EVEN SPENDING LESS, EVEN SPENDING SMARTER

Recommendations for National Security Savings, FY 2013 to FY 2022

Deficit Reduction: $688 Billion

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Americans are tightening their belts, and it's time for the U.S. government to do the same. In light of the Budget Control Act of 2011 and the subsequent failure of the "Super Committee," Congress is still desperately seeking ways to reduce spending. To this end, the Project On Government Oversight and Taxpayers for Common Sense have closely examined the proposed national security budget[1] and found plenty of wasteful spending. Adjusted for inflation, U.S. national security spending is higher than at any point during the Cold War and accounts for more than half of all discretionary spending.[2] However, the U.S. faces no existential threats as it did then, and U.S. defense needs are changing as the military draws down its presence in Iraq and Afghanistan.

Still, military spending at the Department of Defense (DoD) has increased by an astounding 95 percent from FY 2001 to the FY 2013 estimate, adjusted for inflation.[3] Nuclear weapons spending at the Department of Energy (DOE) is projected to grow by billions of dollars over the next decade.[4] And the federal government's reliance on contractors, most of whom work on national security-related work and cost on average nearly twice as much as the federal workers who do the same job, is also driving budgets through the roof.[5] It's clear that any serious proposal to shrink the U.S. deficit must include cuts to the national security budget.

The following list updates our recommendations from 2011[6] and details nearly $700 billion in savings over the next ten years, including cuts to wasteful weapons systems as well as limits on out-of-control contract spending. We found programs for which there are cheaper yet equally effective alternatives, and programs that can be cancelled or delayed without putting America's security at risk.

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[1] For the purposes of our analysis, the national security budget includes items from the Department of Defense and from the Department of Energy's semiautonomous National Nuclear Security Administration. Our calculation of service contractors includes budget items from other defense-related departments and agencies, including the Department of Homeland Security, State Department, U.S. Agency for International Development, Millennium Challenge Corporation, Central Intelligence Agency, Intelligence Community Staff, National Counterintelligence Center, and Defense Nuclear Facilities Safety Board.

[2] White House, Office of Management and Budget "Table 5.5—Budget Authority by Agency: 1976-2017" and "Table 9.4—National Defense Outlays for Major Public Direct Physical Capitol Investment: 1940-2013," *Historical Tables*. http://www.whitehouse.gov/omb/budget/Historicals (Downloaded May 7, 2012)

[3] White House, Office of Management and Budget "Table 5.2—Budget Authority by Agency: 1976-2017," *Historical Tables*. http://www.whitehouse.gov/omb/budget/Historicals (Downloaded May 7, 2012)

[4] Department of Energy, National Nuclear Security Administration, Office of Chief Financial Officer, *FY 2013 Congressional Budget Request: Office of the Administrator, Weapons Activities, Defense Nuclear Nonproliferation, Naval Reactors*, Vol. 1 (DOE/CF-0071), February 2012. http://www.cfo.doe.gov/budget/13budget/content/volume1.pdf (Downloaded May 7, 2012) (Hereinafter *Congressional Budget Request: Office of the Administrator, Weapons Activities*)

[5] Project On Government Oversight, *Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors*, September 13, 2011. http://www.pogo.org/pogo-files/reports/contract-oversight/bad-business/co-gp-20110913.html (Downloaded May 7, 2012) (Hereinafter *Bad Business*)

[6] Project On Government Oversight and Taxpayers for Common Sense, *Spending Less, Spending Smarter: Recommendations for National Security Savings FY 2012 to FY 2021*, October 19, 2011. http://www.pogo.org/pogo-files/reports/national-security/spending-less-spending-smarter-ns-wds-20110721.html (Downloaded May 7, 2012) (Hereinafter *Spending Less, Spending Smarter*)

The Project On Government Oversight is a nonpartisan independent watchdog that champions good government reforms. POGO's investigations into corruption, misconduct, and conflicts of interest achieve a more effective, accountable, open, and ethical federal government. Taxpayers for Common Sense is a nonpartisan budget watchdog serving as an independent voice for American taxpayers. Its mission is to achieve a government that spends taxpayer dollars responsibly and operates within its means. TCS works with individuals, policymakers, and the media to increase transparency, expose and eliminate wasteful and corrupt subsidies, earmarks, and corporate welfare, and hold decision makers accountable.

Wasteful Spending in the Department of Defense Budget

Cancel the Lockheed Martin variant of the Littoral Combat Ship (LCS)
Minimum Savings: $187.2 million

The Navy plans to procure 55 littoral combat ships (LCS) over the life of the program to engage in mine sweeping, counter submarine warfare, and as a surface combatant.[7] There are two variants of the LCS: one built by a team led by General Dynamics (GD) and Austal USA, which costs $345.8 million per ship; and the other built by a team led by Lockheed Martin, which costs $12 million more per ship, coming in at $357.5 million each.[8] However, according to the DoD's testing office's FY 2011 Annual Report, both variants are "not expected to be survivable in a hostile combat environment."[9] In addition, a POGO investigation found that the Lockheed Martin variant has been beset by cracks, corrosion, and equipment failures.[10]

The Armed Forces Journal has noted that, "With dozens of different systems on each design, sailors qualified to serve on one LCS or the other are no more qualified to serve on the other LCS class than an amphibious sailor."[11] This will ultimately increase personnel costs and decrease military readiness. If the 31 LCS scheduled to be purchased from FY 2013 to

[7] Congressional Research Service, Ronald O'Rourke, *Navy Littoral Combat Ship (LCS) Program: Background, Issues, and Options for Congress*, April 6, 2012, p. 1. http://www.fas.org/sgp/crs/weapons/RL33741.pdf (Downloaded May 7, 2012)

[8] The contract with General Dynamics specifies that $691,599,014 was added for the construction of two ships, $345.8 million per ship, and the contract with Lockheed Martin specifies that $715,000,351 was added for the construction of two ships, $357.5 million per ship. The Naval Sea Systems Command, "Navy Funds FY 12 Littoral Combat Ships," *Military.com*, March 19, 2012. http://www.military.com/news/article/navy-news/navy-funds-fy12-littoral-combat-ships.html (Downloaded May 7, 2012)

[9] Director, Operational Test and Evaluation, *FY 2011 Annual Report*, Department of Defense, p. 141. https://www.documentcloud.org/documents/283910-2011-dote-annual-report.html#document/p159/a44056 (Downloaded May 3, 2012)

[10] Letter from Project On Government Oversight to Chairmen and Ranking Members of the Senate and House Armed Services Committees about the Littoral Combat Ship, April 23, 2012. http://www.pogo.org/pogo-files/letters/national-security/ns-lcs-20120423-littoral-combat-ship-cracks.html (Downloaded May 7, 2012)

[11] Christopher Cavas, "Past Imperfect: Like First Carriers, Littoral Combat Ship Enters Age of Experimentation," *Armed Forces Journal*, April 29, 2011. http://www.armedforcesjournal.com/2011/04/5848053/ (Downloaded May 7, 2012)

FY 2022[12] were bought from GD/Austal, taxpayers could save $187.2 million in procurement costs,[13] and untold more in operating and support costs.

