



The Korb Report: A **Realistic Defense** for America

By Dr. Lawrence Korb

DEFENSE

ABOUT THE AUTHOR



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SUMMARY



Without diminishing America's ability to fight extremists, America can save \$60 billion mostly by eliminating Cold War-era weapons systems designed to thwart the former Soviet Union – weapons and programs that are not useful in defending our country from extremists or the other threats we now face.

HERE'S WHERE THESE SAVINGS WOULD COME FROM:

- About **\$14 billion** would be saved by reducing the nuclear arsenal to no more than 1,000 warheads, more than enough to maintain nuclear deterrence.
- About **\$8 billion** would be saved by cutting most of the National Missile Defense program, retaining only a basic research program to determine if this attractive idea, which has proven to be an utter failure in actual tests, could ever work in the real world.
- About **\$28 billion** would be saved by scaling back or stopping the research, development, and construction of weapons that are useless to combat modern threats. Many of the weapons involved, like the F/A-22 fighter jet and the Virginia Class Submarine, were designed to fight threats from a bygone era.
- Another **\$5 billion** would be saved by eliminating forces, including two active Air Force wings and one carrier group, which are not needed in the current geopolitical environment.
- And about **\$5 billion** would be saved if the giant Pentagon bureaucracy simply functioned in a more efficient manner and eliminated the earmarks in the defense budget.

If Congress and the President make these cuts, not only would they have more money to spend on other priorities, but they would also make our military stronger, allowing our soldiers to focus on the weapons, training, and tactics they need to do their jobs and defend our nation.

I**NTRODUCTION** It might seem paradoxical to call for reducing the size of the annual defense budget in the midst of war as we did last year and are doing again this year. Some might even call it unpatriotic or isolationist. But the fact is that the wars in Afghanistan and Iraq are not being funded by the regular annual defense budget. The costs of these wars are being paid for in supplemental appropriations that are considered separately from the defense budget that we will be analyzing in this report.

To date Congress has approved more than \$400 billion in supplemental funds to conduct these wars. In 2005 alone, the Pentagon received about \$100 billion. In 2006, it estimates it will need about \$115 billion. The vast majority of this money goes to fighting the insurgency in Iraq. These costs, which continue to run about \$6 billion a month, are not the subject of this analysis. However, these budget supplemental appropriations do have an impact on the federal deficit and also constrain the federal government's ability to fund many social programs because the Bush Administration has not raised taxes to pay for the war. In fact it has done the opposite, reducing taxes primarily on the wealthy.

Moreover, the cost of the war in Iraq is much greater than what the Bush Administration led the Congress and the American people to believe before the invasion. In early 2003, the head of the Agency for International Development, Andrew Natsios, stated that the reconstruction of Iraq would cost the U.S. taxpayer about \$1.5 billion per year. Paul Wolfowitz, then the Deputy Secretary of Defense and now the head of the World Bank, provided similarly unrealistic lowball estimates.

There's no doubt that had the president told the American people before the invasion that within two years after the invasion of Iraq, this nation would have spent \$400 billion and lost about 2,300 lives so that Iraq could have an election, he would have been laughed out of the ballpark. The invasion and its cost were justified on the bogus grounds that Saddam Hussein possessed weapons of mass destruction, including nuclear weapons, and had ties to Al Qaeda. In fact the danger that Saddam supposedly presented was so hyped by the administration that the majority of Americans believed he had actually been involved in the attacks of September 11. Because of the now famous Downing Street memo, which was written by British intelligence, and the recent

article in [Foreign Affairs](#) by former CIA officer Paul Pillar, we now know that the administration fixed the intelligence to support the invasion and did no realistic planning for the post-major conflict phase of the war.

Some might argue that President Bush had to make substantial increases in the regular defense budget because the reductions that former President Clinton had made during his time in office left the military in very bad shape. During the 2000 presidential campaign, Vice President Cheney repeatedly told the military that "help was on the way," and Condoleezza Rice, who headed the National Security Council in Bush's first term and is now the Secretary of State, went so far as to compare the state of the U.S. military at the end of the Clinton years to that of our armed forces on the eve of Pearl Harbor.

