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REPORT

How to Cut Half a Trillion Dollars from the Pentagon Budget Request and Strengthen National Security

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> *Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.*
> – President Dwight D. Eisenhower during his farewell address in 1961.

Providing for the nation's defense is one of the central responsibilities of the federal government. It requires a considerable amount of funding. But military spending is not a strategy. A strong national defense requires a genuine focus on defense, and a recognition that military might is not the only tool to advance U.S. national security interests. It requires a willingness to adapt—to learn from past mistakes, to recalibrate based on emerging technology and shifting geopolitical dynamics, and to prioritize investments that serve our needs while eschewing those that do not. It also requires an appreciation of the fiscal context in which it exists to ensure our ability to provide for the nation's defense well into the future.

Yet, too often, the undue influence of the military industry that President Eisenhower warned about during his farewell address leads policymakers to pursue an all-of-the-above approach, funding legacy programs we no longer need and emerging technologies that overpromise and underdeliver, at costs we cannot possibly sustain. Sustaining this problem is Congress's misplaced faith in the economic value of military investments, which create fewer jobs per dollar invested than most other areas of federal investment.[2] Compounding this problem is a myopic focus on speed in the name of outpacing threats—real and imagined—posed by adversaries, a focus that too often comes at the expense of servicemember safety, performance, cost efficiency, and, ironically, speed itself. The Pentagon's $1.5 trillion budget request for Fiscal Year 2027 is a product of these misplaced approaches to national security. As a corrective to this request, this report primarily concerns itself with cutting investments from the request that are not well adapted to our genuine national security needs.

On April 1, 2026, the White House Office of Management and Budget (OMB) released the President's Budget Request for FY2027, including a $1.54 trillion request for national security divided between a discretionary request for $1.15 trillion and an additional $350 billion request for mandatory funding through budget reconciliation.[3] This request represents a staggering 45 percent increase in one year.[4] To put that into perspective, U.S. military spending grew by more than 48 percent adjusted for inflation over the first 25 years of this century.[5]

As the national debt approaches $40 trillion, with interest payments on the debt surpassing $1 trillion annually, taxpayers cannot afford this excessive spending. As interest payments continue to grow, they will increasingly impinge on the availability of funds to address national priorities, including national security priorities. To ensure the long-term availability of funds for national security, the Pentagon must operate in the budget-constrained environment in which it exists. Doing so will not only reduce the upward impact of Pentagon spending on annual deficits and interest payments, it will also improve national security outcomes by keeping the Pentagon focused on programs that are truly necessary for national security.

Focusing solely on the Pentagon's accounts for Procurement and Research, Development, Test and Evaluation (RDT&E), this report identifies over $497 billion in cuts to the Pentagon's budget request by zeroing out wasteful programs, and by eschewing most increases compared to FY2025 enacted spending (the last time Congress passed a complete Pentagon budget on a bipartisan basis). In cases where Congress increased funding in FY2025 for specific programs, further cuts were identified to align spending with the FY2025 request. This approach is designed to offer a rough estimation of potential cuts that could be made to programs not examined in detail, recognizing that some programs may warrant increases beyond FY2025 levels, and others may warrant cuts below FY2025 levels. Of course, this does not preclude Congress from offering specific program increases to address any needs not included in the FY2027 request.

Regarding classified spending, the FY2027 budget request seeks over $90 billion—a nearly 50 percent hike from FY2025—for classified procurement and research programs, more than the entire annual budget for the Department of Housing and Urban Development. Recognizing the lack of public information on what this spending would entail, Congress could likely identify cuts to these opaque accounts that would bring classified spending back down to the level of the FY2025 request for $61.5 billion without harming national security. As such, classified programs were cut to align with the FY2025 request, with the exception of classified programs in Air Force missile procurement which were not cut.

By focusing on procurement and research accounts, these cuts would leave intact significant investments the FY2027 budget request seeks for other accounts, such as investments in the Facilities Sustainment, Restoration & Modernization program to address poor living conditions on military barracks, and pay raises for military personnel to invest in servicemembers and support recruitment and retention. However, further opportunities for cuts exist beyond procurement and research. As a rough barometer of potential savings in Operations and Maintenance (O&M), for example, cutting the Pentagon's FY2027 request for O&M to FY2025 enacted levels would save an additional $80 billion. In addition to the immediate savings enacting the cuts proposed herein would generate, significant long-term savings would follow both within procurement and research, as well as in operations and maintenance costs associated with these programs.

