

# U.S. Military Forces in FY 2020

## *SOF, Civilians, Contractors, and Nukes*

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### *Part of U.S. Military Forces in FY2020: The Struggle to Align Forces with Strategy*

Military forces include not just those in the services but also the Special Operations Forces (SOF), DOD Civilians, Contractors, and National Security Organizations Outside DOD such as the National Nuclear Security Administration. The key takeaways of each of these areas is summarized below.

#### **KEY TAKEAWAYS**

##### Special Operations Forces (SOF)

- SOF is gradually expanding, continuing to depend on Overseas Contingency Operations (OCO) funding, and increasing organizational independence.
- SOF is also facing a new disturbing theme of ethical misconduct by its personnel.

##### DOD Civilians

- Despite administration skepticism about the federal bureaucracy, DOD civilians are planned to increase by 5,200 in FY 2020.
- Secretary Mark Esper is conducting a “night court” budget review of the mostly civilian defense agencies, with results to be reflected in the FY 2021 budget.

##### Contractors

- Contractors have become a permanent part of the federal workforce but remain controversial due to enduring questions about cost and what government should or should not do.
- Operational contractors also continue to play a vital role in CENTCOM, holding a 1.5 to 1 ratio with military personnel.

##### National Security Organizations Outside DOD

- The National Nuclear Security Administration, which supports DOD nuclear missions and activities as part of Department of Energy, is emphasizing the administration’s nuclear modernization priorities by increasing funding for weapons activities and naval reactors.

## Special Operations Forces (SOF)

Three themes continue—gradual force growth, dependence on overseas contingency operations (OCO) funding, and increasing organizational independence. Stress on the force, though continuing, has eased. Unfortunately, a new and disturbing theme—ethical misconduct—has emerged.

Table 1: Special Operations Forces – Military, Civilians, and Contractors

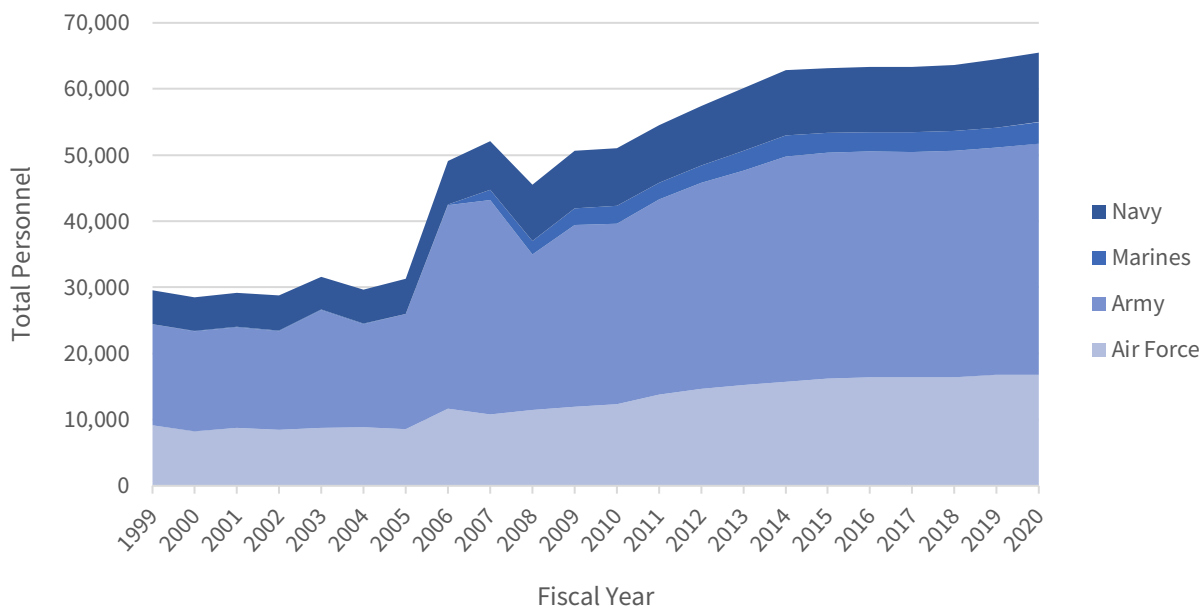
	<i>FY 2019 Enacted</i>	<i>FY 2020 Request</i>	<i>Change</i>
<b>Military End Strength (active and reserve)</b>	65,152	66,559	+1,407
<b>Civilian FTEs</b>	6,466	6,651	+185
<b>Contractors</b>	5,698	6,014	+316

Note: The Special Operations Command's (SOCOM) military and civilian personnel are reported in the respective service tables. These numbers are therefore not additional to what is shown in the service numbers.

Source: Department of Defense, *Fiscal Year (FY) 2020 President's Budget, Operation and Maintenance, Defense-Wide United States Special Operations Command* (Washington, DC: March 2019), II. Force Structure Summary, 791-792, [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/budget\\_justification/pdfs/01\\_Operation\\_and\\_Maintenance/O\\_M\\_VOL\\_1\\_PART\\_1/SOCOM\\_OP-5.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/budget_justification/pdfs/01_Operation_and_Maintenance/O_M_VOL_1_PART_1/SOCOM_OP-5.pdf).

### FORCE GROWTH

Figure 1: SOCOM Military Personnel, 1999 to 2020, Active and Reserve Component



Source: Data for 2008-2020 comes from the Force Structure Summary tables in the yearly *President's Budget Operation and Maintenance, Defense-Wide United States Special Operations Command*; Data for 2001-2007 comes from the Military Personnel sections of the respective Operation and Maintenance Overviews (Washington, DC: 2001-2007).

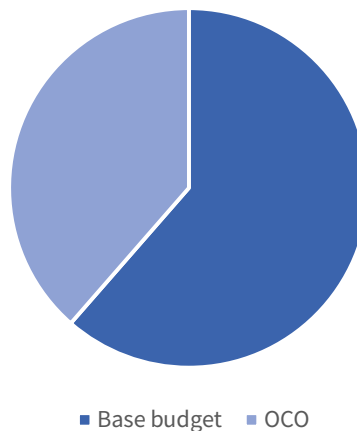
The SOF are prepared for their assigned missions by U.S. Special Operations Command (SOCOM), which consists of service component commands from each of the four services—Army (Ranger Regiment, special operations aviation, Delta Force), Navy (SEALs, explosive ordnance disposal), Air Force (special purpose aircraft and control teams), and Marine Corps (one “Raider” regiment). Joint Special Operations Command and seven Theater Special Operations Commands conduct operations. SOCOM develops joint doctrine and has the Joint Special Operations University, while extensive service-specific school and doctrine activities reside within the service components.

SOCOM grew greatly in size during the wars, from 29,500 military personnel in 1999 to 65,152 today.<sup>1</sup> It is now approaching the size of the British Army Regular Forces (78,400 in 2019).<sup>2</sup> This large post-2001 increase was in response to DOD steadily increasing the number and type of missions SOCOM is expected to carry out. SOCOM has provided DOD's core counterterrorism capabilities, in addition to providing forces for other SOCOM missions such as direct action, foreign internal defense, irregular warfare, and civil affairs. Demand for all these missions has grown, not just in Central Command (CENTCOM) but globally as well.

SOCOM continues to grow as it picks up even more missions (described below) and seeks to reduce stress on its personnel by spreading operational commitments over a larger force.<sup>3</sup> The challenge, as the Congressional Research Service observes, will be, "How much larger US SOCOM can grow before its selection and training standards will need to be modified to create and sustain a larger force."<sup>4</sup> The history of special forces in other countries has often been of expansion, as the desirable traits of such forces are recognized, followed by the eventual attainment of a size where quality cannot be sustained. Then, a new elite group ("special" special forces) is created to regain the quality that has been lost through expansion. It is worth watching for such a phenomenon in SOCOM, although so far there is no indication of the emergence of such units.

