



Fuze Conference

May 2006

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Hooah!



Ammunition

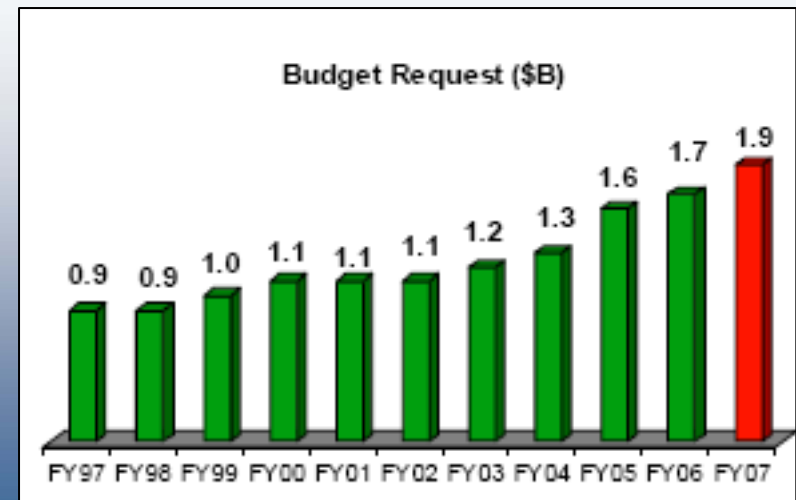
Program Highlights

- ❖ Funds Overall Training Ammunition to 77% (Small Arms at 100%)
- ❖ Procures Modest War Reserves
- ❖ Funds Production Base
- ❖ Transportation, Testing

