Now that Joe Biden has taken office as the 46th president of the United States, advice on how he should address a wide range of daunting problems is flooding in. Nowhere is there more at stake than when it comes to how he handles this country’s highly militarized foreign policy in general and Pentagon spending in particular.

Defense spending increased sharply in the Trump years and is now substantially higher than it was during the Korean or Vietnam War eras or during the massive military buildup President Ronald Reagan oversaw in the 1980s. Today, it consumes well over half of the nation’s discretionary budget, which just happens to also pay for a wide array of urgently needed priorities ranging from housing, job training, and alternative energy programs to public health and infrastructure building. At a time when pandemics, high unemployment, racial inequality, and climate change pose the greatest threats to our safety and security, this allocation of resources should be considered unsustainable. Unfortunately, the Pentagon and the arms industry have yet to get that memo. Defense company executives recently assured a Washington Post reporter that they are “unconcerned” about or consider unlikely the possibility that a Biden administration would significantly reduce Pentagon spending.

It’s easy enough to understand their confidence. Many of the officials rumored to soon be appointed to lead the Pentagon, including a number of former Obama administration figures, have spent the past few years working, either directly or indirectly,
for defense contractors. Not surprisingly, then, their policy prescriptions emphasize some of the most expensive and risky military technologies imaginable like hypersonic weaponry.

There is a growing congressional interest in trying to bring runaway Pentagon spending under control. This July, for instance, Representative Mark Pocan (D-WI), Representative Barbara Lee (D-CA), and Senator Bernie Sanders (I-VT) pushed parallel measures in the House and Senate to cut Pentagon spending by 10%, a savings of more than $70 billion that could have been put to good use elsewhere, including aid to increasingly desperate low-income communities. Although their initiatives lost, the very fact that they were proposed may be a turning point in a Congress that, for years, has signed off on whatever the Pentagon asked for, without resistance of any sort.

Think of those votes on Pentagon budget reductions as just the beginning of a long-term effort to tame that out-of-control institution. Representatives Pocan and Lee, for instance, created a defense-savings caucus in the House focused on going after misused Department of Defense spending. During the 2020 campaign, both Joe Biden and the Democratic platform emphasized that this country and the world can indeed be made safer. For that to happen, however, its budget would have to begin to deal with the actual challenges this country faces rather than letting billions of dollars more be squandered on outmoded military priorities and artificially inflated threats supposedly posed by our biggest adversaries.

One blueprint for doing just that has been put together by the Center for International Policy’s Sustainable Defense Task Force, a group of former White House, Pentagon, and congressional budget officials, retired military officers, and think-tank experts from across the political spectrum. They have crafted a plan to save $1.25 trillion from proposed Pentagon spending over the next decade.

As that task force notes, for durable reductions in such spending to become feasible, this country’s leadership would have to take a more realistic view of the military challenges posed by both China and Russia.

In recent years, the regime in Beijing has indeed been increasing its military spending, but when it comes to an armed presence in the Pacific region and the ability to make war there, the United States remains staggeringly stronger. As a start, it has an arsenal of nuclear weapons five to six times as large as China’s (though, of course, using it would mean a planetary Armageddon). And while Beijing’s influence is primarily focused on its own region, the U.S. military has a historically unprecedented global reach, deploying nearly 200,000 troops overseas garrisoned on at least 800 military bases scattered across continents, and maintaining 11 aircraft carrier task forces to patrol the global seas. In reality, the sort of “arms race” with China now being considered will be costly and unnecessary, while only increasing the risk of war between those two nuclear-armed powers, an outcome to be avoided at all costs.

China’s real twenty-first-century challenge to this country isn’t military at all, but political and economic in nature. Its leadership has focused on increasing that country’s power and influence through investment programs like its ever more global Belt and Road infrastructure initiative. Despite many problems, such efforts are clearly giving Beijing the sort of growing global clout, especially in the America First era of Donald Trump, that a hopeless attempt to match U.S. military power never could. Add to this one other factor: if there’s to be any hope of preventing future pandemics from ravaging the planet, curbing the growing impact of climate change, or reviving a global economy that’s distinctly in the dumps, increased cooperation and transparency between the two greatest powers on the planet, not confrontation, will be a necessity.