These statements of Cheney and Rice were not just campaign hyperbole; they were flat-out distortions. In real terms – that is, after accounting for inflation – the defense budget actually grew slightly during the Clinton years, increasing from \$356 billion in Clinton's first term to \$383 billion in his last budget, in spite of the fact that the Cold War had ended. It was in the George H.W. Bush administration that the defense budget declined, dropping by 16 percent in the elder Bush's four years in office.

Moreover, President Clinton actually spent more on defense than the elder Bush's Secretary of Defense, one Dick Cheney, had recommended. In January 1993, just before leaving office, Cheney presented a six-year defense budget plan to the Congress. Clinton actually spent \$2 billion more than Cheney had argued was necessary. And he actually saved some weapon systems, like the \$10 billion Seawolf submarine program and the \$50 billion V-22 Osprey, which Cheney had recommended be cancelled.

The absurdity of the claims by Cheney and Rice about the state of the U.S. military was demonstrated by its outstanding performance in Afghanistan and Iraq. The forces which performed so magnificently had been recruited, trained, and equipped by the Clinton budgets. The first George W. Bush budget could not go into effect until October 1, 2001.

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Finally, some might argue that much of the increases in the regular or baseline defense budget by the Bush Administration must be the result of what President Bush mistakenly calls the global war on terrorism. Would that it were so. The Department of Defense has only a minor role in protecting the homeland. That burden falls upon the Department of Homeland Security, which has an annual budget of about \$43 billion. About 2 percent of the Department of Defense budget is for homeland security. And as mentioned above, when the Department of Defense takes the offensive against terrorism, as in Afghanistan and Iraq, the Pentagon receives a budget supplemental.

If there were any doubt that even in the midst of the so-called war on terrorism, the Pentagon is still buying weapons it does not need and paying more for those weapons than it should, one need only to look at the Boeing tanker deal that the Pentagon tried to push through Congress last year. After internal government emails became public as a result of complaints from Senator John McCain (R-AZ,) we now know several things about the attempt to get the taxpayers to spend \$23.5 billion for over 100 of these planes. First, the Air Force does not need new tankers. Its own analysis showed that its existing fleet would last until 2040. Second, when Boeing came to the Air Force, and “offered” to build ten 767’s to serve as tankers, the Air Force changed their own analysis to create a need for these tankers. Third, the Air Force could not purchase the new tankers within

their existing budget without canceling or slowing down another expensive program like the F/A-22 Raptor, since budget rules demanded that the entire \$23.5 billion cost of the planes be counted when they were bought. Fourth, while leasing allowed the Air Force to spread the cost out over many budgets, it would have cost at least \$5 billion more in the long run. Fifth, the Air Force cooked the books to make leasing appear cheaper. Sixth, those within the Pentagon who challenged the need for the tankers or their costs were prevented from letting the Congress and the American people know.

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To demonstrate that many of the recommendations we make will not undermine national security, it is important to note that several of the recommendations BLSP made in 2000

for cuts have now been carried out. Moreover, these reductions were made after September 11. For example, five years ago, we recommended canceling the Crusader artillery system and the Comanche helicopter. Secretary Rumsfeld canceled the Crusader in 2002 and the Army killed the Comanche a year later. Had they followed our advice earlier and not let these programs continue in research and development, the American people could have saved several billion dollars. For example, by the time Rumsfeld cancelled the Crusader, \$11 billion had already been spent. And as former Secretary of HHS, Tommy Thompson, noted, the federal government wasted \$8 billion before canceling the Comanche.



THE FISCAL YEAR (FY) 2007 DEFENSE BUDGET

The Pentagon is asking Congress for \$463 billion for fiscal year 2007 which begins on October 1, 2006, and would like to spend about \$3 trillion over the next five years. The fiscal year 2007 budget request is about \$20 billion more than it received in 2006 and about \$150 billion higher than the budget President Bush inherited from President Clinton. In fiscal year 2007, the United States will spend more on defense than the rest of the world combined. And U.S. allies will spend another \$300 billion. Our strategic competitors, Russia and China, will spend less than \$100 billion between them. Moreover, the total combined budgets of such potential adversaries as North Korea, Iran, Syria, Cuba, Libya, and Sudan will be less than \$50 billion.