You can view the complete cut list in an Excel spreadsheet here. Importantly, this cut list is by no means a comprehensive accounting of every program that could be cut without negatively impacting national security outcomes, nor is it necessarily an endorsement of funding that was not cut. Rather, it is a conservative accounting of cuts Congress could make while strengthening U.S. national security by ensuring greater focus on necessary programs. The following programs represent some of the largest cuts identified in the cut list.

F-35 Fighter: $14.2 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
F-35	Aircraft Procurement, Air Force	Weapon System Cost	$5,280,737,000
F-35	Aircraft Procurement, Air Force	Advance Procurement (CY)	$738,103,000
Joint Strike Fighter CV	Aircraft Procurement, Navy	Weapon System Cost	$5,298,723,000
Joint Strike Fighter CV	Aircraft Procurement, Navy	Advance Procurement (CY)	$651,081,000
JSF STOVL	Aircraft Procurement, Navy	Weapon System Cost	$2,116,228,000
JSF STOVL	Aircraft Procurement, Navy	Advance Procurement (CY)	$77,963,000
		Total Savings:	$14,162,835,000

The F-35 is the epitome of expensive-yet-underperforming Pentagon programs. With a projected lifecycle cost of over $2 trillion, it is among if not the most expensive program in the history of the United States military, which is ironic, given its sales pitch as an affordable replacement for the A-10 and F-16.[6] Despite this astronomical cost, its operational readiness is abysmal. Per the latest report from the Government Accountability Office (GAO), Congress' investigative arm, only 1 in 4 F-35s are fully mission capable at any given time.[7]

As the posterchild for Pentagon waste, the platform should be at the top of the list for cuts. Yet inexplicably, the FY2027 request seeks 85 new F-35s, almost twice as many as it sought in FY2026. The biggest issue is the aircraft's poor readiness, which, alongside ballooning sustainment costs, do not warrant adding even more of the strike fighters to the fleet. As such, we propose cutting all funding for new F-35 procurement in FY27, and withholding funding for new procurement in future years until the program meets its readiness goals and significantly reduces sustainment costs.

Sixth-Generation Fighters: $5.7 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
F-47	Research, Development, Test & Evaluation, Air Force	N/A	$5,037,904,000
Next Generation Adaptive Propulsion	Research, Development, Test & Evaluation, Air Force	N/A	$513,681,000

Next Generation Fighter	Research, Development, Test & Evaluation, Navy	N/A	$140,613,000
		Total Savings:	$5,692,198,000

As we have pointed out, the Pentagon already has its hands full with one expensive, complex, and poorly sustained strike fighter. It stands to reason, then, that it should not pursue two additional programs, especially when those programs risk falling into the same traps as the F-35. Those traps include the pursuit of large, complex sets of capabilities under one platform, concurrent development and production, and a failure to adequately assess alternatives, all of which could lead to similarly dire cost-overruns, scheduling delays, performance shortfalls, and sustainment problems.[8] As such, we propose zeroing out funding for the F-47 and F/A-XX programs in the RDT&E budget. Until the Pentagon can make real, effective reforms to the F-35, it should not pursue the development of sixth-generation fighters.

Trump-Class Battleship: $1 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
BBG(X)	Shipbuilding & Conversion, Navy	Advance Procurement (CY)	$1,000,000,000
		Total Savings:	$1,000,000,000

While shipbuilding is a worthy area for reform, and there is room for discussion about what the next generation of gray hulls should look like, the Trump-Class Battleship moves in every possible wrong direction. Its issues are already plentiful, and the ship doesn't even have a finalized design yet.[9] As such, we are advocating for a full cut of the program from the RDT&E budget.

Before costs are even considered, the strategic concept of the Trump-Class Battleship is antithetical to the requirements of modern naval combat, and runs directly counter to the Navy's own warfighting doctrine.[10] As Operation Epic Fury has shown, cheap, distributed mass rules the battlefield against exquisite, technically complex, low-density, and expensive weapon systems. Alternatively, expensive, technically complex, low-density ships like the proposed Trump-Class Battleship would become easy targets in the event of a conflict, destined to either be immediately sunk by adversaries, or stuck on the dock, too precious and vulnerable to deploy. Channeling already limited shipbuilding resources into a platform of this cost and scale pulls the Navy in the opposite direction of necessary adaptations for modern warfare.

