

## **Ready to Profit: Corporate Beneficiaries of Congressional Add-Ons to the FY 2018 Pentagon Budget<sup>1</sup>**

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### **Introduction**

The final Fiscal Year 2018 budget for the Pentagon and related spending -- on programs like work on nuclear warheads at the Department of Energy -- totaled \$700 billion, tens of billions of dollars more than the Trump administration's proposal.<sup>2</sup> Despite repeated claims by the Pentagon and key members of Congress that there was a readiness crisis that called for more expenditures on items like maintenance and training, billions in new funds went to pay for additional units of major weapon systems, well beyond what the Pentagon asked for in its original budget request. These add-ons will contribute nothing to short-term readiness investments like training and maintenance.

One question raised by these significant increases is how much of the additional funding had to do with a careful assessment of defense needs and how much had to do with good old-fashioned pork barrel politics. This report looks at increases for major weapons systems, and lists the primary corporate beneficiaries of these add-ons to the Pentagon budget as originally proposed in the spring of 2017.

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<sup>1</sup> Budget figures are based on a review of the FY 2018 budget as passed -- [https://www.taxpayer.net/wp-content/uploads/2018/03/DIV-C-DEFENSESOM-FY18-OMNI.OCR\\_.pdf](https://www.taxpayer.net/wp-content/uploads/2018/03/DIV-C-DEFENSESOM-FY18-OMNI.OCR_.pdf) Figures on original numbers of units requested are from the Pentagon's FY 2018 Program Acquisition Costs by Weapon System document, available here: [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2018/fy2018\\_Weapons.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2018/fy2018_Weapons.pdf)

<sup>2</sup> For a detailed analysis of the final FY 2018 proposal, see Todd Harrison and Seamus P. Daniels, "Making Sense of the Bipartisan Budget Act of 2018 and What It Means for Defense," Center for Strategic and International Studies, February 20, 2018, available at <https://www.csis.org/analysis/making-sense-bipartisan-budget-act-2018-and-what-it-means-defense>

A number of these systems, like the F-35 combat aircraft and the Littoral Combat Ship (LCS), have experienced major performance problems that raise serious questions about the wisdom of ramping up production now rather than keeping them at a steady pace or slowing production down until these problems can be resolved. Accelerating production of weapons that are not fully ready for combat often just sets the stage for additional costs down the road due to expensive retrofits.

The biggest increases in numbers of systems between the FY 2018 request and the final FY 2018 budget include the M-1 Abrams tank, 29 additional vehicles; the Armored Multi-Purpose Vehicle, 24 additional units; the F-35 combat aircraft, 20 additional units; the AH-64 Apache helicopter, 17 additional units; the C-130J aircraft, 16 additional units; the THAAD ballistic missile defense system, 14 additional interceptors; the CH-47 helicopter, 12 additional units; the Aegis ballistic missile system, 10 additional interceptors; and the F/A-18 Super Hornet, 10 additional units.

The main contractors for systems that received additional funding from Congress include Lockheed Martin (F-35, C-130J, CH-47 helicopter, Aegis, and THAAD); General Dynamics (M-1 tank); and Boeing (F-18, KC-46, V-22, P-8A Poseidon and Apache helicopter). Many other contractors will be involved in production of these systems as well, but these are the biggest beneficiaries.

### **Increases for Specific Weapon Systems, Fiscal Year 2018 Proposal Versus FY 2018 Final Budget (figures in thousands of dollars)**

#### ***Aircraft:***

**F-35 Joint Strike Fighter (JSF) Plus Up: 2,580,108 (20 additional, on top of 70 originally requested))**

**Main contractor: Lockheed Martin**

- Requested: 10,295,086
- Budgeted: 12,875,194
- Notes: 10 more F-35s for Air Force (1.258B), 8 more aircraft for Navy (956M), 2 more aircraft for the Marines (260M), 4 more JSF STOVL aircraft (416M) for Navy, 4 spare JSF STOVL engines (120M) for Navy.

**F/A-18 Super Hornet Plus Up: 610,046 (10 additional aircraft, on top of 14 originally requested)**

**Main contractor: Boeing**

- Requested: 1,477,587
- Budgeted: 2,016,733
- Notes: 10 more aircraft (739M) for the Navy.

**KC-46 Tanker Plus Up: 366,455 (3 additional aircraft, on top of 15 originally requested)**

**Main contractor: Boeing**

- Requested: 2,645,732
- Budgeted: 3,012,187
- Notes: 3 more aircraft (510M) for the Air Force.

**C-130J Hercules Plus Up: 1,738,725 (16 additional aircraft, on top of 9 originally requested)**

**Main contractor: Lockheed Martin**

- Requested: 1,937,522
- Budgeted: 3,676,247
- Notes: 4 more KC-130Js for Marines (342.7M), 6 more C-130Js for Air National guard (480M), 1 more HC-130J (100M) for Air Force, 5 more MC-130Js for Air Force (600M).

**F-22 Raptor Reduction: -26,800**

**Main contractor: Lockheed Martin**

- Requested: 920,738
- Budgeted: 893,938

**V-22 Osprey Plus Up: 591,989 (8 additional aircraft, on top of 6 originally requested)**

**Main contractors: Boeing and Bell Helicopter/Textron**

- Requested: 1,234,720
- Budgeted: 1,826,709
- Notes: 4 more V22s for Navy (356M), 4 more V22s for marines (320M).