In the 2007 defense budget, \$111 billion (about 25 percent) will be spent on the pay and benefits of 1.4 million active duty and 800,000 selected or ready reserve military personnel. (The pay of a reservist who is mobilized or called to active duty, as 400,000 have been since September 11, is funded in the supplemental appropriation.) The Pentagon spends \$154 billion or 33 percent of its budget on routine operating and maintenance costs for its 21 Army and Marine active and reserve ground divisions, 11 Navy Carrier battle groups, and 31 Air Force, Navy and Marine air wings. Included in this are pay and benefits for the 700,000 civilians employed by the Department of Defense. (The operations and maintenance costs of the forces in Iraq are also covered in the supplemental appropriation.)

Another \$174 billion or 38 percent of the budget goes for new investment. This is broken down into \$84 billion for buying new planes and ships and tanks; \$73 billion for doing research and developing and testing new weapons; and \$17 billion for building the facilities for the troops and equipment.

The vast majority of the final 5 percent or \$24 billion is spent by the Department of Energy on maintaining and safeguarding the 10,000 nuclear weapons in our inventory.

As indicated in Table 1, this baseline or regular defense budget can be reduced by about \$60 billion to \$403 billion or by 13 percent without jeopardizing national security. This realistic amount is the six times more than either China or Russia spends on defense and almost as much as the rest of the world combined. And in real terms it is exactly

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the same size as the defense budget Bush inherited from Clinton, and more than the budget Clinton inherited from the first President Bush. In addition we will show how to save another \$10 billion by having the Pentagon ask the Congress for a rescission or a refund on money that has been appropriated but not spent on weapons systems that we are proposing to cancel.

Our reductions will come primarily in four areas: nuclear forces; cold war era conventional weapons systems; small reductions in Air Force and Navy force structure; and eliminating some of the waste and inefficiency in the Pentagon. In making these reductions, we will draw on analysis done by the Congressional

Budget Office, the General Accounting Office, and a report of the task force, of which I was a member, on a Unified Security Budget for the United States, 2006.

Nuclear Forces

For the upcoming fiscal year, the Bush Administration proposes to spend nearly \$19 billion on operating, maintaining, and modernizing its strategic and tactical nuclear forces. If one adds the \$11 billion that the Pentagon is allocating to missile defense, the United States is spending nearly \$30 billion a year on nuclear deterrence.



Table I: Defense Budget: Current and Realistic (\$ in billions)

| Budget Category | FY 2007 | Realistic | Difference | Percent Reduction |
|-------------------|--------------|--------------|--------------|-------------------|
| READINESS | | | | |
| Personnel | \$111 | | | |
| O&M | \$148 | | | |
| Total | \$265 | \$260 | \$5 | 2% |
| INVESTMENT | | | | |
| Procurement | \$84 | | | |
| RDT&E | \$73 | | | |
| Construction | \$17 | | | |
| Total | \$174 | \$133 | \$41* | 23% |
| DOE & other | \$24 | \$10 | \$14 | 58% |
| TOTAL | \$463 | \$403 | \$60 | 13% |

*includes \$5.0 billion savings from eliminating waste and inefficiency.

This is the same amount it spent on average for this during the Cold War, which ended 16 years ago. The Bush Administration argues that this high level of spending on nuclear weapons is necessary to carry out its new nuclear strategy, which was spelled out in its December 2002 Nuclear Posture Review. The new strategy authorizes the first use of nuclear weapons in a preemptive attack against nations that the administration labels as rogues and it concludes are close to acquiring nuclear weapons.

About \$11 billion a year will go to operating and maintaining and modernizing the bombers and land- and sea-based missiles that carry the 6,000 operational nuclear weapons in the American arsenal. About 5,000 of these weapons are classified as strategic or intercontinental while the other 1,000 are tactical or battlefield weapons deployed in Europe. Nearly \$1 billion of the \$11 billion will be spent on new Trident submarine-launched ballistic missiles.

Since each of these nuclear weapons has on average 20 times the destructive power of the bomb dropped on Hiroshima, which killed 140,000 people immediately and 240,000 people eventually, the number of weapons is far in excess of what the United States needs to deter any current or prospective nuclear power from launching an

attack on the United States, its allies or its interests. Fielding a deployed arsenal of 600 warheads and holding another 400 in reserve, eliminating all the tactical or battlefield weapons, and not developing any new weapons will not undermine deterrence in any way would save \$8 billion.

