



THE CENTER
FOR ARMS CONTROL
AND NON-PROLIFERATION



FISCAL YEAR 2018

DEFENSE SPENDING REQUEST BRIEFING BOOK

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The Fiscal Year 2018 Budget in Context

Introduction

President Trump's Fiscal Year 2018 budget requests \$574.5 billion for the Defense Department's annual "base" discretionary budget, which is \$58.4 billion higher than FY 17 levels, and \$50.6 billion above last year's request from President Obama. This amount does not include certain other security spending, including funding for nuclear weapons-related work in the Department of Energy. Nor does it include an additional request of \$64.6 billion for the Pentagon's portion of the Overseas Contingency Operations (OCO) account - also referred to as "war funding." Including all of these accounts, the total national defense discretionary spending request is \$667.6 billion (see Table 1). As an uncapped account, the OCO fund is often used to push military spending above the maximum levels allowed by law. On its own, the requested OCO level would represent the fourth largest United States federal agency by budget.

Overseas Contingency Operations

The \$64.6 billion request for OCO includes:

- \$45.9 billion for military operations in Afghanistan and training Afghan security forces (Operation Freedom's Sentinel)
- \$13.0 billion for operations in Iraq and Syria (Operation Inherent Resolve) and anti-terrorism funding and operations against the Islamic State
- \$4.8 billion for the European Reassurance Initiative (ERI)
- \$0.9 billion for Security Cooperation, formerly known as the Counterterrorism Partnership Fund

In addition to the \$64.6 billion OCO funding requested for the Pentagon, the Administration is also proposing \$12.0 billion for OCO in the State Department/USAID FY 2018 request, a reduction of \$7.1 billion compared to FY 2017. The State Department/USAID requested base budget is \$25.6 billion, a reduction of \$10.1 billion compared to FY 2017. In total, the amount requested for the Department of State and USAID is \$37.6 billion, a reduction of approximately \$17 billion compared to FY 2017.

Nuclear Modernization and Non-Proliferation

The request increases funding for nuclear weapons refurbishment plans, which aim to overhaul and maintain the entire nuclear arsenal at a cost of up to \$1 trillion over 30 years. This plan includes funding for a new long-range bomber, a new nuclear-capable cruise missile, a new ballistic missile submarine program, an updated land-based intercontinental ballistic missile (ICBM), and their associated warheads. Actualizing these plans will likely result in decreased funding for conventional military capabilities.

The budget also proposes a \$90 million cut to the Defense Nuclear Non-Proliferation account compared to the amount enacted last year. These cuts include a \$30 million reduction of the Global Material Security program, which works to reduce and protect vulnerable nuclear and radiological material located around the globe, and a further \$24 million cut for non-proliferation research and development.

The President's Request

Table 1: Discretionary Defense Request for Fiscal Year 2018
(in billions of current dollars)

FY 2017 Enacted:	FY 2018 Funding Request:	Allocated to:
516.1	574.5	Department of Defense Base Budget (051)
82.4	64.6	Overseas Contingency Operations (War Funding)
19.7	20.6	Defense Related Activities at DOE (053)
8.2	7.9	Other Defense Related Funding (054)
626.4	667.6	Total National Defense Spending Request (050)

Graph 1: Fiscal Year 2018 Overseas Contingency Operations
(in billions of current dollars)