### RISKS: DEPENDENCE ON OCO FUNDING, ALIGNMENT WITH NEW STRATEGY, PERSONNEL STRESS

Figure 2: SOCOM Funding



Source: DOD, *Fiscal Year (FY) 2020 President's Budget, Operation and Maintenance, Defense-Wide United States Special Operations Command*, p. 785.

SOCOM is highly dependent on OCO funding. For FY 2020 it has requested \$3.8 billion in OCO, 39 percent of its total funding and three times the department's rate overall (9 percent).<sup>5</sup> This heavy usage occurs because of SOCOM's extensive wartime operations, because SOCOM is allowed to fund global counterterrorism operations in OCO, unlike the military services, and because many base budget elements

1. Government Accountability Office (GAO), *SPECIAL OPERATIONS FORCES: Opportunities Exist to Improve Transparency of Funding and Assess Potential to Lessen Some Deployments*, GAO-15-571 (Washington, DC: July 2015), <http://www.gao.gov/products/GAO-15-571>.

2. "UK Armed Forces Quarterly Service Personnel Statistics," Ministry of Defense, July 1, 2019, 4-5, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/824753/201907-\\_SPS.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/824753/201907-_SPS.pdf).

3. Budget data for SOCOM is less available for FY 2019 than for previous years, perhaps reflecting DOD's new policy of not releasing data that could be useful to potential adversaries.

4. Andrew Feickert, *U.S. Special Operations Forces: Background and Issues for Congress*, CRS Report RS21048 (Washington, DC: Congressional Research Service, April 13, 2018), 2, <https://fas.org/sgp/crs/natsec/RS21048.pdf>.

5. Raymond Thomas, testimony before the House Armed Services Committee, Subcommittee on Emerging Threats and Capabilities, February 15, 2018, [https://www.socom.mil/Documents/Posture%20Statements/2018%20USSOCOM%20Posture%20Statement\\_HASC%20Final.pdf](https://www.socom.mil/Documents/Posture%20Statements/2018%20USSOCOM%20Posture%20Statement_HASC%20Final.pdf).

like personnel are funded in the service budgets.<sup>6</sup> Ninety percent of SOCOM's OCO funding is for enduring activities.<sup>7</sup> Fortunately for SOCOM, OCO appears to be relatively secure, with no major effort to eliminate it without compensating increases to the base budget.

Dependence on OCO funding raises the broader question of SOCOM alignment with the new National Defense Strategy (NDS). SOCOM's current operations focus on terrorism and stability operations and demand all of its attention. There is little bandwidth available to think about or prepare for the kind of great power conflicts that the new strategy gives priority to. Indeed, General Thomas's testimony, unlike those of the service chiefs, barely mentions great power conflict and the demands it might place on the force. In the near term, this gap is not a major problem since there is strong support for SOCOM's current operations. Indeed, SOCOM increases its relative budget share in the FY 2020 budget.<sup>8</sup>

However, this misalignment could become a longer-term challenge if day-to-day operations decline. Travis Sharp notes that "under the NDS [SOCOM's counterterrorism operations] should consume fewer resources and SOF's budget share should shrink accordingly."<sup>9</sup> Although SOCOM's capabilities are broadly useful, how their application would change from a stability operation/regional conflict to a great power conflict needs considerable thought.

High operational tempo (OPTEMPO) plagued SOCOM in the past, putting stress on personnel and their families, resulting in retention challenges and an increase in suicides. Previous posture statements had highlighted this challenge. In recent years, General Thomas (SOCOM commander until March 2019) has set a different tone. This year he stated: "Based on updated Department of Defense guidance, SOF formations are now focused on achieving a *minimum* of a 1:2 ratio and with the exception of a few critical skill sets and career fields, the vast majority of the SOF deploy at or above the deployment-to-dwell ratio of 1:2."<sup>10</sup>

So, stress is still high but not the crisis it was previously. This easing results from the increasing force size, which spreads deployments over more units and fills shortfalls in critical fields; a decrease in deployment levels as demands decrease in the Philippines and Syria/Iraq; and SOCOM's mitigation efforts through Preservation of the Force and Family programs.

### **INCREASING ORGANIZATIONAL INDEPENDENCE**

Special operations forces have two management headquarters: the assistant secretary of defense for special operations forces (ASD (SO/LIC)), which oversees policy, and SOCOM, which oversees operations and also has many organizational and administrative functions, such as procurement of special operations unique items and monitoring of SOF personnel careers.

There have been two broad trends over time: increasing organizational independence and gaining additional missions.

Organizational independence is seen in the authorities that SOCOM-ASD (SO/LIC) has received for equipment acquisition, oversight of promotions, career management, and establishment of policy. The

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6. "Funding Policy for Overseas Contingency Operations," Letter from Steven Kosiak, Associate Director of the Office of Management and Budget, to Robert Hale, Under Secretary of Defense (Comptroller), September 9, 2010, <http://asafm.army.mil/Documents/OfficeDocuments/Budget/Guidances/omb-gd.pdf>.

7. Thomas, testimony before the Senate Armed Services Committee, February 14, 2019.

8. Sharp calculates that special operations forces as a budget category increases its share of DOD budget by .3 percent. Travis Sharp, *Did Dollars Follow Strategy? Analysis of the 2020 Defense Budget Request* (Washington, DC: Center for Strategic and Budgetary Assessment, 2019), 20, [https://csbaonline.org/uploads/documents/FY\\_2020\\_Budget\\_WEB.pdf](https://csbaonline.org/uploads/documents/FY_2020_Budget_WEB.pdf).

9. *Ibid.*, 21.

10. Thomas, testimony before the Senate Armed Services Committee, February 14, 2019, 4.

effect, and explicit congressional intent, was to make special operations forces like a separate service. The ASD (SO/LIC) now has authorities like those of a service secretary for exercising administrative and policy control over designated forces. Indeed, in DOD's *Defense Budget Overview*, SOCOM is listed separately, along with the military services, in the description of readiness recovery (see Chapter 3).<sup>11</sup>

In the last few years, SOCOM received new missions as DOD's coordinating authority for: Countering Violent Extremist Organizations; Countering Weapons of Mass Destruction, transferred from USSTRATCOM; and transregional Military Information Support Operations capability. In effect, the additional missions make SOCOM a "global COCOM," with activities that reach into the regional COCOMs without being fully subordinate to them.

These actions recognize the prominent role of special operations forces in recent and continuing conflicts. However, the new structure further weakens the already tenuous connection between the services and their special operations personnel. The new authorities and independent role may also create tension with the ASD (SO/LIC)'s nominal boss, the under secretary for policy. It will take time to sort out the new relationships.

## Ethical Challenges

In the last year, ethical misconduct has emerged as a new and disturbing theme for the SOF, raising broader questions about SOF personnel attitudes and marring the reputation of the SOF, especially the SEALs. A description of some of the worst offenses follows:

- Two SEALs were convicted of murdering an Army Green Beret in Africa in 2017.
- Navy SEAL Edward Gallagher was accused of several crimes, including the murder of civilians, but was found not guilty of most charges when other SEALs appeared to close ranks behind him to cover up the offenses.
- A platoon from SEAL Team Seven was sent home from deployment in Iraq because of drinking and alleged sexual misconduct.
- Special Forces Major Matthew Golsteyn was charged with murdering a Taliban bombmaker taken prisoner in 2010, in what has become a high-profile and politically charged case.<sup>12</sup>
- Two Green Berets pled guilty to charges of trafficking 90 lbs. of cocaine from Columbia in 2018.<sup>13</sup>
- A soldier from the Army 7th Special Forces Group in 2018 was charged with raping two young girls while they were at his home near Eglin Air Force Base.<sup>14</sup>

The head of the SEALs, RADM Colin Green, has ordered a cultural review, as has General Richard Clark, current SOCOM commander.<sup>15</sup> In his spring testimony, General Thomas argues that 99.9 percent of special

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11. For a detailed description of these changes, see Mark Cancian, "What Happened in Congress?" *Defense 360*, January 10, 2017, <https://defense360.csis.org/national-security-reform-happened-congress>; and the update, Mark Cancian, "What Really Matters in the Defense Authorization Act and What Didn't Get Done," *Breaking Defense*, August 3, 2018, <https://breakingdefense.com/2018/08/what-really-matters-in-the-defense-authorization-act-what-didnt-get-done/>.