In 2007, the administration is asking Congress to allocate about \$7 billion for nuclear weapons activities. This money, which is under the control of the Department of Energy, will be spent on researching, expanding and upgrading U.S. nuclear capabilities.

During the Cold War the United States spent less than \$4 billion a year on average on these nuclear weapons activities. Reducing the weapons activities budget to its Cold War level by eliminating the programs to develop new nuclear weapons and reducing the number of warheads to 1,000 would save nearly \$4 billion.

Taking these steps would not only save about \$14 billion, they would actually make us safer. As both President Bush and Senator Kerry agreed in the 2004 presidential campaign, the greatest threat to our national security is a nuclear weapon falling into the hands of a terrorist group with a global reach. But, if the United States continues to undermine the letter and spirit of the Nuclear

Table II: Changes in Investment Programs

| WEAPON SYSTEM | FY 2007 Request in Billions | Realistic, in Billions | Savings FY 2007 in Billions | Total Cost, in Billions | Number of Units | Unit Cost in Millions | Savings FY 2007-2012, in Billions |
|---------------|-----------------------------|------------------------|-----------------------------|-------------------------|-----------------|-----------------------|-----------------------------------|
| BMD | 11.3 | 3.0 | 8.3 | 350.0 | n/a | n/a | 37.0 |
| F/A-22 | 2.8 | 1.0 | 2.8 | 64.0 | 178.0 | 360.0 | 25.0 |
| SSN-774 | 2.6 | 0.3 | 2.3 | 94.0 | 30.0 | 3133.0 | 12.0 |
| DD(X) | 3.4 | 0.0 | 3.4 | 20.0 | 10.0 | 2000.0 | 10.0 |
| V-22 | 2.3 | 0.2 | 2.1 | 50.0 | 458.0 | 109.0 | 10.0 |
| C-130(J) | 1.6 | 0.0 | 1.6 | 16.0 | 100.0 | 100.0 | 8.0 |
| F-35 | 5.3 | 2.0 | 3.3 | 257.0 | 2458.0 | 104.0 | 13.0 |
| Space Weapons | 5.0 | 0.0 | 5.0 | ? | ? | n/a | 25.0 |
| FCS | 3.7 | 1.0 | 2.7 | 150.0 | n/a | n/a | 15.0 |
| R&D | 73.0 | 65.0 | 5.0 | n/a | n/a | n/a | 45.0 |
| Total | 111.0 | 74.2 | 36.5 | | | | 200.0 |

Nonproliferation Treaty (NPT) by maintaining an excessively large nuclear force structure, it will not have any credibility in getting the rest of the world to work with us in slowing nuclear proliferation. The failure of the United States to accomplish its goals in galvanizing the world to cooperate with us in the May 2005 NPT Review Conference is an indication of our lack of credibility in this area.

Ballistic Missile Defense

There’s no doubt that this nation needs to be concerned about attacks from ballistic missiles against our troops in the field (Theater Missile Defense or TMD) or against U.S. territory (National Missile Defense or NMD) and indeed it has. Since President Reagan gave his speech 22 years ago that urged the nation to develop a defense against Soviet intercontinental ballistic missiles, this nation has spent more than \$150 billion in a vain attempt to construct such a defense.

President Bush, who in his 2000 campaign promised to deploy a national missile defense system before the end of his first term, has spent nearly \$50 billion on this since taking office. Indeed, one of his first

acts after taking office was to double the size of Clinton’s ballistic missile defense budget – from \$5 to \$10 billion – and withdraw from the anti-ballistic missile (ABM) treaty on the grounds that the agreement, negotiated by President Nixon, would preclude the United States from developing and deploying an effective missile defense. For 2007 the administration is seeking \$11.3 billion for the missile defense program.

Using the funds already allocated, the Bush Administration has already placed eight missile interceptors at launch sites in Alaska and California and expects to have 27 ground- and sea-based interceptors in place by the end of 2009. If the 2007 budget is approved, the administration would add 16 more interceptors next

year. Eventually, the Bush administration would like to deploy a large layered system that will include space-based interceptors. The total cost of the Bush plan over the next 20 years will exceed \$200 billion.

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There are two problems with the Bush approach. First, the system is not ready for deployment. It has not been successfully tested in over three years. Moreover, to fulfill Bush's campaign promise, the Pentagon took a number of shortcuts that put schedule ahead of performance. The shortcuts included insufficient ground tests of key components, a lack of specifications and standards, and a tendency to postpone the resolution of difficult issues. Finally, there is increasing evidence that no matter how much money is spent and no matter how long we continue to test it, the system can never work effectively.