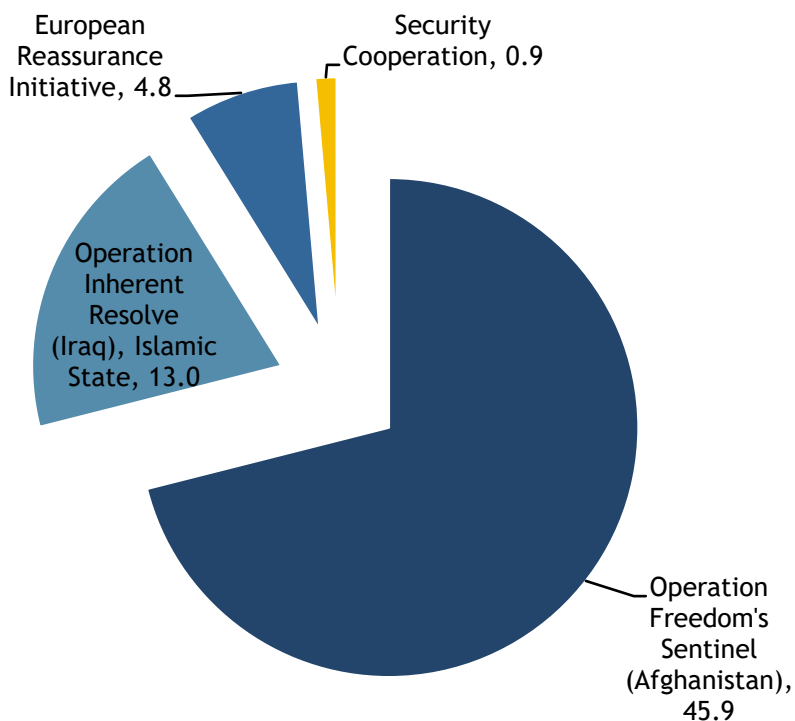


Table 2: National Defense Spending by Selected Years

Time Period	FY Enacted:	National Defense Spending: (in billions of 2009 dollars*)
World War II	1945	994
Korean War Peak Spending	1953	532
Vietnam War Peak Spending	1968	524
Peak 1980's Buildup Spending	1988	533
Proposed Current Spending	2018	564

*Provided by the Office of Management and Budget

Graph 2: Department of Defense Topline Since 2001
(in billions of current dollars)

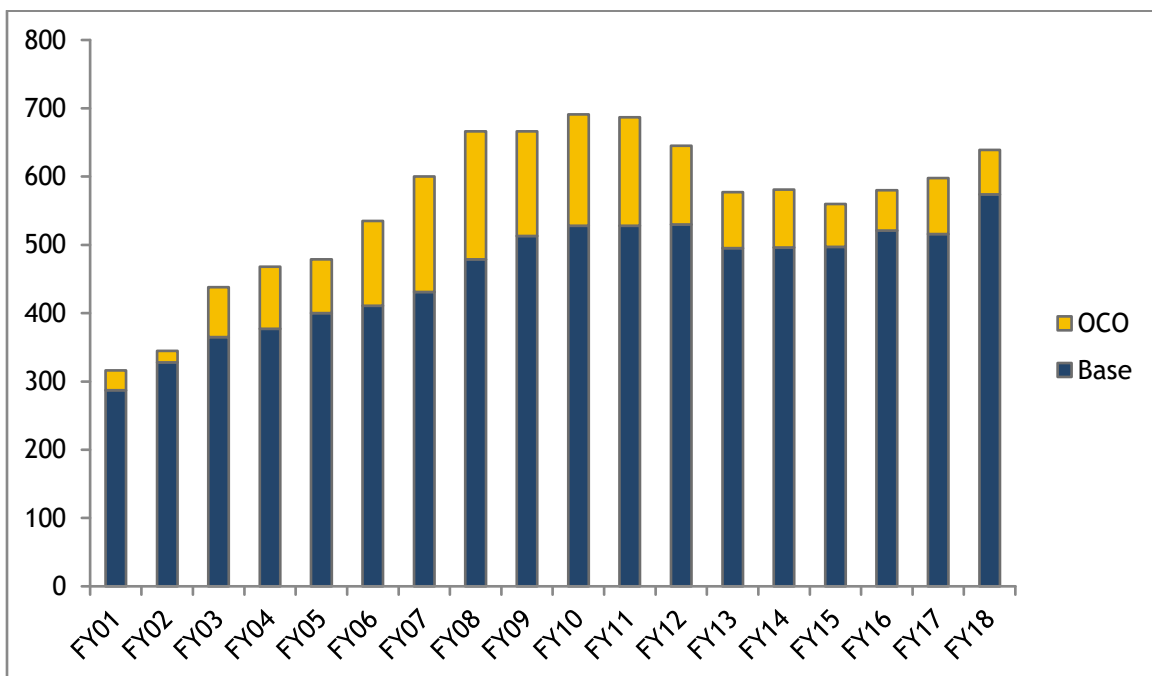


Table 3: Fiscal Year 2018 Base + OCO Discretionary Defense Request by Function
(in billions of current dollars)

FY 2017 Enacted**:	FY 2018 Funding Request:	Allocated to:	Delta FY17-FY18	FY17 %	FY18 %
138.9	146.0	Military Personnel	+7.1	23.7%	22.8%
249.1	271.9	Operations & Maintenance	+22.8	42.5%	42.5%
119.7	125.2	Procurement	+5.5	20.4%	19.6%
69.9	83.3	Research and Development (RDT&E)	+13.4	11.9%	13.0%
7.9	10.4	Construction/Family Housing	+2.5	1.3%	1.6%
1.3	2.2	Revolving & Management Funds	+0.9	0.2%	0.3%
586.8	639.1	Total*	+52.3	100%	100%

*May not add up due to rounding

**Numbers provided by the Pentagon. Omnibus appropriations adopted in May 2017 may not be included.

Table 4: Fiscal Year 2018 Base + OCO Discretionary Defense Request by Service
(in billions of current dollars)