Eliminate unrequested funding for the M1 tank
Savings: $230 million

In 2011, in an effort to keep the Abrams M1A2 SEP (System Enhancement Package) tank line "hot," the House appropriated $272 million beyond the DoD's request for these new tanks.[14] Now, for the FY 2013 budget, Congress is yet again forcing the Army to procure more tanks than the Army says it needs.[15] The tanks, 33 in total,[16] will cost taxpayers approximately $230 million.[17] The Army already has more than 500 of the tanks[18] and has not indicated a need for increased production. This pork should be cut from the budget.

Freeze development of unproven Ground-based Midcourse Defense system
Savings: $6 billion

The Ground-based Midcourse Defense (GMD) system consists of 30 interceptors designed to destroy ballistic missiles in midflight.[19] This Missile Defense Agency program has been plagued by cost increases, test failures, and delays, according to a recent Government Accountability Office (GAO) report.[20] And as the Congressional Budget Office (CBO) noted, critics argue that

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[12] Congressional Research Service, Ronald O'Rourke, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, April 24, 2012, p. 7. http://www.fas.org/sgp/crs/weapons/RL32665.pdf (Downloaded May 7, 2012)

[13] Assuming the GD/Austal variants remain $11.7 million cheaper than the Lockheed variants and that 16 Lockheed variants would be replaced by GD/Austal variants, the Navy would pay $187.2 million less than if it procured 16 LCS from Lockheed and 15 LCS from GD/Austal.

[14] Committee on Appropriations, "Report on Department of Defense Appropriations Bill, 2012," July 11, 2011, p. 4. https://www.documentcloud.org/documents/215103-2012-defense-approps-full-committee-report.html#document/p14/a26428 (Downloaded May 7, 2012)

[15] Kate Brannen, "U.S. Army to Congress: No New Tanks, Please," *DefenseNews.com*, March 7, 2012. http://www.defensenews.com/article/20120307/DEFREG02/303070011/U-S-Army-Congress-No-New-Tanks-Please (Downloaded May 7, 2012). The Army did request $74.4 million, but that was for "system technical support." Department of Defense, *Program Acquisition Costs by Weapon System*, February 2012, p. 4. https://www.documentcloud.org/documents/291938-fy13-program-acq-costs-by-weapon-system.html#document/p4/a44597 (Downloaded May 7, 2012)

[16] Robert P. Casey Jr., "Casey Pushes for Continued Production of Tank that Maintains national Security and Supports Over 40 PA Businesses." http://www.casey.senate.gov/newsroom/press/release/?id=b2c1d56e-9938-4353-80d2-babcd7a8c44f (Downloaded May 7, 2012)

[17] The $230 million cost is arrived at by multiplying the 33 upgraded tanks by the cost of each in last year's budget—$6.925 million. Department of the Army, *Fiscal Year (FY) 2013 President's Budget Submission*, February 2012, p. 115. http://www.saffm.hq.af.mil/shared/media/document/AFD-120207-047.pdf (Downloaded May 7, 2012) (Hereinafter *Fiscal Year (FY) 2013 President's Budget Submission*)

[18] GlobalSecurity.org, "M1 Abrams Main Battle Tank." http://www.globalsecurity.org/military/systems/ground/m1-specs.htm (Downloaded May 7, 2012)

[19] Department of Defense, Missile Defense Agency, "Elements: Ground-based Midcourse Defense (GMD)," http://www.mda.mil/system/gmd.html (Downloaded May 7, 2012)

[20] Government Accountability Office, *Missile Defense: Opportunity Exists to Strengthen Acquisitions by Reducing Concurrency*, April 2012. http://gao.gov/assets/600/590277.pdf (Downloaded May 7, 2012)

"testing of the system to date has been insufficient to verify that it will function as intended."[21] CBO suggested eliminating phases of the GMD program that would expand missile interceptors in Alaska and establish new ones in Europe until current systems are proven.[22] This would still permit development of interceptors to provide defense for the U.S. against missiles from such countries as Iran and North Korea, the current concern of the GMD program. Freezing funding would save more than $4.5 billion that the Missile Defense Agency estimates will be spent on GMD from FY 2013 to FY 2017.[23]

The Precision Tracking Space System (PTSS) is a related missile defense project that has drawn scrutiny from Congress because of its possible similarity to other, less expensive missile defense systems.[24] The DoD should freeze the $1.5 billion it plans to spend on PTSS from FY 2013 to FY 2017[25] while analysis of alternative programs is conducted.

Cancel future satellites of the Space-Based Infrared System
Savings: $6 billion

Military space programs have a record of cost and schedule overruns.[26] The $18 billion Space-Based Infrared System (SBIRS), intended to provide initial warning of a ballistic missile attack,[27] is a classic example, according to a 2012 GAO report that called it "one of the most troubled" military space programs.[28] The system finally launched the first of six planned satellites in 2011, after nearly a decade of delays and a cost increase of 231 percent.[29] The DoD is locked into procuring four of these satellites, and the two remaining satellites[30] are estimated

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[21] Congressional Budget Office, *Options for Deploying Missile Defenses in Europe,* February 2009, p. ix. http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/100xx/doc10013/02-27-missiledefense.pdf (Downloaded May 7, 2012)

[22] Congressional Budget Office, *Budget Options Volume 2,* August 2009, p. 20. http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/102xx/doc10294/08-06-budgetoptions.pdf (Downloaded May 7, 2012)

[23] Department of Defense, Missile Defense Agency, *Missile Defense Agency (MDA) Fiscal Year 2013 Budget Outline*, p. 6. http://www.mda.mil/global/documents/pdf/budgetfy13.pdf (Downloaded May 7, 2012) (Hereinafter *Missile Defense Agency FY 2013 Budget Outline*)

[24] U.S. Congress, "FY13 National Defense Authorization Bill" (H.R. 4310), Introduced March 29, 2012, by Representative Howard P. McKeon, pp. 11-12. http://armedservices.house.gov/index.cfm/files/serve?File_id=584b7120-a5d9-472c-8eaa-5d8a3fcd59d2 (Downloaded May 3, 2012)

[25] *Missile Defense Agency FY 2013 Budget Outline*, p. 6.