Second, even if missile defense were to work perfectly, and that is by no means assured, it is still addressing a low-priority threat. Enemy nations can deliver nuclear weapons in many cheaper, more reliable and more accurate ways (for example, placing a nuclear weapon in a container rather than firing a long-range missile with a return address). The entire BMD program can be reduced from \$11 billion to \$3 billion. This would allow the Pentagon to continue testing NMD and provide sufficient funding for such TMD programs as the Patriot (PAC-3) program, which protects the troops in the field.

Investment Programs

During the 2000 presidential campaign, President Bush promised to transform the military from a force designed to fight the Soviet military on the plains of Europe to a smaller, more agile force capable of dealing with the challenges of the 21st century. As part of this transformation, then-Governor Bush promised to cancel a large number of weapons systems designed to re-fight the Cold War. The wars in Afghanistan and Iraq demonstrated how inappropriate these Cold War relics are to fighting the global war on terrorism.

Yet since taking office, President Bush has cancelled only two of these systems, the army's Crusader artillery system and the Comanche helicopter program. Consequently a large portion of the \$174 billion investment program in 2007 is still being spent on those systems that deal with threats from a bygone era. Moreover, the cost of those systems will continue to

grow in the future unless steps are taken now.

By 2011, the investment budget is expected to grow to about \$200 billion. But, that figure is really a lowball estimate. The Bush Administration has \$1.5 trillion worth of weapons systems in various stages of development. And that number assumes that the Pentagon can successfully meet its current cost goals for new weapons systems, something it has not been able to do in this administration. In the past four years alone, the top five weapon systems under development have increased in cost from \$281 billion to \$521 billion, an increase of \$240 billion or 85 percent.

The Pentagon can reverse this trend by taking the following steps. First, stop production of the following weapon systems: the F/A 22 Raptor fighter attack aircraft; the SSN 7-74 Virginia Class attack submarine; the DDX Destroyer; the V-22 Osprey Tilt Rotor transport aircraft; the C-130 J transport aircraft; and all offensive space-based weapon systems. In addition, the Pentagon should slow down the development of the tri-service F-35 Joint Strike Fighter and the Army's Future Combat System. These steps will save about \$23 billion in 2007 alone and more than \$100 billion over the next five years.

F/A-22 Raptor

For FY 2006, the Pentagon requested and received \$4.3 billion to purchase 24 more F/A-22 Raptor fighter jets. This plane, which is arguably the most unnecessary weapon system currently being built by the Pentagon, was originally designed to achieve superiority over Soviet fighter jets that were never built. Back in 1985 the Air Force claimed it could build about 750 of these stealth fighter jets for \$35 million each or at a total cost of \$26 billion. Over the last 20 years, the total cost of the program has continued to grow even as the number of planes to be purchased has declined. Just a year ago the Air Force said it could purchase 279 raptors for \$72 billion or about \$258 million per aircraft. At the current time, the Pentagon says it can buy 181 planes for \$61



billion. Assuming no further cost growth, this will mean spending about \$337 million per plane for each unnecessary plane, almost an \$80 million increase in the unit cost in just one year.

The performance of the current generation of Air Force fighters in Afghanistan and Iraq, as well as in the first Persian Gulf War, makes it clear that the Air Force already has the capability to achieve air superiority easily and quickly against any enemy or nation. Recognizing this strategic reality, the Air Force has added a ground attack or bombing mission to the Raptor. However, using the world's most expensive fighter for attacking ground targets is neither cost-effective nor technically feasible, given that the jet travels at twice the speed of sound.

In the summer of 2002, Secretary of Defense Donald Rumsfeld understood this logic and moved to cancel the plane, backing off only when Secretary of the Air Force James Roche threatened to resign. To date the Air Force has spent \$40 billion on the program. Canceling it now would save \$2.8 billion in FY 2007 and about \$15 billion in anticipated future costs and would leave the Air Force with about 100 of these planes or about four squadrons. This would be more than enough to deal with a future competitor like China who might develop a significant air-to-air capability.