Beyond its strategic shortfalls, the ship's price tag renders it a non-starter. Conservative estimates from the Congressional Budget Office (CBO) put the first ship's cost between $14.3 billion and $20.6 billion in FY25 dollars if procured in FY30.[11] If factors like design delays, component development, and industrial base limitations slow that timeline, the costs only increase.

Aircraft Carriers: $1.9 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
Carrier Replacement Program	Shipbuilding and Conversion, Navy	Advance Procurement (CY)	$1,940,566,000
		Total Savings:	$1,940,566,000

Procurement of aircraft carriers is an area that can always benefit from increased scrutiny. As already discussed, shipbuilding is in dire need of oversight and reform, and the carriers are at the top of the list. As it stands, we are advocating for cuts to funding for new aircraft carriers, considering the rampant cost overruns across every aspect of carrier procurement. Furthermore, as with the Trump Battleship, the size and employment strategy of aircraft carriers makes them similarly vulnerable in the event of a peer or near-peer conflict.

The budget for future ships – those that have yet to start being built but have already been "designated" for procurement – should be cut entirely considering the issues and cost overruns associated with the program overall. Like many programs we have already highlighted, these issues need to be resolved before more money is spent. We recognize the sunk cost of those already in production, and do not advocate for ceasing those efforts. However, we do believe that they should be made as resilient as possible, to ensure longevity and limit the necessity for rapid replacements. Identified technical problems – like those with the catapults, arrestors, and weapons elevators – should also be solved rather than perpetuated.[12]

Instead of throwing more money at a platform riddled with technical issues, the CVN program should be drawn down by ensuring the 11 ships in service and three currently in production are maintained and completed in a cost-effective manner, while forgoing investments in new units of an increasingly vulnerable platform.[13]

Sentinel ICBM: $4.7 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
Ground Based Strategic Deterrent	Missile Procurement, Air Force	Weapon System Cost	$110,882,000
Intercontinental Ballistic Missile – Dem/Val	Research, Development, Test & Evaluation, Air Force	N/A	$72,112,000
Ground Based Strategic Deterrent EMD	Research, Development, Test & Evaluation, Air Force	N/A	$4,521,370,000
		Total Savings:	$4,704,364,000

The Sentinel intercontinental ballistic missile (ICBM) program is not a good use of taxpayer dollars. ICBMs are the most vulnerable leg of the nuclear triad, and are only growing more vulnerable with the proliferation of hypersonic weapons. U.S. nuclear-armed submarines and bombers provide more than enough destructive force

to deter U.S. adversaries from launching a nuclear attack. The current U.S. fleets of ballistic missile submarines and B-52s carry nuclear warheads with a combined explosive yield thousands of times more powerful than the bomb dropped on Nagasaki.[14] ICBMs were once considered more accurate and powerful than other nuclear weapons, but today, submarine-launched ballistic missiles are at least as accurate and capable of delivering higher-yield bombs.[15] In other words, ICBMs no longer offer meaningful capabilities or benefits that the other two legs of the triad do not possess.

The program is also wildly over budget. In 2024, the Pentagon was forced to notify Congress of a 37 percent cost-overrun, triggering a review of the program under the Nunn-McCurdy Act. The Air Force certified the program to continue under a restructured approach, while noting that the restructured program would come in 81 percent over budget and several years behind schedule.[16]

National security experts have called for eliminating the land-based leg of the triad altogether. Gen. George Lee Butler, former head of U.S. Strategic Command, said in 2015 that he "would have removed land-based [nuclear] missiles from our arsenal a long time ago."[17] Former Secretary of Defense William Perry and former Vice Chairman of the Joint Chiefs of Staff General James Cartwright also called for the elimination of the land-based leg of the nuclear triad, arguing that ICBMs, due to their vulnerability and inability to be recalled, "carry higher risks of accidental war that, fortunately, we no longer need to bear."[18]

B-21: $7 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
B-21 Raider	Aircraft Procurement, Air Force	Weapon System Cost	$3,092,615,000
B-21 Raider	Aircraft Procurement, Air Force	Advance Procurement (CY)	$1,005,667,000
Long Range Strike – Bomber	Research, Development, Test & Evaluation, Air Force	N/A	$2,862,677,000
		Total Savings:	$6,960,959,000