[26] Taxpayers for Common Sense, *Loss in Space: Space Security Spending 2009*, March 29, 2009. http://www.taxpayer.net/user_uploads/file/NationalSecurity/2009/Space/TCSLoss_in_Space.pdf (Downloaded May 7, 2012)

[27] U.S. Air Force, Air Force Space Command, "Space Based Infrared Systems," April 27, 2011. http://www.afspc.af.mil/library/factsheets/factsheet.asp?id=3675 (Downloaded May 7, 2012)

[28] Testimony of Christina T. Chaplain, Director of Acquisition and Sourcing Management, Government Accountability Office, before the Subcommittee on Strategic Forces, Committee on Armed Services, U.S. Senate on "DOD Faces Challenges in Fully Realizing Benefits of Satellite Acquisition Improvements," March 21, 2012, p. 2. http://www.gao.gov/assets/590/589487.pdf (Downloaded May 7, 2012) (Hereinafter Testimony of Christina T. Chaplain)

[29] Testimony of Christina T. Chaplain, pp. 2-3

[30] Government Accountability Office, *Defense Acquisitions: Assessments of Selected Weapons Programs,* March 2012, pp. 125-126. http://www.gao.gov/assets/590/589695.pdf (Downloaded May 7, 2012)

to cost $3 billion each.[31] There is little justification for procuring two more mega satellites when the DoD has alternatives to explore.[32]

Defer development of Next-Generation Bomber
Savings: $6.3 billion

The DoD plans to build between 80 and 100 "next-generation" Long-Range Strike Bombers to augment the Air Force's fleet of B-52, B-1B, and B-2 planes,[33] which drop both nuclear and conventional bombs.[34] The program is projected to cost $6.3 billion[35] between FY 2013 and FY 2017 alone, and will likely cost billions more over the life of the program. The Administration initially cancelled the program in FY 2010 as there was "no urgent need" for a new bomber because "current aircraft will be able to meet the threats expected in the foreseeable future."[36] The B-1B and B-2 are undergoing upgrades,[37] and the Air Force expects the B-52 will be operational until at least 2045.[38] Deferring development of costly and unnecessary next-generation systems saves money and is low-risk because of robust U.S. nuclear- and conventional-bomb delivery capabilities that will be available for decades.

Replace the V-22 Osprey with MH-60 and CH-53 helicopters
Savings: $17.1 billion

The V-22 Osprey is a tilt-rotor aircraft that can take off and land like a helicopter, but can fly like a plane. Unfortunately, its cost has more than doubled since initial estimates[39] and, according to the GAO, it had a full mission capability (FMC) rate of just 6 percent while operating in Iraq

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[31] Testimony of Christina T. Chaplain, p. 2

[32] We do not have a cost estimate for smaller satellites, but we encourage the Department of Defense to price an alternative to costly mega satellites. Sustainable Defense Task Force, *Debt, Deficits, & Defense: A Way Forward*, June 11, 2010, p. 16. http://www.comw.org/pda/fulltext/1006SDTFreport.pdf (Downloaded May 7, 2012) (Hereinafter *Debt, Deficits, & Defense: A Way Forward*)

[33] Senate Subcommittee of the Committee on Appropriations, *Department of Defense Appropriations for Fiscal Year 2012*, March 30, 2011, p. 28. http://www.gpo.gov/fdsys/pkg/CHRG-112shrg99104431/pdf/CHRG-112shrg99104431.pdf (Downloaded May 7, 2012)

[34] Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2010 Terminations, Reductions, and Savings*, 2009, p. 44. http://www.gpo.gov/fdsys/pkg/BUDGET-2010-TRS/pdf/BUDGET-2010-TRS.pdf (Downloaded May 7, 2012) (Hereinafter *FY 2010 Budget, Terminations, Reductions, and Savings*)

[35] The cost for FY 2013 is $291 million, FY 2014 is $550 million, FY 2015 is $1,045 million, FY 2016 is $1,727 million, and FY 2017 is $2,707 million. Department of Defense, *Fiscal Year 2013 President's Budget Submission: Research, Development, Test & Evaluation, Air Force*, Vol. 2, February 2012, p. 193. http://www.saffm.hq.af.mil/shared/media/document/AFD-120207-047.pdf (Downloaded May 7, 2012)

[36] *FY 2010 Budget, Terminations, Reductions, and Savings*, p. 44.

[37] Airman Charles Rivezzo, "B-1B Lancer upgrade will triple payload," U.S. Air Force Website, April 11, 2011. http://www.af.mil/news/story.asp?id=123250639; United States Air Force, "Air Force not being stealthy about upgrading B-2 fleet," U.S. Air Force Website, January 2, 2007. http://www.af.mil/news/story.asp?id=123036531 (Downloaded May 7, 2012)

[38] Tinker Air Force Base, "B-52 Stratofortress." http://www.tinker-af.org/b52.htm (Downloaded May 7, 2012)

[39] Department of Defense, *Selected Acquisition Report (SAR): V-22*, December 31, 2011, p. 42. http://www.dod.gov/pubs/foi/logistics_material_readiness/acq_bud_fin/SARs/DEC%202011%20SAR/V-22%20-%20SAR%20-%2031%20DEC%202011.pdf (Downloaded May 7, 2012) (Hereinafter *Selected Acquisition Report (SAR): V-22*)

between October 2007 and June 2008.[40] The V-22 is simply neither cost- nor operationally effective. The Sustainable Defense Task Force (SDTF) has noted that the overpriced, underperforming V-22 Osprey can be replaced by helicopters.[41] Specifically, the SDTF recommends a high/low lift combination of MH-60 and CH-53 helicopters. Based on the latest DoD figures for the procurement and operating costs of these aircraft,[42] replacing the 170 Ospreys scheduled to be built between FY 2013 and FY 2019 with MH-60 and CH-53 helicopters would save more than $17.1 billion from FY 2013 to FY 2022.[43]

Cut four submarines from next-generation fleet
Savings: $18 billion

The Navy plans to replace its fleet of 14 Ohio-class nuclear-powered ballistic missile submarines (SSBNs) with 12 new submarines, called the SSBN(X) fleet.[44] The SSBN(X) program is estimated to cost a staggering $347 billion over the life of the submarines.[45] The CBO estimates that the first SSBN(X) sub will cost about $13.3 billion,[46] and that each subsequent sub will cost $7.2 billion.[47] The SSBN(X) fleet can be reduced to eight while still maintaining a robust deterrent. Under the New START agreement, the U.S. can deploy a little over 1,000 warheads on submarines,[48] and each of the eight SSBN(X) subs would carry 16 missiles for a total of 1,024