**AH-64 Apache Plus Up: 544,600 (17 additional aircraft, on top of 63 originally requested)**

**Main contractor: Boeing**

- Requested: 1,680,044
- Budgeted: 2,224,644
- Notes: 17 new build AH-64Es for Army (577.3M).

**CH-47 Chinook Plus Up: 352,350 (12 additional aircraft, on top of 6 originally requested )**

**Main contractor: Boeing**

- Requested: 532,744
- Budgeted: 885,094
- Notes: 4 more standard (140M) and 4 more new build MH-47G (100M) for army, 4 new build MH-47G aircraft (146.5M) defense wide.

**UH-60 Blackhawk Plus Up: 528,620 (8 additional aircraft, on top of 48 originally requested)**

**Main contractor: Sikorsky division of Lockheed Martin**

- Requested: 1,322,239
- Budgeted: 1,850,859
- Notes: 8 more UH-60Ms for national guard (108M)

**P-8A Poseidon Plus Up: 405,859 (3 additional aircraft, on top of 7 originally requested)**

**Main contractor: Boeing**

- Requested: 1,597,775
- Budgeted: 2,003,634
- Notes: 3 more P-8As (501M) for the Navy.

**E-2 Hawkeye Reduction: -35,206**

**Main contractor: Northrop Grumman**

- Requested: 1,226,034
- Budgeted: 1,190,828

**F-15 Eagle Plus Up: 5,650**

**Main contractor: Boeing**

- Requested: 969,835
- Budgeted: 975,485

**MQ-1 Gray Eagle/ Predator Plus Up: 130,200 (9 additional aircraft, on top of 11 originally requested)**

**Main contractor: General Atomics**

- Requested: 248,681
- Budgeted: 378,881
- Notes: 9 ER-improved Gray Eagle vehicles and payloads (107M) for the Army.

**MQ-9 Reaper Reduction: -96,100**

**Main contractor: General Atomics**

- Requested: 990,058
- Budgeted: 893,958

***Nuclear Systems:***

**Trident II Reduction: -11,685**

**Main contractor: Lockheed Martin**

- Requested: 2,422,051
- Budgeted: 2,410,366

**SSN-688 and Trident II Modernization Plus Up: 15,000**

**Main contractors: General Dynamics and Lockheed Martin**

- Requested: 130,981
- Budgeted: 145,981

**Ground Based Strategic Deterrent: No Change**

**Main contractor: To be determined**

- Requested: 215,721
- Budgeted: 215,721

**Long Range Standoff Weapon (LRSO): No Change**

**Main Contractor: To be determined**

- Requested: 451,290
- Budgeted: 451,290

**Ohio Replacement/ Columbia Class Sub (SSBN) Plus Up: 44,000**

**Main contractor: General Dynamics**

- Requested: 1,619,011
- Budgeted: 1,663,011

***Missile Defense and Space Systems:***

**AEGIS BMD Plus Up: 189,139 (10 additional interceptors, on top of 40 originally requested)**

**Main contractors: Lockheed Martin and Raytheon**

- Requested: 1,680,084
- Budgeted: 1,869,223
- Notes: 10 interceptors and canisters (107M) defense wide, new facility in Poland (15M) defense wide.

**THAAD Ballistic Missile Defense Plus Up: 331,700 (14 additional interceptors, on top of 34 originally requested)**

**Main contractor: Lockheed Martin**

- Requested: 681,754
- Budgeted: 1,013,454
- Notes: 14 more interceptors (165M) defense wide.

**Patriot Plus Up: 29,704**

**Main contractors: Raytheon and Lockheed Martin**

- Requested: 419,290
- Budgeted: 448,994

**Space-Based Infrared System (SBIRS) Reduction: -443,522**

**Main contractor: Lockheed Martin**

- Requested: 1,496,291
- Budgeted: 1,052,769
- Notes: Most of the money taken out of this program has been transferred to Overhead Persistent InfraRed (OPIR)

***Armored Vehicles:***

**M1 Abrams Tank Plus Up: 585,000 (29 additional tanks, on top of 56 originally requested)**

**Main contractor: General Dynamics**

- Requested: 1,105,326
- Budgeted: 1,690,326
- Notes: 29 more tanks (375M) for the Army.

**Joint Light Tactical Vehicle (JLTV) Plus Up: 20,782**

**Main contractor: Oshkosh Corporation**

- Requested: 1,141,654
- Budgeted: 1,162,436

**Armored Multipurpose Vehicle (AMPV) Plus Up: 102,700 (24 additional vehicles, on top of 107 originally requested)**

**Main contractor: BAE Systems**

- Requested: 647,396
- Budgeted: 750,096
- Notes: 24 more vehicles (110.7M) for the Army.

***Combat Ships:***

**Ford Class Nuclear carrier Program Reduction: -311,068**

**Main contractor: Huntington Ingalls**

- Requested: 4,525,707
- Budgeted: 4,214,639

**DDG-51 Arleigh Burke Plus Reduction: -142,000**

**Main contractors: General Dynamics and Huntington Ingalls**

- Requested: 3,589,415
- Budgeted: 3,447,415

**Littoral Combat Ship (LCS) Plus Up: 436,860 (1 additional ship, on top of 1 additionally requested))**

**Main contractors: Lockheed Martin and Austal, USA (competing variants)**

- Requested: 1,572,920
- Budgeted: 2,009,780
- Notes: 1 extra ship (450M) for the Navy.