As for Russia, a relatively shaky petro-state, its primary tools of influence in recent years have been propaganda, cyber-threats, and “hybrid

Today, defense spending consumes well over half of the nation’s descretionary budget.
“dangerous nuclear warfighting scenario” on its peripheries (as in its use of local allies to destabilize Ukraine). Despite its still vast nuclear arsenal, Russia does not represent a traditional military challenge to the United States and so shouldn’t be used to justify another pointless Pentagon spending boost. To the extent that there is a military challenge from Russia, it can be more than adequately addressed by various European nations with the United States in a limited, supporting role. After all, European members of NATO cumulatively spend more than three times what Russia does on their militaries and far outpace it economically. Keep in mind that this just isn’t the Cold War era of the previous century. In reality, Russia’s economy is now smaller than Italy’s and Moscow is in no position to engage in an arms race even with the nations of Western Europe, no less Washington.

Despite its disastrous forever wars in distant lands, if the institution still often referred to as the “Department of Defense” were to refocus on actual national defense rather than global military domination, it could, as a start, instantly forgo a number of ill-conceived and staggeringly expensive new weapons systems. Those would range from plans to “modernize” the country’s already vast nuclear arsenal by buying a new generation of nuclear-armed bombers, missiles, and submarines at a cost of up to $2 trillion to the fantasy of building up from current levels to a 500-ship Navy.

High on any list of programs to be instantly eliminated would be a proposed new Intercontinental Ballistic Missile (ICBM). As former Secretary of Defense William Perry has pointed out, ICBMs are among “the most dangerous weapons in the world” for a simple reason: a president would have only a matter of minutes to decide whether to launch such missiles upon being warned of another power using similar weaponry to attack the U.S. Since, in the past, such warnings have proven anything but accurate, new weaponry of this sort will only increase the chances of an accidental nuclear war being started. The Pentagon has, however, already given the giant arms maker Northrop Grumman a sole-source contract and $13.3 billion to develop just such a new weapon, a down payment on a program that could ultimately cost $264 billion to build and operate. Funds like those could go far to meet other genuinely pressing national needs.

As for the nuclear arsenal’s upgrade as a whole, the organization Global Zero has outlined an alternative nuclear posture that would halt the Pentagon’s costly nuclear “modernization” plan, eliminate ICBMs altogether, and reduce the numbers of nuclear-armed bombers and submarines. The idea would be to switch the U.S. to a “deterrence only” strategy and dump the elaborate and dangerous nuclear warfighting scenario the Pentagon now swears by. The ultimate goal would, of course, be the global elimination of such weaponry, as called for in the U.N. Treaty on the Prohibition of Nuclear Weapons, which is slated to enter into force early next year.

Then there’s that dream (or nightmare) of a future Navy to deal with. Building up to a fleet of 500 ships is not just unaffordable, but a sign of the degree to which the Pentagon has an urge to run stark raving mad with taxpayer dollars. Even a previous plan to build 330 ships was so mismanaged that it left the Navy 50 ships short, $11 billion over budget, and years behind schedule. Rather than seeking to preserve the capability to have warships virtually everywhere on Earth all the time, the Navy set up to surge into areas of tension could be roughly half the size of the 500-ship one and still be powerful beyond words.

More savings could easily be found by ending the procurement of unworkable weapons systems like Lockheed Martin’s disastrous F-35 jet fighter. Already the most expensive weapons program ever undertaken (at a cumulative cost of $1.7 trillion over its lifetime), the Project On Government Oversight has determined that the F-35 may never truly be ready for combat. Upgraded versions of current jet fighters integrated into a smaller Air Force would save tens of billions of dollars and be more effective.

President Trump’s cherished Space Force is a bad idea that predated his presidency but received a major boost during his tenure. A new military bureaucracy geared up primarily to spend more money, it could cost tens of billions in the years to come while only increasing the risk of an arms race in space.

You could add to the above billions in savings from cutting waste
and bureaucracy at the Department of Defense. To cite just two obvious examples, the Pentagon routinely overpays for spare parts and sustains a workforce of more than 600,000 private contractors, many of whose jobs are either redundant or could be done more cheaply by government employees. Symbolic of the broken nature of the procurement process, the Air Force seriously contemplated paying $10,000 for a toilet seat cover and one contractor charged so much for a spare part that it stood to make a 4,451% profit on it. Fixing the Pentagon’s procurement system and rolling back spending on private contractors could save hundreds of billions of dollars over the next decade.

And don’t forget the savings that could be had from reforming how the Pentagon does business, including, for example, retaining intellectual property rights to weapon systems researched and developed with taxpayer dollars. As a Marine Corps captain wrote in the New York Times last year, the military too often lacks the “right to repair” its own equipment. Acquisition laws written in the interests of defense contractors need to be revised so that the Department of Defense can negotiate fair and reasonable prices and auditors need to be empowered to root out waste, fraud, and abuse.

