A world class organization delivering the most capable and affordable ammunition, weapons and counter IED products to the Joint Warfighter as efficiently as possible.
Support to the Warfighter

- **XM7 Spider**
  - USFOR-A emplaced 28 fields, excellent results
  - Increment 2 program of record requirement document in staffing
  - Competitive procurement planned for new capability

- **XM395 Advanced Precision Mortar Initiative (APMI)**
  - 120mm GPS guided, high explosive mortar cartridge
  - Successfully completed UMR and deployed in USFOR-A
  - Further competitive procurement under consideration

- **M855A1 EPR (5.56mm) and M80E1 EPR (7.62mm)**
  - Positive performance feedback
  - 50M+ on hand in theater
  - 7.62mm: qualification well underway, fielding Q2 FY13

### Army Expenditures FY11

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Cal</td>
<td>31,945,908 rds</td>
</tr>
<tr>
<td>Medium Cal</td>
<td>1,721,793 rds</td>
</tr>
<tr>
<td>Mortars Artillery</td>
<td>318,766 rds</td>
</tr>
<tr>
<td>Grenades, Signal, Demo</td>
<td>2,494,180 rds, or lb</td>
</tr>
</tbody>
</table>
Support to the Warfighter (cont)

• Excalibur
  – Ia-1: 558 rounds fired in Theater
  – Ia-2: IOC met 2 Dec 11
  – 1b: Milestone C scheduled for 2QFY13

• Support to Other Services
  – BLU-109 2000lb Penetrator Bomb Bodies Competitive Procurement
  – BLU-111 500lb IM Bombs in production
  – Awarded contracts for the BSU-33 and MK84 Bomb Fins

• Support to Allies
  – D30 Howitzer: 130 of 194 refurbished and delivered to Afghan Army
  – Non-Standard Ammunition to Afghan Army and Iraq (Small caliber, medium caliber, mortars)
FY13 DoD/Army/PEO Budget ($M)

DoD FY13
$525,449*

Army,
$134,634,
26%

Other,
$390,815
74%

* Excludes OCO Request of $88.5B

EE PEG
$27,026

RDTE, $8,554
32%

S&T, $2,210,
8% of total
26% of RDTE

OMA, $1,174
4%

Other, $1,539
6%

Procurement,
$15,760,
58%

Army
$134,634

Equipping,
$27,026,
20%

Manning,
$62,086,
46%

Training,
$16,789,
12%

Sustaining,
$6,133,
5%

Organizing,
$3,435,
3%

Installation,
$18,556,
14%

Unassigned,
$608,0%

PEO Ammo
$3,227

PAA, $1910,
59%

Other Services,
$941,
29%

WTCV, $70,
2%

RDTE, $196,
6%

OPA, $105,
4%

OMA, $6,
0%
PEO Ammo FY12 & FY13
Projected Competitive Contract Awards
($ in Millions)

FY12 – 58%
FY13 – 78%

FY12  FY13
Take Away for Industry Partners

• Pressure for PMs and PEOs to demonstrate cost savings originates from the highest levels in DOD and has started changing acquisition culture

• Expect this to be the way of life for the foreseeable future

• Looking for industry adjustments where appropriate:
  – Consolidate operations and identify risks
  – Adapt to new environment
  – MSR
  – Focus on costs and expect more scrutiny of cost growth
  – Propose cost saving ideas & use VECPs
Government Approach in Building POM

• Meet multiple times per year with DA to review inventory status and TAMR
• TAMR low/no buys; IB considerations are taken into account via IBAT, Single Point Failures & Watch-list
• IB issues part of monthly reviews with the AAE
• Conduct Portfolio Reviews at DA & PEO levels
• PEO Ammo uses 806 authority to restrict procurements to the NTIB to maintain critical capabilities when appropriate
• When allowed, Government discusses with industrial partners in forums such as the ICAP
Industrial Base Management Approach

Policy
- Private Sector (AR 700-90, 10 USC 2535)
- Section 806
- Critical Infrastructure Risk Management (CIRM)
- Defense Industrial Reserve (10 USC 2535)
- DOD Directive 4275.5 Acquisition and Management of Industrial Resources

Strategy
- Industrial Base Strategic Plan
- Modernization Planning and Funds
- GOCO Competition
- Disaster Recovery Planning
- TAMR (semi-annual)

Tools
- SMCA
- Plant/Depot Capacity / Utilization Study
- Sourcing Study
- Idle Facilities Audit
- Single Point Failures
- Section 806 Watch List
- IBAT / MSR (Supply Chain Maps, Simulation & Modeling, Disaster Mapping)
- Industrial Committee of Ammunition Producers (ICAP)
- Advanced Planning Brief for Industry (APBI)
- Munitions Executive Summit (MES)

Outcome
- Efficient and Effective Operation
- Quality Product
- On Time Delivery
- In the Hands of the Warfighter
PEO AMMO Better Buying Power (BBP)

PEO Ammo Currently Tracking 51 Initiatives Across All BBP Focus Areas

- Target Affordability and Cost Growth
- Incentivize Productivity and Innovation in Industry
- Promote Real Competition
- Improve Tradecraft in Services Acquisition
- Reduce Non-Productive Processes and Bureaucracy

Our “Sweet Spot”

... With Both Near & Far Term Savings

Total $3.6B (All Services)

- FY11-12
- FY13&Out

... Majority Of Initiatives Completely Within PEO Sphere of Influence.

- 54% Completely Executed
- 31% Planned & Executable With PEO Resources
- 15% Require Commitments From External Stakeholders
At the End of the Day...

We’re Meeting Joint Warfighter’s Needs!