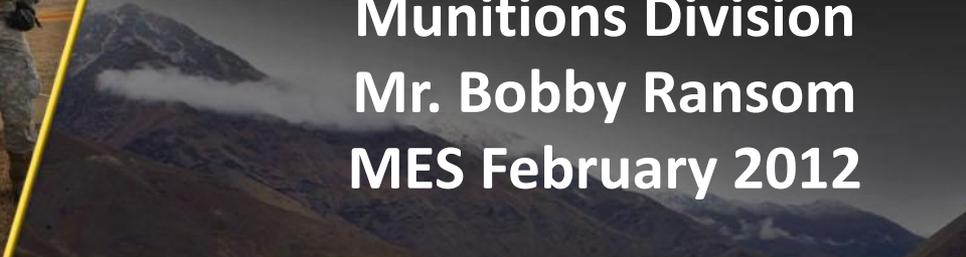


**AMERICA'S ARMY:  
THE STRENGTH OF THE NATION™**



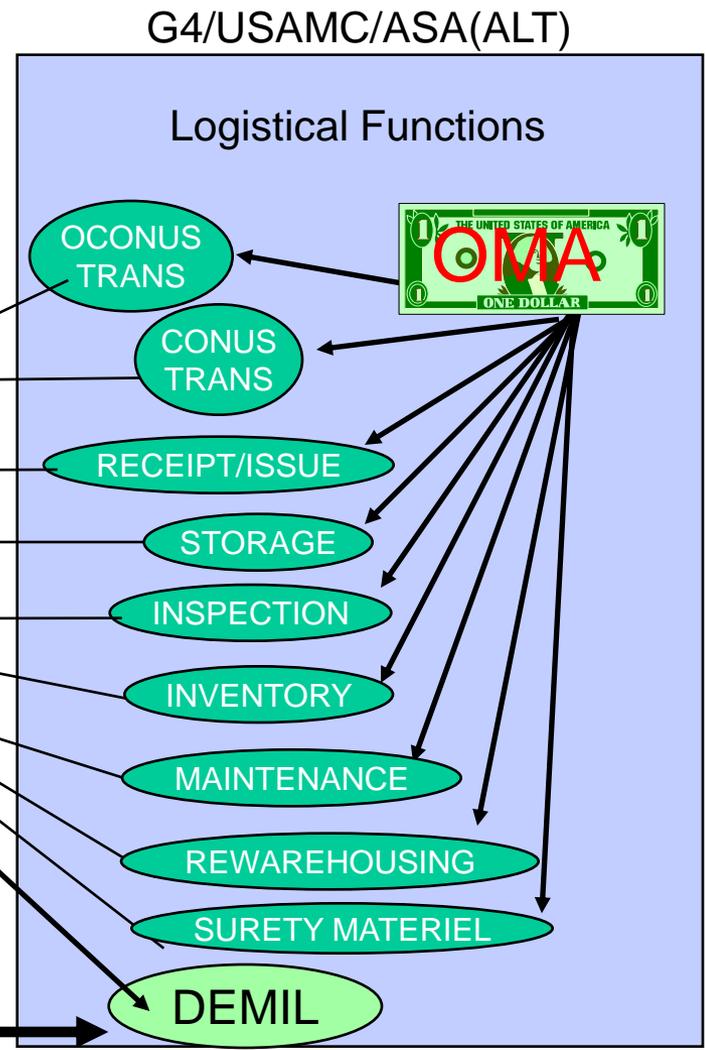
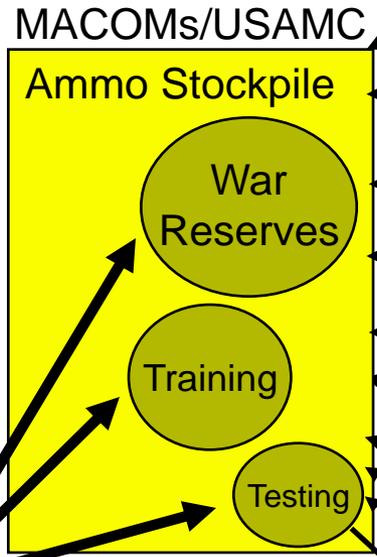
