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Task force seeks to trim \$960 billion from Pentagon budget

Group eyes big-ticket weapons, force size to reduce costs over 10 years

By Christopher Hinton, MarketWatch

NEW YORK (MarketWatch) -- The Pentagon could save nearly \$1 trillion over the next 10 years if would reduce the size of its fighting force and dump a handful of heavy-weapon programs that have long histories of trouble and cost growth, a bipartisan task force said Friday.

The Sustainable Defense Task Force, formed under the auspices of U.S. Rep. Barney Frank (D, Mass.), said chopping back the procurement of dud projects could save the country \$88.7 billion.



In the group's sights are the Marine's Expeditionary Fighting Vehicle, built by General Dynamics Corp. (NYSE:GD), Textron Inc. (NYSE:TXT) unit Bell Helicopter's MV-22 Osprey and the Lockheed Martin Corp. (NYSE:LMT) F-35 Joint Strike Fighter.

"The development of the F-35 is rapidly going the way of the F-22 Raptor: late, over cost and less capable that promised," the task force said in its report. "However, even if the aircraft performed according to specifications, it would not be needed in order for us to defeat current and emerging challenges."

The F-35 Joint Strike Fighter.

Lockheed U.S. spending on its military far all outpaces its largest conventional threats such as China and Russia. For 2010, Congress approved about

\$663.7 billion for the military. That's more than seven times the combined military budgets of the next 14 ranking nations, according to the Stockholm International Peace Research Institute.

Defense Secretary Robert Gates, under pressure to reduce spending in the wake of higher federal budget deficits and a weak economy, has said he is determined to cut defense spending in part through smarter procurement practices.

Already on the chopping block is the Lockheed Martin F-22 fighter and the Boeing Co. (NYSE:BA) C-17 global transport jet.

But the most savings could eventually come from rolling back the size of the U.S. military, according to the task force report. Reducing the U.S. nuclear arsenal to 1,000 warheads, on 160 Minuteman missiles and seven Ohio-class submarines would save the country \$113 billion form fiscal 2011 through 2020.

Combined with a more limited modernization of nuclear warheads, selectively curtailing missile defense and space spending and a rational reduction in conventional forces, the Pentagon could pocket up to \$638.4 billion over the next ten years.

"No other nation or likely combination of nations comes close to matching U.S. conventional forces," the task force said. "Our options in this area seek to match conventional force capabilities more closely with the actual requirements of defense and deterrence."

Then there is the research and development: with \$80 billion a year in funding, it's 33% above the Cold War peak in real terms, the group said.

"Our modest proposal is that the DoD set clearer priorities and seek \$5 billion in savings per year," it said.

Proposals are the easy part, however, and getting its recommendations past Congress will be difficult. The legislative body is loath to reduce spending as it would eventually mean fewer jobs for constituents.

The Sustainable Defense Task Force was made up of academics and spending activists, including the Cato Institute, Boston College, and Taxpayers for Commonsense.

Frank commissioned the study in cooperation with Rep. Walter Jones (R, N.C.), Rep. Ron Paul (R, Texas) and Sen. Ron Wyden (D, Ore.).

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