And, of course, in an institution that has never even successfully audited itself, who knows what other savings might be conceivable were you to be able to get inside it and take a serious look at its finances—and financial shenanigans?

**OBSTACLES TO CHANGE**

Even if the Biden administration could be persuaded to take a deeper look at the Pentagon’s spending priorities, it would still face immediate and stiff political obstacles. The jobs generated by the Pentagon’s $700 billion-plus budget (and the political funding of congressional representatives by defense companies) have created a broad constituency in Congress poised to block any effort to close unnecessary military bases or defund major weapons programs. To policymakers in Washington, it seems to matter not at all that virtually any other form of spending would create more jobs than throwing money at the Pentagon. New infrastructure spending or a green-new-deal-style emphasis on creating a renewable energy economy would be guaranteed to generate at least one-and-a-half times as many jobs per dollar spent, while new expenditures on education would create twice as many.

Another impediment to change is the two-way revolving door between the Pentagon and the arms industry. Senior government officials go to work for weapons makers, using their contacts with former colleagues to curry favor for their corporate employers. Meanwhile, arms-industry executives head for the Pentagon and other military-related government posts where they make policies that favor their former (and possibly future) employers. Despite criticisms from both President Trump and his son, Donald, Jr. about the damaging influence of that very revolving door, expect former Trump administration officials to set up shop as lobbyists, join the boards of directors of major defense contractors, and otherwise ally themselves with arms makers like Raytheon Technologies, Lockheed Martin, Boeing, and General Dynamics.

No one should be surprised either by early indications that figures with defense-industry ties will fill key policy positions in the Biden administration. Robert Work, a former deputy secretary of defense and already an unofficial spokesman for the incoming administration, still sits on the board of Raytheon. Anthony Blinken, whom Biden nominated to be secretary of state, worked for a private consulting firm with undisclosed defense-industry clients. While this practice may not be as prevalent as under Trump—three of his secretaries of defense served as board members, executives, or lobbyists for General Dynamics, Boeing, and Raytheon, respectively—the role of former industry advocates and employees in the Biden administration is nonetheless guaranteed to cause conflicts of interest.

“Independent” experts at influential inside-the-Beltway think tanks are already receiving millions of dollars from arms manufacturers and the Pentagon in an ongoing effort to shape any debates about future spending. Meanwhile, individuals with...
close ties to that industry populate government panels like the congressionally mandated National Defense Strategy Commission, which advocated in 2018 for a whopping 3%-5% annual increase in Pentagon spending. If their analyses of the supposedly abysmal state of national defense were true, a case would have been made for firing all the top civilian and military officials in the building, not for increased spending.

POSSIBILITIES FOR CHANGE
The best hope for reducing Pentagon spending is the collision between that department’s never-ending, ever-rising desires and the overriding economic and political realities of this difficult moment. It’s simply not possible to fund pandemic prevention, as well as any kind of economic revival that would begin to address longstanding inequalities, no less a much-needed green revolution, while keeping the Pentagon budget at near-record levels. Something will have to give and it shouldn’t be the civilian communities and businesses that have been most negatively impacted by the coronavirus.

As for politics, it’s important to remember that this year’s presidential election was decided primarily by voter concerns about Covid-19 and the economy, not by voters crying out for a continuation of America’s endless wars or demanding yet more money for the Pentagon. The political clout of the military-industrial complex may diminish as Americans move forward, however chaotically, into a new era with radically different challenges to public health and safety.

The arms makers and their allies in Congress and the executive branch won’t give up without a fight when it comes to the pandemic of Pentagon spending. You can count on that. A crucial question of this moment is: Will fear, exaggerated threats, and pork-barrel politics be enough to keep the Pentagon and its contractors fat and happy, even as the urgent priorities of so many of the rest of us are starved of much-needed funding?

The original version of the following piece was first published in November 2020.

ABOUT THE AUTHORS: Mandy Smithberger is the Director of the Center for Defense Information at POGO. William Hartung is the director of the Arms and Security Project at the Center for International Policy.
Business as usual at the Pentagon is causing avoidable aircraft crashes that have killed hundreds and cost billions, according to a new report.

The report comes from the National Commission on Military Aviation Safety, a group created by Congress in 2018 to study safety issues facing the aging fleet. After a series of high-profile military aviation disasters and increased scrutiny on spiking accident rates—including a three-week period that saw six separate aircraft crashes that killed 16 pilots and aircrew—the commission was tasked with determining whether military aviation was indeed getting more dangerous, and if so, what could be done to reverse the trend.

