AMMO FUNDING

101

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How Ammo Works

G3

DAMO-RQ
- Combat Requirements

DAMO-TR
- Training Requirements

DAMO-TRA
- Ammo Requirements

G4/USAMC/ASA(ALT)

Logistical Functions

G8

Programming and Analysis of Executable Programs

MACOMs/USAMC

Ammo Stockpile
- War Reserves
- Training
- Testing

USAMC/PEO Ammo

Procurement Functions

G3

How Ammo Works

G8

Programming and Analysis of Executable Programs

Defense Acquisition

Logistical Functions

War Reserves
- Training
- Testing

Ammo Stockpile
- War Reserve
- Training
- Testing

USAMC/PEO Ammo

Procurement Functions

Industrial Base
- Overhead

Ammo Production
- Rounds

O&M

One Dollar

O&M

G4/USAMC/ASA(ALT)

Logistical Functions

- OCONUS Trans
- CONUS Trans
- Receipt/Issue
- Storage
- Inspection
- Inventory
- Maintenance
- Re-warehousing
- Surety Materiel
- Demil
Ammunition Categories

WARFIGHT

PROCURED CUMULATIVELY

WAR RESERVE UNIQUE
(not drawn down)

APPROX 60 ITEMS

(DU tank rds, DPICM & ext range rds, WP & smoke)

TRAINING STANDARD

WR USABLE FOR TNG
(war reserve drawdown)

APPROX 110 ITEMS

(155mm HE, smoke, Illum, Mortars, sm Arms, pyro, demo)

TRAINING

PROCURED ANNUALLY

TRAINING STANDARD

WR USABLE FOR TNG

APPROX 110 ITEMS

(155mm HE, smoke, Illum, Mortars, sm Arms, pyro, demo)

TRAINING UNIQUE

APPROX 50 ITEMS

(Simulators, sub-caliber, Blanks, tank Ammo, range/Environment Safe ammo)

WARFIGHT TRAINING

PROCURED
ANNUALLY

WARFIGHT TRAINING

PROCURED
CUMULATIVELY

WAR RESERVE UNIQUE
(not drawn down)

APPROX 60 ITEMS

(DU tank rds, DPICM & ext range rds, WP & smoke)

TRAINING STANDARD

WR USABLE FOR TNG
(war reserve drawdown)

APPROX 110 ITEMS

(155mm HE, smoke, Illum, Mortars, sm Arms, pyro, demo)
Total Ammunition (PAA) Picture

- Non-ammo BOSs
- Ammunition BOS
- Training

Years: FY05 to FY11

$000
What is PAA?
(Procurement of Ammunition, Army)

Two Activities:

• Activity 1 - Ammunition
  • Training/Test Ammo
  • War Reserve Fill
  • Hydra Rockets Training Ammo
  • War Reserves/Modernization

FY05
$1409M
$1033M - Ammo BOS
$88M - Ammo BOS.
$127M - Aviation BOS
$161M - Other FD BOSs.

• Activity 2 - Prod Base Support
  • Industrial Facilities
  • ARMS*
  • Demil -

$148M
$48M - Ammo BOS.
$5M - Ammo BOS.
$95M - SS PEG / G-4

Source: FY05-09 BP 1.0 dated 7 Jul 04

* ARMS – Armament, Retooling and Manufacturing Support (Provides for maintenance of laid away facilities, asset modernization, overhead reduction of product and asset ownership requirements through support ARMS program.)
What is Ammo BOS?

Three Major Decision Packages (MDEPs)

<table>
<thead>
<tr>
<th>Package</th>
<th>Description</th>
<th>FY 08 $$</th>
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<tbody>
<tr>
<td>RE01</td>
<td>TRAINING AMMO</td>
<td>$1519M</td>
</tr>
<tr>
<td>RE06</td>
<td>WAR AND OPS AMMO</td>
<td>$ 108M</td>
</tr>
<tr>
<td>RE04</td>
<td>PRODUCTION BASE</td>
<td>$ 156M</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td>$1783M</td>
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</tbody>
</table>

• Does not include no-Ammo BOS items (Hydra Rockets, Excaliber, M829A3, etc. in RE01 Or RE06, and does not include Demil in RE04
AMMO FY01-09 Funding by MDEP
Ammunition BOS - PAA
**Training Historical View**

**War Reserves Use Ending**

- **FY90**
  - $1.7B
- **FY94**
  - $1.5B
  - FREE
- **FY98**
  - $1.4B
  - $1.2B
- **FY02**
  - $1.1B
- **FY06**
  - $1.6B
- **FY11**

- **DRAWDOWN FROM WAR RESERVE ($)**
- **TRAINING AMMO PROCUREMENT ($)**

- Modernization
- WR Drawdown Ending
- Increased costs
Ammo Procurement Summary

Ammo Funding is a Balancing Act
• Training
  • Provide enough ammo for units to train
  • Buy enough ammo to replenish what is expended

• War and Operations
  • SUSTAIN SOLDIERS IN CURRENT OPERATIONS
  • Replenish stocks expended in operations
  • Build/Replenish War Reserve stocks
  • Modernize stocks in the process

• Industrial Base
  • Replace/Upgrade/Repair organic capabilities
  • Transition to efficiency upgrades
  • Ramp down production to avoid sharp changes