MUNITIONS EXECUTIVE SUMMIT

PEO Cross-Service Panel

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• **Production Pipeline:**
  - 300 open USMC orders = $1.7B

• **Risk Mitigation - LSAAP BRAC:**
  - DZI/KDI under contract for 650K M935 PD fuzes
  - Supports all USMC FY08/FY09 81MM HE mortar buys
  - Stellar collaboration

• **Industry Responsiveness:**
  - 7.62MM 4&1 f/M240G MG
    - Surged 11,000,000 ctgs. at a critical time
  - Urgent manufacture of M72A7 LAAW and SMAW-NE
• **Cooperation:**
  • Willingness of industry
  • Industries tolerance for risk and flexibility
  • Focus on the War Fighter

• **Performance:**
  • No Issues
  • This is the true gauge of your success
• **Partnering (ATK/USG 120mm HEAT-MP-T):**

  • M74 Proximity Switch Improvement Initiative

  • Problem:
    • Ballistic performance
    • Parts Obsolescence
    • Producibility Issues

  • Solution:
    • Flight telemetry

  • Results:
    • Reduced Manufacturing Costs, Increased reliability, Better understanding, Reduced complexity, Reduced touch labor, Reduced material costs

• SATISFIED CUSTOMER
• WAR FIGHTER NEEDS MET
Industry Support (Current)

- **Leveraging:**
  - Use of foreign sources for a “win-win”
  - 2004 USMC FCT 40MM Practice Cartridge
    - Intent: Provide a “non-dud” producing solution
    - Results: MK 281 40MM Practice Cartridge f/MK19 GMG
    - US Army and USMC procurements on contract Through FY08 approximately 3 million ctgs. @ $72.3M
USMC Ammunition Investment (FY99 thru FY13)

Funding

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<th>FY99</th>
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<th>FY01</th>
<th>FY02</th>
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USMC Munitions Outlook (Future) (millions)

FY08-FY13 Procurement Breakout = $3.6B
- Unstable funding profiles
- Requirements fluctuation
- Better alignment of DoD Procurements & Requirements
  - Example: Success in aligning Army/Marine Corps Artillery and Mortar buys
- Profit is not a bad thing
• Know when “No” means “No”
• The Little Things Count
• Trust the SMCA
• NTIB vs. Individual Organizations
• USMC continued reliance on Industry

• USMC Growth may soften the post-conflict landing