AMERICA’S ARMY: 
THE STRENGTH OF THE NATION™

Ammo Funding
3 February 2011
Don Chrans
How Ammo Works

G3
- DAMO-RQ
  - COMBAT REQUIREMENTS
- DAMO-TR
  - TRAINING REQUIREMENTS
- AMMO REQUIREMENTS

G4/USAMC/ASA(ALT)
- Logistical Functions
  - OCONUS TRANS
  - CONUS TRANS
  - RECEIPT/ISSUE
  - STORAGE
  - INSPECTION
  - INVENTORY
  - MAINTENANCE
  - REWAREHOUSING
  - SURETY MATERIEL
  - DEMIL

G8
- PROGRAMMING AND ANALYSIS OF EXECUTABLE PROGRAMS

MACOMs/USAMC
- Ammo Stockpile
  - War Reserves
  - Training
  - Testing

USAMC/PEO AMMO
- Procurement Functions
  - Industrial Base (Overhead)
  - Ammo Production (Rounds)

How Ammo Works
- G3
- G4/USAMC/ASA(ALT)
- G8
- MACOMs/USAMC
- USAMC/PEO AMMO
Strategic Readiness Requirements

War Reserve Munitions Requirements

Training, Testing & Current Operational Requirements

Total Munitions Requirements
Army Acquisition Objective (AAO)

OSD USD(A&T) (CBMR)**

On Hand Inventory
Army Procurement Objective (APO)

Army POM

A balance between requirements and programming.

* Quantitative War Reserve Requirements – Munitions.
** CBMR - Capabilities Based Munitions Requirements IAW DODI 3000.4.
Ammunition Categories

**WARFIGHT**

- **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**

- **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)

**PROCURED CUMULATIVELY**

- MODERNIZATION
- WARFIGHT
- TRAINING

**PROCURED ANNUALLY**

- MODERNIZATION
- WARFIGHT
- TRAINING
What is PAA?
(Procurement of Ammunition, Army)

Two Activities:

• Activity 1 - Ammunition $1,732M
  • Training/Test Ammo $1,125M - Ammo BOS
  • War Reserve Fill $343M - Ammo BOS.
  • Hydra Rockets Training Ammo $100M - Aviation BOS
  • War Reserves/Modernization $164M - Other FD BOSs.

Supplemental $371M

• Activity 2 - Prod Base Support $319M
  • Industrial Facilities $170M - Ammo BOS.
  • ARMS $3M - Ammo BOS.
  • Demil $146M - SS PEG / G-4

• TOTAL $2051M
Total Ammunition (PAA) Picture

- Non-ammo BOSs
- Other FD (EE) BOSs
- Production Base
- War Reserve
- Training

FY05 FY06 FY07 FY08 FY09 FY10

$000

Demil (SS)
### AMMO FUNDING
#### FY10 Base Budget

<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>AIRCRAFT LAUNCHED AMMO</td>
<td>96,572</td>
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<td>AMMO PRODUCTION BASE</td>
<td>173,428</td>
<td>180,228</td>
<td>6,800</td>
<td>Projects at SCAAP and LCAAP</td>
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<tr>
<td>AMMUNITION SUPPORT</td>
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<td>49,928</td>
<td>6,320</td>
<td>Blue Grass equip and SuperCritical Water Oxidation demil</td>
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<td>APL-A</td>
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<td>ARTILLERY AMMO</td>
<td>183,942</td>
<td>180,142</td>
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<td>-5,000 105mm; -6,000 MACS; +7,200 155mm Illum</td>
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<td>AVIATION FLARES</td>
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<td>DEMIL</td>
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<td>DEMOLITIONS</td>
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<td>GRENADES</td>
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<td>HYDRA ROCKET</td>
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<td>MEDIUM CALIBER AMMO</td>
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<td>MINES</td>
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<td>MORTAR AMMO</td>
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**Grand Total**

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- FY11 Base $1,979,414
Ongoing Budget Questions

• FY11 Base Budget and Overseas Contingency Operations (OCO)
  Will we get an appropriations bill or a year long CRA?

• FY12 Budget Request and 12 OCO to the Hill on 14 Feb
  What will the new Congress do with that?

• Starting the FY13-17 POM build and 13 OCO
  What assumptions do we make to the first two questions?
  What if we are wrong?
  How many times can you rework a POM in a six month period?
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