The commission’s findings are tragic. From 2013 to 2018, over 6,000 accidents killed 198 servicemembers, destroyed 157 aircraft, and cost $9.4 billion. While the study was in progress, from 2019 until publication in December 2020, another 26 lives, 29 aircraft, and $2.3 billion were lost to non-combat accidents, which the commissioners point out to stress the urgency of the problem.

The commissioners, a group of former pilots, aviation maintenance professionals, accident investigators, and aerospace executives, visited more than 200 sites and held roundtables with maintainers, pilots, and squadron leadership. The commissioners came away “deeply troubled by the chronic fatigue” they witnessed during these visits, and warned that “current operations tempo (OPTEMPO) is leading to unsafe practices and driving experienced aviators and maintainers out of the force.”

Military aviation comes with inherent risks, as design tradeoffs are made between lethality and safety, and missions tend to be more dangerous than hauling passengers from airport to airport. However, the report found that despite the higher risks involved with military aviation, the recent spikes in accidents could not be attributed to that inherent risk.

Most worrying to the commissioners was a steady increase in “Class C”
mishaps, defined as “at least $50,000 but less than $500,000, and/or non-fatal injuries that require time off from work.” While these are less serious than Class A mishaps, which are the most serious and sometimes result in fatalities, “It is a matter of inches or seconds that make the difference between a Class C or a Class A,” the commanding general of the Army Combat Readiness Center told a House subcommittee in 2018.

Across the board, mishaps are moderately increasing, with the Navy and Marine Corps numbers especially concerning to the commission. Just last year, the Navy had its highest Class A mishap rate of the seven years the commission examined.

The findings are consistent with years of investigation into the state of the CH-53E and MH-53E helicopters that ultimately resulted in a documentary film, *Who Killed Lt. Van Dorn?* My then-colleagues from the Investigative Reporting Program at UC Berkeley and I visited several 53E squadrons and heard horror story after horror story of pilots extremely short on flight time and maintainers under immense pressure to get aircraft up, worried their eventual corner-cutting would lead to another deadly crash.

MICHAP RATES FOR FISCAL YEARS 2013-2019

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Across all services, mishaps are moderately increasing, most especially among the Navy and Marine Corps.

MORE MONEY, MORE PROBLEMS

The report makes clear that the sufficiency of the funding is not the problem.

“The Commission’s primary fiscal concern is not the amount of money currently allocated to military aviation, but rather the lack of predictability and reliability of the funds,” Richard Healing, vice chairman of the commission, told Congress in a closed briefing.

This discrepancy may seem trivial, but it has big implications. As the report points out, a combination of poor management, an unrealistic and overly broad mission, and delays in expensive, problem-riddled new aircraft has left military aviation in shambles. Simply throwing more money at the defense budget often exacerbates systemic problems, as former Pentagon analyst Franklin “Chuck” Spinney told me in our documentary, *Who Killed Lt. Van Dorn?* “It’s almost guaranteed to get worse, because you’re rewarding all the bad behavior that got you there in the first place.”

While the report stops short of recommending fundamental, revolutionary change within the Pentagon, it does offer some commonsense reforms, like ensuring that overworked aircraft maintainers aren’t spending time on duties unrelated to the task at hand, and ensuring the services are properly tracking the causes of accidents.

A SAFETY CZAR AT THE PENTAGON

The commission recommends the creation of a joint safety council that reports to the deputy secretary of defense, which would serve as a
central clearinghouse for aviation safety data. The commission found that because the Navy, Air Force, and Army collected data in slightly different ways, defense-wide analysis was hindered and finding trends was unnecessarily labor-intensive. The new council would not only collect and standardize numbers of accidents, but would also conduct a systematic accounting of the results of mishap investigations and the human and material factors that cause accidents, something widely practiced in commercial aviation.

The head of that office would be the director of aviation safety. The report noted that the Pentagon lacks a single authority focused on safety. A similar effort was made in 2003 with the creation of the Defense Safety Oversight Council, but it lost “top-level” support and fizzled out, according to the report. To ensure history doesn’t repeat itself, the commission recommends the joint safety council be “fully funded, staffed, and charged with developing and overseeing Defense-wide safety policies for the Secretary of Defense.”

NEW AIRCRAFT DELAYED, COMPROMISES MADE

The report also looked at the real operational costs of new, expensive aircraft often being delayed, sometimes by decades. The commission noted that the overly optimistic timelines set for new aircraft means older equipment is forced to keep flying, even when maintenance funding has been pulled.

“As the transition begins, personnel are reassigned to the new platform, legacy facilities are neglected, and parts availability dwindles,” the report reads. “Then, delays in acquiring the new platform extend the life of the old platform for years.”