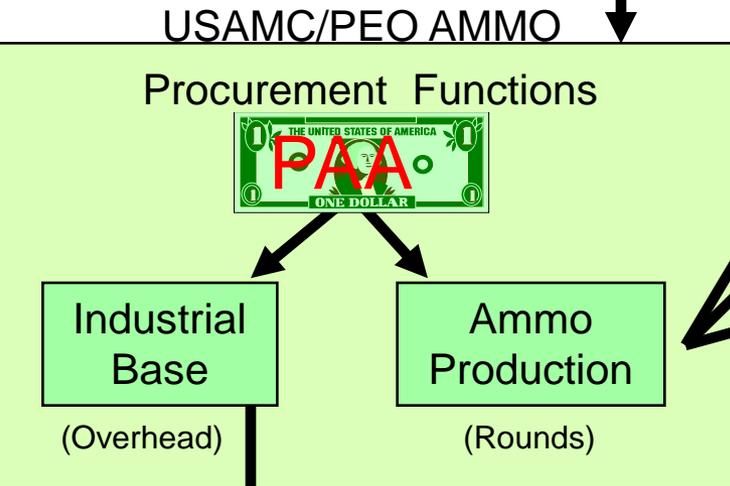
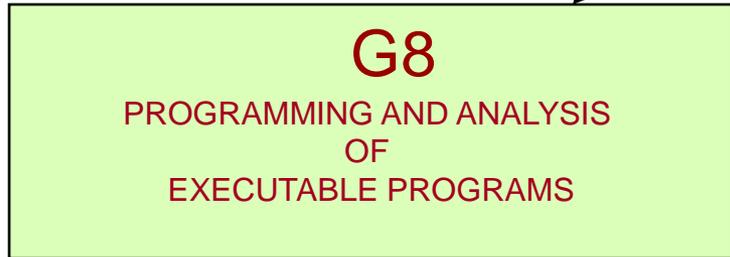
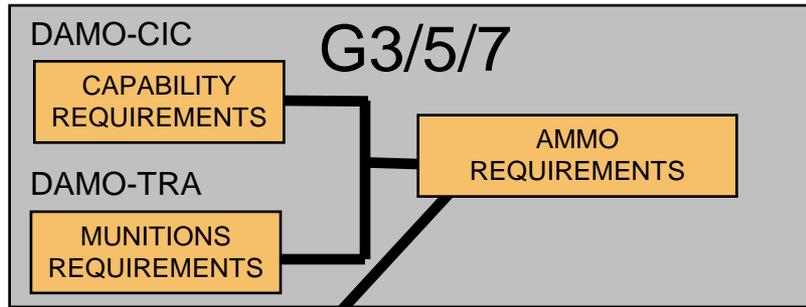
## **AMMO FUNDING**