[40] Testimony of Michael J. Sullivan, Director of Acquisition and Sourcing Management, Government Accountability Office, before the Committee on Oversight and Government Reform, U.S. House of Representatives on "V-22 Osprey Aircraft: Assessment Needed to Address Operational and Cost Concerns to Define Future Investments," June 23, 2009, p. 7. http://www.gao.gov/new.items/d09692t.pdf (Downloaded May 7, 2012)
[41] *Debt, Deficits, & Defense: A Way Forward*, p. 23.
[42] *Selected Acquisition Report (SAR): V-22*; Department of Defense, *Selected Acquisition Report (SAR): MH-60S*, December 31, 2011. http://www.dod.gov/pubs/foi/logistics_material_readiness/acq_bud_fin/SARs/DEC%202011%20SAR/MH-60S%20-%20SAR%20-%2031%20DEC%202011.pdf (Downloaded May 7, 2012); Department of Defense, *Selected Acquisition Report (SAR): CH-53K*, December 31, 2011. http://www.dod.gov/pubs/foi/logistics_material_readiness/acq_bud_fin/SARs/DEC%202011%20SAR/CH-53K%20-%20SAR%20-%2031%20DEC%202011.pdf (Downloaded May 7, 2012)
[43] This calculation is based on replacing V-22s with 27 CH-53s already set to be procured from FY 2016 to FY 2019, and the remaining V-22s with MH-60s. The calculation also accounts for savings resulting from the lower operating costs of these helicopters compared to the Osprey. All calculations utilize acquisition unit cost and operation and support cost estimates from the latest Selected Acquisition Report for each aircraft.
[44] Congressional Research Service, Ronald O'Rourke, *Navy Ohio Replacement (SSBN[X]) Ballistic Missile Submarine Program: Background and Issues for Congress*, April 5, 2012, p. 1. http://www.fas.org/sgp/crs/weapons/R41129.pdf (Downloaded May 7, 2012)
[45] Christopher J. Castelli, "DOD: New Nuclear Subs Will Cost $347 Billion To Acquire, Operate," *InsideDefense.com*, February 17, 2011. http://defensenewsstand.com/NewsStand-General/The-INSIDER-Free-Article/dod-new-nuclear-subs-will-cost-347-billion-to-acquire-operate/menu-id-720.html (Downloaded May 7, 2012)
[46] Congressional Budget Office, *An Analysis of the Navy's Fiscal Year 2012 Shipbuilding Plan,* June 2011, p. 16. http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/122xx/doc12237/06-23-navyshipbuilding.pdf (Downloaded May 7, 2012) (Hereinafter *An Analysis of the Navy's Fiscal Year 2012 Shipbuilding Plan*)
[47] *An Analysis of the Navy's Fiscal Year 2012 Shipbuilding Plan*, p. 15.
[48] "Treaty Between the United States of America and the Russian Federation on Measures for the Further Reduction and Limitation of Strategic Offensive Arms," April 8, 2010, *Treaties and Other International Acts Series*, no. 111-5. 2010. http://www.state.gov/documents/organization/140035.pdf (Downloaded May 7, 2012) (Hereinafter "Treaty Between the United States of America and the Russian Federation")

warheads.[49] Eliminating four submarines from the fleet would save at least $18 billion in operations, maintenance, research, and procurement costs over ten years, and up to $122 billion over the 50-year lifecycle of the ballistic missile submarine program.[50]

Cut aircraft carriers from 11 to 10 and Navy wings from 10 to 9
Savings: $18.4 billion

The Navy currently has as many aircraft carriers as the rest of the world combined.[51] According to the CBO, the Navy could utilize 10 carriers instead of 11 because: "Recent experience suggests that the Navy mobilizes 5 to 7 carriers to fight a major war, and the 10 carriers remaining in the fleet under this option would still provide a force of at least 5 or 6 carriers within 90 days to fight such a war."[52]

The CBO estimates that about $7 billion can be saved by retiring the USS *George Washington* in 2016, prior to it going through the costly refueling and complex overhaul process, and accordingly reducing Navy force size by 5,600 sailors.[53] According to the CBO, this option also eliminates the administrative structure of the air wing associated with the carrier, but keeps the planes and redeploys the other ships in the carrier strike group to support other missions. For even further savings beyond the $7 billion, these ships and planes could be retired out of service.

The USS *Nimitz*, the oldest of the Nimitz class carriers, was commissioned in 1975[54] and has a 50-year service life.[55] It can thus remain operational into the mid 2020's when the Navy expects delivery of CVN-80, the third Ford-class aircraft carrier.[56] However, the USS *John F. Kennedy* (CVN-79), the second of the Ford-class aircraft carriers, is scheduled to be procured prior to this.[57] Decommissioning the *Nimitz* early simply to make room for USS *John F. Kennedy* or having both carriers in the fleet simultaneously offers little additional security at considerable cost. If the Navy foregoes procurement of USS *John F. Kennedy*, taxpayers will save $11.4 billion in procurement costs alone.[58] Altogether, taxpayers can save at least $18.4 billion while still maintaining a formidable 10-carrier fleet.

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[49] Arms Control Association, "Nuclear Weapons Budget Fact Sheet," April 9, 2012, p. 2. http://www.armscontrol.org/files/Nuke-Budget-Fact-Sheets-DOD-04-10-2012.pdf (Downloaded May 7, 2012) (Hereinafter "Nuclear Weapons Budget Fact Sheet")
[50] "Nuclear Weapons Budget Fact Sheet," p. 2
[51] Globalfirepower.com, "Total Aircraft Carrier Strength by Country," http://www.globalfirepower.com/navy-aircraft-carriers.asp (Downloaded May 7, 2012)
[52] Congressional Budget Office, *Reducing the Deficit: Spending and Revenue Options*, http://www.cbo.gov/publication/22043 (Downloaded May 7, 2012) (Hereinafter *Reducing the Deficit: Spending and Revenue Options*)
[53] *Reducing the Deficit: Spending and Revenue Options*
[54] Naval Vessel Register. "USS Nimitz," http://www.nvr.navy.mil/nvrships/details/CVN68.htm (Downloaded May 7, 2012)
[55] Navy.mil, "The US Navy-Fact File: Aircraft Carriers-CVN," http://www.navy.mil/navydata/fact_display.asp?cid=4200&tid=200&ct=4 (Downloaded May 7, 2012)
[56] Congressional Research Service, Ronald O'Rourke, *Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress*, April 4, 2012, p. 5. http://www.fas.org/sgp/crs/weapons/RS20643.pdf (Downloaded May 7, 2012) (Hereinafter *Navy Ford (CVN-78) Class Aircraft Carrier Program*)
[57] *Navy Ford (CVN-78) Class Aircraft Carrier Program*, p. 4.
[58] *Navy Ford (CVN-78) Class Aircraft Carrier Program*, p. 4.

