How Ammo Works

**G3/5/7**
- DAMO-CIC
  - Capabilities
  - Munitions Requirements
- DAMO-TRA
  - Munitions Requirements

**G4/USAMC/ASA(ALT)**
- Logistical Functions
  - OCONUS Trans
  - CONUS Trans
  - Receipt/Issue
  - Storage
  - Inspection
  - Inventory
  - Maintenance
  - Rewarehousing
  - Surety Materiel
  - Demil

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

**G8**
- Programming and Analysis of Executable Programs

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

**How Ammo Works**

- Damage of Munitions
  - Procurement Functions
  - Testing
  - Inspection
  - Maintenance
  - Rewarehousing
  - Inventory
  - Storage
  - Receipt/Issue
  - CONUS Trans
  - OCONUS Trans
  - Surety Materiel
  - Demil
  - Programming and Analysis of Executable Programs
Strategic Readiness Requirements

War Reserve Munitions Requirements

Training, Testing & Current Operational Requirements

Total Munitions Requirements

Combat Requirements

Strategic Readiness Requirements

Residual Readiness Requirements

A balance between requirements and programming.

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

APPROX 50 ITEMS

(Simulators, sub-caliber, Blanks, tank Ammo, range/ Environment Safe ammo)
**Missile & Ammunition Procurement**

**Program Funds:**
- On-going missile programs
  - Patriot Advanced Capability-3 ($662M, 88 missiles)
  - Javelin ($161M, 710 missiles)
  - Guided Multiple Launch Rocket System ($314M, 2,784 missiles)
  - TOW 2 ($82M, 802 missiles)
  - Patriot Mods ($67M)
- Full funding of critical training ammunition ($1.1B)
- Ammunition production modernization ($200M)
- Ammunition demilitarization ($190M)

<table>
<thead>
<tr>
<th>Budget Request ($M)</th>
<th>FY12 Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missile Procurement</td>
<td>1,478.7</td>
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<tr>
<td>Ammunition Procurement</td>
<td>1,992.6</td>
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**Missile Budget Request ($B)**

<table>
<thead>
<tr>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
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<tr>
<td>1.9</td>
<td>1.6</td>
<td>1.4</td>
<td>1.3</td>
<td>1.3</td>
<td>1.4</td>
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<td>2.2</td>
<td>1.4</td>
<td>1.9</td>
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**Ammunition Budget Request ($B)**

<table>
<thead>
<tr>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
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<td>1.1</td>
<td>1.2</td>
<td>1.3</td>
<td>1.6</td>
<td>1.7</td>
<td>1.9</td>
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<td>2.3</td>
<td>2.1</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>
Aircraft, Missiles & Ammunition

OCO Request Supports:

Aircraft ($423M)
- Battle Loss Replacement
  - Kiowa Warrior ($145M, 15 aircraft)
  - UH-60 Black Hawk Helicopters ($72M, 4 aircraft)
  - AH-64 Apache Helicopter ($35M, 1 aircraft)
- Modifications
  - RQ-7 Shadow UAV ($95M)
  - Multi-Sensor Airborne Recon ($55M)

Missiles ($127M)
- Replaces missiles expended in Operation Enduring Freedom
  - Hellfire ($108M)
  - Guided Multiple Launch Rocket System ($19M)

Ammunition ($208M)
- Replaces ammunition expended in Operation Enduring Freedom
Two Budget Activity Groups (BAGs) within PAA:

- Activity 1 - Ammunition
  - Training/Test Ammo
  - War Reserve Fill
  - Hydra Rockets Training Ammo
  - War Reserves / Modernization
  - Total $1,585M

- Activity 2 - Prod Base Support
  - Industrial Facilities
  - ARMS*
  - Demil
  - Total $408M

