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Analysis Of The Fiscal Year 2013 Pentagon Spending Request

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NOTE: For additional analysis of the Pentagon's budget, see "Talking About Military Spending and the Pentagon Budget – Fiscal Year 2013 (And Beyond)" by National Priorities Project and the Project on Defense Alternatives at: <http://nationalpriorities.org/en/publications/2012/talking-about-military-spending-and-the-pentagon-budget/>

BACKGROUND

This week the Obama Administration released its proposed Fiscal Year 2013 budget for the federal government. As part of this budget, the Administration is seeking \$525 billion in funding for the Department of Defense, not including funding for military operations in Iraq and Afghanistan or the nuclear weapons-related activities of the Department of Energy. The Administration's budget request also includes \$88.5 billion for "Overseas Contingency Operations" – the costs to the Defense Department of the wars in Iraq and Afghanistan.

REQUEST HIGHLIGHTS

"Top Line" Funding – The Obama Administration is requesting \$525.4 billion for the Department of Defense in Fiscal Year 2013, which begins on October 1, 2012. Adjusted for inflation this is 2.6 percent below FY2012 levels, the first real decrease in the annual base budget in over a decade. The Defense Department plans to reduce spending by a total of \$259 billion over five years (FY2013-2017) and \$487 billion over ten years (FY2012-2021).

These figures do not include funding for the nuclear weapons activities of the Department of Energy, which is considered part of total Defense Department spending. Nor do they include the costs of ongoing military operations in Iraq and Afghanistan.

Funding for Overseas Contingency Operations – The budget release also includes a funding request of \$88.5 billion for military operations in Iraq and Afghanistan. This is considerably lower (\$26.6 billion) than the \$115.1 billion in funding approved in FY2012. The request

provides roughly \$85.6 billion for Afghanistan (including \$5.7 billion to train and equip Afghan Security Forces) and \$2.9 billion for “transition activities” following the departure of U.S. combat force from Iraq. It also includes \$3.1 billion for the Mine Resistant Ambush Protected (MRAP) vehicle program.

Base Closures – The Pentagon is requesting new rounds of base closures in 2013 and 2015.

Missile Defense – The Administration is requesting \$9.7 billion for missile defense in FY 2013, down roughly \$700 million from the current \$10.4 billion. This total does not include an additional \$950 million request for the SBIRS-High satellite in FY2013.

Shipbuilding – The request includes \$13.6 billion for the Navy’s “Shipbuilding and Conversion” account. The budget request funds procurement of 10 ships in FY 2013 including the aircraft carrier U.S.S. John F. Kennedy (CVN-79), two DDG-51 destroyers, four Littoral Combat Ships, two “Virginia” class submarines and one Joint High Speed Vessel (JHSV). The five-year shipbuilding plan will be reduced (see “Cost Savings” below).

Aircraft – The request includes no funding for additional C-17 aircraft or the F-22 fighter. The request includes almost \$2.5 billion for 26 of the Navy’s F/A-18E/F “Super Hornet,” \$2.0 billion for procurement of 21 V-22 “Osprey” tilt-rotor aircraft, and \$9.2 billion for 29 F-35 Joint Strike Fighters. It also includes \$1.8 billion for the Air Force’s new KC-46 aerial re-fueling tanker program. The Air Force has terminated C-27J aircraft and Global Hawk UAV programs (see “Cost Savings” below).

Military Personnel – The request includes an increase in base pay of 1.7 percent. End strengths for each of the active services and the Guard & Reserve will be reduced by FY2017 (see “Cost Savings” below).

Cooperative Threat Reduction (CTR) – The Administration is requesting \$519 million for the CTR (also known as “Nunn-Lugar”) program, \$11 million above the current level. The CTR program assists Russia and the former Soviet republics to safeguard weapons of mass destruction and related technologies.