SSN-774 Virginia Class Submarines

The Virginia class submarine was originally intended to combat the next generation of Soviet submarines, vessels that will never be built. The Navy plans to buy 30 of these boats to replace the SSN-688 Los Angeles class submarines at an estimated cost of \$94 billion, or over \$3 billion for each submarine. To date, the Navy has spent about \$25 billion developing and producing the first SSN-774. For 2007, the Navy is asking Congress to appropriate approximately \$2.6 billion for one boat and plans to build one vessel per year through 2011 and



increase to two per year beginning in 2012.

As these Virginia class submarines are commissioned, the Navy plans to retire the existing Los Angeles class

submarines early – that is, before their normal service life is reached. However, not only is the Virginia class submarine not cost-ineffective, but it also fails to provide significant new capabilities beyond those of

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the Los Angeles class. Canceling the Virginia class and refueling the reactors of the Los Angeles class at a cost of \$200 million per vessel can save \$2.3 billion in 2007 and \$62 billion over the next 15 years.

DD(X) Destroyer

The proposed DD(X) is a new class of surface combatant that is substantially larger than any existing surface ship, such as the cruiser or destroyer, and is sized more for open ocean warfare against another naval superpower than its stated mission of providing fire support in crowded, dangerous close-in coastal areas for forces ashore. The program that began in 1996 has been beset by technological and cost difficulties and will not be ready before 2015. The House Armed Services Committee, alarmed by the ballooning costs of the DD(X), has considered capping its authorized spending at \$1.7 billion per ship, but it has already risen to \$3.3 billion. However, canceling the program altogether would save \$3.4 billion in 2007 alone and at least \$8 billion over the next five years. Moreover, the Navy's Littoral Combat Ship (LCS), which is already under development and will cost about \$200 million per vessel, is better suited for providing fire support for actual operations ashore.

V-22 Osprey

From its inception, the V-22 Osprey has been beset by safety, technical, and cost problems. The Pentagon began development of the Osprey, which takes off and lands like a helicopter and once airborne, flies like a plane, in the mid-1980's. It was originally supposed to be a joint service program, but the Army dropped support for the program in the late 1980s. In 1991, Dick Cheney (then secretary of defense) canceled the program because of cost concerns and continuing technical problems.



Cheney's decision was overridden by Congress, and with the support of Presidents Clinton and George W. Bush, the Department of Defense has now spent about \$20 billion on the program. Yet the Osprey is still in a test phase and not ready for operational deployment until sometime in 2007. Moreover, four accidents, three of which resulted in fatalities, have occurred during this time. Finally, the estimated cost of the program has risen from about \$30 billion to over \$50 billion.

Under current plans the Pentagon intends to buy 458 of these aircraft at a cost of over \$110 million for each helicopter. This assumes that the Pentagon can get costs under control and solve the technical problems. Even if this unlikely scenario comes to pass, the Osprey will be only marginally more capable than existing helicopters in terms of speed range and payload, yet cost at least five times as much. Canceling the V-22 and buying an equivalent number of existing helicopters like the MH-60S Knighthawks will save \$2.1 billion in 2007 and \$10 billion over the next five years. And the Pentagon could save another \$5 billion by asking for a rescission on the funds appropriated but not allocated for the Osprey.

C-130J

The Pentagon has already spent \$4.2 billion to purchase 62 C-130J transport aircraft. But none of these planes has met commercial contract specifications. It has 168 deficiencies that could cause

death, severe injury or illness. Consequently the C-130J cannot perform its intended mission of transporting troops and equipment into combat zones and can be used only for training. Secretary of Defense Rumsfeld is so concerned about the aircraft that he has considered canceling the program. And during the 1990s, when Congress had appropriated more funds for the aircraft than the Pentagon requested, the Air Force contended it did not need the planes. And yet in 2007, the Pentagon is requesting \$1.6 billion to buy 12 more of these aircraft and the Air Force now contends that it needs the plane. If the Air Force has its way, it would purchase 100 planes at a total cost of \$16.4 billion or about \$164 million per plane. Stopping production of the C-130J will save \$1.6 billion in 2007 and \$5 billion over the next five years.

F-35 Joint Strike Fighter

The F-35 joint strike fighter (JSF) is an ambitious program to build three related but slightly different aircraft for the Air Force, Navy, and Marine Corps. Current plans call for building 2,458 planes at a total cost of \$256 billion, or slightly more than \$100 million per plane.