	FY07
	\$1,353M
	\$304M
	\$221M
	\$25M



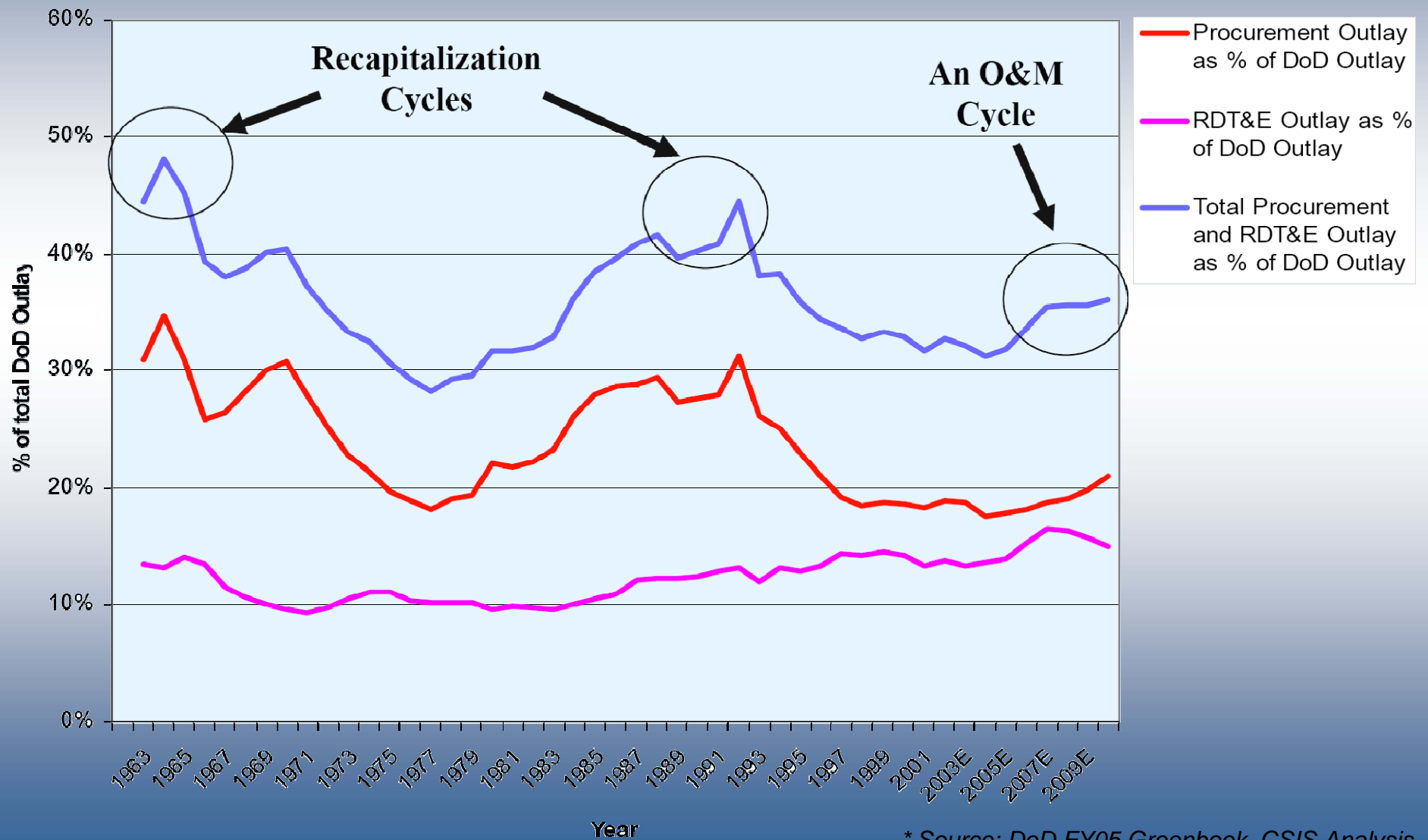
105mm M900 Anti-Tank



* Source: Army Budget Office



Cycle Continues



* Source: DoD FY05 Greenbook. CSIS Analysis



Approach to 08 POM

- ❖ Use FY07 Pres. Budget as a start point
- ❖ Consider G3 / G8 Guidance
 - ✓ War Reserve: Procure War Reserve Quantity
 - ✓ Training Unique: 150 day training pipeline only
 - ✓ Training Standard: Fill War Reserve Quantity or increase the Mob Training requirement if WR is below annual training
- ❖ Assess Industrial Base impacts based on guidance
 - ✓ Is funding sufficient and allocated correctly



Assessment of Pres Bud to DA Guidance

<u>Family</u>	❖ <u>Meet Guidance</u>	❖ <u>Does Not meet Guidance</u>
❖ Artillery Fuzes	✓	
❖ 40MM All Types		✓
❖ 155MM All Types	✓	
❖ M228 Fuze		✓
❖ Counter Measure Flair		✓
❖ Smoke Grenades		✓
❖ MACS	✓	
❖ Small Caliber Ammo	✓	



Considerations to Preserve Current Industrial Base and Readiness

❖ Small Caliber Ammo

- ✓ Minimum buy of 1 billion rounds per year
 - Required for economic dual source strategy and future surge capability
 - Hedge against current requirements "uncertainties"

❖ Medium Cannon 25mm/30mm

- ✓ Minimum buy of 2 million rounds per year, 300K M789 HEDP for war reserve
 - Required for dual source strategy, reduce single point failures, mitigate increased cost
 - Maintain fuze production capability

❖ Aircraft Countermeasure Flares

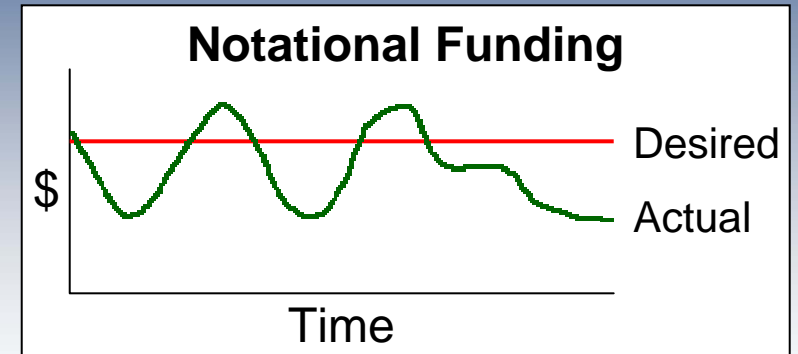
- ✓ Minimum buy of 635K per year (M211/M212 combined)
 - Support training and fill war reserve. Maintain wartime industrial base capacity (recently increased facility capacity)
 - Assumes AF continues to support the M206 base

❖ Tank Training

- ✓ Minimum buy of 80K M865A3 and 40K M1002
 - Required for dual source strategy, reduce single point failures, mitigate increased cost
 - Keep Tank Ammunition Production Base alive (Industrial Base as well as Engineering/Design) for future War Reserve production in support of FCS