Withdraw 40,000 troops from Europe
Savings: $32 billion

There are currently more than 80,000 U.S. troops stationed in Europe.[59] Decreasing this U.S. subsidy of Europe's national security will save taxpayers billions through reduced personnel and operations & maintenance (O&M) costs, such as military housing and transport.[60] The U.S. has built a unique capacity to deploy rapidly from offshore bases as needed, an approach that has both financial and strategic advantages. Additionally, taxpayer enthusiasm for subsidizing European countries' defense is eroding. In fact, 47% of Americans support pulling *all* U.S. troops out of Europe.[61] Removing just half of our troops in Europe—40,000 troops—and reducing force structure accordingly would save at least $32 billion over the next ten years, based on the DoD's average cost per soldier.[62]

Replace the B and C models of the F-35 with the F/A-18E/F
Savings: $61.7 billion

The B and C models of the F-35—the military's newest fighter plane—are the most expensive variants of the most expensive DoD procurement ever. Both of these variants have been plagued by cost overruns and schedule delays,[63] and are now estimated to cost just under $200 million each.[64] The F/A-18E/F Super Hornet has many capabilities that rival the F-35[65] and costs far less, with a price of around $65 million each.[66] Additionally, each of the B and C models of the

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[59] Department of Defense, *Active Duty Military Personnel Strengths by Regional Area and by Country (309A)*, December 31, 2011, p. 1. http://siadapp.dmdc.osd.mil/personnel/MILITARY/history/hst1112.pdf (Downloaded May 7, 2012)

[60] *Debt, Deficits, & Defense: A Way Forward*, pp. 16-18.

[61] Rasmussen Reports, "47% Support Pulling U.S. Troops Out of Europe." http://www.rasmussenreports.com/public_content/politics/general_politics/january_2012/47_support_pulling_u_s_troops_out_of_europe (Downloaded May 7, 2012)

[62] The DoD's average cost per active-duty personnel per year is approximately $80,000. Multiplied by 40,000, this equals $3.2 billion per year in savings. $3.2 billion per year for ten years equals $32 billion. This savings is based solely on the direct costs of troops and does not include indirect savings that would be realized (e.g. European base closures, equipment transport, military construction in Europe). Average cost per active-duty personnel was obtained by dividing total direct active-duty personnel costs in FY 2012 ($130 billion) by the total number of active duty troops at the beginning of FY 2012 (1,626,513). Department of Defense, *Military Personnel Programs (M-1): Department of Defense Budget Fiscal Year 2013*, February 2012, p. 16. http://comptroller.defense.gov/defbudget/fy2013/fy2013_m1.pdf (Downloaded May 7, 2012); Department of Defense, *Active Duty Military Personnel Strengths by Regional Area and by Country (309A)*, September 30, 2011, p. 4. http://siadapp.dmdc.osd.mil/personnel/MILITARY/history/hst1109.pdf (Downloaded May 7, 2012)

[63] Department of Defense, *Selected Acquisition Report (SAR): F-35*, December 31, 2011. http://www.defense-aerospace.com/dae/articles/communiques/F-35Dec11FinalSAR-3-29-2012.pdf (Downloaded May 7, 2012) (Hereinafter *Selected Acquisition Report (SAR): F-35*)

[64] *Fiscal Year (FY) 2013 President's Budget Submission*, pp. 129, 143.

[65] The F/A-18E/F Super Hornets do, however, lack the F-35's stealth and the F-35B's short takeoff and vertical landing capabilities. Defensetech.org, "The Super Hornet as a Stealth Killer?" http://defensetech.org/2011/12/30/the-super-hornet-as-a-stealth-killer/ (Downloaded May 7, 2012); Eric Palmer blog, "Define 'theoretical.'" http://elpdefensenews.blogspot.com/2012/04/define-theoretical.html (Downloaded May 7, 2012)

[66] *Fiscal Year (FY) 2013 President's Budget Submission*, pp. 115.

F-35 costs more than $11 million (in 2012 dollars) per year to fly,[67] while each Super Hornet costs $5.7 million (in 2012 dollars) per year to fly.[68]

From FY 2013 to FY 2022, a total of 328 B and C models are scheduled to be procured.[69] Replacing these with F/A-18E/F's would save $54 billion in procurement costs, and the lower flight-hour costs of the F/A-18E/F would save another $7.7 billion.[70]

Reform TRICARE
Savings: $76.5 billion

The cost of TRICARE, DoD's health care system, has more than doubled in the last decade and in FY 2012 will exceed more than $50 billion.[71] Many military retirees who are fully employed and have health insurance available still opt for TRICARE,[72] which amounts to a government subsidy for employers. Congress has prevented attempts to halt this spending trajectory in the past,[73] but last year lawmakers voted to allow TRICARE fees to rise[74] for the first time since the system's creation nearly 20 years ago.[75]

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[67] The B and C models cost $38,400 and $36,300 per hour to fly, respectively. Colin Clark, "F-35 Total Costs Soaring to $1.5 Trillion; Lockheed Defends Program," *AOLDefense.com*, March 30, 2012. http://defense.aol.com/2012/03/30/f-35-total-costs-soar-to-1-5-trillion-lockheed-defends-program (Downloaded May 7, 2012) According to the F-35 Selected Acquisition Report as of December 31, 2011, each of the B and C models are expected to fly 302 and 316 hours per year, respectively. Multiplying these hours per year by cost per hour shows that each of the B model will cost $11.6 million per year to fly, and each of the C model will cost nearly $11.5 million. *Selected Acquisition Report (SAR): F-35*, p. 84.

[68] This figure comes from taking the $4.3 million (in 2000 dollars) operating cost figure from the Super Hornet Selected Acquisition Report and calculating the value of this amount in 2012 using the inflation calculator at the Bureau of Labor Statistics. Department of Defense, *Selected Acquisition Report (SAR): F/A-18E/F*, December 31, 2011, p. 32. http://www.dod.gov/pubs/foi/logistics_material_readiness/acq_bud_fin/SARs/DEC%202010%20SAR/FA-18E%20F%20-%20SAR%20-%2025%20DEC%202010.pdf (Downloaded May 7, 2012). Each Super Hornet costs $4.3 million per year to fly in 2000 dollars. 2012 cost obtained by calculating for inflation. Bureau of Labor Statistics, "Inflation Calculator," http://www.bls.gov/data/inflation_calculator.htm (Downloaded May 7, 2012)

[69] *Selected Acquisition Report (SAR): F-35*, p. 36.

[70] *Selected Acquisition Report (SAR): F-35*.

[71] Department of Defense, *Overview—FY 2013 Defense Budget*, February 2012, pp. 5-2. http://comptroller.defense.gov/defbudget/fy2013/FY2013_Budget_Request_Overview_Book.pdf (Downloaded May 7, 2012) (Hereinafter *Overview—FY 2013 Defense Budget*)

[72] *Debt, Deficits, & Defense: A Way Forward*, p. 26.