12. Todd South, "Army Green Beret major pleads not guilty to Afghan murder charge," *Army Times*, June 27, 2019, <https://www.army-times.com/news/your-army/2019/06/27/army-green-beret-major-pleads-not-guilty-to-afghan-murder-charge/>; Elliot Ackerman, "Even a War Hero Is Not Above the Law," *New York Times*, December 17, 2018, <https://www.nytimes.com/2018/12/17/opinion/mathew-golsteyn-trump.html>.

13. Meghann Myers, "Two Army Green Berets plead guilty in plot to smuggle 90 pounds of cocaine from Colombia," *Army Times*, January 4, 2019, [armytimes.com/news/your-army/2019/01/04/two-army-green-berets-plead-guilty-in-plot-to-smuggle-90-pounds-of-cocaine-from-colombia/](https://www.armytimes.com/news/your-army/2019/01/04/two-army-green-berets-plead-guilty-in-plot-to-smuggle-90-pounds-of-cocaine-from-colombia/).

14. Meghann Myers, "7th Special Forces Group soldier arrested for raping two children," *Army Times*, April 20, 2018, <https://www.army-times.com/news/your-army/2018/04/20/7th-special-forces-group-soldier-arrested-for-raping-two-children/>.

15. Courtney Kube, "Head of U.S. Special Operations Forces Orders Review of Culture After SEALs, Other Scandals," *NBC News*, August

operations personnel act appropriately.<sup>16</sup> However, there may be a deeper problem—that special operators consider themselves “special” and therefore not restricted by the rules that bind other servicemembers. The outcome of the SOCOM and SEAL reviews will shed light on this new and disturbing problem.

## DOD Civilians

Despite administration proposals to decrease the number of civilians in non-defense/domestic agencies, the administration proposes to continue increasing the number of DOD civilians. This increase occurs because civilians help readiness, most being in maintenance and supply functions, not in headquarters (as is often believed). The bad news is that the administration proposes a civilian pay freeze, and some benefits would be cut.

Table 2: Department of Defense Civilians

	<b>DOD Civilians</b> <i>(direct budget)</i>	<b>Total DOD Civilians</b> <i>(Including Foreign Direct Hires)</i>
<b>FY 2019 Enacted</b>	752,600	767,400
<b>FY 2020 Request</b>	757,800	772,600
<b>Change</b>	+5,200	+5,200

Note: Full-time equivalents. Total includes U.S. and foreign direct hires, excluding classified activities, OCO funded, and indirect hires.

Source: Office of the Undersecretary of Defense (Comptroller), *Defense Budget Overview: Fiscal Year 2020 Budget Request* (Washington, DC: March 2019), Figure 2.3, 2-9, 6-18. [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020\\_Budget\\_Request\\_Overview\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_Budget_Request_Overview_Book.pdf).

The United States is unusual in that it has a large number of civilians working in its military establishment where other countries have military personnel. DOD’s civilians perform a wide variety of support functions in intelligence, equipment maintenance, medical care, family support, base operating services, and force management. The department does this because civilians provide long-term expertise, whereas military personnel rotate frequently. Further, the civilian personnel system, for all of its limitations, is more flexible than the military system in that civilian personnel do not need to meet the strict standards for health, fitness, combat skills, and worldwide assignments that military personnel do.

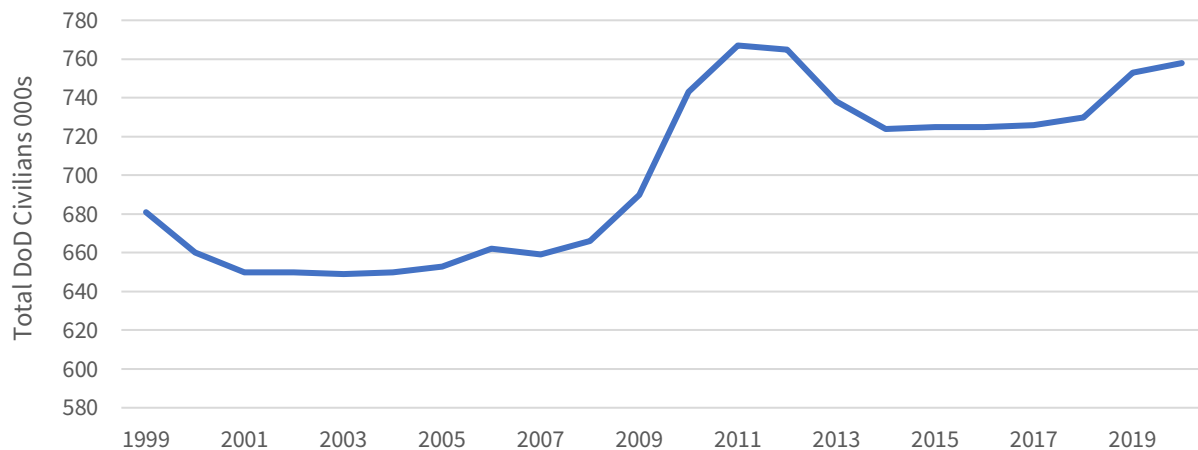
Civilians are often viewed as “overhead” who staff Washington headquarters. In fact, most civilians (96 percent) are outside Washington. Only about 4 percent (31,000) work in management headquarters, and only 27,000 of these work in Washington. DOD argues that civilians “are key to warfighter readiness, essential enablers to DoD’s mission capabilities and operational readiness, and critical to supporting our All-Volunteer Force and their families.” Nevertheless, DOD acknowledges concerns about the size of “overhead,” explaining that it “recognizes the continued need for agency reform, increased efficiencies, and ensuring Defense resources are aligned to FY 2020 Defense Budget mission priorities.”<sup>17</sup>

12, 2019, <https://www.nbcnews.com/news/military/head-u-s-special-operations-forces-demands-review-culture-after-n1041456>.

16. Thomas, testimony before the Senate Armed Services Committee, February 14, 2019, 5.

17. Under-Secretary of Defense (Comptroller), *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, 2-8, 9.

Figure 3: Total DoD Civilians – 1999-2020



Source: Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY2020*, Table 7-5: Department of Defense Manpower, 260-262.

Also controversial has been the long-term increase in the number of civilians. Although the number came down from the wartime peak as part of the postwar drawdown, it did not return to pre-conflict levels and has crept up again. Proponents cite several reasons for this:

- A long-standing initiative to move functions from higher-cost, and difficult to recruit, military personnel to lower-cost civilian personnel;
- An Obama administration effort to “insource” activities that had previously been done by contractors. Although the effort was shown to not save money, it did ensure that “inherently governmental activities” were done by government employees; and
- Recent DOD efforts to remedy readiness shortfalls, for example, in maintenance and supply, which require more people.

However, some commentators look at this increase as bureaucratic bloat and argue that it represents evidence that civilian personnel levels are not closely overseen.

#### **CIVILIAN PAY FREEZE**

Once again, the administration has proposed a pay freeze for all government civilians, whereas the military would get a 3.1 percent increase. Breaking parity in pay raises is becoming the norm again after many years where military and civilian pay increases were the same. This disparity would continue in the future as the military is projected to receive pay raises of 2.6 percent in FY 2021-FY 2024, whereas civilians would receive 2.1 percent.<sup>18</sup> Congress has frequently been more supportive of civilians, however, as the House passed a 3.1 percent increase for FY 2020 and the Senate approved a 2.6 percent raise. The administration appears to have accepted this.

