March 15, 2022

President Joseph R. Biden The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear President Biden:

We, an ideologically diverse group of organizations, write to express our grave concern about the reported increase to military spending in your fiscal year 2023 budget proposal. Even before the Russian invasion of Ukraine, reporting suggested that the defense topline in this year's presidential budget request could exceed \$770 billion.<sup>1</sup> Lawmakers have now made numerous spending proposals in response to the crisis in Ukraine,<sup>2</sup> which would further inflate the defense topline. This moment necessitates a rethinking of our national defense spending, not an increase. We urge you to reject calls to increase the defense topline and instead implore Congress to hold the Pentagon accountable for wasted funds.

Expansion of the military budget would be unwise given the rampant financial mismanagement at the Department of Defense. The Pentagon has never passed a financial audit, having failed its first full financial audit in 2018 and every audit since.<sup>3</sup> The Pentagon is apparently incapable of accounting for the billions of taxpayer dollars it receives every year, yet officials rarely face any disciplinary consequences for their mismanagement. Tightening the purse strings would send a strong message to the Department of Defense that business as usual will no longer be tolerated.<sup>4</sup> Defense experts say that proposals to reduce Pentagon waste are "anything but radical."<sup>5</sup> Such action would also be in the interest of taxpayers.

Taxpayers foot the bill for the ever-inflating defense topline and receive little in return. For starters, the Pentagon overspends and under delivers on major weapon programs.<sup>6</sup> Between 2000

<sup>3</sup> Mark Thompson, "The Bunker: Another Failed Audit," Project On Government Oversight, November 17, 2021, <u>https://www.pogo.org/analysis/2021/11/the-bunker-another-failed-audit/;</u> Department of Defense, *Agency Financial Report, Fiscal Year 2021* (August 27, 2021), 65,

https://comptroller.defense.gov/Portals/45/Documents/afr/fy2021/DoD\_FY21\_Agency\_Financial\_Report.pdf#page= 65.

<sup>&</sup>lt;sup>1</sup> Ellen Mitchell, "Biden to ask for more than \$770B in defense dollars for FY23: report," *The Hill*, February 16, 2022, <u>https://thehill.com/policy/defense/594619-biden-to-ask-for-more-than-770b-in-defense-dollars-for-fy23-</u>report.

<sup>&</sup>lt;sup>2</sup> Lindsey McPherson, "Bipartisan support builds for Ukraine aid package," *Roll Call*, February 24, 2022, <u>https://rollcall.com/2022/02/24/bipartisan-support-builds-for-ukraine-aid-package/</u>.

<sup>&</sup>lt;sup>4</sup> Letter from coalition to Senate about Senate FY20 NDAA with 750 topline, June 24, 2019, 2, <u>https://winwithoutwar.org/wp-content/uploads/2019/06/June-2019-Letter-to-oppose-Senate-FY20-NDAA-with-750-topline-1.pdf</u>.

<sup>&</sup>lt;sup>5</sup> William Hartung and Mandy Smithberger, "The Pentagon's Yearly Blank Check," Project On Government Oversight, November 15, 2021, <u>https://www.pogo.org/analysis/2021/11/the-pentagons-yearly-blank-check/</u>.

<sup>&</sup>lt;sup>6</sup> Dan Grazier, "Air Force's Tanker Aircraft Continues to Struggle," Project On Government Oversight, June 11, 2020, <u>https://www.pogo.org/analysis/2020/06/air-forces-tanker-aircraft-continues-to-struggle/;</u> Dan Grazier,

<sup>&</sup>quot;Industry Insider Nominated for DOD Acquisition Head," Project On Government Oversight, December 14, 2021, <u>https://www.pogo.org/analysis/2021/12/industry-insider-nominated-for-dod-acquisition-head/</u>; Thomas Christie,

and 2019, the Navy spent at least \$28 billion<sup>7</sup> on the misguided Littoral Combat Ship program, and more than \$22.5 billion for the Zumwalt-class destroyer program (which resulted in three ships that in no way fit the original design purpose).<sup>8</sup> The Army spent \$32 billion trying to develop the Future Combat Systems program and ended up with nothing to show for it.<sup>9</sup> Additionally, the Pentagon pays too much for spare parts. One supplier, TransDigm, made at least \$20.8 million in excess profit in two and a half years selling overpriced spare parts to the Pentagon.<sup>10</sup> All too often, the Department of Defense even outsources key Pentagon business to defense contractors instead of utilizing its own resources.<sup>11</sup> This unnecessarily increases Pentagon reliance on service contracting and drives up costs. In fiscal year 2019, service contracts totaled more than \$190 billion.<sup>12</sup> Despite these obvious failures, taxpayers have seen significant growth in military spending for years. Now is the time to reestablish some fiscal discipline. By reining in Pentagon waste, you would force leadership to address financial mismanagement at the Department of Defense.

