



PRESS RELEASE

For Immediate Release: June 24, 2004

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Statement of the Honorable Curt Weldon
Small Arms Ammunition Programs

This afternoon the Tactical Air and Land Forces Subcommittee meets to receive testimony from government and industry witnesses on small caliber ammunition programs within the Department of Defense. We hope to update our Members on the status of these programs and perhaps clarify some misunderstandings based on media reports.

Before we begin, I would like to note that large, medium, and small caliber ammunition programs represent a relatively small percentage of the defense budget, yet in the global war on terrorism, small caliber ammunition represents a critical capability. There are 11 different sizes of small caliber ammunition rounds and 85 various types, from blanks to armor piercing rounds, among the various caliber of rounds. Because three rounds, the 5.56mm, 7.62mm, and 50 caliber rounds represent over 95 percent of expenditures, our discussion today will focus on those rounds.

This subcommittee, in previous years as well as in the fiscal year 2005 budget under consideration, has urged the Department of Defense to do more to facilitate the ammunition industrial base and provide for more ammunition procurement. In the last three years we have added over \$125 million for ammunition industrial base upgrades and increased production. Our increase this year for small caliber ammo procurement of \$79 million represents a 30 percent increase over the President's request. In addition, this year we authorized an additional \$22 million for increased facilitization of small caliber ammunition production at the Lake City facility, the single government facility for small caliber ammunition production.

We understand that prior to 9/11 the total DOD small caliber ammunition requirement through the 1990s, up until 9/11 was 350 million rounds per year and that this entire production was provided by the Government Owned, Contractor Operated Lake City Plant in Independence, Missouri.

Subsequent to 9/11, the former Army Chief of Staff issued guidance to change the training requirements for the Army and thus the total DOD training requirement increased to 1.1 billion rounds per year. Lake City has therefore had to significantly increase production and the Army, on behalf of DOD users, has gone to other sources to satisfy some near-term needs. In addition to the increased training requirement, the global war on terrorism has resulted in increased expenditures. As an example, operations in Iraq in the past year resulted in the expenditure of 72 million rounds -- or about 6 percent of this fiscal year's production. Current expenditures in Iraq are reported as 5.5 million rounds per month.

Some media reports have cited shortages in small caliber ammunition.

In January of this year, one reporter indicated that in response to a posting on his web site, within a 24 hour period he had 500 responses from serving Army troops in the United States preparing for deployment to Iraq and Afghanistan, as well as from soldiers all over the world, citing shortages of live and blank training rounds. The Army in response to a query on this indicated: "...in the aggregate, the Army has sufficient training ammunition to resource deployed and deploying soldiers to the very highest levels and ensure their readiness for contingency operations."

A May 27th UPI release was titled: "Army short 300 million bullets" and quoted an Army spokesperson as saying that the Army planned to increase production at Lake City to 2 billion rounds per year.

In response to this and other press articles in May, an Army Support Command spokesman indicated that "the military ran no risk of being depleted...of ammunition."

Further, there appear to be varying views among our witnesses today.

In her prepared statement, Mrs. Davies, the President of the Lake City plant, calls the national stories reporting on the shortage, "a misnomer." Yet our association witness observes that current shortfalls of small caliber ammunition have caused DOD to utilize off-shore production capabilities to satisfy a portion of DOD's near term requirements and cites "the serious shortfalls of small caliber ammunition confronting this industry's government customers." Mr. Palaschak also notes U.S. dependence on a foreign source for metal clad steel needed in some small caliber bullets.

DOD witness statements also seem to contradict official Army statements by indicating that the global war on terrorism is "consuming large quantities of small caliber ammunition and putting a strain on the associated industrial base." With annual expenditures for the global war on terrorism less than ten percent of inventory and also less than 10 percent of monthly production, it is not immediately evident what the problem is. The DOD witnesses also cite the "urgent requirement for ammunition" in justifying the awarding of contracts to foreign sources. Given the one billion round inventory, a 100 million round per month production capability, and less than 10 million rounds per month being expended in hostilities, the subcommittee needs to better understand why some experts cite shortages while others call such characterizations misnomers.

We hope to clarify for all concerned what the current status is and what future requirements are projected to be.

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