The administration also proposes increased retirement contributions and longer probationary periods.

18. Under-Secretary of Defense (Comptroller), *National Defense Budget Estimates For FY 2020 (Green Book)*, Table 5 – 12, [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/FY20\\_Green\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/FY20_Green_Book.pdf).



## **FEDERAL GOVERNMENT REORGANIZATION**

The administration released its proposals for government reorganization in March 2018.<sup>19</sup> The only element directly affecting DOD was a proposal to transfer security clearance investigations back to DOD, which is scheduled to happen on October 1, 2019. Government-wide, the major proposal in the FY 2020 budget was to merge the Office of Personnel Management (OPM) and the General Services Administration (GSA). OPM is the agency that everyone loves to hate because it implements all the regulations about the civil service. Congress is balking at the merger, however.

## **“CYBER EXCEPTED SERVICE” DENIED**

The Trump administration had proposed creation of a “cyber excepted service” to access the specialized skills needed for cyber operations without going through the cumbersome civil service hiring processes. DOD has frequently sought such exceptions to increase flexibility in civilian personnel management. In general, Congress has been skeptical about granting such exceptions and denied appropriations for this initiative.

## **CIVILIAN EXPEDITIONARY CORPS—CONTINUING BUT SMALL**

Secretaries of defense from Rumsfeld to Mattis have wanted to make DOD civilians more expeditionary—that is, able to deploy overseas in support of combat operations. This reduces dependence on contractors, eases stress on military personnel, and helps ensure that government employees conduct inherently governmental activities. DOD did take steps to give deployed civilian employees comparable benefits to military personnel in areas such as family separation, disability, medical care, and tax benefits. It established an Expeditionary Civilians program manager and recently updated its directive on implementing the program.<sup>20</sup>

However, this effort remains small. Only about 1,000 government civilians are in Afghanistan, compared to 15,000 military personnel and 27,000 contractors. There is no mechanism for involuntary deployments, civilians deploy individually and thus leave vacancies in their parent organizations, and, unlike for military personnel, such assignments are not considered career-enhancing.<sup>21</sup>

## **“NIGHT COURT” IS COMING TO DEFENSE AGENCIES**

As secretary of the army, Secretary Esper conducted a process called “night court,” whereby he and other senior leaders, civilian and military, reviewed all of the Army’s programs to identify savings that could then be transferred to programs that were higher priority in support of the NDS.<sup>22</sup> Secretary Esper proposes to do that now for DOD as a whole, only focusing on defense-wide activities, mainly the defense agencies and field activities—otherwise known as the “fourth estate.”<sup>23</sup> The specific issues and process are as of yet unclear, but the intention is to put the results into the FY 2021 budget. Since defense-wide activities are staffed mostly by civilians, any reductions would particularly affect the civilian workforce.

Any changes coming out of this process would be on top of changes coming out of parallel management reform processes, such as the “921 plan,” a congressionally directed reform of DOD enterprise business operations. Such reform efforts have been nearly continuous because of a belief that DOD overhead is

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19. White House, *Delivering Government Solutions in the 21st Century* (Washington, DC: June 2018), p. 51-56, <https://www.whitehouse.gov/wp-content/uploads/2018/06/Government-Reform-and-Reorg-Plan.pdf>.

20. DOD, *Department of Defense Expeditionary Civilian Workforce (DTM-17-004)* (Washington, DC: updated January 2, 2019), <https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dtm/DTM-17-004.pdf?ver=2019-01-02-072423-843>.

21. JP Lawrence, “Surge of DOD Civilian Employees Is Needed in Afghanistan, Mattis Says,” *Stars and Stripes*, July 11, 2018, <https://www.stripes.com/news/surge-of-dod-civilian-employees-is-needed-in-afghanistan-mattis-says-1.536874>.

22. For a description of “night court,” see Mark Cancian, “Mark Esper Is About To Put Every Pentagon Program Through The Ringer,” *Forbes*, July 24, 2018, <https://www.forbes.com/sites/markcancian/2019/07/24/theres-a-new-sheriff-in-the-pentagon/#40bf23f87e74>.

23. Deputy Secretary of Defense, “Defense Wide Review,” DOD, memo, August 2, 2019 [https://admin.govexec.com/media/gbc/docs/pdfs\\_edit/norquistmemo.pdf](https://admin.govexec.com/media/gbc/docs/pdfs_edit/norquistmemo.pdf).



excessive, but the results have been modest in the face of opposition by agency advocates, the need to invest political capital to make change, and the fact that many agencies were originally created as efficiency measures. Standby for a full description in next year’s report.<sup>24</sup>

Contractors

Contractors have become a permanent element of the federal workforce. Spending on service contractors is substantially above the prewar level. Operational or battlefield contractors outnumber military personnel in the CENTCOM region (53,000 to 35,000), and the ratio of contractors to military personnel has increased from 1:1 in 2008 to 1.5:1 today.

Nevertheless, both service and operational contractors remain controversial because of unresolved questions about cost and the appropriate delineation of functions.

SERVICE CONTRACTORS

These contractors provide services to the government and are distinct from contractors who provide products.

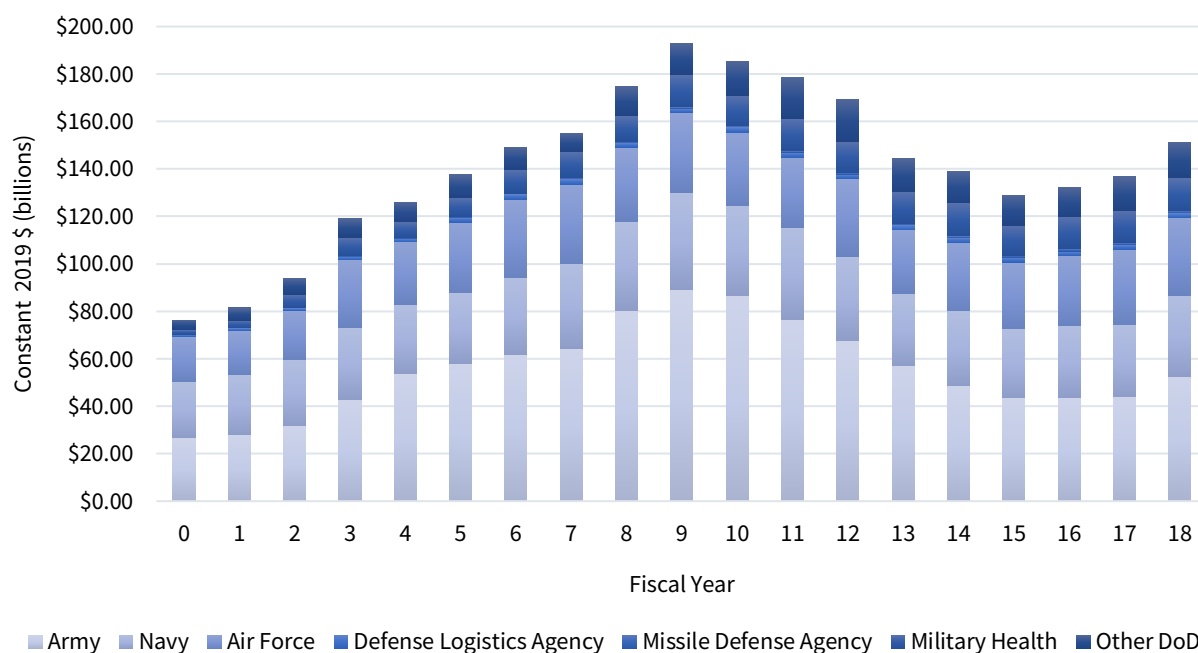
Table 3: Service Contractor Numbers by Organization