**ARMY G-8  
Munitions Division  
Mr. Bobby Ransom  
MES February 2012**

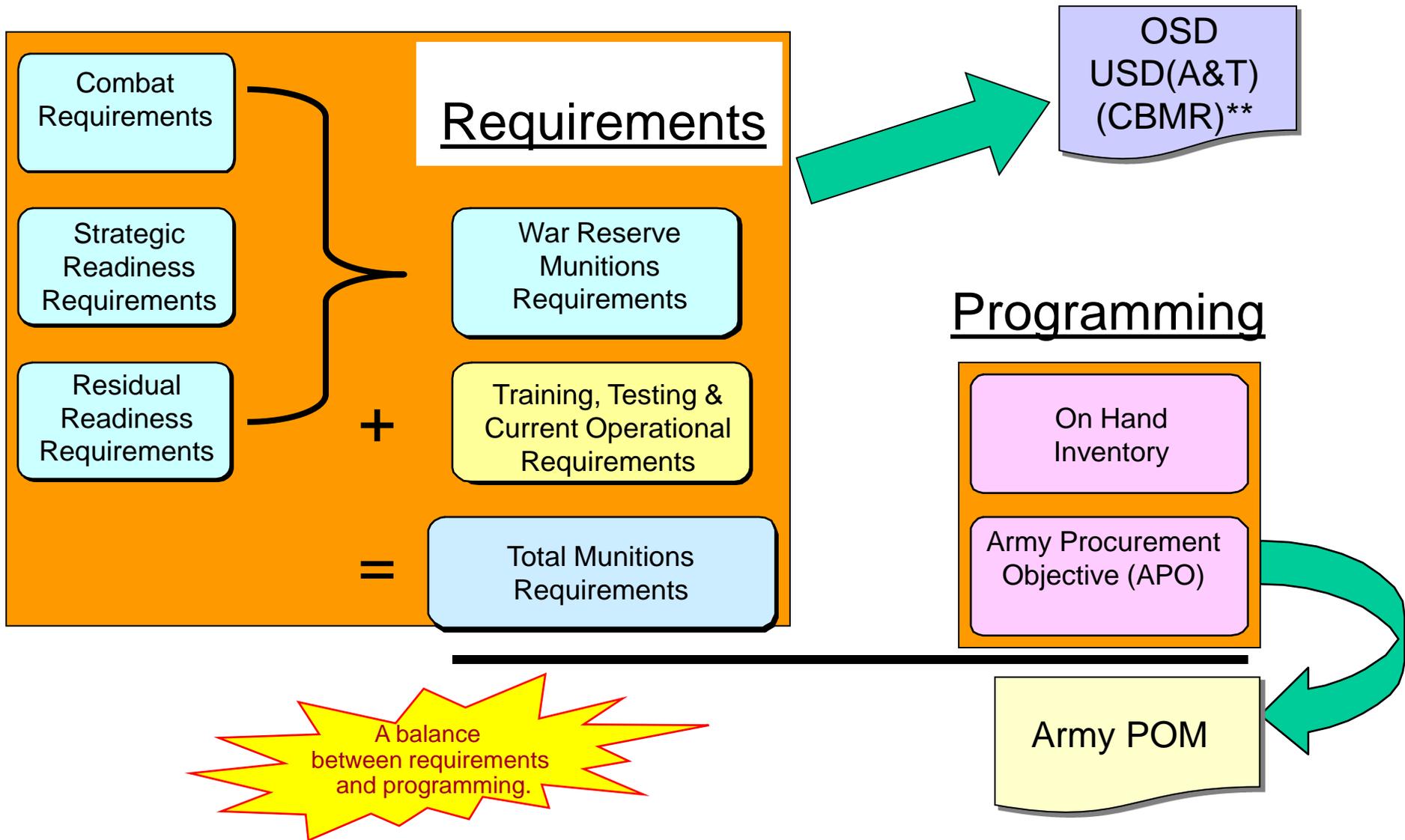


**Munitions Executive Summit February 2012**

# How Ammo Works



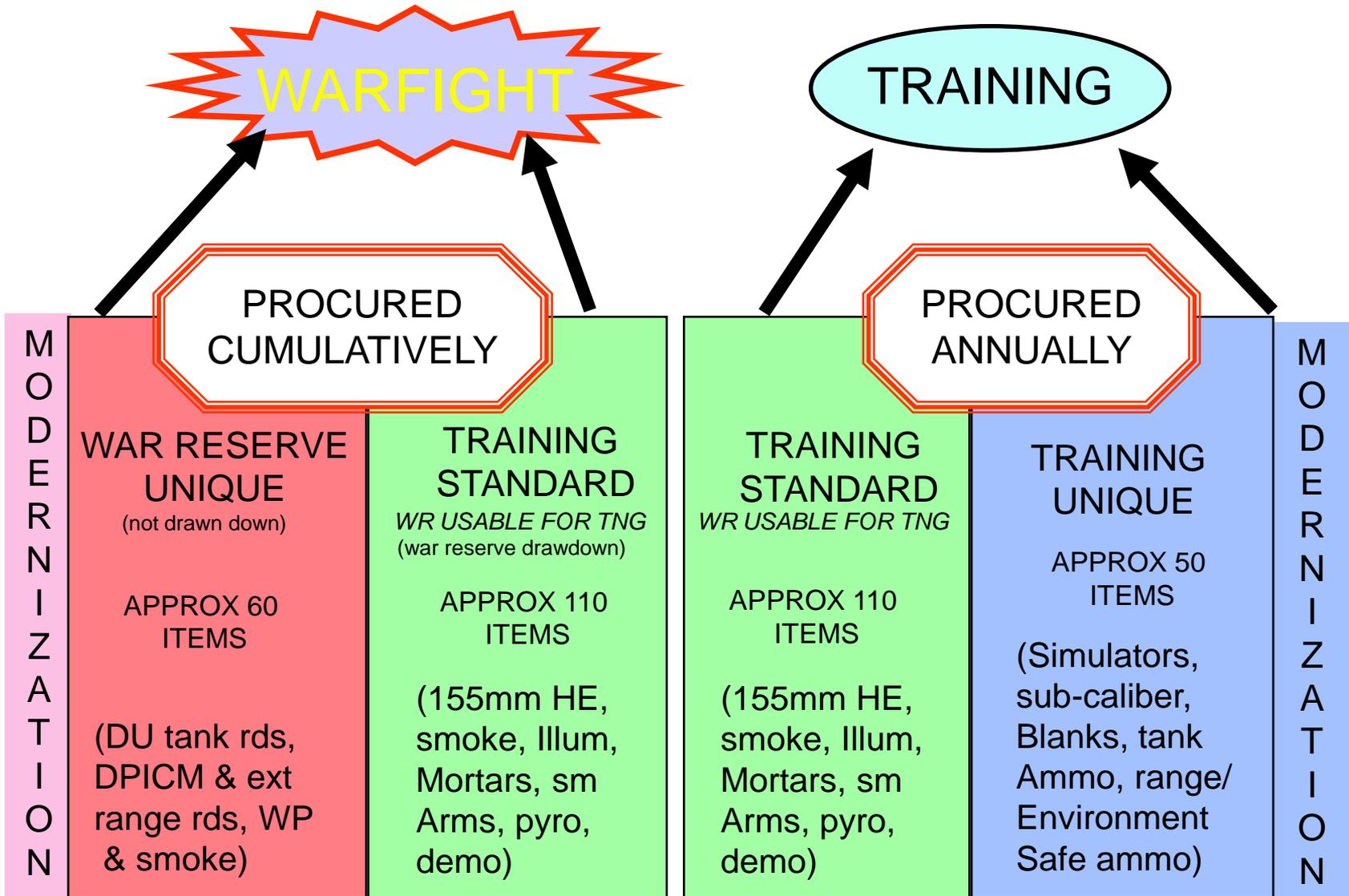
