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
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
How to Cut Costs?

- Scale back B61 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