Look no further than the troubled CH-53E helicopter. A workhorse helicopter meant for heavy lifting and troop transport, the Super Stallion entered service in 1981. Even after a service life extension kept the huge helicopters flying, maintaining them is a constant struggle. Part availability poses a significant challenge. Squadrons are known to “cannibalize” aircraft, stripping one aircraft of parts in order to fix another. The report notes that this practice was common across military aviation, a sign of dangerous problems in the supply chain. The commission even notes that members “saw a sign prominently displayed in one unit that said, ‘Supply can’t…so we CAN [cannibalize].’”

The CH-53E, originally designed to be phased out in the mid-2000s, will now most likely fly until 2030 or later, in part due to delays in the helicopter that was supposed to replace it, the CH-53K. As my colleague Mark Thompson pointed out, the 53K was originally slated for service in 2015, but it’s now looking like it won’t fully enter service until 2023 or 2024 due to a laundry list of problems. The 53K is also astronomically expensive. At $138 million per aircraft, it even beats the F-35.

What is left out of the usual conversation, and what the report will hopefully bring more attention to, is that delays and cost increases can have tragic human consequences.

It’s not only the legacy aircraft that suffer under this arrangement. New aircraft, billed as easier to take care of, often end up costing more money and hours to keep flying. The prevalence of concurrency, as the Project On Government Oversight (POGO) has written about previously, means that large numbers of aircraft aren’t even out of the design stage when they arrive in squadrons’ hangars.

And those new aircraft may only be exacerbating the problems the fleet confronts. “The bean counters got it wrong. They said the F-35 is going to be easier to maintain, they will need less maintenance. These aircraft take a lot more man hours than previously thought, but they’ve already appropriated smaller staffing” an unnamed F-35 squadron commander told the commission. This conclusion aligns with POGO’s extensive reporting on the topic by Dan Grazier, who revealed a slew of issues relating to F-35 maintenance earlier this year.

Cumulatively, the commission observed that this leads to less aircraft availability, which leads to less flight time, which leads to pilots who aren’t confident, which can lead to deadly accidents that are chalked up to “pilot error.” The commission reported that 43% of the accidents it reviewed fell under this category. Accidents in the 53E platform alone have taken the lives of 136 servicemembers, not one the result of enemy fire.

OPERATIONAL TEMPO: “MY KIDS DON’T KNOW WHO I AM”

The commission found that due to the vast disparity between dwindling numbers in the military workforce and more active operations around the world, aircrews are burning out and leaving the profession in search of a better work-life balance. Exhausted personnel create an environment where avoidable mishaps are more likely, the report concludes.

The commission recommends ensuring that funding and levels of administrative staff reflect primary
needs of the pilots and aircrew, so that those in an aviation-related role aren’t doing other tasks.

What seems to be missing from the report is an acknowledgment of the military’s vast commitments around the world, and the foreign policy decisions that exacerbate an already thin and burnt out workforce. It should be noted that were the U.S. not participating in a global war in dozens of countries, the strain on aircraft and personnel could be relieved.

The commission ultimately gave 24 recommendations to improve aviation safety. While some are immediately possible, like upping pilot retention bonuses to $100,000 a year, others, like “stop using continuing resolutions to fund national security, military readiness, and aviation safety,” are not.

The secretary of defense and the heads of each military department are required to respond to the report’s findings and recommendations and provide an action plan within 120 days of the report’s publication.

A December 3 scheduled public hearing on the report’s findings before the Readiness Subcommittee of the House Armed Services Committee was changed at the last minute to a “closed briefing.” According to Representative John Garamendi’s (D-CA) office, the change was made out of COVID-19 concerns, and House rules prevented the subcommittee from broadcasting the event virtually without proper notice.

Family members of those killed in aviation accidents had long been anticipating the report and the hearing, and several contacted Garamendi to express their desire for a full and open hearing. In one of these communications shared with POGO, the lawmaker’s office wrote that “this will not be the last committee event on the topic of military mishaps.”

Nicole Van Dorn, whose husband Wes was killed along with two other Naval aviators when their MH-53E Sea Dragon helicopter crashed in 2014, wrote to Garamendi to express her “extreme disappointment” in the decision to cancel the hearing, according to correspondence shared with POGO.

“I understand that the pandemic poses many great challenges for governing. That being said, I still hold that the potential for positive impact on the future of the aviation community far outweighs the risk.”

It remains to be seen what reforms the Pentagon and Congress will implement. What is clear is that at the current rate, if nothing changes, we should expect more people to lose their lives in what may be avoidable accidents.

