

Munitions Executive Summit Industry Panel

Countermeasures | Sensors & Electronics | Energetic Systems

IR Countermeasures/Flares Procurement vs. Total DOD Funding: FY2006-FY2016

Funding is in Then-Year (Current) Dollars

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Total DOD Budget(\$ in Billions)	536.3	603.9	669.3	665.9	691.3	689.1	652.3	585.4	586.1	554.2	585.3
Procurement (\$ in Millions)											
Total IR/C/M-Flares	222.5	442.0	441.1	467.3	341.5	224.0	169.9	162.3	194.9	223.4	250.7
Percent IR Countermeasures/Flares Procurement of of Total DOD Funding											
<i>% Total Budget</i>	<i>0.04</i>	<i>0.07</i>	<i>0.07</i>	<i>0.07</i>	<i>0.05</i>	<i>0.03</i>	<i>0.03</i>	<i>0.03</i>	<i>0.03</i>	<i>0.04</i>	<i>0.04</i>

Notes: Includes both Base Budget and OCO Supplementals.

(MIBTF)

FY2006-FY2015 totals are final appropriations.

FY2016 totals are President's Budget Request.

Industrial Base Concerns and Actions

Concerns

- Industry must continue to size our organizations appropriately and aggressively address the ongoing decreases on legacy AMMO accounts.
- Industry remains concerned about losing skilled production & engineer employees.
- Buying power has diminished since the surge orders in 2008-2009. In many case we have seen an increase of 300% to our material long lead items as well as dramatic price increases.
- Changes have lead to longer delivery lead times and increased costs to the US Government.

Actions

- Continue the partnership with our Program Offices to effectively forecast future requirements.
- Help us manage our IR&D spending to dovetail with DoD program schedules: 40mm DNT, MJU-53, MJU-66, JSF Flares, BOL
- Awarding US Government contracts on time is now more critical than ever to assist with industry's internal investments, financial forecasting and production planning.

Industry discussion points (CONT)

- Pleased with PEO Ammo's creation of an APEO for International. Having a central POC for ammunition FMS, and serving an advocate for our products, is very helpful.
- Want to have FMS/FMF platform cases bundled to include ammunition items in the sale. It is difficult to get the sale approved after the platforms have departed the US. Encouraged by recent Helicopter sales which included countermeasures.
- Overseas competitors have the advantage based on their willingness to provide Mission Data Files. In many cases the purchasing countries will not ask for the data and instead select suppliers willing to release the data.
- Please continue to be open and candid with us as to the budget and the requirements going into the future.
- We are on the same team! Industry just wears a different jersey!

Questions?

