

2010 Weapons Winners and Losers

In Defense circles, April 6, 2009 has become known as “Black Monday.” When Defense Secretary Robert Gates revealed the Defense Department’s FY2010 budget that day, eight major DOD programs were marked for death and several others targeted for deep reductions. Of the eight, six went to their graves while two held on to fight another year. After the dust settled on the budget battlefield, we did a close examination to figure out the factors that contributed to some programs’ survival and others’ demise.

- The obvious: programs with lots of associated jobs and Congressional champions endure.
- The more troubled a program’s history, the less likely that a lawmaker will rise to the task of becoming its champion.
- The willingness of executive branch leadership to go to the mat makes all the difference. The fact that Gates was a Republican holdover respected within the military and willing to work both sides of the aisle in Congress to fight for his decisions was a crucial factor in controversial cuts like the F-22.
- Members of the powerful defense appropriations committees are essentially champions of all programs, since they [receive the most money from defense companies and give the most earmarks](#).
- Redirecting savings from proposed cuts into other defense programs creates winners and softens opposition.

Following the corporate money helps illustrate these lessons. Lockheed Martin or Boeing is the prime contractor for all but one of the eight targeted programs. Both of these companies spend heavily to lobby Congress: Boeing spent \$10.7 million and Lockheed Martin more than \$10 million on both in-house and external lobbyists in 2009. The two are also the largest Congressional donors in the defense aerospace sector, according to the Center for Responsive Politics. Boeing’s corporate political action committee (PAC) contributed \$2.4 million to politicians and politicians’ PACs since 2007, and Lockheed Martin’s PAC contributed \$2.6 million.

Here’s a rundown of the programs and how they fared.

C-17 Globemaster Strategic Airlift Aircraft

Status: *Alive and kicking*. The C-17 has survived on Congressional welfare for years. Though the Defense Department says the 205 planes already purchased by the Air Force provide sufficient airlift, Congress added 10 extra C-17s to the FY2010 defense spending bill at a cost of \$2.5 billion. Lawmakers also added \$2.2 billion for eight planes in the FY2009 supplemental spending bill and \$2.4 billion for 10 planes in the FY2008 defense spending bill. Though a few lawmakers have emerged as the plane’s chief champions, the program employs enough people across enough districts—parts are reportedly made in 44 states—to prompt 18 senators to write the Senate Appropriations Committee chairman and ranking member last year asking him to keep the line alive.

Prime Contractor: Boeing

Savings/Cost: \$3 billion for each year the line would stay open.

Congressional champions: Lawmakers from Missouri and California, where the plane is assembled, fought hardest to keep the plane in production. These include Senators Kit Bond (R) and Claire McCaskill (D) and Representatives Todd Akin (R), Russ Carnahan (D) and Kenny Hulshof (R) from Missouri, and Senators Barbara Boxer (D) and Dianne Feinstein (D) from California. Senate Defense Appropriations Chairman Daniel Inouye is also a vocal fan.

Lobbying/Campaign Contributions: In addition to its in-house lobbying on the C-17, Boeing spent more than \$400,000 in 2009 on outside firms that specifically named the C-17 as a lobbying target. Boeing’s PAC contributed heavily to Bond (\$20,000), Akin (\$20,000) and Carnahan (16,000), but the most went to Inouye (D-HI) (\$25,000).

F-22 Raptor Fighter Aircraft

Status: *Dead*, but only after a long and bloody fight. A Cold War relic designed to take on fighters the Soviets were going to build, the Raptor was long protected by Lockheed Martin's canny distribution of its production across 44 states, though the principal assembly facilities are located in Marietta, Georgia; Palmdale, CA; and Fort Worth, Texas. The program's termination followed a high-profile battle between Congress and the White House featuring a veto threat from President Obama and an expensive advertising campaign by Lockheed Martin that claimed the program provided more than 20,000 jobs. But the \$350,000 Lockheed Martin spent on outside lobbyists to work on the F-22 proved no match against Gates, who walked the halls of Congress to defend what became the symbol of his reform efforts (the sting was lessened by the transfer of funding to the Joint Strike Fighter, another Lockheed Martin program). The fight culminated in the eleventh-hour victory of an amendment sponsored by Sen. John McCain to strip \$1.7 billion for the planes out of the 2010 defense authorization bill, after which appropriators followed suit.

