Ammunition

Program Highlights

- Funds Overall Training Ammunition to 77% (Small Arms at 100%) $1,353M
- Procures Modest War Reserves $304M
- Funds Production Base $221M
- Transportation, Testing $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

<table>
<thead>
<tr>
<th>Family</th>
<th>Meet Guidance</th>
<th>Does Not meet Guidance</th>
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<tbody>
<tr>
<td>Artillery Fuzes</td>
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<td>40MM All Types</td>
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<td>155MM All Types</td>
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<tr>
<td>M228 Fuze</td>
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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

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**Notational Funding**

- **Desired**
- **Actual**

- **Time**
- **$**
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)

- Long Term Contracts
- Higher Contract Ceilings
- Increased Industrial Base and Capacity Sources
- Systems Contracts

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