



Industrial Committee of Ammunition Producers

Pyrotechnics Sector Update

October 2011



Pyrotechnics Sector Update

- **News**

- Stresau Laboratory received the EMQB approval for its DynITEC Lead Azide, RD-1333 in April. Stresau received its first shipment of production quantities and it is available to the energetics community.
- Chemring Energetic Devices
 - They have received the 6 month aging samples back from ARDEC. The samples have undergone no visual change. They are in the process of testing the aged samples for priming ability and ignition sensitivity for comparison to the un-aged samples.
 - 12 month aging should be completed in February, at which point the samples will be sent back for final testing. The samples are expected to arrive by March 1st.
- ATK was awarded \$12 million LUU-2/19 US Army contract and a \$16 million LUU-2/19 FMS contract
- Chemring Ordnance was awarded \$150 million APOBS contract and \$22.1 million MK124 marine signal



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- **News (cont'd)**

- Armtec was awarded \$15.1 million M206, MJU-7, & MJU-10 contract
- Alloy Surfaces was awarded \$12.97 million USN/USAF MJU-64/B contract
- Kilgore Flares was awarded \$13.5 million M206, MJU-7, & MJU-10 contract

- **Issues / Strategic Challenges**

- Rumors of disbanding ATF – If we had to deal with another agency, which could be more difficult (slow & inefficient) than ATF, this could cause disruption in our businesses.



Action Outputs- Significant Issues/Concerns

Issue/Concern	Sector Comments
Industrial Base Planning	<ul style="list-style-type: none"> The drive for competition does not appear to be considering the current state of Industrial Base and future requirements, ... the perfect storm!
MSR approach to procurement requirements	<ul style="list-style-type: none"> This is causing vendors/suppliers to exit the market. Will result in higher costs due to new qualification requirement
The industry has been experiencing an increasing desire from DoD to certify to the SAE AS 9100C Quality System.	<ul style="list-style-type: none"> Does the USG have documented evidence that this certified quality system provides for a better quality product than the basic ISO 9001:2008?

Take Away

- Industrial Base health needs to be a strong consideration before deciding to foster additional competitive situations
 - We need more DoD/contractor interaction to ensure key supplier base is retained



Action Outputs- Draw Down Steps Taken

Steps	Effect
Reduced requirements	Plant consolidation + Driving efficiency and better capacity use - Plant closures and Reduction-In-Force leading to potential loss of key suppliers and talent - Decreased business base = reduced IRAD funding and less technology improvements
Requirement Uncertainty	<ul style="list-style-type: none"> • Significantly more difficulty trying to plan production scheduling and plan soft landing

Take Away

- Increased coordination necessary as industry leans operations, staff and suppliers
 - We are using IRAD to help retain key talent and capabilities