

FY 2013 Pentagon Modernization Budget – Options for Savings

Survey of Expert Opinion

PROGRAM	FY 2013 Budget (mil \$)	Expert Group Priority	Expert Group Balance of Opinion (plurality)	Prior Supportive Assessments (see key on next page)
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Strong Consensus

BMD Ballistic Missile Defense (Joint)	9720.8	●●●	Reduce or delay	SDTF, USB, Cato
F-35 Joint Strike Fighter (Joint)	9171.2	●●●	Cancel selectively and reduce; field alternative	SDTF, USB, POGO-TCS, Cato, CAP, Bowles-Simpson, CNAS, Coburn
LCS Littoral Combat Ship (USN)	2245.6	●●●	Cancel or reduce; seek alternative	SDTF, POGO-TCS, Cato, CAP, CNAS
V-22 Osprey (Joint)	1955.3	●●●	Cancel	SDTF, USB, POGO-TCS, Cato, CAP, Bowles-Simpson, CNAS, Coburn
SBIRS Space Based Infrared System (USAF)	950.0	●●●	Cancel	SDTF, POGO-TCS
GMD Ground-Based Mid-course Defense (Joint)	903.2	●●●	Reduce or delay	SDTF, USB, POGO-TCS, Cato, CAP
CVN-21 Carrier Replacement (USN)	781.7	●●●	Cancel or delay	SDTF, USB, POGO-TCS, Cato, CAP, CNAS, Coburn
Patriot/MEADS (Joint)	400.9	●●●	Cancel	SDTF, USB, Cato, Coburn
SUBTOTAL	26,128.7			

Moderate Consensus

SSN-774 VIRGINIA Class Submarine (USN)	4257.7	●●	Reduce	SDTF, USB, Cato, CAP, CNAS
DDG-51 AEGIS Destroyer (USN)	3514.9	●●	Reduce	SDTF, Cato, CAP
JTRS Joint Tactical Radio System (Joint)	1053.5	●●	Cancel or delay; seek alternative	Bowles-Simpson, CNAS
THAAD Terminal High-Altitude Area Defense (Joint)	777.6	●●	Reduce or delay	USB, Cato
SUBTOTAL	9,603.7			

Modest Consensus

P 8A Poseidon (USN)	3258.2	●	Reduce	
KC-46A Tanker (USAF)	1815.6	●	Delay	SDTF
CH 47 Chinook (USA)	1462.3	●	Reduce	
AEGIS Ballistic Missile Defense (Joint)	1382.0	●	Reduce	USB, Cato
UH 60 Black Hawk (USA)	1305.5	●	Reduce	
AH 64 Apache Longbow Block (USA)	1180.2	●	Reduce	
C 130J Hercules (Joint)	835.1	●	Reduce	
AN/TPY-2 BMD Radars (Joint)	574.4	●	Reduce	USB, Cato
AMRAAM Air-Air Missile (Joint)	423.2	●	Reduce	
JASSM Air-to-Surface Missile (Joint)	248.4	●	Reduce	
SUBTOTAL	12,484.9			
TOTAL	48,217.3			

What are the outstanding options for savings in DoD's FY 2013 modernization budget?

The Project on Defense Alternatives posed this question to a group of reform-minded defense budget experts. The preceding table summarizes the findings of our survey and amplifies those findings with input from a bipartisan set of defense savings plans published over the past two years.

All in all, the survey identifies \$48 billion in 2013 defense modernization programs that, to varying degrees, reform-minded analysts and reports have marked for some reduction. The results are subject to marginal revision as we add more voices and reports to our survey pool. However, the pool is already large enough to offer strong guidance to those seeking to reduce excess defense spending in FY 2013.

How much more might be saved in FY-2013? Some fraction of the \$48 billion identified above can be saved, depending on the subset of options chosen for action and the degree of program roll back pursued. The second table (which appears on page 3) gives greater detail on the modernization programs subject to reduction, presenting them in alphabetical order.

The experts surveyed to date are:

- Carl Conetta and Charles Knight, Project on Defense Alternatives
- Benjamin Freeman, Project on Government Oversight
- William Hartung, Center for International Policy
- Laicie Olson, Center for Arms Control and Nonproliferation Studies
- Chris Preble and Benjamin Friedman, Cato Institute
- Winslow Wheeler, Center for Defense Information

The reports surveyed are listed below (with a legend linking them to the table)

How to Read the "Options for FY 2013 Savings" Table

First column:	The programs subject to reduction
Second column:	The total spending request for these programs – mostly procurement and R&D spending.
Third column:	"Expert Group Priority" is our assessment of the consensus among the surveyed experts favoring cancellation, reduction, or delay of a program. The lowest priority targets – denoted by a single bullet – have at least three members of the pool proposing that a program be cancelled, reduced, or delayed.
Fourth column:	"Expert Group – Balance of Opinion" reflects the plurality opinion among the group
Fifth column:	"Prior Supportive Assessments" denotes previously published defense-savings reports that support and substantiate the proposed reduction.