While the Air Force is in a self-admitted transition period between different generations of long-range bombers, that does not excuse the costs of keeping four currently on the books – the B-21, the B-52, the B-1, and the B-2. Issues pertaining to this budget request lie mainly with the B-21, between its cost issues, production rate and supply chain constraints, and poor oversight management.[19] Additionally, there are concerns that once the platform is procured at scale, it will already be technologically obsolete.[20]

For these reasons, we believe the B-21 program can and should be cut entirely, especially since the Air Force is also already spending significant money to comprehensively modernize the existing B-52Hs into B-52Js, with new Rolls-Royce F130 engines and AN/APQ-188 AESA radars.[21] These modernization efforts should extend the

service life of these aircraft into the 2050s, leaving Congress and the DOD time to reform procurement and engage in much more meaningful oversight for a suitable, cost-effective replacement platform.

Munitions: $19.6 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
Terminal High Altitude Area Defense (THAAD)	Missile Procurement, Army	Weapon System Cost	$10,528,043,000
Precision Strike Missile (PrSM)	Missile Procurement, Army	Weapon System Cost	$692,000,000
Conventional Prompt Strike	Weapons Procurement, Navy	Weapon System Cost	$750,387,000
Tomahawk	Weapons Procurement, Navy	Weapon System Cost	$1,993,803,000
Standard Missile	Weapons Procurement, Navy	Weapon System Cost	$2,989,057,000
MSE Missile	Weapons Procurement, Navy	Weapon System Cost	$1,632,988,000
Joint Advanced Tactical Missile	Missile Procurement, Air Force	Weapon System Cost	$1,055,876,000
Total Savings (additional munitions cuts included in spreadsheet)**:**			$19,642,154,000

Perhaps the area with the most necessity for strategic consideration is munitions procurement. As a result of the war with Iran, U.S. stockpiles of munitions have been significantly depleted. In light of the need to replenish certain munitions, the cut list proposes a modest set of cuts relative to the budget request, which still ultimately allow for significant increases to many munitions accounts.

Since Operation Epic Fury, multiple framework agreements have been made public between the DOD and defense manufacturers, and discourse surrounding the necessity of building up the industrial base to increase munitions production has buzzed through Congress and defense policy spaces.[22] However, much of the discussion centers on the idea that these framework agreements will solve the depletion problems incurred by Operation Epic Fury's expenditure. This is a false narrative, as none of these agreements will actually speed up production for the next three to, in some cases, seven years.[23] Munitions procurement should be approached with care to achieve a balance between stockpile replenishment and cost savings, while avoiding frontloading costs now in the name of falsely advertised "rapid" procurement.

For munitions, cuts fell into five different categories:

- Capabilities Overlap: where multiple munitions overlap with identical or near-identical capabilities, we made cuts to keep procurement efficient.

- Generational Overlap: when multiple generations of the same munition are being procured, we cut one to keep procurement efficient.
- Reversion to the FY25 base budget
- Reversion to the FY26 base budget
- A cut of the mandatory (reconciliation) portion

Some of the most obvious capabilities overlap is within the hypersonic programs – the Pentagon currently has four simultaneous hypersonic programs – the Air Force AGM-183A, the Army LRHW, Air Force HACM, and the Navy Conventional Prompt Strike (CPS). While they are fired from different platforms, their fundamental capabilities overlap enough that simultaneous funding for all four programs should be critically considered. The cuts proposed herein serve as one proposal for how to address the situation. Additionally, we are cutting the complete FY27 request for the CPS, given the munitions cost and the fact that it is not currently fired from any operational platforms at this time. If the Navy requires CPS missiles for testing, it should fund those through RDT&E.

Generational overlap occurs throughout the budget, with the Joint Advanced Tactical Missile's simultaneous procurement with its predecessor, the Advanced Medium-Range Air-to-Air Missile (AMRAAM), being most notable. However, recognizing the stockpile issues, the cut list does not include a complete cut of AMRAAM procurement. Instead, it cuts the FY27 mandatory request while retaining a discretionary increase as a realistic way to replenish munitions from an already established supply chain and manufacturing pipeline without overspending as it moves towards ultimately being phased out in favor of the next generation.