ABOUT THE AUTHOR: Jason Paladino is a National Security Investigative Reporter for the Center for Defense Information at POGO.
GET INVOLVED

Defense for the People, Not for Contractors

Right now, defense contractors are used to getting their way because there are not enough voices outside of Washington, D.C. telling their elected representatives that enough is enough.

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The Trump administration recently announced that it is unilaterally reinterpreting the Missile Technology Control Regime, a multilateral agreement among 35 countries that limits the proliferation of ballistic missiles and drones. Even though the agreement is not a treaty and is not legally binding, the member countries have followed the control guidelines, including those that restrict exporting drones with high payload and speed capabilities to other countries. The reinterpretation significantly loosens previously existing limits on exporting drones.

The change signals a victory for arms manufacturers and foreign governments that seek to export and obtain, respectively, advanced U.S.-manufactured drones. It also serves as yet another example of the undue influence that arms manufacturers have on executive policymaking.

A review by the Project On Government Oversight (POGO) of lobbying records found a concerted campaign by arms manufacturers, foreign governments, and think tanks to pressure the U.S. government to lift export controls restricting drone sales abroad. For example, POGO found that governments retained lobbyists who also represented the interests of domestic arms manufacturers, and that think tanks often wrote reports with talking points that directly benefited arms manufacturers and at least one foreign government.

We’re not the only organization to have found this. The Center for Responsive Politics also notes that General Atomics Aeronautical Systems, the drone division of General Atomics, spent at least $270,000 between April and June 2020 lobbying on drone guidelines in the multilateral agreement. This accounted for roughly 20% of all General Atomics’ lobbying efforts.

The multilateral agreement divides weapon systems into Category I and Category II, where Category II export controls are less restrictive, as several items can have civilian uses. Category I controls are stricter; they cover any missiles or drones that can deliver a 500-kilogram (1,102 pounds) payload or greater and can travel at least 300 kilometers (186 miles).

In the new interpretation, the administration adds language to allow for the transfer of “a carefully selected subset” of Category I drones, which weakens controls by allowing the administration to invoke national discretion on the implementation of the agreement’s “strong presumption of denial.” On a case by case basis the administration could allow the transfer of certain Category I systems that fly under 800 kilometers per hour (497 miles per hour).

As arms manufacturers cheer the decision, some experts are concerned that drones could likely wind up in the hands of our enemies.

As arms manufacturers cheer the decision, some experts are concerned that drones could likely wind up in the hands of our enemies, which has happened before. Human rights activists also worry that the change signals a green light for repressive regimes to gain access to drone technology, which not only can deliver strikes in armed conflicts but also can be used to surveil a country’s citizenry.

Continue reading at pogo.org/drone-export-rules

ABOUT THE AUTHOR: Ryan Summers is a research fellow for POGO.
Hot-and-Cold Running F-16s

Trump’s $62 billion push for overseas sales

If you weren’t paying attention August 14, you could easily have missed it. It looked like all the other bland Pentagon contracts announced about 5 p.m. every workday. But this one awarded the nation’s largest defense contractor a deal to sell F-16 jet fighters worth up to a breathtaking $62 billion to foreign countries over the coming decade. And even if you were paying attention, the fine print released by the Defense Department left a lot of questions unanswered about the huge Lockheed contract.

It didn’t say who would be buying the planes, for example, or how many eventually would be bought. But that’s not as important as what it did say: The deal will involve “new production … primarily” done at Lockheed’s plants in South Carolina and Texas. That’s the jet engine driving this deal: It’s much more about jobs-for-America than security-for-America. It puts a floor under Lockheed’s new plant in South Carolina, where F-16 production is shifting from its longtime Texas production line. That gives the company, along with its investors and lenders, confidence that they’ll be churning out Vipers (pilots’ nickname for the F-16) and Fighting Falcons (the official Air Force nickname) for years to come.

There’s good and bad news associated with the deal. It likely will lead to more sales, more quickly, of the venerable jet. It might even lower its price. That’s the good news, at least for those foreign customers kicking the tires. “The international market for fighters is highly competitive,” says Todd Harrison, defense budget expert at the Center for Strategic and International Studies. “This is an effort by the U.S. government to help U.S. companies compete in that international market by facilitating foreign military sales.”

But not everybody sees it that way. “This is a way to flout budget rules and lock the government in for years, giving the contractor a long-term project and a financial lifeline,” says Scott Amey, veteran federal contracting guru at the Project On Government Oversight (POGO).

Of course, if you don’t think the U.S. should be peddling nuclear-capable arms willy-nilly around the globe, it’s also the bad news.

