



*ICAP Meeting
Fuzes/Timers Sector*

October 13, 2011

**Presented by:
Ken Kelly**



Accomplishments

- **L3 F&OS won U.S. Navy contract for 20,000 FMU-139C/B Fuzes**
- **Chemring Ordnance won U.S. Army contract for APOBS Program**

Challenges / Concerns

- **All of those presented in February remain as challenges / concerns in the eyes of the Fuzes and Timers Sector.**
- **Government (DCAA) relationship getting more adversarial . More “Post Award” audits being conducted to determine level of profitability on subcontracts from Primes.**
- **The Fuzing Sector continues to be plagued with problems created by energetic device suppliers. Suppliers of detonators, bellows, actuators, etc. are losing key resources through attrition/retirement and many are single source. This is an area that may need U.S. Government investment to prevent fuze production shutdown in the event of the catastrophic loss of capability due to events like this past Spring’s tornados.**
- **The Fuze Safety community appears to be slow to accept/ respond to the changes in electronic technology leaving fuze developers few implementation options. Not consistent with today’s environment of “smaller, cheaper, faster.”**
- **The length of time that it takes to get contracts awarded and the ripple effect that this causes down to the subcontractor / supplier level.**
 - In addition, some DoD organizations will not provide status updates that can be used for management awareness and resource planning purposes

International Sales

- **Export restrictions for U.S. products and technology remain an obstacle. Delays, denials and uncertainties undermine the competitive position of U.S. firms with regard to foreign competitors.**
- **It is becoming very evident that international customers are clearly seeking to be able to implement “Non-ITAR” solutions for their weapons. This ultimately will have an effect on jobs in the U.S. and it will come at a time when there additional are pressures on U.S, industry due to the diminishing Defense Budget.**
- **The sale of Excess Defense Articles (EDA) remains a concern. The sale of “older” items from inventories is not being followed by procurement of current design items to replace the ones that were sold.**
- **Inconsistent handling of FMS versus DCS sales from one Service to another.**
 - Some allow international customers to ‘compete’ their requirements
 - Desire on the part of some agencies to make all international sales flow through the FMS process

Planning for DoD Budget Decreases

- **Plans being put in place for reductions in workforce (both direct and indirect).**
- **Budget reductions and the current acquisition environment putting pressure on DoD contractor profit margins will lead to reduced investment of funds for IRAD and B&P.**
- **Focus on trying to grow international business where possible but this may be impacted by the desire for “Non-ITAR” solutions mentioned on previous chart.**
- **Concern over the fact that DoD acquisition policy is leading to increased competition for items that have historically been sole source or dual source. This brings additional pressure on the existing Industrial Base**

Mil-Spec Obsolescence Issues

- **Some issues being experienced across the Sector or within the supplier base. Examples include:**
 - Lead Styphnate – MIL-L-757, MIL-L-757A (AR) and MIL-L-00757B all canceled without replacement. This is impacting the ability of manufacturers to consistently produce and deliver items like MK-71 Detonators.
 - Availability of Special Purpose Lead Azide (MIL-L-14758) and RD 1333 Lead Azide (MIL-L-46225C) remains a concern. Old stockpile material (30+ years old) is all that is available and there are problems with its consistency of performance characteristics.
 - Silicon Dioxide, MIL-D-20550, cancelled without replacement
 - Ethyl Alcohol, MIL-E-463, cancelled without replacement
 - Dessicant, O-D-210, cancelled without replacement
- **These items are called out as requirements in “Build to Print” TDPs and current Prime Contractors and some Government Design Agencies are either not equipped to or are not interested in processing ECPs or Requests for Waiver or Deviation thus causing production delays and deliveries late to contract.**