This aircraft should be built. It is more cost-effective to produce the new JSF platform than to upgrade older systems which by 2010 will need to be replaced....This country's overwhelming numerical and qualitative advantage in tactical aircraft will not soon be challenged. Therefore, the JSF program can afford to slow down...

This aircraft should be built. It is more cost-effective to produce the new JSF platform than to upgrade older systems which by 2010 will need to be replaced. Moreover, since all of these variants use common parts and are manufactured on a single and large-scale production line, it is more affordable than allowing each of the services to develop its own unique aircraft. Finally, since so many allied countries are willing to purchase the fighter, the joint strike fighter will improve the ability of the US to use

military power in conjunction with allied forces and will lower the unit cost of these fighter jets for the US military.

However, given the technological challenges of trying to build three fairly different planes from one design, the program should not be rushed. This country's overwhelming numerical and qualitative advantage in tactical aircraft will not soon be challenged. Therefore, the JSF program can afford to slow down and be reduced from the requested \$5.3 billion in 2007 to \$2 billion and from \$26 billion to \$13 billion over the next five years.

Space-Based Offensive Weapons

The U.S. military already relies heavily on space to conduct its operations. It uses satellites to gather data, speed communications, and conduct electronic eavesdropping. This use of space is considered defensive.

However, the Pentagon now wants the president to sign a new national security directive to enable the military to establish and maintain space superiority. Secretary of Defense Donald Rumsfeld wants the United States to pursue the option to deploy weapons in space to deter threats and defend against attacks on U.S. interests. Under his leadership, the Pentagon has pushed ahead with a multibillion-dollar space weapons program and is developing plans for deployment in the near term.

There are five space-based offensive weapons currently being developed by the Pentagon. First, there are “killer satellites” that would destroy or disrupt in space an enemy satellite. Second, there is the Common Aero Vehicle, or hypersonic aircraft, that can be launched in mid-air and will swoop in from space to hit targets up to 3,000 miles away. Third, there is the Hypervelocity Rod Bundle, known as “Rods from God,” consisting of tungsten bars weighing 100 kg or more, deployed from a permanently orbiting platform and able to hit terrestrial targets at 120 miles a minute (or 7,200 miles an hour) with the force of a small nuclear weapon. Fourth, there is the Space Based Laser or Eagle that employs space-based relay mirrors to direct rays against ground targets. Fifth, there is a program that would use intense radio waves from space to disable old enemy communications.

However tempting the prospects of such expanded strike capabilities might appear at first glance, the reality is that the deployment of such weapons would not only undermine our national security, it would also be an enormous misallocation of defense resources.

Space-based weapons would not significantly expand U.S. military superiority. Our conventional and nuclear weapons are already capable of destroying any of the ground targets that space-based weapons would and they can do it at a fraction of the cost. Existing intercontinental ballistic missiles can match the destructive force of the proposed “Rods from God” space weapons program. Richard Garwin, dean of America’s security scientist corps who played a major role in the development of the hydrogen bomb, has calculated that the cost per target of a space-based laser would be \$100 million versus \$600 thousand for a Tomahawk cruise missile – a 166 fold increase.

In addition, land- and sea-based forces can be repositioned, concealed or hardened to avoid being destroyed, while space-based weapons are locked into predictable orbits that literally have no place to hide and are very delicate. Space-based weapons do not have a distinct advantage when it comes to dictating the timing of an attack. A space-based laser attack, for instance, would be restricted to the period when the weapon is over enemy territory; thus, after the first orbit our enemy would know precisely when such an attack would be possible and when it would not.

Finally, deploying space-based weapons is an ineffective way of maintaining the military advantage that we currently derive from our space assets. Our enemies will not allow themselves to be drawn into an expensive, high-tech space-based weapons race that the United States would surely win. Rather, they will take a page out of the Iraqi

insurgents’ playbook and fight us with far more cost-effective, low-tech asymmetric tactics.

An asymmetric battle could be fought by our enemies with two simple tools: nuclear weapons (ICBMs) and space mines. A nuclear weapon is capable of wrecking havoc on all assets in low Earth orbit by littering space with dangerous debris. It can

also disrupt satellite operations with its electromagnetic pulse and radiation. Space mines, meanwhile, will be able to neutralize satellites in more distant orbits by simply releasing pellet clouds into a flight path.

