



DIME STORE DETERRENCE

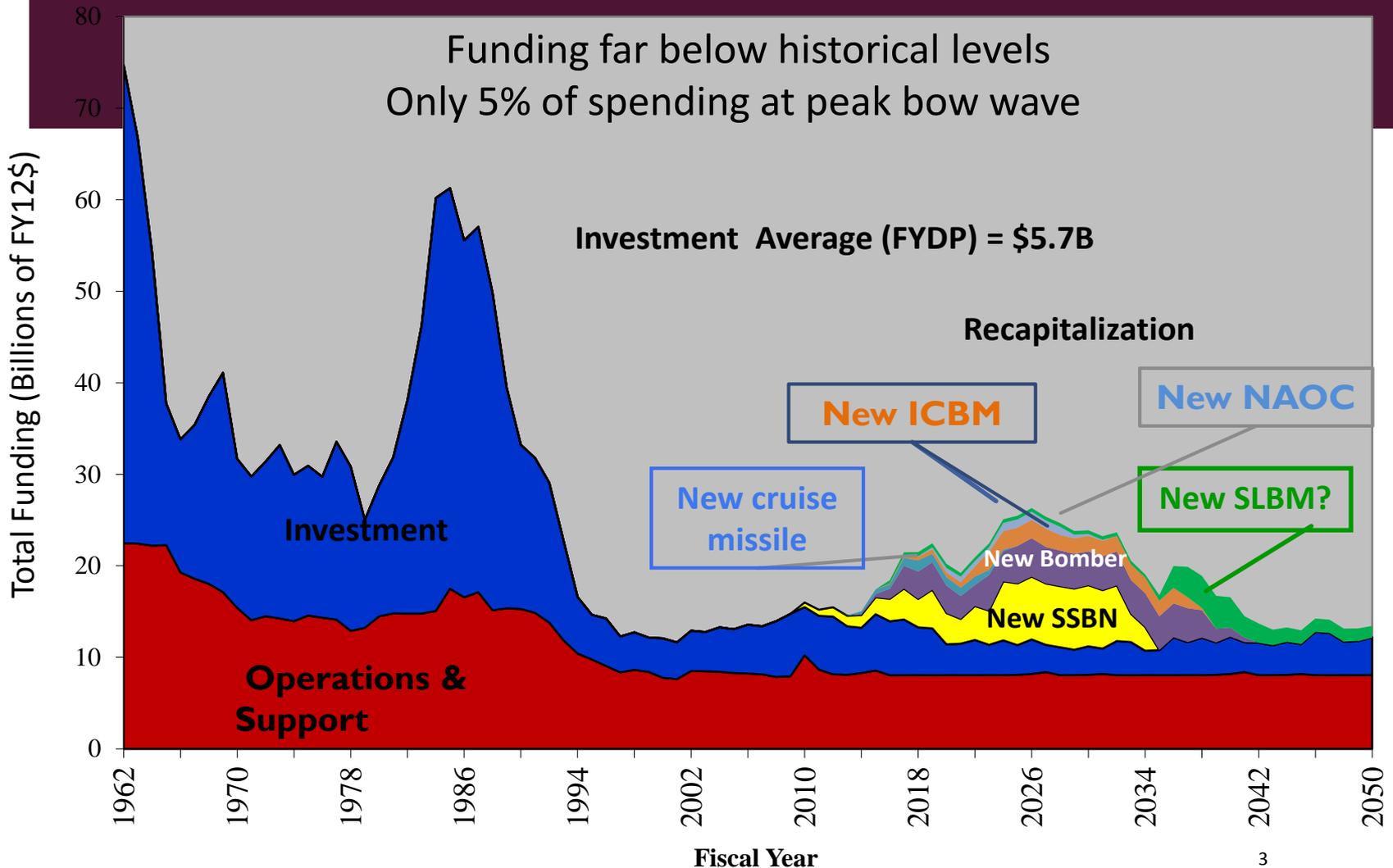
GETTING WHAT YOU PAY FOR

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COSTING NUCLEAR MODERNIZATION

- Investment Over Next 30 Years
 - Ohio Class SSBN Replacement (\$102 billion)
 - ICBM Follow-On (\$20-120 billion)
 - Long Range Strike Bomber (\$100 billion)
 - Nuclear Air-Launched Cruise Missile (LRSO) (\$20 billion)
 - B61 Gravity Bomb Life Extension (\$13 billion)
- O&M for next 30 years
 - Current Triad, C&C, NNSA Activities (\$727 billion)
- **Total: ~\$1.082 trillion**

DoD Strategic Nuke Funding: Constant Dollars



SSBN = ballistic missile submarine; NAOC = National Airborne Operations Center; SLBM = submarine-launched ballistic missile; New ICBM, New NAOC, and New SLBM are unfunded

OHIO REPLACEMENT

How to Cut Costs?