# QWARRM\* Process



\* Quantitative War Reserve Requirements – Munitions.

\*\* CBMR - Capabilities Based Munitions Requirements IAW DODI 3000.4.

# Ammunition Categories





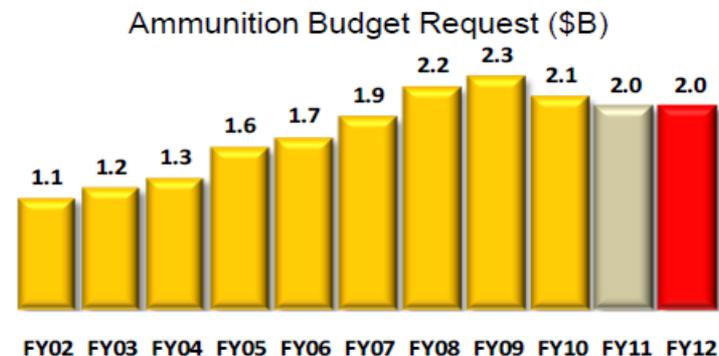
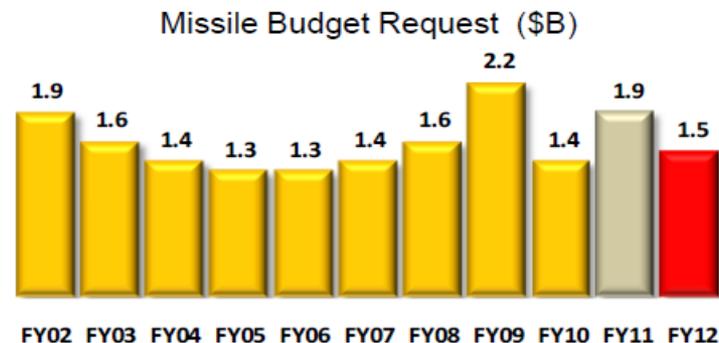
## Missile & Ammunition Procurement