Another area of note is the increase in proposed FY27 spending for the Marine Corps artillery munitions – a four-fold increase from the FY25 amount. This is likely due to the increased procurement of Precision Strike Missiles for HIMARS as the next-generation munition replacement for the ATACMS. This does not qualify as a generational overlap, as ATACMS have not been procured since at least 2022, with those fired in recent years coming from previously procured stockpiles. However, the new generation – the PrSM – costs almost $2 million more per missile than the previous generation. As such, the cut list removes the FY27 mandatory request. Should the PrSM become the backbone of long-range artillery operations, Congress and DOD should pursue cheaper methods of manufacturing at scale.

Returning to Operation Epic Fury, the issues surrounding defensive interceptors warrant scrutiny. Defensive interceptors have gained a significant amount of attention given their high cost and rapid depletion in the conflict against Iran. As such, the cut list takes a conservative approach—while Congress and DOD should actively pursue lower cost options compared to the exquisite air defense systems at the center of U.S. defensive munitions today, there are valid arguments for replenishing stockpiles to some degree. As such, cuts to those munitions, like the PAC-3 MSE and SM-6, were made with a conservative eye towards realistic procurement requirements, while still negating the overspending envisioned in the Pentagon's budget request.

Another munition heavily employed during Operation Epic Fury was the Tomahawk. Expenditure of the Tomahawk—per open-source assessments—was extreme, with the number of missiles shot vastly exceeding recent procurement. It is clear that this offensive munition has been central to U.S. operations and warrants

replenishment at scale. However, similarly to defensive interceptors, replenishment should not necessarily occur on a 1-for-1 basis, nor should it all be frontloaded in this year's procurement budget. The rapid depletion of Tomahawks during the Iran War suggests that this platform may not be the most cost-effective approach to U.S. munitions needs, particularly in the case of protracted conflicts. The cut list therefore recommends more limited replenishment funding than the Pentagon's budget request seeks.

Maintaining deterrence and ensuring readiness for a future fight requires some increased spending this year to address the munitions shortfalls created by the Iran War. However, ballooning costs in the name of replenishment with little regard for actual delivery timelines could quietly set a new baseline for spending, further bloating the Pentagon budget for years to come. Targeted cuts to munitions still leave room for reasonable procurement and stockpile replenishment

National Guard and Reserve Equipment Funds: $1 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
Misc Equipment – Army Reserve	National Guard and Reserve Equipment	Weapon System Cost	$155,000,000
Misc Equipment – Navy Reserve	National Guard and Reserve Equipment	Weapon System Cost	$57,000,000
Misc Equipment – Marine Corps Reserve	National Guard and Reserve Equipment	Weapon System Cost	$23,000,000
Misc Equipment – AF Reserve	National Guard and Reserve Equipment	Weapon System Cost	$155,000,000
Misc Equipment – Army National Guard	National Guard and Reserve Equipment	Weapon System Cost	$305,000,000
Misc Equipment – Air Force National Guard	National Guard and Reserve Equipment	Weapon System Cost	$305,000,000
		Total Savings:	$1,000,000,000

Six line items in the Pentagon's Procurement Programs (P-1) budget justification document begin with the words "Misc Equipment" before listing various components of the National Guard and Reserve forces. As this language suggests, these line items are effectively slush funds. Unlike most programs included in the P-1, these line items are not justified in detail elsewhere in the justification books. Historically, these accounts have not been funded in the Pentagon's budget request, but rather added by Congress during the budget process. This budget breaks that trend by including National Guard and Reserve Equipment Account (NGREA) funds in the budget request.

According to a Department of Defense report on National Guard and Reserve Equipment for FY2024, "NGREA is used to supplement the Military Services' budget request to provide investments in RC equipment that do

not meet the Military Services' respective prioritization thresholds."[24] However, appropriating funds for such a broad purpose undermines congressional oversight and runs the risk of wasting taxpayer dollars through poorly defined and supervised accounts. If the National Guard and Reserve components need additional funding, the Pentagon should either include it within other existing program elements that require explanations, or, if such funding does not meet the services' prioritization thresholds, Congress should appropriate any necessary funds through increases to specific program elements to address specified needs.