Key to Supporting Reports

SDTF	<i>Debt, Deficits, and Defense: A Way Forward, Report of the Sustainable Defense Task Force, 11 June 2010.</i>
USB	Lawrence Korb and Miriam Pemberton, <i>Report of the Task Force on a Unified Security Budget for the United States, 2011.</i>
POGO-TCS	Project on Government Oversight and Taxpayers for Common Sense, <i>Spending Less, Spending Smarter: Recommendations for National Security Savings FY 2012 to FY 2021, 21 July 2011 (updated 19 Oct 2011).</i>
Cato	Cato Institute. Ben Friedman and Chris Preble, <i>Budgetary Savings from Military Restraint, 21 Sept 2010.</i>
CAP	Center for American Progress. Alex Rothman and Lawrence Korb, <i>Defense in an Age of Austerity, 6 Jan 2012; Korb and Laura Conley, Strong and Sustainable: How to Reduce Military Spending While Keeping Our Nation Safe, 23 Sept 2010.</i>
Bowles-Simpson	<i>The Moment of Truth: Report of the National Commission on Fiscal Responsibility and Reform, 1 Dec 2010; The Co-Chairs' Proposal, 10 Nov 2010; \$200 Billion in Illustrative Savings, 10 Nov 2010.</i>
CNAS	Center for a New American Security. Lt Gen David Barno, Dr. Nora Bensahel, and Travis Sharp, <i>Hard Choices: Responsible Defense in an Age of Austerity, 3 Oct 2011.</i>
Coburn	Senator Tom Coburn, <i>Back in Black: A Deficit Reduction Plan, July 2011.</i>

In the table below, the total cost for the select modernization programs are divided into constituent accounts – procurement, research and development, military construction, and operations and maintenance (O&M).

Selected Defense Modernization Reduction Options – Costs and Quantities (\$ sums in millions)

Programs	FY-2013 Total	Quantity	Procurement (includes spares)	R&D	MILCON and O&M
AEGIS Ballistic Missile Defense (Joint)	1382.0	29	389.6	992.4	
AH-64 Apache Longbow Block (USA)	1180.2	50	1055.9	124.3	
AMRAAM Air-Air Missile (Joint)	423.2	180	333.3	89.9	
AN/TPY-2 BMD Radars (Joint)	574.4	1	227.4	347.0	
BMD Ballistic Missile Defense (Joint)	9720.8		1944.6	7327.9	448.3
C-130J Hercules (Joint)	835.1	7	785.4	49.7	
CH-47 Chinook (USA)	1462.3	44	1390.7	71.6	
CVN-21 Carrier Replacement (USN)	781.7	1	608.2	173.5	
DDG-51 AEGIS Destroyer (USN)	3514.9	2	3514.9		
F-35 Joint Strike Fighter (Joint)	9171.2	29	6471.7	2699.5	
GMD Ground-Based Midcourse Defense (Joint)	903.2	5		903.2	
JASSM Air-to-Surface Missile (Joint)	248.4	157	240.4	8.0	
JTRS Joint Tactical Radio System (Joint)	1053.4	11793	649.5	340.1	63.8
KC-46A Tanker (USAF)	1815.6			1815.6	
LCS Littoral Combat Ship (USN)	2245.6	4	1816.2	429.4	
P-8A Poseidon (USN)	3258.2	13	2837.1	421.1	
Patriot/MEADS (Joint)	400.9			400.9	
SBIRS Space Based Infrared System (USAF)	950.0	2	501.4	448.6	
SSN-774 VIRGINIA Class Submarine (USN)	4257.7	2	4092.5	165.2	
THAAD Terminal High Altitude Area Defense (Joint)	777.6	36	460.7	316.9	
UH-60 Black Hawk (USA)	1305.5	59	1222.2	83.3	
V-22 Osprey (Joint)	1955.3	21	1872.9	82.4	
TOTAL	48,217.2	12,435.0	30,414.6	17,290.5	512.1

Source: *FY 2013 Program Acquisition Costs by Weapon System* (Washington DC: Office of the Under Secretary of Defense - Comptroller, February 2012).

Additional FY-2013 Modernization Savings Options

Not included in our survey where the following systems that figure prominently in several budget reduction studies and proposals:

- End the Trident D5 Missile Life Extension Program – FY 2013 request: \$1512.6 million
- Delay the New Generation Bomber – FY 2013 request: \$300 million
- Cancel or curtail the B61 nuclear bomb Life Extension Program – FY 2013 request (DoE/050): \$369 million
- Cancel or delay the W78 nuclear warhead Life Extension Study – FY 2013 request (DoE/050): \$76.6 million
- Cancel construction of the Uranium Processing Facility (UPF) at the Y-12 National Security Complex in Tennessee – FY 2013 request (DoE/050): \$340 million
- Halt construction of the Mixed Oxide Fuel Fabrication Facility – FY 2013 request (DoE/050): \$388.8 million

CONTACT: Carl Conetta, PDA: cconetta@comw.org