Organization	Number of Service Contractors
Dept. of the Army	151,848
Dept. of the Navy	199,022
Dept. of the Air Force	123,985
Office of the Secretary of Defense	5,778
Joint Staff	1,075
Combatant Commands	13,238 (of which SOCOM has 9,864)
Defense Agencies/Field Activities	66,293
Total	561,239

Note: Excludes intelligence agencies and six agencies for which data are not yet available.  
Source: “FY15 DoD Services Contract Inventory,” Inventory of Service Contractors, 2015, [https://www.acq.osd.mil/dpap/cpic/cp/inventory\\_of\\_services\\_contracts.html](https://www.acq.osd.mil/dpap/cpic/cp/inventory_of_services_contracts.html). (The last year for which full data are available.<sup>25</sup>)

24. For lack of results, see GOA, *Defense Management: Observations on DOD’s Business Reform Efforts and Plan* (Washington, DC: September 2019), <https://www.gao.gov/assets/710/701129.pdf>; for the difficulty in achieving reforms, see Joe Gould, “Esper’s Pledge to Trim Pointless Programs Will Test His Political Clout,” *Defense News*, August 30, 2019, <https://www.defensenews.com/2019/08/30/espers-pledge-to-trim-pointless-programs-will-test-his-political-clout/>.  
25. The Inventory of Service Contractors last provided a version of this excellent summary table in their 2015 annual report to Congress. However, in 2016 they changed the measures for this summary table, and in 2017 and following years they dropped it entirely. For the purposes of tracking the relative growth of service contractors, it would be helpful if Defense Pricing and Contracting produced summary tables comparable to the above 2015 table in the future.

Figure 4: DOD Service Contract Obligations



Source: FPDS, CSIS analysis.

CSIS has analyzed these contracts in detail in Figure 4, showing how service contract obligations increased from \$77 billion in 2000 to \$193 billion at their peak in FY 2009 (all in FY 2019 dollars). Although service contract obligations have declined since their peak, they are still substantially above the prewar levels and have started to increase again, with \$151 billion worth of obligations recorded in FY 2018.<sup>26</sup>

In response to this long-term increase, DOD is trying to give these contracts the kind of oversight that product contracts have received. DOD has, therefore, established categories of service contracts, “S-CATs,” patterned on the “ACATs” for weapon systems, and established procedures for reviewing them, especially the largest contracts (DODI 5000.74, Defense Acquisition of Services). The military services have stood up Service Requirement Review Boards to identify redundancies and improve contract value.<sup>27</sup>

Service contractors are controversial because they raise questions about what the government should do and what the private sector should do. On the one hand, government regulations (OMB Circular A-76) state that only government employees should conduct “inherently governmental” activities. On the other hand, the same document states the government should not compete with its citizens and therefore should buy from the private sector whenever it can.<sup>28</sup>

Outsourcing had been an element of the Clinton and Bush administrations’ “reinventing government” initiatives, but in 2008-2010 the Democratic-dominated Congress effectively shut this effort down, and then the Obama administration blocked conversions permanently. This shutdown occurred partly as

26. Andre Rhys McCormick and Samantha Cohen, “Defense Acquisition Trends, 2018: Defense Contract Spending Bounces Back,” CSIS, *CSIS Brief*, September 13, 2018, <https://www.csis.org/analysis/acquisition-trends-2018-defense-contract-spending-bounces-back-executive-summary>.

27. Tony Bertuca, “DOD Tries to Better Manage \$145 billion in Services Contracts as GAO Preps Report,” *Inside Defense*, January 20, 2016, <http://nges.insidedefense.com/daily-news/pentagon-tries-better-manage-145b-services-contracts-gao-preps-report>.

28. White House, *OMB Circular A-76: Performance of Commercial Activities* (Washington, DC: 1999), <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A76/a076.pdf>.

a result of concerns about disruptions to the workforce, partly because of questions about the actual achievement of savings, and partly in response to complaints by unions anxious to protect their members' jobs. The Obama administration believed that it would save money by bringing activities in-house. However, these savings did not materialize when all of the costs of “insourcing” were considered, and the effort ended. Thus, the balance between contractors and the federal workforce has reached a position of stasis—that is, there are restrictions against moving in either direction.

This stasis is driven in part by unresolved questions about relative costs between the two sectors. Some argue that government is inherently less expensive because it does not need to make a profit. Others argue that government is generally more expensive because it does not need to compete and to be efficient to remain in business. Where commentators come down depends strongly on their views about government and the private sector, with Republicans generally relying more on the private sector and Democrats more on government.

The analytic problem arises from indirect costs. Private-sector prices must include all these costs if an organization is to remain in business over the long term. In government, these costs are widely distributed, so their identification and allocation are difficult.<sup>29</sup> A valid comparison requires developing fully-burdened costs—that is, personnel costs with all benefits and support included. DOD and the broader community have made progress on theoretical constructs about what costs to include, but actual numbers do not exist.

There is broad agreement, however, that DOD and the government as a whole do not have a clear strategy for allocating activities among the different elements of its workforce: active duty military, reserve military, government civilians, and contractors. Organizations as diverse as the Project on Government Oversight, the Defense Business Board, and CSIS have made this point.<sup>30</sup> While there is extensive literature on the active/reserve mix, there is much less on government civilians and contractors, largely because of the lack of an assessment of the full costs of each workforce element.

## OPERATIONAL CONTRACTORS

Table 4: Department of Defense Military and Contractor Personnel in USCENTCOM Area of Responsibility, 2019

	<i>Total Military</i>	<i>Total Contractors</i>	<i>U.S. Citizens</i>	<i>Third-Country Nationals</i>	<i>Local/Host-Country Nationals</i>
<b><i>Afghanistan Only</i></b>	16,000	27,457	10,648	11,077	5,732
<b><i>Iraq/Syria Only</i></b>	11,000	7,475	3,229	2,753	1,493
<b><i>Other Locations</i></b>	~8,000	18,427	8,117	10,229	81
<b><i>AOR Total</i></b>	35,000	53,359	21,994	24,059	7,306

Note: Data excludes forces afloat and classified data for Iraq, Iran, Kuwait, and Syria.

Source: Contractor data from Deputy Assistant Secretary of Defense (Program Support), *Contractor Support of U.S. Operations in the CENTCOM Area of Responsibility* (Washington, DC: Department of Defense, June 2019), [http://www.acq.osd.mil/log/PS/CENTCOM\\_reports.html](http://www.acq.osd.mil/log/PS/CENTCOM_reports.html); Military personnel data from Under Secretary of Defense (Comptroller), *Defense Budget Overview FY 2020*, 6-4; “Military and Civilian Personnel by Service/Agency and Country/Location,” Defense Manpower Data Center, March 2019.

29. Jacques S. Gansler, William Lucyshyn, and John Rigilano, *Toward a Valid Comparison of Contractor and Government Costs* (College, Park, MD: University of Maryland, Center for Public Policy and Private Enterprise, February 2012), <https://calhoun.nps.edu/bitstream/handle/10945/54492/UMD-CE-11-209.pdf?sequence=1&isAllowed=y>.

30. Defense Business Board, *Focusing a Transition: Challenges Facing The New Administration* (Washington, DC: DOD, 2016), <http://dbb.defense.gov/Portals/35/Documents/Reports/2016/DBB%20Transition%20Report%202016%20-%2020160920.pdf>; Mark Cancian, “Reforming the Civilian Workforce: Two Carrots and Two Sticks,” *Defense360*, January 11, 2017, <https://defense360.csis.org/reforming-the-civilian-workforce-two-carrots-and-two-sticks>; Scott Amey, “Pentagon Misses The Target When It Comes To Its Workforce,” *Defense One*, April 17, 2017, <http://www.defenseone.com/ideas/2017/04/pentagon-misses-target-when-it-comes-its-workforce/137074>.