❖ M228 Fuze, Training Hand Grenade

- ✓ Minimum buy of 6M per year
 - Minimally supports fuze production base





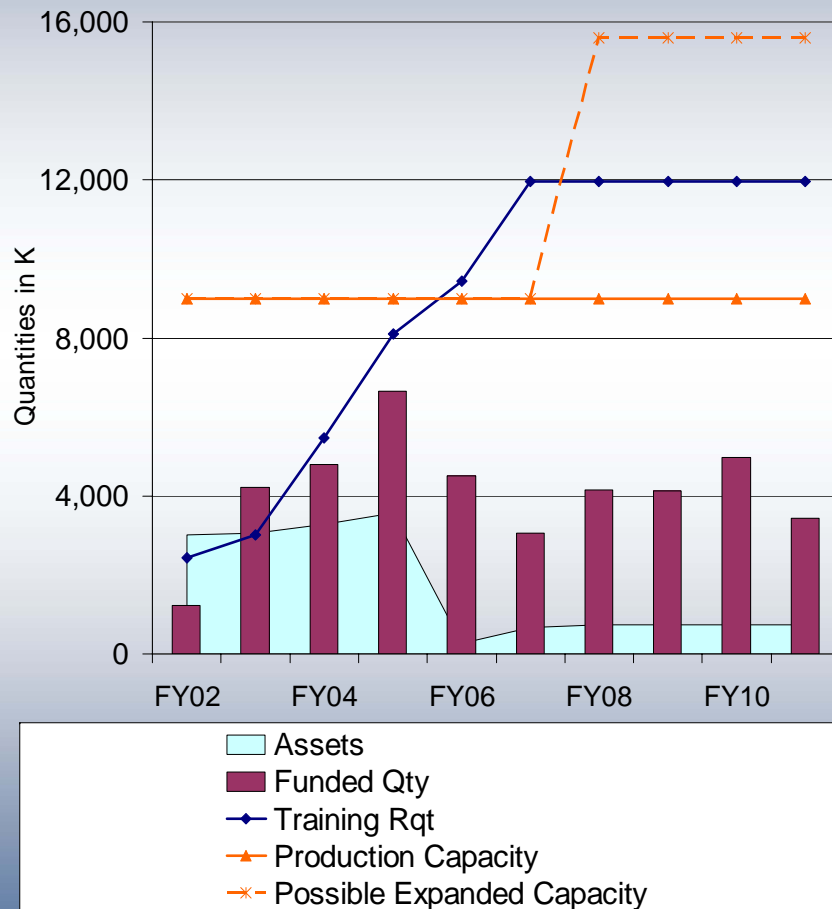
Bottom Line to Preserve Current Industrial Base

- ❖ **Maintain dual source strategy**
 - ✓ Mitigate cost increases
 - ✓ Reduce Single Point Failures
- ❖ **Maintain existing base to minimum sustaining levels**
- ❖ **Sustain expanded base capacity**
 - ✓ Small Cal
 - ✓ Flares

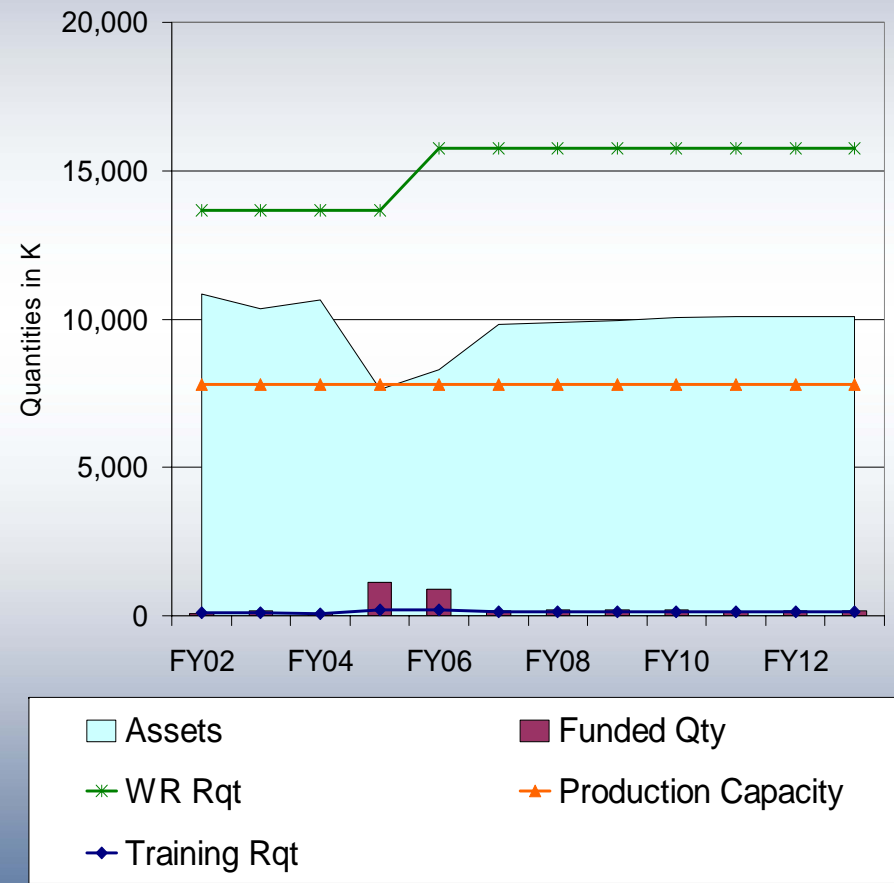


High Velocity Dilemma

Training Requirements



War Reserve Requirements



Training and Tactical: Underfunded



Ammo Executes its Funds First Year Obligation Rate (Including Supplementals)