Prime contractor: Lockheed Martin

Savings/Cost: \$3.5 billion for each year the line would stay open.

Congressional champions: Georgia lawmakers Rep. Phil Gingrey (R) and Sen. Saxby Chambliss (R) served as the program's main champions, while Buck McKeon (R-CA) and Kay Granger (R-TX) also defended the program strongly.

Lobbying/Campaign Contributions: Lockheed Martin's PAC donated \$19,000 to Gingrey's campaign committee since 2007, as well as \$19,000 to McKeon and \$20,000 to Granger.

Joint Strike Fighter Alternate Engine

Status: *Alive and Kicking*. Congress has already added more than \$2 billion to spending bills for developing a backup engine for the U.S. military's next-generation aircraft, the Joint Strike Fighter. The House originally added \$465 million to their 2010 defense spending bill for the alternate engine, but attempted to pay for it by cutting two of the 30 planes requested by the White House. The Senate blocked the extra engine but funded all 30 planes following a Presidential threat to veto any bill that would "seriously disrupt" the program. The final solution? Fund both the second engine and all 30 planes, of course!

Prime Contractor: Lockheed Martin (aircraft); Pratt & Whitney (primary engine); General Electric/Rolls Royce (alternate engine)

Savings/Cost: more than \$1 billion

Congressional Champions: Pratt & Whitney's parent company, United Technologies, employs thousands of people in Connecticut. The state's delegation, particularly Sen. Chris Dodd (D) and Rep. Rosa DeLauro (D), spoke out against the second engine. Four lawmakers from Ohio, where General Electric is based, sponsored a \$170 million earmark for the alternate engine in 2007, while Indiana lawmakers such as Sen. Evan Bayh also supported the program because of the hundreds of jobs Rolls Royce brought to their state.

Lobbying/Campaign Contributions: United Technologies took care of Connecticut lawmakers up for reelection: \$10,000 each for Reps. DeLauro and John B. Larson (D) since 2007. General Electric and Rolls Royce spend far less on campaign contributions than other aerospace companies: However, the alternate engine launched many expensive lobbying efforts. Rolls Royce paid Michael Ryan of MD Ryan Associates and the Mattoon & Associates firm, run by former Republican operative and Hastert staffer Dan Mattoon more than \$40,000 in 2009 on issues including a "support for F-136 Alternate Engine" and a "competitive bid procedure for the dual engine program of the Joint Strike Fighter." General Electric paid Michael M. Matton and Associates, run by a former Boeing VP, \$80,000 for issues including "procurement R&D for the JSF Alternate Engine." And United Technologies lobbyists spent more than \$4.5 million on issues including F-35s and "alternate engine defense authorization."

Future Combat Systems Manned Ground Vehicles

Status: *Snipped*. Future Combat Systems (FCS) is the Army's massive "modernization" program, built around the concept of a 14-weapon ground force connected by a sophisticated computer network. Costs for the program have increased more than 75 percent and the schedule stretched by eight years since its inception. The "system of systems" contracting approach—Boeing has reportedly commissioned over 250 subcontractors in 41 states and 220 Congressional districts—means various lawmakers can stand up for components produced in their state. The White House said the program's manned ground vehicles were "the most controversial part of the FCS program because of their high cost, uncertain application to irregular warfare, and reduced armor compared with currently fielded combat vehicles."

Prime contractor: Boeing

Savings/Cost: \$24 million

Congressional champions: The program is managed by Boeing's Huntington Beach, CA office, represented by Rep. Dana Rohrbacher (R). Rep. Tom Cole's (R-OK) district is home to the BAE Systems plant that manufactures the Non Line of Sight Cannon (NLOS-C), a major component of the ground systems for which Cole added \$50 million to the FY2006 spending bill.

Lobbying/Campaign contributions: In addition to the \$6,000 to Cole and \$6,500 to Rohrbacher, Boeing's PAC gave \$20,000 in 2007 to Rep. Silvestre Reyes (D-TX), whose district holds Fort Bliss, where a primary "spin-out" of the program is being tested.

Multiple Kill Vehicle

Status: *Dead* (as far as we know: The Missile Defense Agency's budget is [not the most transparent](#)).