FY 2017 Enacted**:	FY 2018 Funding Request:	Allocated to:	Delta FY17-FY18	FY17 %	FY18 %
151.1	166.0	Army	+14.9	25.7%	26.0%
168.9	180.0	Navy	+11.1	28.8%	28.2%
163.6	183.0	Air Force	+19.4	28.1%	28.6%
103.1	110.1	Defense-Wide	+7.0	17.6%	17.2%
586.7	639.1	Total*	+52.4	100%	100%

*May not add up due to rounding

**Numbers provided by the Pentagon. Omnibus appropriations adopted in May 2017 may not be included.

Nuclear Weapons and Non-Proliferation

Table 5: Fiscal Year 2018 Request for National Nuclear Security Administration (NNSA)
(in billions of current dollars)

FY 2017 Enacted:	FY 2018 Funding Request:	Allocated to:
1.88	1.79	Nuclear Non-Proliferation
9.25	10.24	Weapons Activities
0.39	0.42	Federal Salaries and Expenses
1.42	1.48	Naval Reactors
12.94	13.93	Total NNSA Request*

*May not add up due to rounding

Table 6: Fiscal Year 2018 Request for Defense Nuclear Non-Proliferation
(in millions of current dollars)

FY 2017 Enacted	FY 2018 Funding Request:	Allocated to:
367.1	337.1	Global Material Security
288.4	332.1	Material Management and Minimization
335	279.0	Non-Proliferation Construction
124.7	129.7	Non-Proliferation and Arms Control
469.8	446.1	Non-Proliferation Research and Development
271.9	277.4	Nuclear Counterterrorism and Incident Response Program
83.2	40.5	Legacy Contractor Pensions
-57.2	-49	Prior Year Balance
1,882.9	1,793.3	Total Defense Nuclear Non-Proliferation Request*

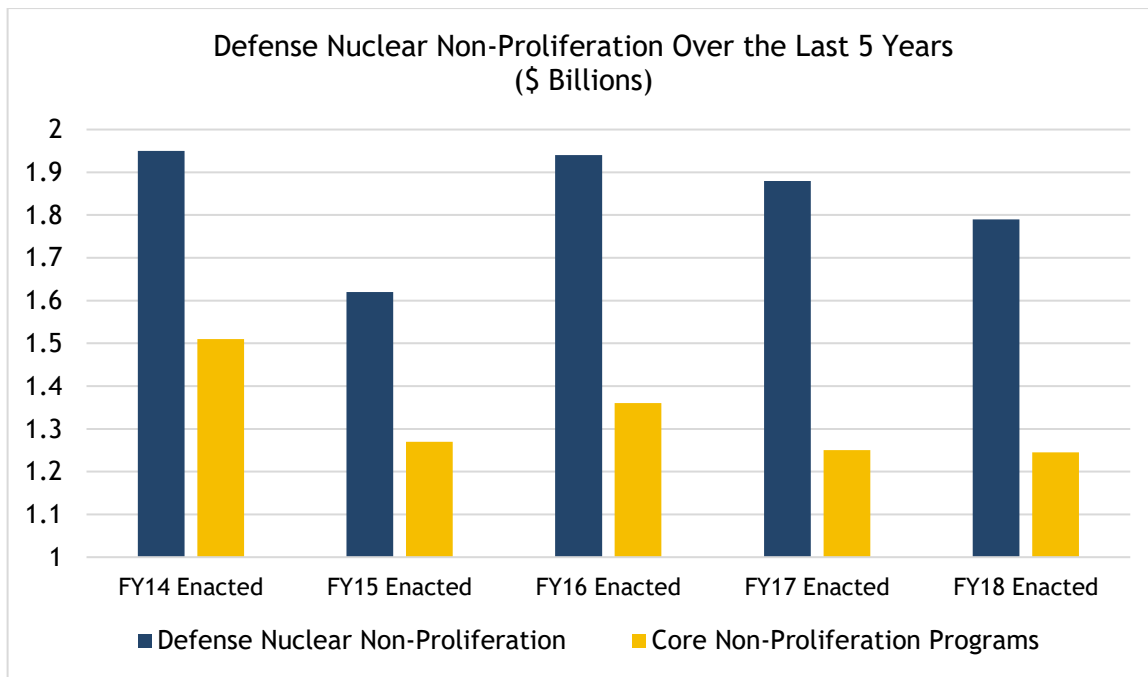
*May not add up due to rounding

Table 7: Review of Defense Nuclear Non-Proliferation Funding Over Last Five Years

	FY14 Enacted	FY15 Enacted	FY16 Enacted	FY17 Enacted	FY18 Requested	FY18 vs. FY17
Defense Nuclear Non-Proliferation	\$1.95 billion	\$1.62 billion	\$1.94 billion	\$1.88 billion	\$1.79 billion	- \$90 million
Core Non-Proliferation Programs*	\$1.51 billion	\$1.27 billion	\$1.36 billion	\$1.25 billion	\$1.245 billion	- \$5 million

*Includes Global Material Security, Material Management and Minimization, Nonproliferation and Arms Control, Defense Nuclear Nonproliferation R&D.