[73] Rick Maze, "Congress plans to block Tricare fee increases," *ArmyTimes.com*, October 7, 2009. http://www.armytimes.com/news/2009/10/military_tricarefees_blocked_100709w (Downloaded May 7, 2012)

[74] U.S. Congress, "National Defense Authorization Act for Fiscal Year 2012" (H.R. 1540), Introduced April 14, 2011, by Representative Howard P. McKeon, p. 172. http://www.gpo.gov/fdsys/pkg/BILLS-112hr1540enr/pdf/BILLS-112hr1540enr.pdf (Downloaded May 7, 2012)

[75] Tom Philpott, "TRICARE fee increases OK'd," *DailyPress.com*, June 27, 2011. (Subscription required) http://articles.dailypress.com/2011-06-27/news/dp-nws-milupdate-0627-20110627_1_fees-for-working-age-retirees-fee-increases-tricare-prime-enrollment-fees (Downloaded May 3, 2011)

The resulting changes incorporated some recommendations of the Quadrennial Review of Military Compensation[76] as we called for.[77] This year, the DoD is seeking additional reforms including modest increases in co-pays and enrollment fees,[78] as well as pharmacy co-pay changes to encourage use of mail-order and military pharmacies, which will save $16.5 billion over the next ten years.[79] These small reforms of taking military retirees off TRICARE when they have health insurance available through their employer will save taxpayers $76.5 billion. The DoD also proposed to tie future increases to an index that tracks medical inflation, which would save up to an additional $6 billion per year,[80] or $60 billion over the next ten years.

Wasteful Spending on Nuclear Weapons Programs

Make NATO members share the burden of B61 nuclear bomb in Europe
Savings: $2.1 billion

As part of NATO's defense, the United States deploys an estimated 150 to 200 B61 non-strategic nuclear bombs at six bases in five European countries: Belgium, Germany, Italy, Turkey, and the Netherlands.[81] However, since NATO's inception, the United States has borne the lion's share of military costs. U.S. taxpayers will be expected to reach into their pockets to entirely cover the $2.1-billion cost of modernizing these B61s through a life extension program (LEP).[82] Furthermore, established security vulnerabilities at European bases raise concerns about the level of risk the United States must assume to secure these weapons.[83] If U.S. and European leaders want to continue maintaining these weapons in Europe, then European NATO members must step up and share the burden by paying to modernize them.

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[76] Department of Defense, *Report of the Tenth Quadrennial Review of Military Compensation: Volume II Deferred and Noncash Compensation*, July 2008, p. 56. http://www.defense.gov/news/QRMCreport.pdf (Downloaded May 3, 2012)

[77] *Spending Less, Spending Smarter*

[78] *Overview—FY 2013 Defense Budget*, pp. 5-4.

[79] $10.6 billion from increasing the pharmacy benefit co-payments, $5.9 billion from increasing premiums for TRICARE life enrollment. White House, Office of Management and Budget, *Fiscal Year 2013 Budget of the U.S. Government*, February 13, 2012, p. 233. http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf (Downloaded May 7, 2012)

[80] Center for American Progress, Lawrence J. Korb, Alex Rothman and Max Hoffman, *Reforming Military Compensation: Addressing Runaway Personnel Costs Is a National Imperative*, May 7, 2012, p. 23. http://www.americanprogress.org/issues/2012/05/military_compensation.html (Downloaded May 8, 2012)

[81] Robert S. Norris and Hans M. Kristensen, "U.S. tactical nuclear weapons in Europe, 2011," *Bulletin of the Atomic Scientists*, Vol. 67, No.1, January/February 2011, pp. 64-73. http://bos.sagepub.com/content/67/1/64.full.pdf+html (Downloaded May 7, 2012)

[82] Letter from Danielle Brian, Executive Director of Project On Government Oversight, to the Honorable Leon E. Panetta, Secretary, Department of Defense, about European NATO members bearing increased share of costs of B61s in Europe, February 1, 2012. http://www.pogo.org/pogo-files/letters/nuclear-security-safety/nss-dod-20110201-pogo-panetta-taxpayers-shouldnt-bear-cost-of-b61-bombs-europe.html (Downloaded May 7, 2012)

[83] Major General Polly A. Peyer, Air Force, *Air Force Blue Ribbon Review of Nuclear Weapons Policies and Procedures*, February 8, 2008, pp. 51-52. http://www.fas.org/nuke/guide/usa/doctrine/usaf/BRR-2008.pdf (Downloaded May 7, 2012)

Cancel the CMRR-Nuclear Facility at Los Alamos National Laboratory
Savings: $3.7 billion to $5.9 billion

After over a decade of planning, the Chemistry and Metallurgy Research Replacement-Nuclear Facility (CMRR-NF) is estimated to cost a staggering $3.7 billion to $5.9 billion,[84] at least ten times more than its initial cost estimate of $375 million.[85] The proposed New Mexico facility would increase the United States' production of plutonium pits, a primary component of nuclear weapons. However, as POGO has argued,[86] a growing body of scientific evidence and expert testimony shows that increased plutonium pit production is not necessary to national security and is actually counter to a U.S. agreement to reduce deployed nuclear weapons until at least 2021.[87] In early 2012, the Administration made a move in the right direction and proposed putting CMRR-NF on hold for at least five years.[88] According to the Office of Management and Budget, the National Nuclear Security Administration (NNSA) has found "existing infrastructure in the nuclear complex" that "has the inherent capacity to provide adequate support"[89] to nuclear weapons and science missions—without CMRR-NF. The House Appropriations Committee rightly zeroed out funding for CMRR-NF in April 2012, but the House Armed Services Committee's chairman's mark of the National Defense Authorization Act for FY 2013, made public on May 6, included funding for it. In light of NNSA's own conclusion, it makes no sense to resurrect this costly facility-without-a-cause.

Halt construction of the MOX Fuel Fabrication Facility at the Savannah River Site
Savings: $4.9 billion

The Mixed Oxide (MOX) Fuel Fabrication Facility in South Carolina has gradually grown more expensive and less justifiable since its inception. The cost to construct the DOE facility has more than tripled since 2004 from an estimated $1.6 billion to the FY 2013 budget estimate of $4.9 billion.[90] The DOE estimates that the cost of the facility will only increase as the project experiences high personnel turnover and great difficulty finding experienced engineering and technical staff.[91] The DOE has justified the MOX facility as a way to turn weapons-grade

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[84] Department of Energy, National Nuclear Security Administration, *FY 2012 Stockpile Stewardship and Management Plan: Report to Congress*, April 15, 2011, p. 65. http://www.fas.org/programs/ssp/nukes/nuclearweapons/SSMP-FY2012.pdf (Downloaded May 7, 2012)

[85] Los Alamos Study Group, *LANL Master Project List*, February 9, 2001, p. 1. http://lasg.org/CMRR/Litigation/LANL_Master_Project_List-FY2001.pdf (Downloaded May 7, 2012)

[86] Project On Government Oversight, *U.S. Nuclear Weapons Complex: Energy Department Plans to Waste Billions of Dollars on Unneeded Los Alamos Lab Facility*, January 18, 2012. http://www.pogo.org/pogo-files/reports/nuclear-security-safety/energy-department-plans-to-waste-billions/nss-nwc-20120118-us-nuclear-weapons-complex.html (Downloaded May 7, 2012)

[87] "Treaty Between the United States of America and the Russian Federation"

[88] Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2013 Cuts, Consolidations, and Savings*, p. 18. http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/ccs.pdf (Downloaded May 7, 2012) (Hereinafter *Fiscal Year 2013 Cuts, Consolidations, and Savings*)

[89] *Fiscal Year 2013 Cuts, Consolidations, and Savings*, p. 18.

