• 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.
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