The most expensive weapons system ever created, Ballistic Missile Defense spreads its wealth over every corner of the nation, though Alabama's US Army Space and Missile Defense Command (USASMDC) is the nerve center. MKV was one of several "midcourse" missile defense programs—including the Kinetic Energy Interceptor (KEI), Airborne Laser and Ground-Based Midcourse interceptors— slated for elimination and reduction. Gates said he wanted to cut back on midcourse programs, mostly unproven technologies that attempted to take out enemy ballistic missiles in the middle of their journey toward their targets, in favor of "boost-phase" programs that target missiles earlier on.

Prime contractor: Lockheed Martin

Savings/Cost: \$4 billion (through 2015)

Congressional champions: Mainly the Alabama delegation, including Sens. Richard Shelby (R) and Jeff Sessions (R) and Rep. Parker Griffith (R), as well as missile defense stalwart Sen. Thad Cochran (R-MS). Other boosters include Rep. Rob Bishop (R-UT), whose district contained many jobs associated with KEI, and Rep. Michael Turner (R-OH), who introduced an amendment that would have replaced the trimmed interceptors.

Lobbying/campaign contributions: Since 2007 the company's PAC gave \$9,000 to Sessions; \$9,000 to Cochran; \$6,000 to Turner; \$9,000 to Griffith; and \$8,500 to Shelby, who faces reelection this year.

Presidential Helicopter (VH-71)

Status: *Ostensibly dead, but still breathing.* The program became the poster child for DOD acquisition disasters when Sen. John McCain (R-AZ) challenged President Obama to reject it a few weeks into his presidency. The fact that the program was six years behind schedule and had doubled in cost made it a prime target. The administration requested \$85 million in its budget for termination costs and to develop a replacement. Congressional supporters complained that five prototype helicopters were nearly complete, and House appropriators added \$400 million to their bill to field them. The final bill added \$45 million for a total of \$130 million to “recoup investments” in the program’s technology.

Prime Contractor: Lockheed Martin

Savings/Cost: The Government Accountability Office has said total costs were unknown.

Congressional Champions: Rep. Maurice Hinchey (D-NY), whose district includes the Owego, NY plant where the helicopter is produced, led the charge to fund the program in the House: New York Democrat Chuck Schumer supported the program in the Senate.

Lobbying/campaign contributions: Lockheed Martin Gave \$60,000 in 2009 to James M. Desmond to lobby on the program (in addition to the F-22). The company’s PAC donated \$14,000 to Hinchey and \$11.5 million to Schumer since 2007.

Transformational Satellite Communications System (TSAT)

Status: *Dead.* TSAT, created to help feed the military’s ever-expanding need for bandwidth, was slated to become the most expensive DOD space program over the next decade. But the program sank like a stone before it could even get off the ground, falling victim to poor contract management and the military’s tendency to continually add bells and whistles. The Air Force most recently estimated the total program cost at \$15-\$20 billion, around 30% above initial estimates, and the system had already seen a nine-year slip in schedule before it formally entered the development phase. In the course of several program restructurings, the Pentagon dropped the revolutionary laser communications capability TSAT was originally supposed to provide and scaled back the number of users and data volume the system could handle. Future Combat Systems’ contraction and the military’s decision to opt for fielding several smaller satellites sealed TSAT’s fate.

Prime contractor: Boeing and Lockheed Martin each won contracts for elements of the program, as did a number of smaller contractors.

Savings/Cost: \$2.5 billion (through 2015)

Congressional Champions: None. The silence on this space junk was deafening.

Combat Search and Rescue (CSAR-X) Helicopter

Status: *Dead.* Even the money requested for reviewing the remains of this problem child was taken out.

In 2006, Boeing was crowned the victor against Lockheed Martin and Sikorsky in a competition to produce the Air Force’s second largest acquisition program. But Boeing’s version was larger and heavier than the helicopters pitched by the two other companies and had a number of features that make it unsuitable for the search-and-rescue mission, such as two rotors that kick up dust and make noise—not the best for sneaking around desert terrain. The Government Accountability Office sustained not one but two bid protests, and the Air Force put off rebidding the contract until the program was put out of its misery. \$89 million was included in the FY2010 budget for a “requirements review,” but even that was cut.

Prime contractor: Boeing, for the initial contract.

Savings/Cost: \$3.9 billion (through 2013)

Congressional Champions: Since the program never advanced—or created jobs—no lawmakers attached themselves to it.

(Note: all savings figures from the Office of Management and Budget, “[Terminations, Reductions and Savings: Budget of the U.S. Government, Fiscal Year 2010.](#)”)