

Small/Medium Cal Ammunition Sector

• **Accomplishments:**

- Cartridge Case project to relocate capability from Riverbank to Rock Island is on schedule and within budget.
- ATK Small Caliber Systems successfully complete all qualification testing and supported fielding the new M855A1 Enhanced Performance Round (EPR)
- New steel mill for 25mm qualified, First Article passed and production continuity maintained.
- AMTEC completed the first delivery under the new 40mm Systems contract.
- AMTEC has completed delivery of 6 of 9 cartridges on the previous 40mm Systems contract.
- DSE has broken ground on a new 40mm High Explosive LAP facility at Gaffney, SC. Projected to start production ramp-up in July 2011.
- DSE has completed delivery of 4 of 7 cartridges on the current 40mm Systems contract.

• **Issues / Strategic Challenges:**

- Intellectual property
 - Customer request for increased access (chills investment)
 - Sector participants not planning changes at this time – approach is case by case
 - Implementation of PCCI (Process Control, Capability, Improvement) would/could expose sector process data
- DCAA audit scrutiny – delays continue
 - Audits ~ 6+ mos. – situation not improved
 - Some buying commands (PCO's) proceed without audit
 - Negotiation from actuals is disincentive to industry continuous improvement
- Potential impact of Cap & Trade
 - Cost of Purchasing credits not accounted for
- Out year round count projections
 - Reduced clarity in out-year demand impacts planning

• **Information:**

- IBAT/MSR ~ 60% participation

Back-up

Government Rights in Technical Data (Noncommercial Items)

Private Expense - Development accomplished entirely with costs charged to indirect cost pools, costs not allocated to a USG contract, or any combination thereof; includes IR&D and B&P costs

Mixed Funding - Development was accomplished partially with costs charged to indirect cost pools and/or costs not allocated to a USG contract, and partially with costs charged directly to a USG contract

Government Funding - Development was not accomplished exclusively or partially at private expense

Rights Category ¹	Criteria: Development ² =	Permitted Uses w/i USG	Permitted Uses outside USG ³
Unlimited Rights (UR)	Exclusively at USG funding	Unlimited; no restrictions	Unlimited; no restrictions
Govt Purpose Rights ⁴ (GPR)	With mixed funding	Unlimited; no restrictions	Only for "Government purposes"; No commercial use
Limited Rights (LR)	Exclusively at private expense	Unlimited, except may not be used for manufacture	Emergency repair & overhaul; evaluation by foreign govt

Global Exception: USG has UR in: (i) studies specified as an element of performance; (ii) form, fit, function data; and (iii) data necessary for installation, operation, maintenance, or training purposes (other than detailed manufacturing or process data)

1: All technical data to be delivered with less than UR MUST be identified in a list attached to the contract (see DFARS 252.227-

7017), or else USG receives UR.

2: "Developed means the item, component, or process exists and is workable....Workability is generally established when the

item, component, or process has been analyzed or tested sufficiently to demonstrate operation as intended."

DFARS 252.227-

7013(a)(6). Expense determinations/source of development funding should be made at the "lowest practicable level."

3: All authorized third party recipients of technical data with other than UR must either sign standard NDA from DFARS 227.7103-

7 or receive it under a contract containing DFARS 252.227-7025. Additional notice requirements exist for releases of LR data.

4: After passage of the GPR period (DFARS standard is 5 years but it's negotiable) from the execution of the contract, USG gets UR