Because these offensive programs are financed in the classified or “black” budget, it is impossible to tell precisely how much the Pentagon has already spent on them. The best guess is that the Bush Administration has already spent at least \$20 billion and is requesting \$5 billion more in the 2007 budget. Canceling these weapons would save \$5 billion this year and at least \$25 billion over the next five years.

Future Combat System (FCS)

The Future Combat System is an Army program to build a family of 18 combat vehicles and other systems, including unmanned aerial vehicles and sensors which will be linked together into an integrated and very complex system. The Army intends to begin equipping its first units with the future combat system in 2011 and eventually will equip about one third of its troops at a cost of at about \$160 billion.

The Future Combat System is necessary for the Army because it will make its units more deployable, lethal and survivable. However, its current schedule is far too ambitious given the complexity of the program. Of the network of 53 crucial technologies, 52 are unproven.

Therefore the \$3.7 billion requested in 2007 should be reduced to \$1 billion, and the \$25 billion proposed over the next five years cut back to \$10 billion.

Research, Development, Test and Evaluation (R,D,T&E)

In today's dollars, the Pentagon spent \$48 billion on research, development, test and evaluation (RDT&E) in fiscal year 2001. For fiscal year 2007, this budget has jumped to \$73 billion. In real terms, this is an increase of over 50 percent and is \$23 billion more than the Department of Defense spent on RDT&E in fiscal year 1985, the peak of the Reagan buildup.

Such a large amount for developing sophisticated futuristic weapons is hard to justify in fighting the global war on terrorism. This amount can easily be reduced by \$5 billion in fiscal year 2007 and \$45 billion over the next five years. This is in addition to the cuts in the specific systems listed above.

Force Structure

The so-called "war on terrorism" has been waged primarily by the ground forces of the Army and Marines. In addition to the 700,000 Army soldiers and Marines on active duty, about 200,000 Army and Marine Reservists have seen action since September 11. In the two years our military has been in Iraq and the three and a half years in Afghanistan, the Air Force and Navy have played minor roles. There are relatively few fixed targets in Afghanistan and the bombing campaign in Iraq lasted but three weeks.

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At the present time, the Air Force, Navy and Marine Corps have more than 5,000 tactical combat planes and 1,800 armed helicopters. It is hard to imagine a scenario that would require such large numbers of aircraft. Therefore, two active Air Force wings and one carrier battle group can be eliminated without overloading our forces. The annual costs of operating and maintaining the two wings and the carrier battle group amount to about \$5 billion.



Waste and Inefficiency

Secretary of Defense Rumsfeld estimates that more than \$20 billion a year could be saved by fixing procurement and business operations. The General Accounting Office and the Congressional Budget Office estimate that \$1 billion a year could be saved by consolidating various activities. Senator John McCain (R-AZ) estimates that there are several billion dollars worth of earmarks (pork) in the annual defense budget. Our realistic budget would ask the Pentagon to save \$5 billion a year by eliminating waste and duplication.

At the present time, this nation is threatened by a group of radical jihadists who object to our policies... Our realistic defense budget will be more than adequate to fulfill these responsibilities and will save at least \$200 billion over the next five years.

Conclusion

The U.S. military must be structured to protect the nation and our global interests. At the present time, this nation is threatened by a group of radical jihadists who object to our policies. In addition, the military, with the help of our allies and partners, needs to deter and if necessary deal with such contingencies as an attack by China on Taiwan, a North Korean invasion of South Korea, or an Iranian attack on Israel or Saudi Arabia. Our realistic defense budget will be more than adequate to fulfill these responsibilities and will save at least \$200 billion over the next five years.



This report was published in 2006 by Business Leaders for Sensible Priorities, formed in 1996 by top American business people who believe that the federal government's spending priorities are undermining our national security. Business Leaders for Sensible Priorities' 600 members include the present or former CEOs of Bell Industries, Ben and Jerry's, Black Entertainment Television, Hasbro, Men's Warehouse, and Phillips Van Heusen—as well as Ted Turner and Paul Newman. Our aim is to stop funding of weapons designed to defeat the former Soviet Union, and transfer the resulting \$60 billion in savings (13% of the Pentagon budget) to schools, health care, and other priorities.

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