Department of Energy Activities – The request includes \$7.58 billion for the nuclear weapons activities of the Department of Energy (a 5% increase of \$363 million) and \$2.459 billion for DoE’s nuclear nonproliferation work (an increase of 7.1%, or \$163 million) It also includes \$5.472 billion for Defense Environmental Cleanup (up 9.4%, or \$469 million). The request includes a total of \$17.7 billion for the nuclear weapons-related activities of the Department of Energy (a 5.5% increase of \$917 million). [SOURCE: The Department of Energy’s Fiscal Year 2013 request]

PROPOSED DoD COST SAVINGS

Force Structure (estimated savings – \$50 billion over five years)

End Strengths – The size of the active services and the Guard & Reserve will be reduced by 2017, as follows:

- **Active Forces** (Total Reductions: 102,400): Army reduced to 490,000 (down 72,000), Navy to 319,500 (down 6,200), the Air Force to 328,600 (down 4,200), and the Marine Corps to 182,100 (down 20,000).
- **Guard & Reserve** (Total Reductions: 21,500): Army reduced to 558,200 (down 5,000), Navy to 57,100 (down 9,100), Air Force to 170,700 (down 7,400), and no reductions to the Marine Corps Reserve.

Combat Units – The services will reduce the number of active units and equipment, including:

- Army eliminates a minimum of eight Brigade Combat Teams (BCTs)
- Navy retires seven older cruisers and two Landing Dock Ships (LSDs)
- Air Force eliminates seven TACAIR (fighter) squadrons, and 130 “mobility” aircraft – 27 C-5As, 65 C-130s and 38 C-27s
- Marine Corps eliminates six combat battalions and four TACAIR (fighter) squadrons

Weapons Programs (estimated savings – \$75 billion over five years)

Joint Strike Fighter – delay the program and reduce procurement by 179 aircraft (savings of \$15.1 billion)

Navy Shipbuilding – Reduce total procurement over five years from 57 ships to 41 (savings of \$13.1 billion)

Ballistic Missile “Ohio” Class Submarine Replacement – Delay the SSBN-X program by two years (savings of \$4.3 billion)

Army Ground Combat Vehicle – Delayed (savings of \$1.3 billion)

Global Hawk UAV – Terminate the Block 30 program (savings of \$2.5 billion)

Defense Weather Satellite System – Terminate (savings of \$2.3 billion)

HMMWV "Hummer" Vehicle – Terminate the HMMWV recapitalization program (savings of \$900 million)

PROPOSED FY2013 FUNDING PROVISIONS

FY2013 Funding By Function (In \$Billions)

The following table shows proposed FY2013 funding for the Defense Department by major account. Figures are in billions of nominal dollars (not adjusted for inflation). FY2013 requested levels are shown compared to FY2012 enacted levels, and as a percentage of the FY2013 total request.

Function	FY2012 Enacted	FY2013 Requested	\$ Change From FY2012	% of FY2013 Total
Military Personnel	141.8	135.1	-6.7	25.7
Operations & Maintenance	197.2	208.8	11.6	39.7
Procurement	104.5	98.8	-5.7	18.8
RDT&E	71.4	69.4	-2	13.2
Military Construction	11.4	9.6	-1.8	1.8
Family Housing	1.7	1.7	0	0.3
Revolving & Management Funds	2.6	2.1	-0.5	0.4
TOTAL (051)	530.6	525.4	-5.2	100

FY2013 Funding By Service (In \$Billions)

The following table shows proposed FY2013 funding for the Defense Department by military service branch. Figures are in billions of nominal dollars (not adjusted for inflation). FY2013 requested levels are shown compared to FY2012 enacted levels, and as a percentage of the FY2013 total request.

Service	FY2012 Enacted	FY2013 Requested	\$ Change From FY2012	% of FY2013 Total
Army	133.9	134.6	+0.7	25.6
Navy/Marine Corps	156.8	155.9	-0.9	29.7
Air Force	144.9	140.1	-4.8	26.7
Defense-Wide	95.0	94.9	-0.1	18.1
TOTAL (051)	530.6	525.4	-5.2	100

FY2013 FUNDING REQUEST FOR SELECTED WEAPONS PROGRAMS

Ballistic Missile Defense (In \$Millions)

The following table shows proposed FY2013 funding for missile defense funded through the Missile Defense Agency (MDA) by major program. Figures are in billions of nominal dollars (not adjusted for inflation). FY2013 requested levels are shown compared to FY2012 enacted levels.

