U.S. ’05 Budget Plan Boosts R&D

By WILLIAM MATTHEWS

The Bush administration’s $401.7 billion 2005 defense budget proposal cuts modestly into procurement funding to bolster research and development spending for “transformational” systems and missile defense.

Shipbuilding and military construction accounts are slated to fall as well in a defense budget that increases overall military spending by 7 percent, more than triple the inflation rate.

Procurement spending would drop to $74.9 billion, from $75.3 billion in the 2004 budget Congress approved in November. But research, development, test and evaluation (RDT&E) funding would increase to $68.9 billion, up from $64.3 billion in the current budget.

The net effect of that shift could be nil, the result of account juggling rather than actual spending reductions. Funding for the Navy’s next-generation destroyer, DD(X), and the Littoral Combat Ship would be moved from procurement to “research and development,” shifting about $2 billion to the smaller account.

“The impact on shipyards is nonexistent,” a senior defense official said. No jobs will be lost, he added.

The $401.7 billion total doesn’t include about $20 billion for the Energy Department to spend on nuclear weapons programs, according to Pentagon officials. Nor does it include money defense officials say they are sure to need to pay for ongoing operations in Iraq and Afghanistan.

Those operations could require an additional $30 billion to $50 billion in 2005, according to budget analysts outside the Pentagon. But a senior Pentagon official who discussed the budget Jan. 30 insisted it is too early to tell how much extra money will be needed — although he admitted a supplemental will be required.

Because of the uncertainty, the Defense Department will make no request for a supplemental appropriation until this time next year, the official said. That would delay the request until well after the November presidential election.

One of the winners in the 2005 spending plan is the Missile Defense Agency, whose budget would go from $7.7 billion this year to $9.2 billion next year. Spending climbs as the Air Force and Navy push to accelerate the deployment of ground-based and sea-based interceptors.

The agency also would receive $239 million to speed up development of cruise missile defenses.

Increases are also sought in operations and maintenance, where spending would jump from $127.6 billion to $140.6 billion. Some of the new money will be aimed at improving force protection. That means buying new sensors, more unmanned aerial vehicles for surveillance and armor for Humvees — priorities driven by the war, the senior official said.

Personnel spending would jump from $97.9 billion this year to $104.8 billion next year. However, the increase is not intended to pay for 30,000 extra soldiers Defense Secretary Donald Rumsfeld has approved. They are to be paid for through the supplemental appropriation sought early in 2005.
There is little change in some of the military’s most expensive and controversial programs. The multi-service Joint Strike Fighter (JSF) program, for example, is budgeted at $4.6 billion, compared to $4.4 billion this year. However, JSF program managers will have to shift money within the JSF budget to solve weight problems that were disclosed this winter. They will get no extra funding for that, the senior official said.

Long plagued by development problems that forced cuts in planned purchases, the major aircraft programs at last have become stable, the senior official said.

DoD is seeking $4.7 billion to buy 24 F/A-22s; $4.1 billion to buy 14 C-17 cargo planes; and $3.1 billion for 42 F/A-18E/Fs.

In a year marked by an ever deepening deficit, a costly war and an election that will focus heavily on expensive domestic programs such as medical care and prescription drugs, the department seems to be downplaying its costs.

The Pentagon released charts showing that its 2005 request declines as a percent of gross domestic product — to 3.6 percent. That is well under 1980s levels, when defense spending was about 6 percent of GDP, according to Pentagon documents.

At $401.7 billion, defense spending would be 17.8 percent of the federal budget — slightly more than its low point of 15.3 percent in 1999, but much less than the 25 percent of the 1980s.

In the budget, military construction funding declines. With a round of base closing scheduled for 2005, that is not the year for a lot of new construction. However, while the total would decline $5.5 billion to $5.3 billion, spending on family housing receives a healthy increase, the official said.

The most significant change DoD proposes for 2005 is restructuring in the Army, which will not have a major impact on the budget, the senior official said. In part, that is because additional troops are to be paid for through a supplemental appropriation.

The Army is abandoning divisions as its central maneuver element, and will focus instead on brigades that are to be made more deployable and better able to conduct operations by themselves and with forces from other services.

DoD also wants to increase the number of brigades from 33 today to 43, and may go to as many as 48, the senior official said.

The Army is asking for $4.2 billion for its top transformation programs. The Future Combat Systems is to receive $3.2 billion and the Stryker program is to get $1 billion to buy Strykers for the fifth Stryker Brigade Combat Team.

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