- Cut procurement to 8 submarines
 - Estimated savings of \$16 billion over 10 years (16% savings)
- Cut procurement to 10 submarines
 - Estimated savings of \$17 billion in 2030s (16% savings)
- Phase out oldest SSBNs early
 - Estimated savings of \$37 billion (36% savings)

The Cost of Cutting Costs?

- Smaller enemy target set
- Less range coverage
- Smaller fleet taxes individual boats
- Early phase out would strain fleet in the interim- generate increased risk

ICBM FOLLOW-ON

How to Cut Costs?

- Delay development by 5 years
 - Estimated savings of \$20.6 billion over 20 years (17% saving)
- Delay development and cut force size by 150 missiles
 - Estimated savings of \$31 billion over 20 years (26% saving)
- Refurbish existing ICBMS
 - Estimated savings of \$16 billion over 20 years (13% saving)
- Cut ICBM leg
 - Estimated savings of \$120 billion over 20 years (100% saving+O&M costs)

The Cost of Cutting Costs?

- Delays would put considerable strain on a platform that is already aging and approaching end of life
- Cutting force size would reduce the survivability of arsenal- fewer targets
- Weakens the most stable leg of triad
- Making cuts in the leanest, most affordable leg of the triad

LONG-RANGE STRIKE BOMBER

How to Cut Costs?

- Delay production for 10 years
 - Estimated cost savings of \$32 billion (32% saving)

The Cost of Cutting Costs?

- Continued reliance on aging systems with limited capabilities
- Will not be able to penetrate sophisticated air defenses without a modern bomber force
- Delay in development would result in a delay in much-needed conventional capabilities as well- hampers power projection
- Delay may create higher costs in long-term

LONG RANGE STANDOFF

How to Cut Costs?

- Cancel the LRSO development
 - Estimated savings of \$20 billion (100% savings)

The Cost of Cutting Costs?

- Loss of standoff capability as current ALCM ages out
- Sacrificing B-52 nuclear capability
- Necessitates greater risk for B-2 or LRS-B as vulnerability to sophisticated air defense increases

B6 I LIFE EXTENSION

How to Cut Costs?

- Scale back B6 I life extension by removing consolidation and avoid replacing non-essential non-nuclear components
 - Estimated cost savings of \$4 billion (20% saving)

The Cost of Cutting Costs?

- Forced reliance on an aging delivery system
- Sacrificing the dual-capability of aircraft and flight crews and the F-35 dual capability
- Attrition of national lab capability as they are required to perform a smaller role in modernization
- Demonstrates an apparent lack of commitment to modernization that weakens assurance to allies

TOTAL COSTS OF CUTTING NUCLEAR MODERNIZATION

- Sacrificing survivability and effectiveness of nuclear arsenal- a weakened deterrent and the appearance of it!
 - Many suggestions for cost saving involve costly delays and smaller numbers
 - Many suggestions for cost saving involve accepting deteriorating capabilities
- Losing comparative advantage against adversaries with growing arsenals and capabilities- nuclear and conventional!
- Attrition of skills and knowledge pool in warhead development and maintenance
- Marginal savings by making suggested cuts
 - At its peak, nuclear modernization will only account for 5% of budget
 - As long as we maintain an arsenal the costs will have to come eventually and delays will make it cost more
- Creates the perception of a lack of commitment to the nuclear mission, waning trust in the nuclear umbrella, and creates incentive for nuclear development in allies

WHERE TO CUT DEFENSE INSTEAD?

- DOD Infrastructure
 - \$800 billion in facilities worldwide- time to BRAC!
 - Costs rising for maintaining and upgrading infrastructure
 - Army facility capacity is 18% greater than needed
 - Air Force facility capacity is 30% greater than needed
- MilPers
 - Highest costs and rising
 - Rising real healthcare costs
 - Rising general healthcare costs
 - Expanded coverage in procedures
 - Shrinking premiums
 - Higher than inflation pay raises