Golden Dome: $17.7 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
Golden Dome for America - MDA	Golden Dome for America Fund (Procurement)	N/A	$1,781,400,000
Golden Dome for America – Air Force	Golden Dome for America Fund (Procurement)	N/A	$365,700,000
Golden Dome for America - DARPA	Golden Dome for America Fund (RDT&E)	N/A	$174,300,000
Golden Dome for America - MDA	Golden Dome for America Fund (RDT&E)	N/A	$4,496,600,000
Golden Dome for America - SCO	Golden Dome for America Fund (RDT&E)	N/A	$200,000,000
Golden Dome for America – Directed Energy System Development, Integration and Assessment	Golden Dome for America Fund (RDT&E)	N/A	$452,000,000
Golden Dome for America – Army	Golden Dome for America Fund (RDT&E)	N/A	$427,000,000
Golden Dome for America – Air Force	Golden Dome for America Fund (RDT&E)	N/A	$615,000,000
Golden Dome for America – USD(I&S)	Golden Dome for America Fund (RDT&E)	N/A	$496,702,000
Golden Dome for America	Golden Dome for America Fund (RDT&E)	N/A	$2,823,488,000
Golden Dome for America – Space Programs	Golden Dome for America Fund (RDT&E)	N/A	$4,536,698,000
Improved Homeland Defense Interceptors	Research, Development, Test & Evaluation, Defense-Wide	N/A	$1,344,824,000
		Total Savings:	$17,713,712,000

Golden Dome for America, a missile defense shield first announced by executive order, is an inviable, wasteful,

costly, and strategically counterproductive program. It's central aim—to defend "the nation against any foreign aerial attack"—is simply unachievable, as no missile defense system can reliably defend the entire United States from the threat of nuclear-armed intercontinental ballistic missiles (ICBMs).[25]

While the president initially claimed that the cost of acquiring a system he described as "impenetrable" would come to $175 billion, the Congressional Budget Office (CBO) recently offered its own analysis suggesting that a Golden Dome-like system could cost taxpayers $1.2 trillion over 20 years. CBO noted that "details about what and how many systems will be deployed—the 'objective architecture'—have not been released, making it impossible to estimate the long-term cost of the GDA [Golden Dome for America] system being contemplated by DoD." As such, CBO characterized its estimate as "the cost of a notional NMD [national missile defense] architecture based on the defensive systems and capabilities that are called for in the executive order." Importantly, the system CBO considered would rely heavily on a constellation of 7,800 space-based interceptors "capable of engaging a raid of 10 ICBMs launched nearly simultaneously," far from enough interceptors to offer a meaningful defense against Russia and China's arsenal of hundreds of nuclear weapons.[26]

Other independent analyses have suggested the costs of Golden Dome could be even higher. An analysis by the American Enterprise Institute estimated that a robust architecture for Golden Dome could cost taxpayers $3.6 trillion over 20 years, and still fall short of 100 percent efficacy.[27]

In addition to the cost and viability concerns associated with Golden Dome, the program's strategic consequences could be far reaching. In general, funding missile defense technologies designed to defend against nuclear weapons is destabilizing, as it encourages nuclear-armed adversaries to expand their nuclear arsenals and pursue new nuclear weapons capabilities to maintain the precarious balance of power that exists between nuclear-armed nations. Funding for space-based interceptors (SBIs) included in this budget request is of particular concern, as it not only exacerbates the risk of a nuclear arms race, it also invites a race to weaponize space, as SBIs are themselves missiles that could be used for offensive purposes. In short, funding these programs would be an emphatic return to the brinksmanship status quo of the Cold War.

While much of the funding for Golden Dome falls under the Golden Dome for America Fund, the budget request includes funding increases for other missile defense programs that existed prior to Golden Dome, but that are now considered part of the Golden Dome program. While the Pentagon's refusal to release the architecture for Golden Dome makes it difficult to know which preexisting programs will or will not fall under the program in future years, there are some indications. During the House Armed Services Committee markup of the National Defense Authorization Act (NDAA), Rep. Scott DesJarlais (R-TN), the Chair of the Subcommittee on Strategic Forces, said that, "While the funding for the president's Golden Dome initiative falls within the department's request for mandatory funds, this bill authorizes significant increases in FY27 for many programs across the services that will contribute to the [Golden Dome] architecture and broader missile defense efforts, including space-based sensing, development of the Next Generation Interceptor, and Standard Missile-3 Block 2B procurement."