Graph 3: Review of Defense Nuclear Non-Proliferation Funding over last Five Years



State Department and Foreign Operations

Table 8: State Department/ Diplomatic Total Funding
In Billion (\$)

	FY 16 Actual	FY 17 Estimate *	FY18 Request
State Department/USAID	51.1	54.9	37.6

*Number provided in President's FY18 Request.

Table 9: State Department - Key Department Funding
In Millions (\$)

	FY 16 Actual	FY17 Estimate *	FY18 Request
Peacekeeping Operations	600.6	650.4	301.4
International Security & Nonproliferation (ISN)	45.5	45.1	42.2
Arms Control, Verification, and Compliance (AVC)	31.7	31.8	30.6
Political-Military Affairs	47.5	47.1	45.7

*Number provided in President's FY18 Request.

Table 10: State Department - Nonproliferation, Antiterrorism, Demining and Related Programs
In Millions (\$)

	FY16 Actual	FY 17 Appropriation	FY18 Request
Global Threat Reduction	70.0	70.0	65.1
IAEA Voluntary Contribution	88.0	94.8	91.9
Nonproliferation and Disarmament Fund	30.0	30.0	5.0
Terrorist Interdiction Program	26.2	33.0	36.0

Table 11: State Department/USAID - Select Eliminated Programs
In Millions (\$)

	FY 16 Actual	FY17 Estimate	FY18 Request
International Bank for Reconstruction and Development	1,197.1	1,194.9	0
Asian Development Fund	105.0	104.8	0
Clean Technology Fund	170.9	170.4	0
Strategic Climate Fund	59.6	59.5	0
Global Agriculture and Food Security Program	43.0	42.9	0
U.S. Emergency Refugee and Migration Assistance (ERMA)	50.0	49.9	0

Table 12: Request for Fiscal Year 2018 Selected Nuclear Weapons

(in millions of current dollars)

FY 2017 Appropriated:	FY 2018 Funding Request:	Allocated to:
1,338.3	2,000	Long Range Strike Bomber*
1,687.6**	1,884.5	Ohio Submarine Replacement Program (Columbia Class)
616.1	788.6	B61 Life Extension Program
1,222.6	1,270	Trident II Ballistic Missile Modifications
113.9	215.7	Ground Based Strategic Deterrent
95.6	451.3	Long-Range Standoff Weapon
220.3	399.1	W80-4 Life Extension Program
222.9	224.1	W76-1 Nuclear Life Extension Program
281.1	332.3	W88 Nuclear Alteration Program

*Long range strike bomber will serve both conventional and nuclear missions

**Does not represent total appropriation, some R&D not included

Funding for Selected Weapons Systems

AIRCRAFT

System	FY'17 Total Cost	FY'18 Request
F-35 Joint Strike Fighter	\$11,323.9 million (74 aircraft)	\$10,837.9 million (70 aircraft)
F-22 Raptor Fighter	\$704.4 million	\$915.5 million
F/A-18E/F Super Hornet Fighter	\$2,504.9 million (26 aircraft)	\$1,253.1 million (14 aircraft)
V-22 Osprey Tiltrotor Aircraft	\$1,822.4 million (19 aircraft)	\$961.8 million (6 aircraft)
C-130J Hercules Military Transport Aircraft	\$1,839.1 million (19 aircraft)	\$886.1 million (9 aircraft)
AH-64E Apache Helicopter	\$1,840.4 million (52 upgrades and 20 new aircraft)	\$1,441.9 million (50 upgrades and 13 new aircraft)
CH-47 Chinook Helicopter	\$656.8 million (22 aircraft)	\$415.0 million (6 aircraft)
UH-60 Black Hawk Helicopter	\$1,352.3 million (53 aircraft)	\$1,059.0 million (48 aircraft)
P-8A Poseidon Anti-Submarine Warfare (ASW) Aircraft	\$3,267.4 million (17 aircraft)	\$1,609.4 million (7 aircraft)
Early Warning (AEW) Aircraft	\$1,399.6 million (6 aircraft)	\$1,116.4 million (5 aircraft)
KC-46A Tanker	\$3,318.5 million (15 aircraft)	\$3,052.9 million (15 aircraft)
F-15 Eagle Fighter	\$768.5 million	\$963.1 million