Operational support contractors (OSC) now form a permanent element of the U.S. forces overseas, along with active duty personnel, reservists, and government civilians. Contractor numbers in CENTCOM have tracked consistently with the level of operations since 2008, when reporting began. With operations in Afghanistan and Iraq/Syria at a relatively low level and stronger controls and oversight in place, contracting scandals have virtually ceased, and the use of battlefield contractors has receded into the background as a political issue.

Although the widespread and routine use of operational contractors remains controversial in some quarters—Rachael Maddow, the MSNBC commentator, criticized “[reliance] on a pop-up army . . . of greasy, lawless contractors”<sup>31</sup>—use for logistics and administrative functions has become routine in contemporary operations because of the limited numbers of military personnel.<sup>32</sup> As a result, some analysts have suggested expanding the use of contractors as military manpower becomes increasingly stretched.<sup>33</sup> DOD may have no choice, since force structure increases are modest, as described earlier, and are focused on combat units. This limited force expansion may be strategically sound but drives a greater need for contractor support. Further, administrations routinely put caps on the number of military personnel that can be in theater, but these caps do not include contractors. Thus, contractors can expand the range of military activities without breaking administration policy.

As the table above shows, contractors in CENTCOM outnumber military personnel overall. They outnumber military personnel in Afghanistan and approach the number of military personnel in Iraq. Forty percent are U.S. citizens.

In the last year, contractor numbers have increased everywhere in CENTCOM, although this was not part of any announced policy. As with much policy regarding contractors, DOD may have backed into it as a result of pressures to keep the number of military personnel low and to reduce the visibility of the military effort.

- In Afghanistan, contractor numbers continue to increase, from 26,922 in 2018 to 27,457 today, as the Trump administration’s mini-surge took hold in an effort to stave off defeat.
- In Iraq/Syria, the number of contractors also increased, from 5,323 in 2018 to 7,475 today, consistent with an increase in military personnel.
- Contractors in other CENTCOM locations also increased, from 17,000 to 18,407.

An additional 7,000 contractors in Iraq/Syria work for organizations outside DOD, presumably for the Department of State, U.S. Agency for International Development (USAID), and the intelligence community, and a similar number do such work in Afghanistan.

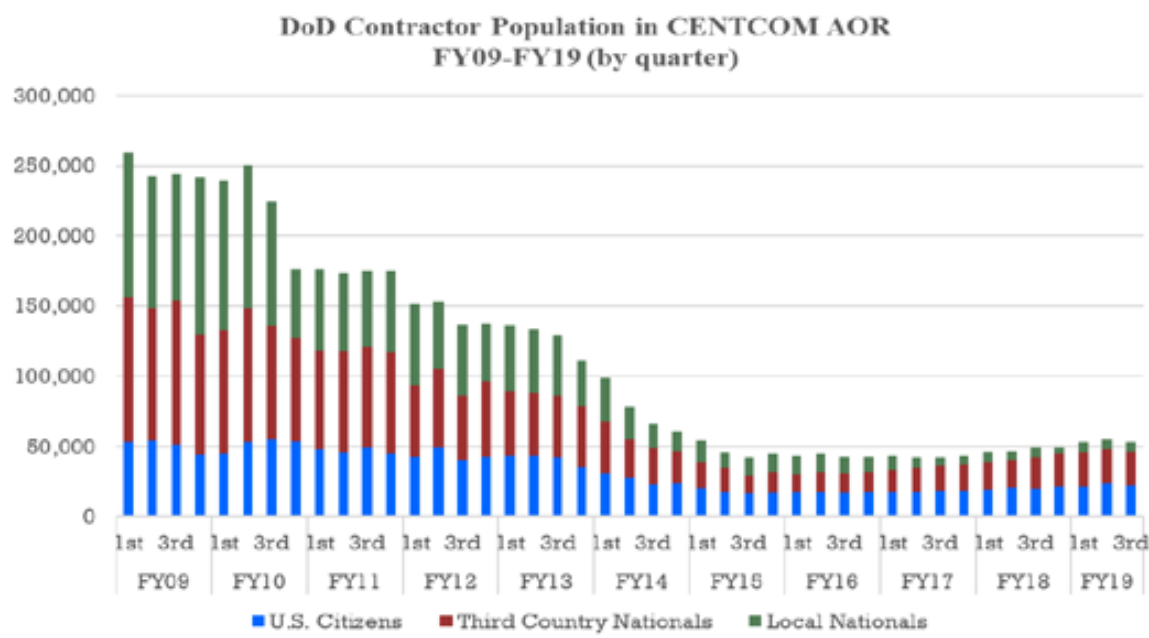
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31. Rachael Maddow, *Drift: The Unmooring of American Power* (New York, NY: Crown Publishing, 2012), 186–87.

32. Mark Cancian, “Contractors: The New Element of Military Force Structure,” *Parameters* 38, no. 3 (Autumn 2008), 61–77, <https://ssi.armywarcollege.edu/pubs/Parameters/articles/08autumn/cancian.pdf>.

33. Richard E. Wagner, *Optimizing Defense Use of Contract Services to Mitigate the Threat of a Hollow Force* (Carlisle, PA: U.S. Army War College Press, 2016).

Figure 5: Contractors in CENTCOM FY 2008-FY 2019



Source: “Contractor Support of U.S. Operations in the USCENTCOM Area of Responsibility,” DOD, June 2019, [https://www.acq.osd.mil/log/PS/.CENTCOM\\_reports.html/5A\\_Jul\\_2019\\_Final.pdf](https://www.acq.osd.mil/log/PS/.CENTCOM_reports.html/5A_Jul_2019_Final.pdf).

As the chart above indicates, total contractor numbers are down from the peak in 2008/2009. After increasing for several years, they now may have stabilized. The ratio of military to contractors has also changed personnel. Whereas in the past, the ratio was close to 1:1, the ratio for Afghanistan/Iraq/Syria today is 1 military to 1.3 contractors (1:1.5 for CENTCOM overall).<sup>34</sup> This is down from 1:1.6 in 2017, reflecting a greater relative increase in the number of military personnel. The ratio will likely climb back up if the number of military personnel declines as a result of a peace agreement or policy shift.

About half of contractors perform logistics/maintenance functions and most of the rest do base operations and administrative tasks. A small number of contractors do combat-related tasks. Of the 34,932 contractors in Iraq, Syria, and Afghanistan, 6,056 are in security functions, and of these, 2,639 are in Personnel Security Detachments (PSDs), all in Afghanistan. This latter function is highly sensitive because these contractors carry weapons, interact with the civilian population routinely, and have committed highly publicized abuses in the past.

PSDs are now required to conform to either the U.S. or international standard for PSD training, recruiting, and conduct. The industry is participating through its professional organizations—the Professional Services Council and the International Peace Operations Association, among others. The fact that no incidents have arisen recently indicates that the oversight and controls instituted in the last decade have been effective.<sup>35</sup>

34. Commission on Wartime Contracting, *Transforming Wartime Contracting: Controlling Costs, Reducing Risks*, (Washington, DC: August 2011), p. 200, 205, <http://www.acq.osd.mil/dpap/pacc/cc/cowc.html>.

35. Whitney Grespin, “Well Behaved Defense Contractors Seldom Make History,” War on the Rocks, April 21, 2016, <http://warontherocks.com/2016/04/well-behaved-defense-contractors-seldom-make-history>.