The Pentagon is developing the Next Generation Interceptor (NGI) under the Improved Homeland Defense Interceptor program. Billed as an upgrade to the Ground-based Midcourse Defense (GMD) system, NGI is simply another iteration in a growing list of failed programs dating back to President Reagan's Strategic Defense Initiative (SDI) that pursue a fundamentally ill-advised role for missile defense—defending the United States from intercontinental ballistic missiles (ICBMs).

When it comes to defending the United States from nuclear weapons, anything short of 100 percent success is unacceptable, because even one nuclear weapon penetrating these defenses would be catastrophic. The GMD system that NGI would "upgrade" has a nominal success rate of 60 percent. But as abysmal as that success rate is, the reality is actually worse, because GMD tests have been highly scripted and manufactured for success. The testers often know the time and location of the launch in advance, the targets are often painted in bright colors to differentiate them from decoys (differences which are programmed into the interceptors in advance), and every successful test was timed so that the sun illuminated the targets. And none of these tests attempted to intercept a salvo of missiles.[28] So even the concerning 60% success rate was earned in a highly unrealistic and controlled vacuum with little relation to how these systems would be expected to operate in a real situation.

As NGI races toward an all-up-round (AUR) critical design review (CDR) slated for December that would allow the program to move from design to testing, it is facing technical problems. According to Missile Defense Agency Director Lt. Gen. Heath Collins, the agency is "identifying some issues with some of these new systems: the solid-rocket motor, the inertial-measurement unit as well as some in the sensors."[29] Even if these issues are resolved, MDA is poised to repeat its practice of exaggerating success rates when it moves into the testing stage. According to the Government Accountability Office (GAO), the Missile Defense Agency (MDA) rejected four of five recommendations GAO made for NGI, including a recommendation that MDA use "models and simulations that fully represent stressing intercept conditions for NGI performance and technology maturation assessments."[30]

Even if NGI works exactly as planned, a dubious prospect given MDA's apparent plan to continue relying on unrealistic tests, it promises only marginal capability improvements relative to GMD interceptors. For instance, each interceptor would be capable of carrying multiple kill vehicles, increasing the number of targets that they could theoretically intercept. But such improvements do not solve the fundamental numerical challenge involved with defending against ICBMs. Russia and China each have hundreds of nuclear weapons, and are in the process of expanding their arsenals. The Pentagon was originally only planning to build 31 interceptors—21 to deploy and 10 for testing—far from enough to offer a meaningful defense against these peer threats.[31]

Moreover, even for lesser threats like those posed by North Korea's arsenal, this system would face the same fundamental challenges as any missile defense system designed to defend against ICBMs—decoys, maneuverable warheads, salvo attacks, and the prospect of a successful interception leading to a nuclear detonation in space, which could effectively blind radar systems and make it impossible to track and intercept additional targets.[32]

In short, NGI, like other elements of Golden Dome aiming to reliably defending the United States from intercontinental-range nuclear missiles, is doomed to fail and waste billions of taxpayer dollars in the process.

Pentagon Contractor Subsidies: $50 Billion

Program Element	Account Title	Cost Type Title	Proposed Cuts
Defense Production Act Purchases	Defense Production Act Purchases	Weapon System Cost	$30,005,596,000
Office of Strategic Capital Loan Program	Defense Strategic Capital Credit Program	Weapon System Cost	$20,077,751,000
		Total Savings:	$50,083,347,000

In 1950, in response to the Korean War, Congress passed the Defense Production Act (DPA), creating a set of mechanisms through which the federal government could exercise authority over industries related to national security and make direct investments in response to urgent needs.[33] Under Title III of the Defense Production Act, federal agencies can use funds appropriated for DPA purchases to subsidize military production. DPA is thus an important tool for ensuring that the military gets what it needs from industry when industry cannot meet those needs on its own.

In FY2025, the Pentagon spent about $496 million in DPA purchases. In FY2026, Congress approved $1.32 billion. The FY2027 request for $30.43 billion represents a nearly 23-fold increase over this year's enacted levels. The Pentagon's justification book for this spending is 32 pages long, and only has about 10 pages of actual explanations.[34] It includes $6.8 billion for "critical chemicals supply chain," $5.6 billion for "missile and munitions production," $1.4 billion for "hypersonic supply chain," $6.4 billion for "strategic and critical materials," $4.3 billion for "manufacturing," $2.1 billion for "energy storage and batteries," $1.8 billion for "microelectronics," and $1.6 billion for "other industrial base investments." For each of these investments, the justification book offers short and vague explanations, effectively giving the Pentagon a slush fund for each broad area of investment to circumvent congressional oversight. Despite the lack of specificity, the broad approach is clear: the Pentagon aims to dramatically increase subsidies for military contractors to ramp up production more quickly than the industry would be able or willing to on its own.