Total $1,993M

FY12 Supplemental $208M

* Armament Retooling and Manufacturing Support Program

Source: FY12 PAA Appropriation
AMMO SCORECARD
FY12 Base Budget

<table>
<thead>
<tr>
<th>Root</th>
<th>Request ($M)</th>
<th>Appropriated ($M)</th>
<th>Delta ($M)</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>118.966</td>
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<td>30mm Program Growth Adjustment</td>
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<td>AMMO PRODUCTION BASE</td>
<td>218.089</td>
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<td>AMMUNITION SUPPORT</td>
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<tr>
<td>ARTILLERY AMMO</td>
<td>184.319</td>
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<td>Pricing Adjustments (Propellants, Fuzes &amp; Primers)</td>
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<td>DEMIL</td>
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<td>Contract Award Delay</td>
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<td>DEMOLITIONS</td>
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<td>Program Growth Adjustment</td>
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<td>EXCALIBUR</td>
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<td>Program Restructure</td>
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<td>GRENADES</td>
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<td>HYDRA ROCKET</td>
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<td>123.865</td>
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<td>Excess Production Engineering</td>
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<tr>
<td>MEDIUM CALIBER AMMO</td>
<td>99.693</td>
<td>96.293</td>
<td>-3.400</td>
<td>Prior year Funds Available (25mm All Types); Excess Production Engineering (40mm All Types)</td>
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<tr>
<td>OBJECTIVE FAMILY OF WEAPONS</td>
<td>3.399</td>
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<td>Funding Ahead of Need</td>
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<tr>
<td>MINES</td>
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<tr>
<td>MORTAR AMMO</td>
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<td>150.390</td>
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<td>Excess Production Engineering (120mm All Types)</td>
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<tr>
<td>NON-LETHAL AMMO</td>
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<tr>
<td>SHOULDER LAUNCHED MUNITIONS</td>
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<td>SIGNAL MUNITIONS</td>
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<td>SMALL CALIBER AMMO</td>
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<td>Funding Ahead of Need (Handgun All Types)</td>
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<tr>
<td>SPECIAL AMMUNITION</td>
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<tr>
<td>TANK MAIN GUN AMMO</td>
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<td>Pricing Adjustment and Unjustified request</td>
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<td>SIMULATORS</td>
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<tr>
<td><strong>Grand Total</strong></td>
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<td><strong>1,884.415</strong></td>
<td><strong>-108.098</strong></td>
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</tr>
</tbody>
</table>

FY13 Base $1,740.000

FY12 Supplemental $208M
Total Ammunition Picture

Other BOSs w/ Ammo

OCO: Replenish that used in operations.

Ammo BOS

Demil (SS)

Other FD (EE) BOSs

Production Base

War Reserve

Training

SOURCE: PAA Appropriation
Other BOSs w/ PAA: Aviation, Fires, Maneuver, Mobility, NBC, Soldier, Test
Program Funds:

- On-going missile programs
  - Patriot Advanced Capability-3 ($647M, 84 missiles & 38 launchers)
  - Javelin ($81M, 400 missiles)
  - Guided Multiple Launch Rocket System ($239M, 1,980 missiles)
  - TOW 2 ($85M, 1403 missiles)
  - Patriot Mods ($200M)

- Funding of critical training ammunition ($1,031M)

- War and Operations ammunition (for War Reserve) ($302M)

- OCO request (as a result of operational expenditures) ($407.2M)

- Ammunition production modernization ($224M)

- Ammunition demilitarization ($183M)

\[\text{Budget Request ($M)}\]

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>FY 13</th>
<th>FY13</th>
<th>FY 13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enacted</td>
<td>Base Request</td>
<td>OCO Request</td>
<td>Total Request</td>
</tr>
<tr>
<td>Missile Procurement</td>
<td>1,587.8</td>
<td>1,302.7</td>
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<td>Ammunition Procurement</td>
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<td>1,739.7</td>
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</tbody>
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\text{Enacted amount becomes new baseline for request}

\text{Numbers may not add due to rounding}
Ongoing Actions/Questions

• FY13 Budget Request and 13 OCO to the Hill on 14 Feb. What will Congress do with that?

• Starting the FY14-18 POM build and FY14 OCO.

• Implementation of POTUS-directed budget cuts ($489 billion).

• Ammunition Industrial Base Review Mar 2012.

• Slow production rates where it does not, or minimally impacts, unit cost.

• Stop production where:
  ✓ Sufficient quantities exist to support TAMR requirements
  ✓ Current capabilities are in excess of need

• Potential shift from second sources in Ammunition Production Base.

• Quadrennial Defense Review 14 underway (strategy & resource allocation).

• Potential fallout from the 2011 Budget Control Act (sequestration).

• Impacts of Cluster Munitions policy.

• Long term impact of Force structure reductions to training.
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
Questions?