[90] Letter from Project On Government Oversight et al. to the Honorable Rodney P. Frelinghuysen, Chairman, and the Honorable Peter J. Visclosky, Ranking Member, of the Appropriations Subcommittee on Energy and Water Development, about cutting MOX program, March 19, 2012. http://www.pogo.org/pogo-files/letters/nuclear-security-safety/nss-np-20120319-congress-mox-plutonium-fuel.html (Downloaded May 7, 2012)

[91] *Congressional Budget Request: Office of the Administrator, Weapons Activities*, p. 451

plutonium into mixed oxide fuel that can be used in nuclear power plants; however, it has struggled to find customers for MOX fuel among nuclear reactor operators.[92] As the House Appropriations Committee noted in 2011, the Japanese disaster at the Fukushima Daiichi reactors raises questions about the safety of MOX fuel in certain reactor designs and has made potential buyers of the fuel concerned.[93] Unless construction of this project is stopped, taxpayers will end up spending billions of dollars on a useless facility.

Cancel the Uranium Processing Facility at the Y-12 National Security Complex
Savings: $6.5 billion

While estimates from the DOE put the cost of the proposed Uranium Processing Facility (UPF) in Tennessee at $6.5 billion—up from $3.5 billion in 2011[94]—an independent review by the Army Corps of Engineers found that the facility could cost as much as $7.5 billion.[95] Furthermore, despite a recent Y-12 Performance Evaluation Report (PER) that found "an unacceptable level of cost and schedule risk"[96] associated with UPF, the Administration is pushing for accelerated funding for this new facility,[97] which would replace enriched uranium operations at Y-12's existing Building 9212. Y-12 officials reported in 2007 that it could upgrade "mission critical" facilities, such as Building 9212, to accommodate modern needs for $121 million.[98] And the Y-12 PER found that, as Building 9212 moved forward with upgrades, all recent improvements to the facility "were completed satisfactorily and ahead of schedule."[99] Given the option of upgrading an existing facility at a fraction of the cost of new construction, moving forward with UPF is completely unjustified.

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[92] Rob Pavey, "Buyers sought for MOX product," *The Augusta Chronicle*, August 11, 2010. http://chronicle.augusta.com/news/government/2010-08-11/buyers-sought-mox-product (Downloaded May 7, 2012)
[93] 112th Congress, House of Representatives, Energy and Water Development Appropriations Bill Report, 2012, June 24, 2011, p. 138. http://www.gpo.gov/fdsys/pkg/CRPT-112hrpt118/pdf/CRPT-112hrpt118.pdf (Downloaded May 7, 2012)
[94] *Congressional Budget Request: Office of the Administrator, Weapons Activities*, p. 244.
[95] Frank Munger, "Report: UPF could cost up to $7.5 billion," *Knoxville News Sentinel*, July 7, 2011. http://blogs.knoxnews.com/munger/2011/07/report-upf-could-cost-up-to-75.html (Downloaded May 7, 2012)
[96] National Nuclear Security Administration, *Performance Evaluation Report for Babcock and Wilcox Y-12 Technical Services, LLC, Contract Number DE-AC05-00OR22800*, Evaluation Period: October 1, 2010 through September 30, 2011, p. 30. http://www.nukewatch.org/importantdocs/resources/BW_Y-12_PER.pdf (Downloaded May 7, 2012) (Hereinafter *Performance Evaluation Report for Babcock and Wilcox Y-12 Technical Services*)
[97] *Congressional Budget Request: Office of the Administrator, Weapons Activities*, p. 243
[98] Y-12 National Security Complex, *Y-12 Ten-Year Plan*, March 2007, p. 61 http://nnsa.energy.gov/sites/default/files/nnsa/foiareadingroom/RR00389.pdf (Downloaded May 7, 2012)
[99] *Performance Evaluation Report for Babcock and Wilcox Y-12 Technical Services*, p. 33.

Downblend more highly enriched uranium and sell it as low enriched uranium
Revenue: $23 billion

The United States possesses an estimated 400 metric tons of highly enriched uranium (HEU), a fissile material used in nuclear weapons.[100] In 2010, POGO found that up to 300 metric tons of U.S. HEU was in excess of security needs and could be downblended into low enriched uranium (LEU)—which is unusable in nuclear weapons and therefore less of a terrorist target—and sold to nuclear power facilities.[101] While there is an initial cost associated with increased downblending, it is a small investment compared to the amount the U.S. currently spends keeping this excess material secure. With just a shoebox-full of HEU, a terrorist could create a blast as powerful as that created by the bomb dropped on Hiroshima. The U.S. currently downblends only 2 to 3 metric tons of HEU per year, but downblending more into LEU would reduce security risks, cut government spending, create jobs, and raise up to $23 billion in revenue for the Treasury.[102]

Service Contracts

Reduce spending on non-DoD national security federal service contracts by 15 percent
Savings: $33 billion

In FY 2011, non-DoD national security federal service contracts cost taxpayers more than $22 billion.[103] Last year, the White House proposed a government-wide 15 percent reduction in management service contracts.[104] We agreed with that proposal because POGO's *Bad Business* report found that the average annual contractor billable rate was nearly twice as much as the average annual full compensation for federal employees performing comparable services.[105]

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[100] Project On Government Oversight, *U.S. Nuclear Weapons Complex: How the Country Can Profit and Become More Secure by Getting Rid of Its Surplus Weapons-Grade Uranium*, September 14, 2010, p. 3. http://www.pogo.org/pogo-files/reports/nuclear-security-safety/downblending-heu/nss-nwc-20100914.html (Downloaded May 7, 2012) (Hereinafter *How the Country Can Profit and Become More Secure*)
[101] *How the Country Can Profit and Become More Secure*, p. 3.
[102] *How the Country Can Profit and Become More Secure*, p. 3.
[103] The non-DoD national security agencies we are examining are the Department of Homeland Security, State Department, U.S. Agency for International Development, Millennium Challenge Corporation, Central Intelligence Agency, Intelligence Community Staff, National Counterintelligence Center, and the Defense Nuclear Facilities Safety Board. There are, however, service contractors doing national security-related work in other agencies (e.g. nuclear scientists working with nuclear weapons for the Department of Energy), but because national security is not the primary mission of these agencies we did not include them in our estimates. Thus, the savings from reducing spending on non-DoD national security federal service contractors presented here are conservative estimates. USAspending.gov, "Prime Award Spending Data," http://1.usa.gov/KK1V1c (Downloaded May 7, 2012)
[104] Memorandum from Danny Werfel, Controller, and Daniel I. Gordon, Administrator for Federal Procurement Policy, to Chief Financial Officers, Chief Acquisitions Officers, and Senior Procurement Executives, regarding reduced contract spending for management support services, November 7, 2011, p. 1. http://www.whitehouse.gov/sites/default/files/omb/procurement/memo/reduced-contract-spending-for-management-support-services.pdf (Downloaded May 7, 2012)
[105] *Bad Business*, pp. 1-44.