Program	FY2012 Total	FY2013 Request
Missile Defense Agency	10,430.7	9,720.8
Selected MDA Functions		
Ground-Based Midcourse	1,159.5	903.2
AEGIS BMD	1,554.3	1,382.0
THAAD	999.2	777.7
Patriot/MEADS	389.6	400.9
Patriot/PAC-3	711.8	763.4
PAC-3/MSE Missile	163.9	81.9
Other		
Space Based Infra-Red System-High (SBIRS-High)	996.1	950.0

Major Weapons Programs (In \$Millions)

The following table shows proposed FY2013 funding for major weapons programs. Figures are in billions of nominal dollars (not adjusted for inflation). Also shown are the "Per Unit Costs" and "Total Program Costs" for each system. These are based on DoD's Selected Acquisition Report, April 15, 2011. "Per Unit Costs" are derived by dividing total program costs by the number of systems purchased, and include both procurement and research & development funding

NOTE: Amounts reflect weapons funding included in both the base budget request and the FY 2013 Overseas Contingency Operations funding request.

Program	FY2013 Request	Number Requested	Per Unit Cost	Total Program Cost
Aircraft Programs				
F/A-18E/F Fighter	2,181.8	26	91.7	50,980.2
F-22 Fighter	808.4	None	352.9	66,337.0
F-35 Fighter (JSF)	9,171.2	29 (10 Navy, 19 Air Force)	154.4	379,392.8
E/A-18G Radar Jamming Aircraft	1,074.6	12	98.3	11,205.0
C-17 Transport Aircraft	N/A	None	311.6	69,497.0
C-130J Cargo Aircraft	835.1	7	89.2	14,977.9
KC-46 New Airborne Tanker	1,815.6	None	N/A	N/A
V-22 Osprey Aircraft	1,955.3	21 (17 Navy, 4 Air Force)	116.1	53,275.4
UH-60 "Blackhawk" Helicopter	1,305.5	59	19.9	27,340.5
MH-60R "Seahawk" Helicopter	849.7	19	48.0	14,399.9
MH-60S "Knighthawk" Helicopter	483.8	18	28.9	7,994.4
UH-72A "Lakota" Light Utility Helicopter	272.0	34	5.8	2,006.5
Shipbuilding Programs				
Aircraft Carrier CVN-78 Class	781.7	1	13,431.8	40,295.3
DDG-51 "Arleigh Burke" Class Destroyer	3,514.9	2	1,178.9	88,416.6
Littoral Combat Ship (LCS)	2,245.6	4	680.7	37,438.8
SSN-774 "Virginia" Attack Submarine	4,257.7	2	3,103.0	93,089.1
LPD-17 "San Antonio" Landing Ship	N/A	None	1,712.3	18,834.9
LHA-6 "America" Amphibious Assault Ship	N/A	None	3,775.1	11,325.3
Joint High-Speed Vessel	191.1	1	218.8	3,938.0
Missiles/Ordinance				
Trident II D-5 Missile	1,512.6	None	72.4	40,633.3
Tactical Tomahawk Cruise Missile	320.3	196	1.45	6,873.8
Joint Direct Attack Munition (JDAM)	155.8	4,678	0.026	5,857.3
Joint Stand-off Weapon (JSOW)	133.3	280	0.51	5,313.1
Joint Air to Surface Standoff Missile (JASSM)	248.4	157	1.6	8,037.5

Program	FY2013 Request	Number Requested	Per Unit Cost	Total Program Cost
Small Diameter Bomb	216.1	144	0.3	5,206.6
Land Systems				
Stryker Armored Vehicle	332.3	58	4.0	17,083.4
Joint Mine Resistant Ambush Protected (MRAP)	3,100	N/A	1.54	40,906.5
Family of Medium Tactical Vehicles (FMTV)	377.4	1,471	0.21	18,731.4
Unmanned Systems				
Global Hawk UAV (RQ-4A/B, MQ-4)	1,250.9	6	211.1	13,934.8
Reaper UAV (MQ-9)/Predator (MQ-1)	1,073.4	24	31.3	12,496.6

See the on-line version at: <http://costofwar.com/en/publications/2012/analysis-fiscal-year-2013-pentagon-spending-request/>

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