

GENERAL DYNAMICS

Ordnance and Tactical Systems



U.S. SMALL CALIBER AMMUNITION

Second Source Small Cal Program

NDIA Small Arms Systems Symposium
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GD-OTS SECOND SOURCE TEAM - STATUS

- The General Dynamics – Ordnance & Tactical Systems Small Caliber Ammunition (SCA) Team is augmenting the U.S. Government organic base to meet the small caliber ammunition needs for the GWOT.
- The SCA Team is currently executing a multiple year ID/IQ program to deliver in excess of 1B rounds of ammunition.
- Multiple Manufacturing facilities around the world have been qualified to produce small caliber ammunition to U.S. Government specifications.
- A world-wide logistics and shipping organization has been implemented to support CONUS and OCONUS supplies.
- About 400M rounds delivered through to date.

SCA SECOND SOURCE TEAM PRODUCTS

Combat and Training Ammunition

-Ball Clip

**-Armor Piercing
Incendiary**

**-Armor Piercing
Incendiary with
Trace**

-Ball/Trace Linked

-Blank



5.56mm

7.62mm

.50 Caliber

SECOND SOURCE LESSONS LEARNED

- A Second Source is a viable strategy for the ammunition base, now and for the future
 - Provides critical surge capability
 - Eliminates single point failure associated with LCAAP
 - Provides needed contingencies to avoid catastrophic supply interruptions
- Existing capabilities and capacities need to be expanded
 - Complex logistics challenges associated with moving energetic materials.
 - Select foreign sources carefully to meet demand.
 - International politics, business and regulations complicate business.
- Tracer capability in all small calibers needs to be expanded.
 - Current Second Source supply is International based.
- Government contracts now must reflect the realities of the marketplace – proper commodity price indexes essential in long term, fixed price contracts
 - Suppliers in this dynamic market can no longer afford to assume commodity risks – 400% growth in last 3 years.

RESPONSE TO INCREASED NEEDS

- The Second Source supply base has invested into capacity and capability expansion to meet USG demand.
 - 300-500 million round capacity available to support surge requirements.
- Global marketplace includes the USG demand, Foreign Government Demands and the commercial market.
 - Access to capacity is not only driven by obligations to meet GWOT demands, but also Commercial market requirements.
 - Commodities (copper, zinc, lead, fuel, others) are in extreme high demand, driving higher material costs due to supply and demand requirements.
 - SCA Suppliers management of business portfolios allocate capacities based on ability to pass through commodity prices – sometimes limits abilities to meet certain volume/product mix demands.

CHALLENGES & OPPORTUNITIES

- Challenges

- Proper EPA clauses for commodities that offset record setting growths in USG contracts
- Adding qualified domestic and international suppliers to increase capacities to meet annual USG volume requirements which compete with commercial demands
- Managing Global shipping requirements with use of US Flag Vessels

- Opportunities

- Forecasted on-going Second Source requirements allows for the possibility to expand capabilities and capacities
- Overcoming the challenges of compliance with USG Specifications enables our international suppliers to modernize operations and improve production capabilities to meet our volume demands