SHIPBUILDING

System	FY'17 Total Cost	FY'18 Request
CVN-78 "Ford" Class Nuclear Aircraft Carrier	\$2,791.1 million	\$4,638.1 million
DDG-51 Aegis Destroyer	\$3,498.3 million (2 ships)	\$4,013.7 million (2 ships)
Littoral Combat Ship (LCS)	\$1,598.9 million (2 ships)	\$1,152.6 million (1 ship)
SSN-774 "Virginia" Class Submarine	\$5,322.3 million (2 subs)	\$5,546.3 million (2 subs)
SSBN 826 "Columbia" Class Submarine	\$1,864.3 million	\$1,884.5 million
LHA(R) "America" Class Amphibious Assault Ship	\$1,648.2 million	\$1,748.3 million

MISSILES/ ORDNANCE

System	FY'17 Total Cost	FY'18 Total Cost
Advanced Medium Range Air-Air Missile (AMRAAM)	\$661.7 million (419 missiles)	\$594.4 million (325 missiles)
Trident II Ballistic Missile Modernization	\$1,237.1 million	\$1,270.0 million
Tactical Tomahawk Cruise Missile	\$403.1 million (196 missiles)	\$381.6 million (100 missiles)
Joint Direct Attack Munition (JDAM)	\$778.9 million (33,443 units)	\$874.3 million (34,529 units)
Joint Air-to-Surface Standoff Missile (JASSM)	\$462.0 million (360 missiles)	\$471.7 million (360 missiles)
Small Diameter Bomb	\$423.2 million (4,507 units)	\$504.1 million (7,312 units)
Hellfire Missiles	\$685.5 million (5,846 missiles)	\$713.9 million (7,664 missiles)
Long Range Standoff (LRSO) Missile	\$95.6 million	\$451.3 million
Ground-Based Strategic Deterrent (New ICBM)	\$113.9 million	\$215.7 million

SELECTED BALLISTIC MISSILE DEFENSE

System	FY'17 Total Cost	FY'18 Total Cost
Ground-Based Midcourse Defense	\$1,192.7 million	\$1,370.4 million
AEGIS BMD	\$1,568.0 million	\$1,610.6 million
THAAD	\$793.1 million	\$718.0 million
Patriot/PAC-3	\$543.0 million	\$515.1 million
PAC-3/MSE Missile	\$702.0 million (85 MSE interceptors)	\$459.0 million (93 MSE interceptors)

SPACE-BASED SYSTEMS

System	FY'17 Total Cost	FY'18 Total Cost
Advanced Extremely High Frequency	\$904.7 million	\$202.6 million
Evolved Expendable Launch Vehicle (EELV)	\$1,803.0 million (5 systems)	\$1,861.5 million (3 systems)
Global Positioning System	\$1,004.7 million	\$1,104.2 million
Space Based Infrared System (SBIRS)	\$581.3 million	\$1,425.3 million

GROUND SYSTEMS

System	FY'17 Total Cost	FY'18 Total Cost
Abrams Tank	\$898.7 million (27 units)	\$1,213.9 million (56 upgrades)
Joint Light Tactical Vehicle	\$775.8 million (2,020 units)	\$1,142.7 million (2,777 units)
Amphibious Combat Vehicle	\$158.7 million	\$340.5 million

UNSTAFFED SYSTEMS

System	FY'17 Total Cost	FY'18 Total Cost
MQ-1B/MQ-1C Predator/Grey Eagle	\$308.1 million (13 units)	\$174.4 million (11 units)
MQ-9 Reaper Unmanned Aerial Vehicle (UAV)	\$1,053.1 million (24 units)	\$1,009.8 million (16 units)

Notable Miscellaneous Provisions

- The Pentagon has requested a new round of base closings (BRAC) to begin in FY 2021, with an estimated \$2 billion in annual savings by 2027.
- The Department of Energy's Mixed Oxide Fuel (MOX) Fabrication facility is scheduled for termination and will receive \$270 million to terminate the program.
- The Pentagon reaffirms its commitment to pursuing a "full financial audit."
- The budget claims to take the first step towards phasing-out use of the Overseas Contingency Operations Account (OCO) for the Department of State and U.S. Agency for International Development (USAID).
- Select non-defense related programs designated for elimination:
 - Low Income Home Energy Assistance Program
 - Corporation of Public Broadcasting
 - National Endowment of the Arts