Just as significantly, the contract is an “indefinite-delivery/indefinite-quantity” (IDIQ) contract that eliminates haggling over the price of the planes. The Pentagon has used such contracts for years to buy spare parts and support services, but defense-industry experts say they believe this is the first time the Pentagon is using the peculiar contracting vehicle for a such a massive arms deal. “I know of no contract of this size applied to a weapons system, as opposed to routine goods and services that are needed on a recurring basis,” says William Hartung, arms-trade expert at the Center for International Policy. “In theory, sales against this contract will receive the usual vetting, but there is a danger that the sales will go on auto-pilot and be rushed through without proper scrutiny.”

Traditionally, each foreign weapons sale involves a new contract, with
months, if not years, of paperwork before the hardware heads overseas. It's like a custom-tailored suit, which takes time and money. But an IDIQ contract is like going into a department store with hundreds of suits already on the racks. Beyond the price set in the IDIQ contract for the base-model F-16s, purchasers only have to pay for options they want (although sophisticated avionics tend to cost more than raised cuffs). Air Force officials say such deals can cut delivery times by a third.

The massive F-16 IDIQ deal is the latest move by the Trump administration to turbocharge American arms sales around the world. President Donald Trump raised eyebrows in 2018 when he displayed charts detailing $12.5 billion in U.S. weapons sales to Saudi Arabia during an Oval Office session with Crown Prince Mohammed bin Salman. “We’re talking,” Trump said, “about over 40,000 jobs in the United States.” But such boasts tend to be empty.

No one in the administration is shy about selling weapons. “By streamlining the [Foreign Military Sales] process, we have lowered costs and accelerated our response time to partner-nation requests, allowing us to deliver critical capabilities more quickly and effectively,” Defense Secretary Mark Esper said in Hawaii during an August speech highlighting the U.S. military role in the Pacific. “Today, there are more than $160 billion worth of [Foreign Military Sales] projects under way across the Indo-Pacific, including $22 billion in newly initiated projects in this fiscal year alone—which is almost half of all Foreign Military Sales globally.”

While the F-16 announcement said the deal’s initial order was for 90 planes for $4.9 billion (about $54 million a copy), it didn’t say who was buying them. But word leaked out that 66 were bound for Taiwan—the first in nearly 30 years—and 24 for Morocco.

China quickly denounced the sale of the F-16s to Taiwan. “Its announcement at this particular time is believed to be yet another U.S. provocation and a step on the red line of the Taiwan
question, which further risks confrontation,” China’s state-owned Global Times said. “If a reunification-by-force operation breaks out, the PLA [China’s People’s Liberation Army] would destroy Taiwan’s air fields and command centers, giving the F-16Vs no chance to even take flight, and giving those already in the air no place to land, analysts said.”

“Reunification-by-force”? And you thought the Pentagon had a way with words.

Such complaints are not likely to be the last, given the Trump administration’s ardor for keeping American jobs by selling weapons overseas (and this is a bipartisan trend: President Barack Obama’s administration signed deals worth twice as much as Republican George W. Bush’s White House). In 2018, the Trump administration issued a new U.S. Conventional Arms Transfer policy that shifted the emphasis of such sales from national security to the national economy.

“The USA was the top arms exporter in 2015–19 and delivered major arms to 96 states,” the Stockholm International Peace Research Institute reported in March. “This is a far higher number of destinations for arms exports than any other supplier.” U.S. arms sales jumped by 23% between 2010-2014 and 2015-2019, as its share of the global arms market rose from 31% to 36%. In the fiscal year that ended September 30, the U.S. approved $83.5 billion in Foreign Military Sales notifications, the Trump administration’s best-selling year. A Defense Department inspector general report released October 15 said the Pentagon had 14,762 arms deals at various stages of negotiation and delivery. As of last fall, they were worth $579 billion to 189 nations and international organizations.

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There’s not much of a check on the White House. “Congress” deference has allowed the executive to prioritize the perceived short-term strategic and economic benefits of arms transfers to the detriment of more enduring national interests, foreign policy objectives, and fundamental U.S. values,” the nonprofits Stimson Center and Center for Civilians in Conflict said in a joint October 13 report. “The result is a clear association between U.S.-made armaments and the death of children in Yemen; human rights abuses in Cameroon and Nigeria; and the spread of weapons to groups like the Islamic State and criminal gangs in Central America.” This willy-nilly U.S. push to sell weapons overseas also may have serious legal implications for top Americans involved.

