

# Warheads & Rockets Sector

ICAP Meeting

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Washington DC



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# Warheads & Rockets Sector

## ■ Sector Members

- Aerojet
- American Ordnance LLC
- Arrow Tech Associates, Inc.
- Day & Zimmermann, Inc.
- European Aeronautic Defense & Space Company
- General Dynamics Armament & Technical Products (GD-ATP)
- General Dynamics Ordnance & Tactical Systems (GD-OTS)
- Kaman Dayron, Inc.
- KDI Precision Products, Inc.
- Nammo Talley
- Textron Systems Corporation



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- *Action: Sector Leads to provide any issues, questions, or concerns to be taken up by the PEO FMS IPT.*
  - No specific concerns raised by the sector companies.



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- *Action: Sector Leads to pulse their Sector and report out on specific examples of what actions have been taken or are planned to prepare for draw-down.*
  - Due to unclear future requirements, most of the companies are reporting:
    1. Consolidations of plant operations.
    2. Reductions in force.
    3. Hiring freezes.
    4. “Early out” offerings and voluntary layoffs.
    5. Reductions in discretionary spending (travel, training, capital improvements, indirect materials, etc.).



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- *Action: Sector Leads to pulse their Sector to determine what MIL-SPECS are viewed as being obsolete and any impact their obsolescence is having on the business.*
  - No specific examples of obsolete MIL-SPECS raised by the sector companies.



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## Challenges / Concerns

- Unclear future demand requirements.
  - Difficult to make business cases.
- Concern raised by one member company regarding acquisition decisions that do not appear to be consistent with the evaluation criteria. (no specific example given – just the concern).
- IDIQ contracts make workload forecasting very difficult and are causing:
  - Reduced investments in product improvements and capital expenditures.
  - Higher unit prices due to out-year overhead uncertainties.
- IBAT / MSR
  - Still concerns about how the information is being used.



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