

Budget Panel

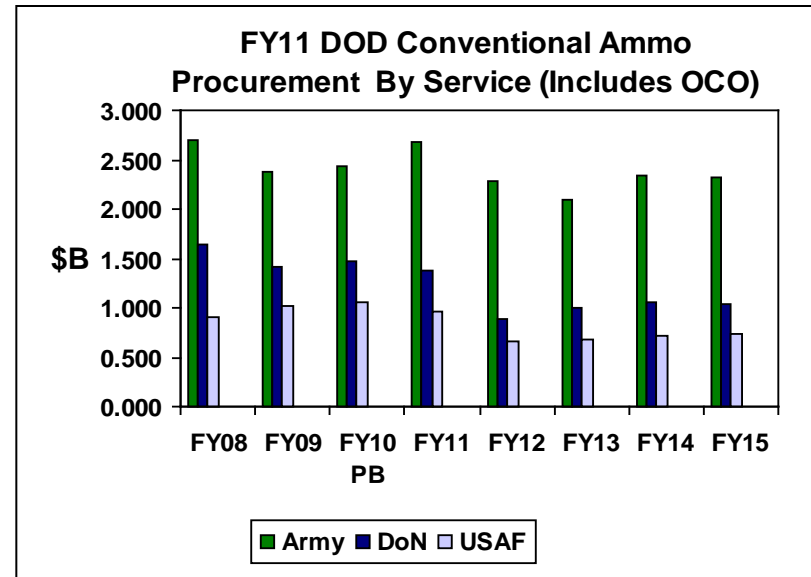
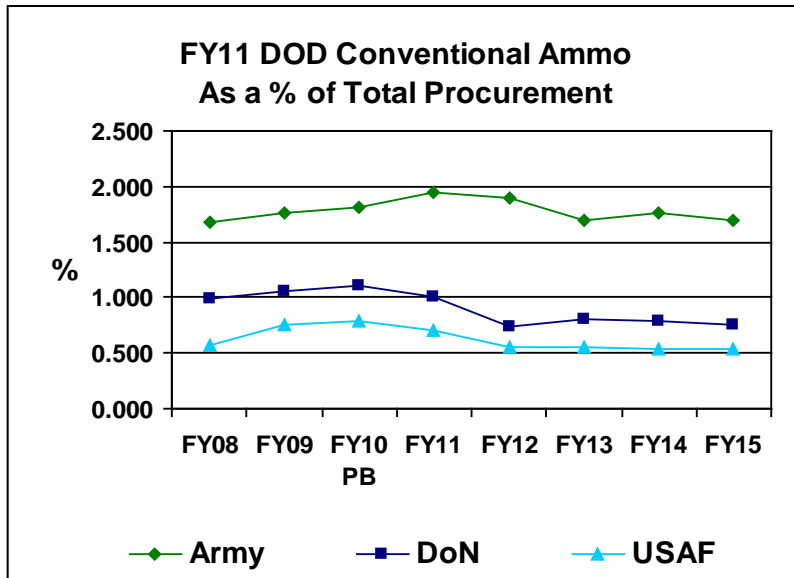
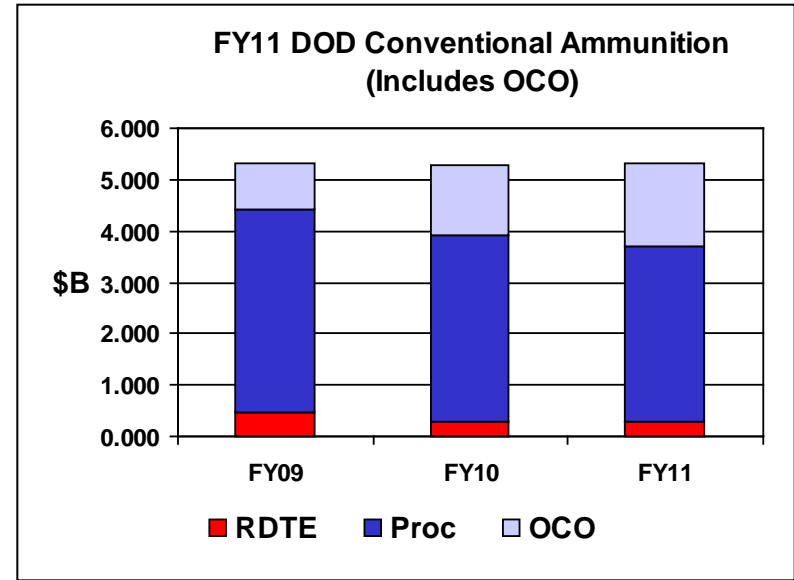
Munitions Executive Summit

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Cypress International

Conventional Ammo Market Environment

Key Issues

- Funding: overall decline; supplementals reduced; R&D reduced
- Few new starts – affordability limitations
- Concerns about precision affordability
- Stated interest in non-lethal options; but few \$
- Mandatory IM
- Eroding industrial base – particularly 2nd & 3rd tier suppliers;
- Army Ammo Plants – modernization, competition, funding



QDR Impacts on Conventional Ammo

Mission Areas Critical to Achieving Objectives
Defend the U.S. and Support Civil Authorities at home
Succeed in Counterinsurgency, Stability, and Counterterrorist Operations
Build the Security Capacity of Partner States
Deter and Defeat Aggression in Anti- Access Environments
Prevent Proliferation and Counter WMD
Operate Effectively in Cyberspace



- **Force structure changes drive requirements**
 - Army
 - Fewer HBCTs; More SBCTs
 - Additional Combat Avn Bdes
 - More UAVs
 - Navy
 - Fewer Carrier Wings
 - Additional Riverine Sqdn
 - Air Force
 - Field Light Attack aircraft
 - SOF
 - Additional fixed & rotary wing assets
- **Implied requirements to support Irregular Operations**
 - Perception that lethality is good enough
 - Non-lethal to lethal options = scalable effects
 - Reduced collateral damage drives precision efforts
 - Concern about affordability
 - Likely AORs = need for improved log spt features
- **Desire to rapidly equip partner nations**
 - Desire to reform export control regimes
- **Industrial base implications**
 - Shifting requirements = shifting volumes
 - Acquisition reform

ARFORGEN

The Current Fight Remains the Priority

QUESTIONS ?