AMMO FUNDING

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Army G8 / FDX Munitions Division

June 2009
How Ammo Works

Logistical Functions

G4/USAMC/ASA(ALT)

MACOMs/USAMC

Ammo Stockpile

War Reserves

Training

Testing

CONUS TRANS

RECEIPT/ISSUE

STORAGE

INVENTORY

MAINTENANCE

REWAREHOUSING

SURETY MATERIEL

DEMIL

USAMC/PEO AMMO

Procurement Functions

PAA

Industrial Base

(Overhead)

Ammo Production

(Rounds)

PROGRAMMING AND ANALYSIS OF EXECUTABLE PROGRAMS

G8

G3

COMBAT REQUIREMENTS

DAMO-RQ

TRAINING REQUIREMENTS

DAMO-TR

AMMO REQUIREMENTS

DAMO-TRA
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

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)

APPROX 50 ITEMS

TRAINING UNIQUE

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

06/04/2009/CHRANS/DAPR-FDX/604-7233
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

  **FY09**
  - $1978M
    - $1376M - Ammo BOS
    - $337M - Ammo BOS.
    - $142M - Aviation BOS
    - $123M - Other FD BOSs.

  **Supplemental $230M**

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

  **$349M**
  - $202M - Ammo BOS.
  - $5M - Ammo BOS.
  - $144M - SS PEG / G-4

  **TOTAL**
  - **$2327M**

Source: FY10 Budget Exhibit Book dated May 09
# What is Ammo BOS?

## Three Major Decision Packages (MDEPs)

<table>
<thead>
<tr>
<th>Package</th>
<th>Description</th>
<th>FY 09 $$$</th>
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</thead>
<tbody>
<tr>
<td>RE01</td>
<td>TRAINING AMMO</td>
<td>$1376M</td>
</tr>
<tr>
<td>RE06</td>
<td>WAR AND OPS AMMO</td>
<td>$337M</td>
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<tr>
<td>RE04</td>
<td>PRODUCTION BASE</td>
<td>$205M</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$1918M</strong></td>
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</table>

- Does not include non-Ammo BOS items (Hydra Rockets, Excaliber, M829A3, etc. in RE01 Or RE06, and does not include Demil in RE04)
## AMMO FUNDING
### FY09 Base Budget Request

<table>
<thead>
<tr>
<th>Root</th>
<th>Request</th>
<th>Appropriated</th>
<th>Delta</th>
<th>Reason for Delta</th>
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<tbody>
<tr>
<td>BASE</td>
<td></td>
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<tr>
<td>AIRCRAFT LAUNCHED AMMO</td>
<td>79,066</td>
<td>75,766</td>
<td>-3,300</td>
<td>30mm Unjustified Cost Growth</td>
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<tr>
<td>AMMO PRODUCTION BASE</td>
<td>201,106</td>
<td>207,526</td>
<td>6,420</td>
<td>Projects at HSAAP, SCAAP, RFAAP, and Blue Grass</td>
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<tr>
<td>AMMUNITION SUPPORT</td>
<td>41,449</td>
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<tr>
<td>APL-A</td>
<td>52,000</td>
<td>52,000</td>
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<tr>
<td>ARTILLERY AMMO</td>
<td>177,598</td>
<td>179,198</td>
<td>1,600</td>
<td>155mm all types</td>
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<tr>
<td>AVIATION FLARES</td>
<td>68,376</td>
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<tr>
<td>DEMIL</td>
<td>143,901</td>
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<tr>
<td>DEMOLITIONS</td>
<td>28,886</td>
<td>32,086</td>
<td>3,200</td>
<td>Rapid Wall Breaching Kit (RWBK)</td>
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<td>EXCALIBUR</td>
<td>34,220</td>
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<tr>
<td>GRENADES</td>
<td>71,608</td>
<td>77,208</td>
<td>5,600</td>
<td>Thermit Grenades, Smoke Grenades</td>
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<td>HYDRA ROCKET</td>
<td>142,521</td>
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<td>MEDIUM CALIBER AMMO</td>
<td>308,064</td>
<td>306,364</td>
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<td>25mm Unjustified Cost Growth</td>
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<td>MGS-STRYKER AMMO</td>
<td>7,662</td>
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<td>MINES</td>
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<td>MORTAR AMMO</td>
<td>193,177</td>
<td>201,577</td>
<td>8,400</td>
<td>Various Rounds, $1.2M 105mm HEP</td>
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<td>PGK</td>
<td>15,633</td>
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<td>NON-LETHAL AMMO</td>
<td>3,324</td>
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<td>PROTECTIVE SYSTEMS</td>
<td>17,869</td>
<td>64,369</td>
<td>46,500</td>
<td>NLCS Bridge Supplemental</td>
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<td>SHOULDER FIRED ROCKETS</td>
<td>29,638</td>
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<td>SIGNAL Munitions</td>
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<td>SMALL CALIBER AMMO</td>
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<td>436,169</td>
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<td>.50 cal all types, Unjustified Cost Growth</td>
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<td>SPECIAL AMMUNITION</td>
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<td>TANK MAIN GUN AMMO</td>
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<td>TANK-ABRAMS AMMO</td>
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<td><strong>Grand Total</strong></td>
<td>2,269,045</td>
<td>2,327,152</td>
<td>58,107</td>
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Ongoing Budget Actions

• FY10 Base Budget and Overseas Contingency Operations (OCO) Requests at Congress

• Currently building FY11 Base Budget and OCO requests

• Incorporating changes based on SECDEF decisions on programs

• Quadrennial Defense Review underway

• Current year bills for Military Pay and Health Care

• TRADOC assessment of impacts of Cluster Munitions policy

• FY12-17 POM starts this Fall
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