when the bill’s final version was received, as well as an implementation plan.

Within the Demil Enterprise, a working-level plan was devised. It became
clear early on that the JMC installations would be critical planning partners and, for it to be successful, the installations would have to receive incentives for marketing work to generate the revenue in the first place. A cost-sharing arrangement would have to be established that provided monetary benefit to the installation performing the work. This would take the form of a 40-percent return of the proceeds harvested by the installation for future demil R3 projects or capabilities. The remaining 60 percent would be for demil reinvestment for similar activities for the Demil Program at large. The intent was that 100 percent of the proceeds would be used to offset demil R3 projects costs. Additionally, a financial accounting system was established to maintain revenue management control and accountability. The DA G-4 drafted, staffers, and published a DA-level message that effectively served as the interim regulation required by statute to implement the plan. This message codified the key tenets of the operational plan previously described, as well as established overall applicability. At this time, only CONUS installations are eligible to participate. When this message was published in May 2007, the Demil R3 Program was established and the first revenue checks were deposited in the centrally managed account. Where Do We Go From Here?
While the new legislation does offer potential in terms of cost reduction for demil R3 programs, more is needed. Reducing the demil stockpile must be adequately funded. While selling demil recyclable derivatives can help offset costs, it doesn't pay the whole cost, nor does it apply to the entire stockpile. Additionally, many items are too small or complex to effectively recycle; other derivatives produce little or no value, like commercial glass, which is cheaper to produce new.

The new law complements two existing demil initiatives: the Demil Research and Development (DRD) Program and the Design for Demil (DFD). DRD has major thrust areas focusing on disassembly and reusing existing munitions. DFD seeks to influence future munitions design for easier disassembly. Both of these initiatives can help maximize the recycling value of demil residual products by reducing the cost of a more valuable end product. By using LSS principles, existing processes can be tuned to return higher yields on existing R3 projects. With new leverage provided by the new law, we can increase current demil program effectiveness and enhance demil R3 economic viability.

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