### 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)**

Budget Request (\$M)	FY12 Base
Missile Procurement	1,478.7
Ammunition Procurement	1,992.6





## 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:

FY12

- Activity 1 - Ammunition \$1,585M
  - Training/Test Ammo \$1,178M - Ammo Portfolio
  - War Reserve Fill \$232M - Ammo Portfolio.
  - Hydra Rockets Training Ammo \$ 74M - Aviation Portfolio
  - War Reserves / Modernization \$101M - Other FD Portfolios.
  
- Activity 2 - Prod Base Support \$ 408M
  - Industrial Facilities \$215M - Ammo Portfolio.
  - ARMS\* \$3M - Ammo Portfolio.
  - Demil \$178M - SS PEG / G-4

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- **TOTAL** **\$1,993M**

\* Armament Retooling and Manufacturing Support Program

SOURCE: FY12 PAA Appropriation

# AMMO SCORECARD

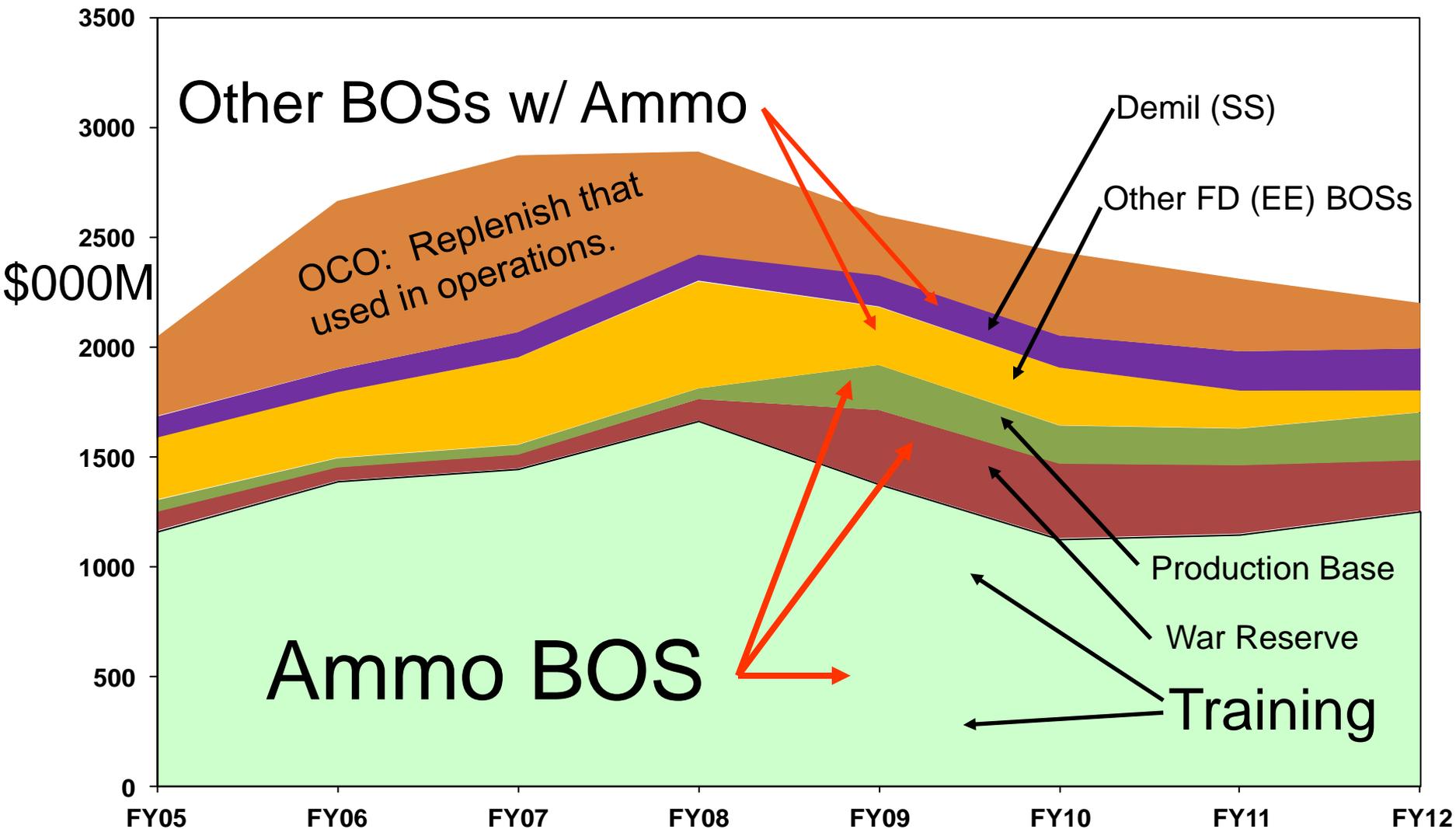
## FY12 Base Budget

	Root	Request (\$M)	Appropriated (\$M)	Delta (\$M)	Reason for Delta
BASE	AIRCRAFT LAUNCHED AMMO	118.966	105.966	-13.000	30mm Program Growth Adjustment
	AMMO PRODUCTION BASE	218.089	218.089		
	AMMUNITION SUPPORT	61.656	61.656		
	ARTILLERY AMMO	184.319	182.819	-1.500	Pricing Adjustments (Propellants, Fuzes & Primers)
	DEMIL	189.789	177.789	-12.000	Contract Award Delay
	DEMOLITIONS	53.685	38.685	-15.000	Program Growth Adjustment
	EXCALIBUR	69.074	58.074	-11.000	Program Restructure
	GRENADES	42.558	42.558		
