

Defense Department planning to blow by spending caps, CBO warns

By Brendan Bordelon

11/23/2013

Defense costs will increase steadily and far surpass sequester spending caps under current Pentagon plans, report from the nonpartisan Congressional Budget Office (CBO) reveals.

The Department of Defense (DoD) releases an annual report that estimates the costs of executing the Pentagon's current plans over the next five years. The CBO then reviews this plan to determine whether it flushes with fiscal and political realities.

The CBO has now [released](#) its latest analysis. Under both the Pentagon's estimates and the CBO's independent assessment, "the costs of DoD's plans would rise steadily over time." The price of the planned operations would also "significantly exceed the limits on budget authority" established through the Budget Control Act's sequester caps, which first hit the Defense Department in March of this year.

The CBO found a gap of around \$60 to \$90 billion per year between the Pentagon's plans and the federal budget. "DoD will have to make sharp cuts to size of its forces, the development and purchase of weapons, the extent of its operations and training, or some combination of all three," the report warns.

Rising health care and compensation costs for military personnel, along with the expensive replacement and modernization of outdated weapons systems, explain most of the cost growth.

Defense Department plans routinely outstrip its budget. Last year the CBO [put](#) the spending gap at \$123 billion, significantly higher than the \$60 to \$90 billion this year. But that was before defense leaders knew whether Congress would actually allow the sequester to cut into their plans.

"The approach that the Pentagon was taking was sort of just playing chicken with Congress, where they seemed to be saying 'Look, we're not going to plan at all for sequestration and therefore it will be as bad as possible,'" Ben Friedman, a defense scholar at the libertarian Cato Institute, told The Daily Caller News Foundation. "In other words, they wanted it to be as painful as possible to increase the odds that [Congress] would undo it."

Critics Defense still seems reluctant to live within sequestration's limits. "They're still not entirely facing up to the reality in making all the choices they have to make," said Friedman, "but I think that they're doing a little bit more, certainly than last year."

If defense officials are counting on the newly-convened bipartisan budget committee to overturn the sequester in the coming weeks, Friedman thinks they'll be disappointed.

"It seems to me the most likely scenario is we continue where we are [with the sequester]," he predicted, though he didn't rule out a small deal moving the cap on defense spending slightly higher.."