



Defense Contract and Budget Trends

David J. Berteau

**CSIS Presentation at the
2011 DLA Industry Conference & Exhibition
Columbus, OH**

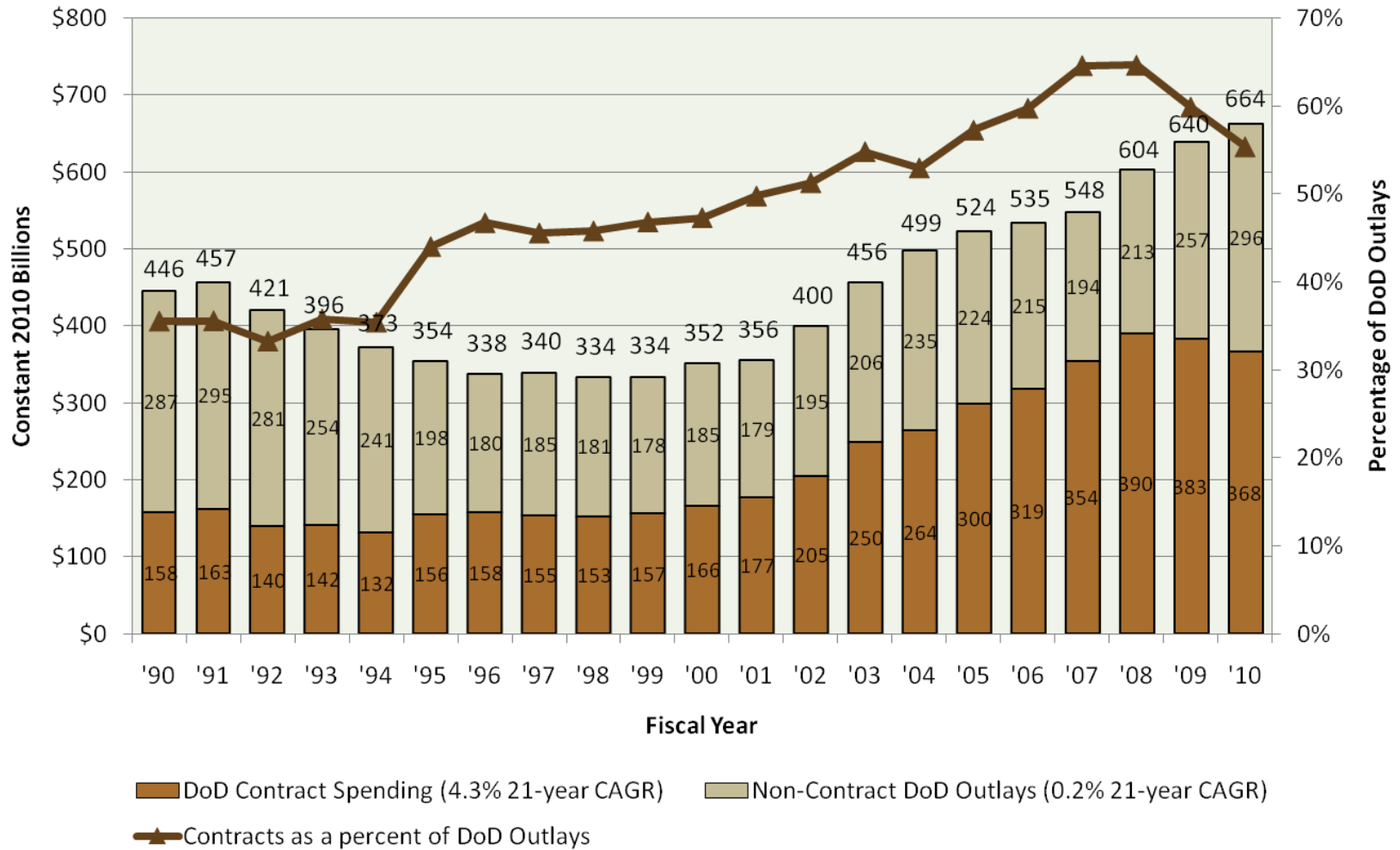
June 28, 2011