Table 5: Contractor Numbers in Iraq/Syria and Afghanistan by Function, June 2019

<b>Category</b>	<b>Iraq and Syria</b>	<b>Afghanistan Only</b>	<b>Total</b>
Base	1,405	3,468	<b>4,873</b>
Construction	531	1,845	<b>2,376</b>
IT/Communications Support	321	927	<b>1,248</b>
Logistics/Maintenance	2,631	8,761	<b>11,392</b>
Management/Administrative	404	1,511	<b>1,915</b>
Medical/Dental/Social Services	15	69	<b>84</b>
Other	45	626	<b>671</b>
Security	621	5,435	<b>6,056</b>
Training	22	1,401	<b>1423</b>
Translator/Interpreter	979	1,897	<b>2,876</b>
Transportation	501	1,517	<b>2,018</b>
<b>Total</b>	<b>7,475</b>	<b>27,457</b>	<b>34,932</b>

Source: “Contractor Support of U.S. Operations in the USCENTCOM Area of Responsibility,” DOD.

DOD recognizes that operational contractors are a permanent element of its force structure. As a result, DOD has standardized and institutionalized the contracting process that supports both conflicts and peacetime needs, such as natural disasters and humanitarian assistance. Some actions DOD has taken are to conduct operational contracting exercises, to incorporate operational contract support into combatant command plans, and to gather lessons-learned systematically.

### *National Security Organizations Outside DOD*

Congress’s budget category for national security (“050”) is 95 percent DOD. However, about \$30 billion a year goes to other national security organizations. A major part of these organizations produces products and services for DOD.

Further, the BCA budget caps put these organizations and DOD in a zero-sum situation. Because DOD has by far the largest budget, any increases in these non-DOD programs require reductions by DOD, so DOD has an interest in their cost and management.

#### **THE NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA)**

The NNSA is part of the Department of Energy (DOE), but its activities support DOD nuclear missions and activities. It has four major elements:

1. Weapons activities, which develop, produce, and maintain a safe, secure, and effective nuclear weapons stockpile through a highly skilled engineering and scientific workforce. This work is conducted by the well-known weapons labs Los Alamos, Sandia, and Lawrence Livermore and production facilities, such as Y-12 in Tennessee and PANTEX in Texas; thus, the NNSA provides the nuclear weapons that complement the nuclear delivery systems that DOD develops, procures, and operates;
2. Nonproliferation, which reduces the threat posed by nuclear proliferation and terrorism, including safeguarding unsecured or excess nuclear and radiological materials, both domestic and international;
3. Naval reactors, which develop and support (but do not build) nuclear propulsion for the U.S. Navy; and



4. A federal workforce, which oversees the entire enterprise. This workforce staffs NNSA's Washington headquarters and liaison offices at nuclear labs and production facilities around the country, but most of NNSA's workforce (96 percent) belongs to contractors, not directly to the federal government.

The FY 2020 budget continues to emphasize military programs, consistent with the administration's priorities for a "hard power" approach.

Table 6: FY 2018, FY 2019, FY 2020 NNSA Budgets (billions)

	<i><b>FY 2018 Enacted</b></i>	<i><b>FY 2019 Enacted</b></i>	<i><b>FY 2020 Request</b></i>	<i><b>\$ Change FY 2019 vs. FY 2020</b></i>	<i><b>Percentage Change FY 2019 vs. FY2020</b></i>
<b><i>Weapons Activities</i></b>	10.6	11.1	12.4	1.3	+11.8
<b><i>Defense Nuclear Nonproliferation</i></b>	1.99	1.93	1.99	.6	+3.3%
<b><i>Naval Reactors</i></b>	1.62	1.79	1.65	.14	-8%
<b><i>NNSA Federal Workforce</i></b>	.4	.41	.43	.02	+5%
<b><i>Total</i></b>	<b>14.61</b>	<b>15.23</b>	<b>16.47</b>	<b>2.06</b>	<b>+14</b>

Source: Department of Energy, *FY 2020 Congressional Budget Request, National Nuclear Security Administration: Federal Salaries and Expenses, Weapons Activities, Defense Nuclear Nonproliferation, Naval Reactors* (Washington, DC: March 2019), Vol. 1, 3, <https://www.energy.gov/sites/prod/files/2019/04/f62/doe-fy2020-budget-volume-1.pdf>.

## WEAPONS ACTIVITIES

The major part of the budget increase goes to weapons activities. This represents the ramping up of the nuclear modernization effort, a commitment the Obama administration made in ratifying the New START treaty in 2010. The Obama administration argued that reducing the level of operational weapons was prudent when coupled with modernization of the remaining weapons, platforms, and supporting nuclear infrastructure. The Trump administration continued and expanded this nuclear modernization effort. As its Nuclear Posture Review (NPR) explained, "Nuclear weapons have and will continue to play a critical role in deterring nuclear attack and in preventing large-scale conventional warfare between nuclear-armed states for the foreseeable future. U.S. nuclear weapons not only defend our allies against conventional and nuclear threats, they also help them avoid the need to develop their own nuclear arsenals. This, in turn, furthers global security."<sup>36</sup>

The NPR reaffirmed the need for a triad. For NNSA this meant continuing life extension programs for warheads that were at the end of their service life (such as the B61 and the W76-0), expanding maintenance efforts on the existing weapons stockpile, and starting new weapons developments such as the development of low-yield nuclear weapons to counter a perceived Russian threat of limited nuclear strikes as part of an escalate to de-escalate strategy. These low-yield nuclear weapons included a short-term modification of an existing SLBM warhead and a longer-term redevelopment of a low-yield nuclear SLCM (which was previously retired per the 2010 NPR).<sup>37</sup>

Development of low-yield nuclear weapons and a warhead for a cruise missile replacement garnered opposition from arms-control groups, even though the current budget amounts are small (\$10 million in FY 2020) for low-yield nuclear warheads. These programs had not been part of the original Obama nuclear

36. Department of Defense, *Nuclear Posture Review* (Washington, DC: February 2018), p. iii, <https://media.defense.gov/2018/Feb/02/2001872886/-1/-1/1/2018-NUCLEAR-POSTURE-REVIEW-FINAL-REPORT.PDF>.

37. *Ibid.*, 2, 7-9.

modernization plan and were criticized as unnecessary and destabilizing.<sup>38</sup> For FY 2020, the Democratic-controlled House has opposed these new programs, while the Republican-controlled Senate has supported them, leaving resolution to the authorization conference.

NNSA has a history of poor cost control on its major acquisition projects. (See, for example, discussion below of the Mixed Oxide Facility.) In weapons activities, two programs, the B61 and W88 have recently acknowledged schedule delays and increased costs of a combined \$720 million to \$850 million.<sup>39</sup> Areas of long-term cost risk include the nuclear weapons life extension programs; the multi-billion-dollar Uranium Production Facility at Y-12 and the Chemistry and Metallurgy Research Replacement Nuclear Facility at Los Alamos; the replacement for MOX, if there is one; domestic uranium enrichment for tritium production; PS-4 replacement/enlargement for plutonium storage at Los Alamos; and the replacement Spent Fuel Handling Facility and associated labs.

### **NONPROLIFERATION**

Nonproliferation activities slowed, as the easiest materials to access and dispose of have been exhausted and the remaining materials are in countries where agreements are difficult. It also reflects the cancellation of the Mixed Oxide (MOX) facility. Intended to dispose of 34 tons of weapons plutonium, the MOX facility had its cost balloon from \$1.9 billion in the 2001 initial estimate to \$50 billion in the most recent estimate. The Trump administration, following the Obama administration's proposal, has cancelled the facility for the nonproliferation mission in favor of a less expensive dilute and dispose approach for the 34 tons of plutonium.<sup>40</sup> In response to the South Carolina congressional delegation's strong support for the now-cancelled MOX project, NNSA is repurposing the partly completed MOX facility for nuclear weapons plutonium pit manufacturing. (Pits are the core of an implosion nuclear weapon.<sup>41</sup>)

### **NAVAL REACTORS**

The large increase (60 percent since FY 2014) reflects the final stages of the Ford-class reactor development, the peak of the Columbia-class Trident replacement reactor development, and the construction of a large spent fuel handling facility to accommodate the first-ever dismantling of large aircraft carrier reactors, as the Ford-class replaces the Nimitz-class. It also reflects efforts to extend the life of existing submarine classes, particularly the Los Angeles-class, as part of the Navy's effort to increase ship numbers, as described earlier.