Additionally, egregious waste, fraud, and abuse has been found in State Department[106] and Homeland Security service contracts.[107] Mandating a 15 percent reduction in non-DoD national security agency spending on all service contracts would help ensure these agencies take steps toward eliminating waste and finding more effective fiscal efficiencies. This reduction would still leave service contract spending at these agencies at a higher level than it was in 2007. This 15 percent reduction would save taxpayers $33 billion over the next ten years.[108]

Reduce spending on DoD service contracts by 15 percent
Savings: $372 billion

Reducing reliance on service contractors in the DoD was a priority championed by former Secretary of Defense Robert Gates.[109] The annual cost of DoD service contracts has nearly tripled since 2000,[110] and there is evidence that many service contractors are performing inherently governmental functions.[111]

In its latest budget, the DoD Comptroller's office claims a number of savings related to service contracts.[112] Specifically, they claim that strategic sourcing, better buying practices, and streamlining installation support will result in a total savings of $12.8 billion in FY 2013. But this is tiny compared to what the DoD spends yearly: According to the Comptroller, the DoD spent $248 billion on service contracts in FY 2010—more than it spent on all uniformed and civilian military personnel combined.[113]

Last year's defense budget temporarily froze Pentagon spending on contract services for FY 2012 and FY 2013, and was a step in the right direction—but more needs to be done. Reducing DoD spending on service contracts by 15 percent over the next ten years would still

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[106] The Department of State and the Broadcasting Board of Governors Office of Inspector General, *The Bureau of Diplomatic Security Kabul Embassy Security Force: Performance Evaluation*, September 2011. http://oig.state.gov/documents/organization/150316.pdf (Downloaded May 7, 2012)
[107] Robert O'Harrow Jr., "Homeland Security contracts under fire," *The Washington Post*, October 13, 2011. http://www.washingtonpost.com/business/economy/congress-probes-alleged-kickback-scheme-on-dhs-contracts-with-alaskas-eyaktek/2011/10/13/gIQAmKeUiL_story.html (Downloaded May 7, 2012)
[108] $3.3 billion per year times ten years. Based on the exponential rise in service contracting costs over the last decade, this is a very conservative estimate of the cost savings. It effectively assumes that service contracting costs would otherwise stay at FY 2011 levels. However, in the last decade, non-DoD national security service contract costs have risen almost every year.
[109] Jim Garamone, "Gates Puts Meat on Bones of Department Efficiencies Initiative," *Defense.gov*, August 9, 2010. http://www.defense.gov/news/newsarticle.aspx?id=60348 (Downloaded May 7, 2012)
[110] All DoD service contractor calculations based on data from Department of Defense, American Society of Military Comptrollers, "Service Support Contractors: One of the FY 2012 Budget Efficiencies," October 2011 http://www.asmconline.org/wp-content/uploads/2011/10/ASMCBreakfastServiceSupportContractors.pptx (Downloaded May 7, 2012) (Hereinafter "Service Support Contractors: One of the FY 2012 Budget Efficiencies,")
[111] Department of Defense, *Report to the Congressional Defense Committees on the Department of Defense's FY 2010 In-sourcing Actions*, September 2011, p. 5. http://www.pogo.org/resources/contract-oversight/co-gp-20110913.html (Downloaded May 7, 2012)
[112] Department of Defense, *Fiscal Year 2013 Budget Request*, February 2012, p. 6. http://comptroller.defense.gov/defbudget/fy2013/FY2013_Budget_Request.pdf (Downloaded May 7, 2012)
[113] "Service Support Contractors: One of the FY 2012 Budget Efficiencies," slide number 6.

leave contract spending at approximately the level it was in 2007,[114] when the U.S. was fighting in Iraq and Afghanistan. Even with this reduction, service contract spending would still be roughly on par with what the DoD spends on all uniformed and civilian personnel combined.[115] This 15 percent cut over the next ten years would save, at a minimum, $37.2 billion per year and result in a total savings of approximately $372 billion.[116]

Conclusion

As Congress searches for ways to cut spending, it only makes sense that it seeks savings in unproven, unnecessary, and wasteful national security programs. The savings and revenue identified by the Project On Government Oversight and Taxpayers for Common Sense for FY 2013 to FY 2022 include:

- $187.2 million by canceling the Lockheed Martin variant of the Littoral Combat Ship;
- $230 million by eliminating unrequested funding for the M1 tank;
- $6 billion by freezing development of unproven Ground-based Midcourse Defense system;
- $6 billion by canceling future satellites of the Space-Based Infrared System;
- $6.3 billion by deferring the next-generation bomber;
- $17.1 billion by replacing the V-22 Osprey with less expensive, more reliable alternative helicopters;
- $18 billion by cutting four submarines from the next-generation fleet;
- $18.4 billion by cutting aircraft carriers from 11 to 10 and Navy wings from 10 to 9;
- $32 billion by withdrawing 40,000 troops from Europe;
- $61.7 billion by replacing two of the three F-35 variants with the F/A-18 E/Fs, which are less expensive and have comparable capabilities;
- $76.5 billion through reforms to the DoD's TRICARE health care system;
- $2.1 billion by making NATO members share the burden of the B61 nuclear bombs in Europe;
- $3.7 to $5.9 billion by eliminating the Chemistry and Metallurgy Research Replacement-Nuclear Facility at Los Alamos National Laboratory;
- $4.9 billion by halting the construction of the MOX Fuel Fabrication Facility;
- $6.5 billion by canceling the Uranium Processing Facility at the Y-12 National Security Complex;
- $23 billion by downblending more highly enriched uranium and selling it as low enriched uranium;
- $33 billion by reducing spending on non-Department of Defense (DoD) national security federal service contracts by 15 percent; and
- $372 billion by reducing DoD service contracts by 15 percent.

Deficit Reduction: $688 billion

[114] "Service Support Contractors: One of the FY 2012 Budget Efficiencies," slide number 6.
[115] "Service Support Contractors: One of the FY 2012 Budget Efficiencies," slide number 6.
[116] $37.2 billion per year times ten years. Based on the exponential rise in service contracting costs over the last decade, this is a very conservative estimate of the cost savings.