Pentagon waste not only burdens taxpayers, but also impacts military readiness. While updating defense technologies, equipment, and weaponry is important to our future security, successful modernization is only possible when done responsibly. The services should prioritize achievable technologies based on practical battlefield experiences, rather than cumbersome inventions designed primarily to maximize defense industry profits. New weapons should only be produced in numbers after their design is proven through a full testing program and the results are independently evaluated. That is often not the case.<sup>13</sup> Pouring more money into the Pentagon's coffers will only perpetuate this cycle and serve to produce even more military equipment not yet ready or safe to use in combat, which burdens the services with weapons that aren't fully fit for their purpose. Indeed, consistently increasing military spending provides the Department of Defense with no incentive to clean up its act and eliminate the mismanagement that results in regular schedule delays for the most expensive programs at the Pentagon. Military readiness

<sup>&</sup>quot;Dangerous Testing Plan for the F-15EX," Project On Government Oversight, October 29, 2021, https://www.pogo.org/analysis/2021/10/dangerous-testing-plan-for-the-f-15ex/.

<sup>&</sup>lt;sup>7</sup> Government Accountability Office, *Littoral Combat Ship Actions Needed to Address Significant Operational Challenges and Implement Planned Sustainment Approach*, GAO-22-105387 (February 2022), 6, https://www.gao.gov/assets/gao-22-105387.pdf#page=6.

<sup>&</sup>lt;sup>8</sup> Government Accountability Office, *Defense Acquisitions: Assessment of Selected Weapon Programs*, GAO-15-342SP (March 2015), 81, <u>https://www.gao.gov/assets/gao-15-342sp.pdf#page=81</u>.

<sup>&</sup>lt;sup>9</sup> Staff Writer, "32B down the drain at Pentagon," *The Columbus Dispatch*, May 28, 2011, https://www.dispatch.com/story/news/2011/05/28/32b-down-drain-at/23908143007/.

<sup>&</sup>lt;sup>10</sup> Mandy Smithberger, "Spare Parts Contractor Profits from Broken System," Project On Government Oversight, January 12, 2022,

https://www.pogo.org/analysis/2022/01/spare-parts-contractor-profits-from-broken-system/.

<sup>&</sup>lt;sup>11</sup> Project On Government Oversight, *Brass Parachutes: Defense Contractors' Capture of Pentagon Officials Through the Revolving Door*, (November 5, 2018), 24,

https://docs.pogo.org/report/2018/POGO\_Brass\_Parachutes\_DoD\_Revolving\_Door\_Report\_2018-11-05.pdf. <sup>12</sup> Government Accountability Office, Service Acquisitions: DOD's Report to Congress Identifies Steps Taken to Improve Management, But Does Not Address Some Key Planning Issues, GAO-21-267R (February 22, 2021), 1, https://www.gao.gov/assets/gao-21-267r.pdf.

<sup>&</sup>lt;sup>13</sup> Mark Thompson, "The Bunker: When Common Sense is Blasphemy," Project On Government Oversight, January 26, 2022, <u>https://www.pogo.org/analysis/2022/01/the-bunker-when-common-sense-is-blasphemy/;</u> Dan Grazier, "The F-35 and Other Legacies of Failure," Project On Government Oversight, March 19, 2021,

<sup>&</sup>lt;u>https://www.pogo.org/analysis/2021/03/the-f-35-and-other-legacies-of-failure/</u>; Dan Grazier, "Is the F-35 Program at a Crossroads?" Project On Government Oversight, February 23, 2021, <u>https://www.pogo.org/analysis/2021/02/is-the-f-35-program-at-a-crossroads/</u>.

must always be the Pentagon's first priority, and increasing the defense topline will not encourage that.

Right now, you have an opportunity to improve the overall effectiveness of the U.S. military. By lowering the defense topline in your budget request, you will be taking meaningful action to restore fiscal discipline, which will protect taxpayer dollars, force service leaders to pursue more achievable technologies, and improve military readiness.

Sincerely,

CommonDefense.us Council for a Livable World National Taxpayers Union Open The Government Physicians for Social Responsibility Project On Government Oversight Public Citizen Quincy Institute for Responsible Statecraft R Street Institute Taxpayers for Common Sense Women's Action for New Directions Win Without War