The F-16 IDIQ deal couldn’t have come at a better time for the jet’s manufacturer. “After nearly shutting down production several times, Lockheed Martin is getting a surge of orders for the F-16,” Air Force Magazine reported. About 4,600 F-16s have been sold to 27 nations since the Air Force’s first operational flight in 1978 (about half are still flying). But the Air Force received its last F-16 in 2005, and recent buyers have gotten better F-16s than the U.S. now flies. That’s because the Pentagon prefers to spend its money on its new F-35 fighter, also built by Lockheed.

Older F-16s were built at Lockheed’s Fort Worth factory, but that space is now needed to produce that new F-35 fighter. So production is shifting to a new Lockheed plant in Greenville, South Carolina. The South Carolina congressional delegation hailed Trump’s arms-sales efforts in a letter to Trump last year. “Your support for prior sales of new F-16s to Bahrain, Slovakia, and Bulgaria has led to the newly established manufacturing line in Greenville, South Carolina,” the delegation wrote. “Without your support, the F-16 production line would have come to an end. Instead, this line is creating more than 1,500 total new jobs in South Carolina.”

Congress is supposed to act as a brake on arms sales, but it’s now more like a gas pedal. While it has the power to veto such sales, that rarely happens. “Congress doesn’t usually stop these because it’s going to cost jobs in somebody’s district,” says Larry Korb, who oversaw 70% of the U.S. defense budget during the Reagan administration in his role as assistant secretary for manpower and logistics.

Lockheed eyes its new F-16 customers like Chevrolet buyers who someday may end up behind the wheel of a Cadillac. “For a lot of these countries … as we get them capable with the F-16, we believe the next step for many … is future procurement of the
F-35,” a Lockheed official says. How did the Pentagon and Lockheed arrive at that colossal $62 billion figure? It “was developed as an independent government estimate of the total cost of orders for F-16 aircraft over a period of 10 years,” an Air Force spokesman tells POGO. “Many factors were considered in the development of that estimate, including an estimated number of aircraft to be sold, inflation, and expected improvements and changes to the aircraft configuration over that 10 years.” Lockheed declined to comment on the deal, although it recently estimated that it could sell 400 more F-16s.

Dividing those 400 F-16s into $62 billion yields a cost per plane of $155 million. That sum is pretty much all the information that’s available, given that such deals are shrouded in proprietary information that contractors can keep private. When asked about that crude calculation, the Air Force spokesman says that “there are additional factors to consider when attempting to rationalize the $62 billion ceiling, such as development, integration, and testing of new systems, spare parts packages, and any unique country requirements.” Sounds pretty much like a confirmation of that $155 million sticker.

At that price, U.S. taxpayers shouldn’t be paying for anything associated with these sales. In fact, there’s a 3.2% surcharge added to pay U.S. administrative costs associated with such deals, meaning the Pentagon would pocket close to $2 billion if Lockheed sells $62 billion worth of warplanes. The Trump administration cut that surcharge from 3.5% in 2018 to “reduce the cost of doing business for our international partners,” the U.S. general managing such sales, Kenneth Possenriede, said in an April earnings call. FlightGlobal, an aviation website that closely covers arms sales, noted the advantage the IDIQ contract gives U.S. firms. “The concept would be the latest example of U.S. aerospace manufacturers having a go-to-market edge because Washington runs a savvier arm sales programme than its rivals in Russia, China and Europe,” it reported. Financial analysts were also impressed. “I see this month’s F-16 arms sale as a significant tailwind that will lift Lockheed Martin shares for years to come,” Rich Smith of the Motley Fool investment firm wrote 10 days after the announcement. The deal, he estimated, could lead to a $7 billion profit for the company for “a weapons system that was all but extinct.”

It’s impossible to know if IDIQ contracts are the future for peddling U.S. arms abroad. They work best when they involve tried-and-true weapons that other nations want, and aren’t fighting with the Pentagon for space on the assembly line. Which sort of describes a couple of other recent multi-billion-dollar IDIQ announcements. In July, the Air Force said it had approved sales of up to 120 Lockheed C-130 cargo planes worth as much as $15 billion. In September, the service said it had authorized sales of up to 180 General Atomics MQ-9 Reaper drones costing as much as $7.4 billion. The action came 10 months after the service surprised General Atomics by killing the program in 2021, three to five years early, so that it could invest in a replacement.

The three deals, totaling nearly $85 billion in military hardware the U.S. is trying to push out the door, suggests a carpet warehouse holding a going-out-of-business sale. “This is all about promoting the American defense industry by greasing the skids for future sales,” says Gordon Adams, who oversaw the military as the associate director for national security at the White House’s Office of Management and Budget during the Clinton administration. “Whatever you think of Trump’s relationship to the military, this is great for contractors, who are overjoyed to have a full-bore promoter of foreign arms sales.”

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