	HYDRA ROCKET	127.265	123.865	-3.400	Excess Production Engineering
	MEDIUM CALIBER AMMO	99.693	96.293	-3.400	Prior year Funds Available (25mm All Types); Excess Production Engineering (40mm All Types)
	OBJECTIVE FAMILY OF WEAPONS	3.399		-3.399	Funding Ahead of Need
	MINES	2.518	2.518		
	MORTAR AMMO	151.890	150.390	-1.500	Excess Production Engineering (120mm All Types)
	NON-LETHAL AMMO	14.864	14.864		
	SPIDER NETWORK MUNITIONS	43.123	43.123		
	SHOULDER LAUNCHED MUNITIONS	19.254	17.854	-1.400	Excess Production Engineering
	SIGNAL MUNITIONS	26.173	26.173		
	SMALL CALIBER AMMO	435.327	433.327	-2.000	Funding Ahead of Need (Handgun All Types)
	SPECIAL AMMUNITION	11.059	11.059		
	TANK MAIN GUN AMMO	105.704	65.205	-40.499	Pricing Adjustment and Unjustified request
SIMULATORS	14.108	14.108			
<b>Grand Total</b>		1,992.513	1,884.415	-108.098	

**FY13 Base  
\$1,740.000**

**FY12  
Supplemental  
\$208M**

# Total Ammunition Picture



SOURCE: PAA Appropriation

Other BOSs w/ PAA: Aviation, Fires, Maneuver, Mobility, NBC, Soldier, Test



Budget Request (\$M)	FY 12	FY 13	FY13	FY 13
	Enacted	Base Request	OCO Request	Total Request
Missile Procurement	1,587.8	1,302.7	49.7	1,352.3
Ammunition Procurement	2,092.8	1,739.7	357.5	2,097.2

***Enacted amount  
becomes new baseline  
for request***

## 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)

- **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?**