

DEPARTMENT OF DEFENSE

## MANUFACTURING AND INDUSTRIAL BASE POLICY (MIBP)

# CSIS Ground Forces Dialogue

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# S2T2 Survey: Example

Find the "horseshoe nails"

4<sup>th</sup> tier  
Optical glass

4<sup>th</sup> tier  
Armor

2<sup>nd</sup> tier  
Electroplating

4<sup>th</sup> tier  
Turbine engine casting

6<sup>th</sup> tier  
High reliability electrical  
contacts

4<sup>th</sup> tier  
Rate gyroscope

3<sup>rd</sup> tier  
Friction plate for clutch

3<sup>rd</sup> tier  
Track shoes and pins



# Assessment Parameters

## Criticality and Fragility Assessment (CFA): Framework for Assessing Industrial Capabilities-

- **Criticality**: Characteristics that make a specific product or service difficult to replace if disrupted

Defense unique	Certain future demand
Relevant to many platforms	Socio-political reliability limits non-U.S. sources
Uses highly skilled labor	High reconstitution cost
Design-intensive activity	Long lead item
No alternatives available at reasonable cost, schedule, and performance	

- **Fragility**: Characteristics that make small deviations in the status quo likely to have substantial effects on an industry / supplier

Suppliers' finances weak	Production near minimum sustaining rate
Few firms in niche	Suppliers' earnings depend on few program elements
Variation in output imposes high costs	

S2T2: collaborative, iterative, repeatable, fact-based

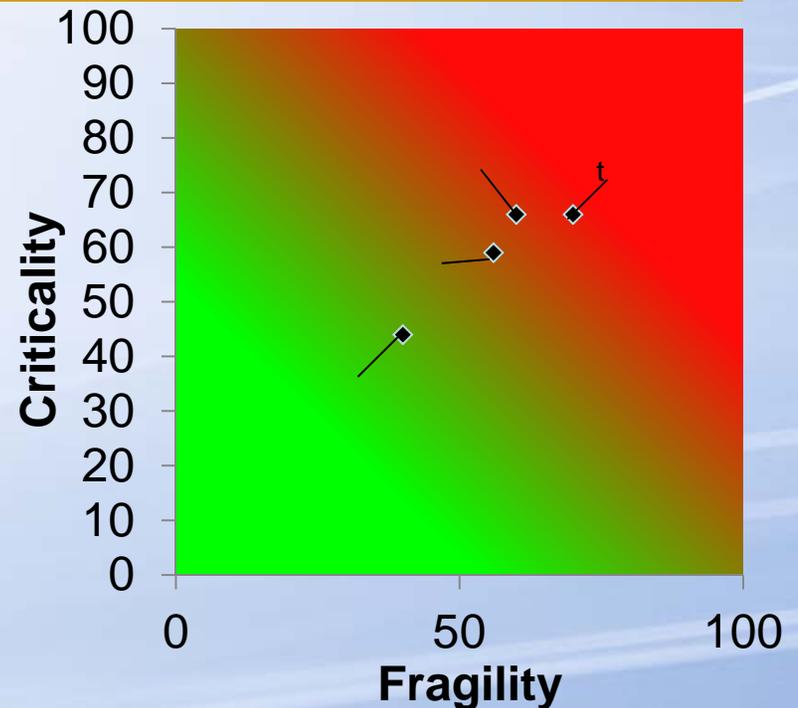


# Overview of Solid Rocket Motors Industrial Base

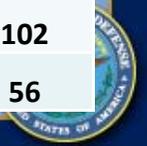
Criticality factors	Rating	Rank (fixed)	Score
Defense unique	7	5	35
# of platforms dependent	9	3	27
Highly trained / unique labor	7	4	28
Design team	6	4	24
Certainty of future demand	9	2	18
Specialty materials	6	3	18
Non-ally is only other source	1	3	3
Reconstitution cost	5	2	10
Tech alternatives available	6	2	12
Long lead time	7	2	14
<b>Total</b>			<b>189</b>
<b>Normalized</b>			<b>59</b>

Tables are filled in for overall XXX;  
 Similar tables provide background for  
 XXX, XXX, and XXX