There are several problems with this approach. The first is that the industry is in fact capable of making significant investments to expand its production capacity on its own, it would just rather have taxpayers cover those costs so it can invest in boosting executive pay and shareholder profits. From 2021 to 2024, the top four Pentagon contractors—Lockheed Martin, RTX (formerly Raytheon), General Dynamics, and Northrop Grumman—spent $89 billion on stock buybacks and dividends, up from $39 billion during the previous four years. That's hardly indicative of an industry struggling to get by or incapable of investing in expanding production capacity. About two-thirds of that $89 billion was effectively financed by taxpayers.[35]

The second problem is that even with all the right investments, regardless of who picks up the tab, industry may still struggle to ramp up production. That's partly because they need predictable demand, not just more money for capacity. The investments this budget request envision, however, would lead to less predictable demand as they are neither fiscally nor politically sustainable.

The third and most fundamental problem is the strategy behind this desired ramp up. While there are some areas like munitions that do need more significant investments than prior years due to the depletion of stockpiles during the Iran War, this budget request goes above and beyond the nation's legitimate defense needs. A more restrained, defense-focused strategy would not require this major ramp up, and that is the type of strategy this report urges policymakers to pursue as they work through the budget process.

The ramp up in funding for the Office of Strategic Capital Loan Program is similarly precipitous and ill-advised. The program received about $288 million in FY2025, and about $1.45 billion in FY2026. For FY2027, the Pentagon is seeking $20.2 billion for the program, a nearly 14-fold increase over last year's enacted levels. Loaning out billions of dollars to Pentagon contractors is fiscally reckless. It creates a perverse incentive for the Pentagon to continue funneling contracts to companies that it has loaned money to in order to help ensure those loans are recouped, even if those companies are not the best choice for the task at hand. It's a self-perpetuating conflict of interest on an agency-wide scale. It also leaves taxpayers holding the bag if those companies fail to pay back the loans. We can invest in the capabilities we need without forcing taxpayers to shoulder this unnecessary risk.

Conclusion

The Trump Administration's proposed $1.5 trillion Pentagon budget is forcing policymakers to confront an uncomfortable truth: for far too long, the United States has taken an almost entirely additive approach to military capabilities while failing to cut or forgo wasteful and unnecessary military programs. This approach has come at the expense of the nation's fiscal health, at the expense of greater investments in other budget priorities, and at the expense of national security itself.

This approach was the result of policymakers becoming more beholden to the profit interests of Pentagon contractors than to the fiscal and security interests of their taxpaying constituents. Lawmakers on both sides of the aisle often nod to the national security arguments in favor of the systems they support, while omitting the campaign contributions they receive from the manufacturers of those systems, and celebrating the jobs such investments may bring to their states or districts.[36]

Implementing transparency measures and campaign finance reforms are critical to addressing the undue influence of the military industry. But lawmakers should also recognize the shortcomings of treating federal spending in general, and the Pentagon budget in particular, as a jobs program. Lawmakers have a responsibility to represent the interests of their constituents—but not at the expense of the country's fiscal health and national security. Moreover, promises of Pentagon contracts bringing plentiful and high-paying jobs are increasingly hollow.[37] Even as U.S. military spending ballooned by 22 percent from the mid-1980s to 2020, the number of people employed by military contractors shrunk from 3.2 million to 1.1 million, and the average inflation-adjusted salaries dropped by more than $20,000.[38] Research has consistently shown that federal investments in non-military programs yield more jobs per dollar than money spent on the military.[39]

Faced with the enormity of the Pentagon's budget request, over $1 trillion a year in interest payments on the nation's nearly $40 trillion debt, and a public increasingly concerned with both the size of the Pentagon's

budget and the liberties it has taken with those funds, lawmakers have every reason to regrow the atrophied muscles that once allowed them to cut wasteful Pentagon spending.[40] For those that pursue this rehabilitation, we hope this cut list will offer a place to start.

Endnotes

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