### **FEDERAL WORKFORCE**

As with DOD's civilian workforce, NNSA's civilian workforce bucks the trend of reductions, growing slightly from 1,737 Full-Time Equivalents (FTEs) at the end of FY 2019 to 1,753 FTEs by the end of FY 2020. This reflects the need to expand oversight commensurate with the expansion of agency activity.

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38. For a few examples among many, see Steven Pifer, "Stop the low-yield Trident nuclear warhead," *The Hill*, June 8, 2019, <https://thehill.com/opinion/national-security/447514-stop-the-low-yield-trident-nuclear-warhead>; and Adam Mount, *The Case against New Nuclear Weapons* (Washington, DC: Center for American Progress, May, 2017), <https://cdn.americanprogress.org/content/uploads/2017/05/03135057/TheCaseAgainstNewNukes-report1.pdf>.

39. Mallory Shelbourne and Sara Sirota, "NNSA: Air Force, Navy nuke schedule delays to cost nearly \$1 billion," *Inside Defense*, September 25, 2019, <https://insidedefense.com/daily-news/nnsa-air-force-navy-nuke-schedule-delays-cost-nearly-1-billion>.

40. "DOE Terminates Troubled MOX Project," *Arms Control Association*, <https://www.armscontrol.org/act/2018-11/news-briefs/doe-terminates-troubled-mox-project>; Recent legal losses by South Carolina indicate that the project's cancellation will not be stopped. Brad Kutner, "Panel Rejects Bid to Stop SC Nuke Plant Closure," *Courthouse News Service*, January 9, 2019, <https://www.courthouse-news.com/panel-rejects-bid-to-stop-sc-nuke-plant-closure/>; For more on the Dilute and Dispose approach, see the NNSA's report, *Surplus Plutonium Disposition Dilute and Dispose Option Cost Estimate Report* (Washington, DC: Department of Energy, May 2018), <https://s3.amazonaws.com/ucs-documents/global-security/dilute-and-dispose-independent-cost-estimate-4-18.pdf>.

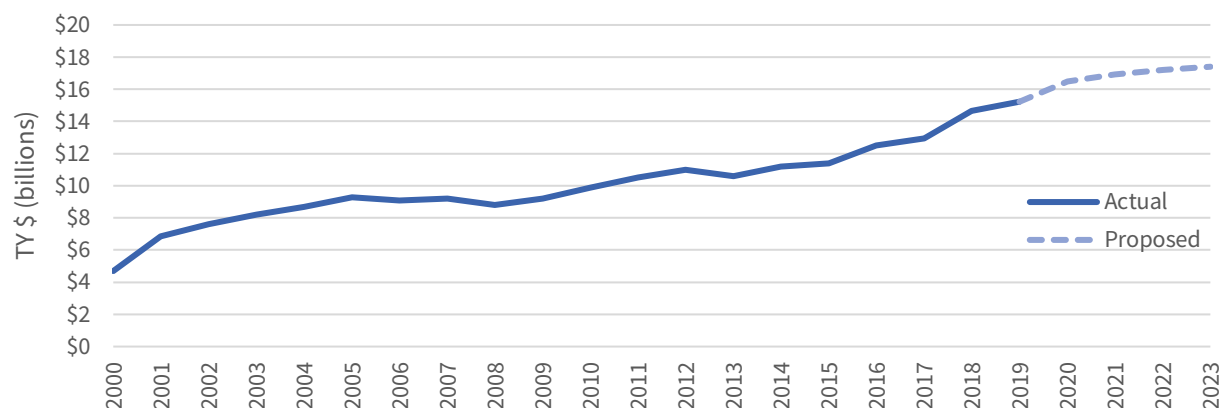
41. Mark Cancian, "The \$50-Billion Earmark: Time to Cut Our Losses," *Breaking Defense*, November 30, 2016, <http://breakingdefense.com/2016/11/the-50-billion-earmark-time-to-cut-our-losses>.

## STRUCTURAL TENSIONS

NNSA's organizational arrangement has always been uncomfortable. It constitutes about half of the DOE's total budget but is semi-autonomous and not fully under the DOE's control. Most of its products support DOD, with a Nuclear Weapons Council acting as the link between the two organizations. The weapons labs use their technically independent status to lobby Congress for their programs in a way that other government labs cannot. Given these tensions, reorganization proposals are continuous, though none appeared this year.<sup>42</sup>

## LONG-TERM RISKS

Figure 6: NNSA Historical Funding



Source: Department of Energy, *FY 2020 Congressional Budget Request, National Nuclear Security Administration*, 3.

Because the BCA budget cap puts the NNSA and DOD in a zero-sum budget situation, any cost overruns that the NNSA suffers must be paid by DOD. This dynamic causes constant tension because the NNSA has a poor record of cost control on major projects (see MOX, above, but there are many others). One piece of encouraging news: NNSA Administrator Lisa Gordon-Hagerty testified in the FY2020 budget hearings that the Uranium Processing Facility project remains on track to finish within its \$6.5 billion cost ceiling and at the planned FY 2025 completion date.<sup>43</sup>

## Other National Security Organizations and Special Funds

Table 7: Funding for Other National Security Organizations (\$, million)

	2019 Enacted	2020 Proposed
<b>DOE Environmental Cleanup &amp; Other Defense Activities</b>	6,884	6,567
<b>Defense Nuclear Facilities Safety Board</b>	31	29.5
<b>FBI</b>	5,061	5,185
<b>Other</b>	3,166	2,944
<b>CIA Retirement Fund</b>	514	514

Source: "DOE FY2020 Budget in Brief," DOE, March 2019, p. 12, [https://www.energy.gov/sites/prod/files/2019/03/f60/doe-fy2020-budget-in-brief\\_0.pdf](https://www.energy.gov/sites/prod/files/2019/03/f60/doe-fy2020-budget-in-brief_0.pdf); Environmental Cleanup; Defense Nuclear Facilities Safety Board, *FY 2020 Congressional Budget Request* (Washington, DC: March 18, 2019), 2, [https://www.dnfsb.gov/sites/default/files/document/17636/DNFSB%20FY2020%20Congressional%20Budget%20Request\\_FINAL.pdf](https://www.dnfsb.gov/sites/default/files/document/17636/DNFSB%20FY2020%20Congressional%20Budget%20Request_FINAL.pdf).

42. In 2017 OMB Director Mick Mulvaney floated the idea of transferring NNSA to DOD, a change that would profoundly alter how the weapons labs operated. However, that proposal did not gain traction and disappeared.

43. Lisa E. Gordon-Hagerty, Testimony before the Subcommittee on Strategic forces, Senate Committee Armed Services Committee, 116th Cong., 1st sess., May 8, 2019, [https://www.armed-services.senate.gov/imo/media/doc/Gordon-Hagerty\\_05-08-19.pdf](https://www.armed-services.senate.gov/imo/media/doc/Gordon-Hagerty_05-08-19.pdf).

These are the other activities that Congress includes in the national security budget activity. There is no need to analyze each of these activities in detail, but a few observations are worth making:

- DOE's environmental cleanup is the largest of these other activities. It does just what the name suggests: pays to clean up deactivated facilities, mostly at the weapons laboratories. Many of these sites dated back to the Manhattan Project and nuclear buildup of the 1950s and were closed at the end of the Cold War. It is a long-term, and extremely expensive, effort.
- The FBI funding covers the agency's efforts in counterterrorism and constitutes about 40 percent of the FBI's total budget. The rest is funded through the Department of Justice.
- The CIA retirement fund is a reminder that the agency's budget is hiding somewhere in DOD's funding. This is the only unclassified reference to it.

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