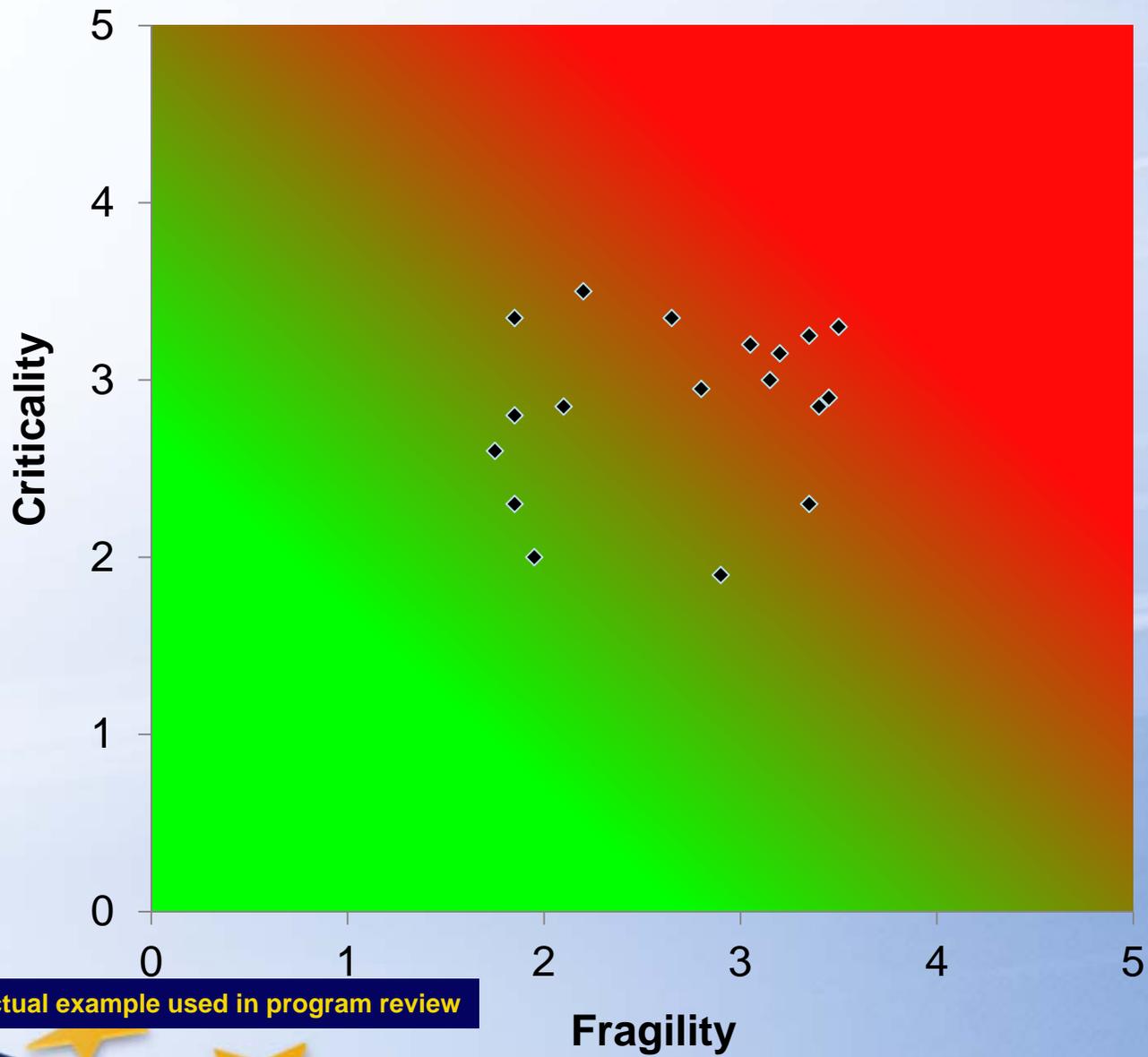
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Fragility factors	Rating	Rank (fixed)	Score
Financial health	5	3	15
Dependence on this MDAP	5	3	15
# of firms in niche	7	4	28
Friendly foreign sources	2	2	4
Production near MSR	8	5	40
<b>Total</b>			<b>102</b>
<b>Normalized</b>			<b>56</b>



# Plotting Industrial Capability Risk



Actual example used in program review