CSIS

**CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES**

**Defense-Industrial
Initiatives Group**

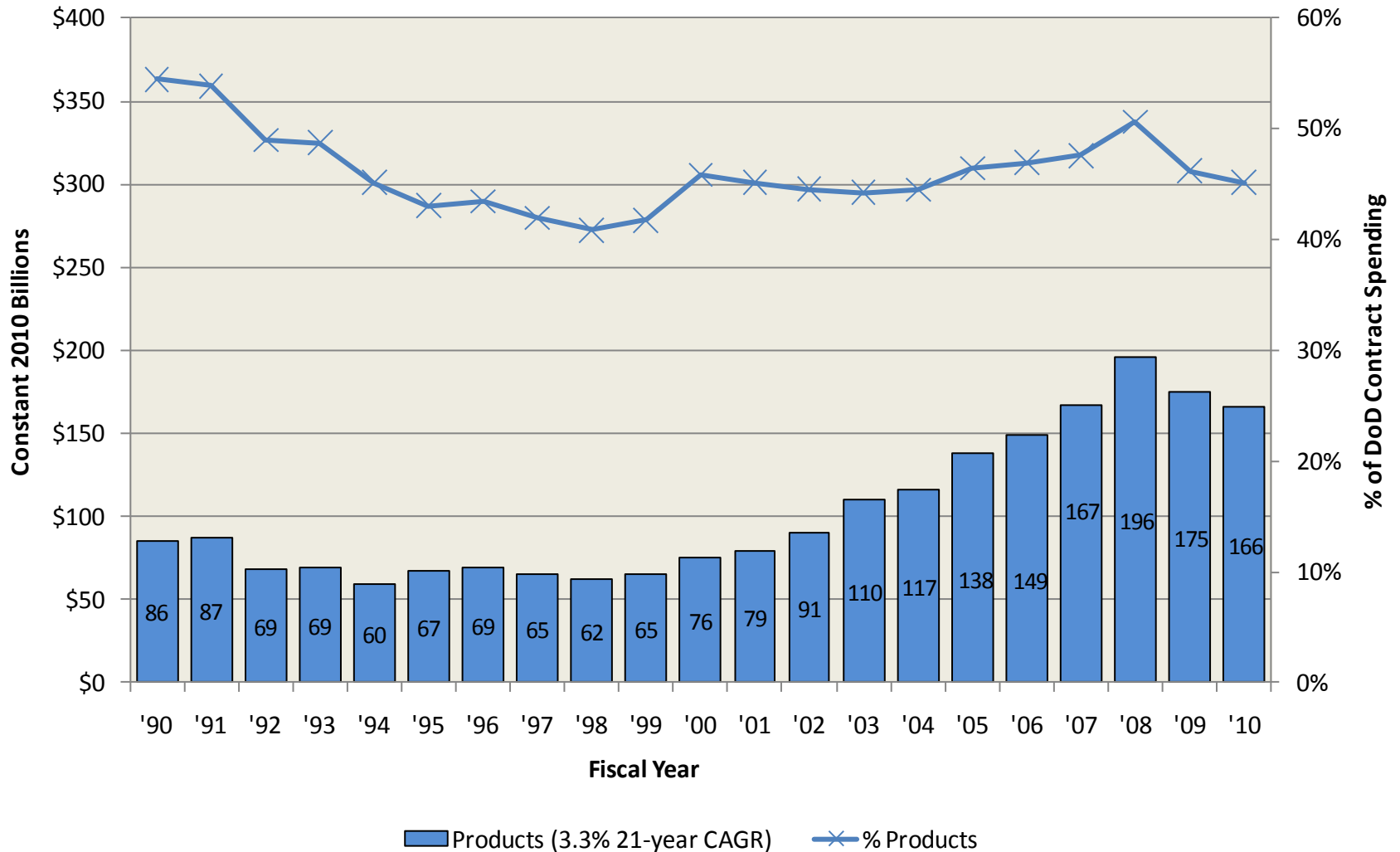
Top Line DoD Contract Spending, 1990-2010



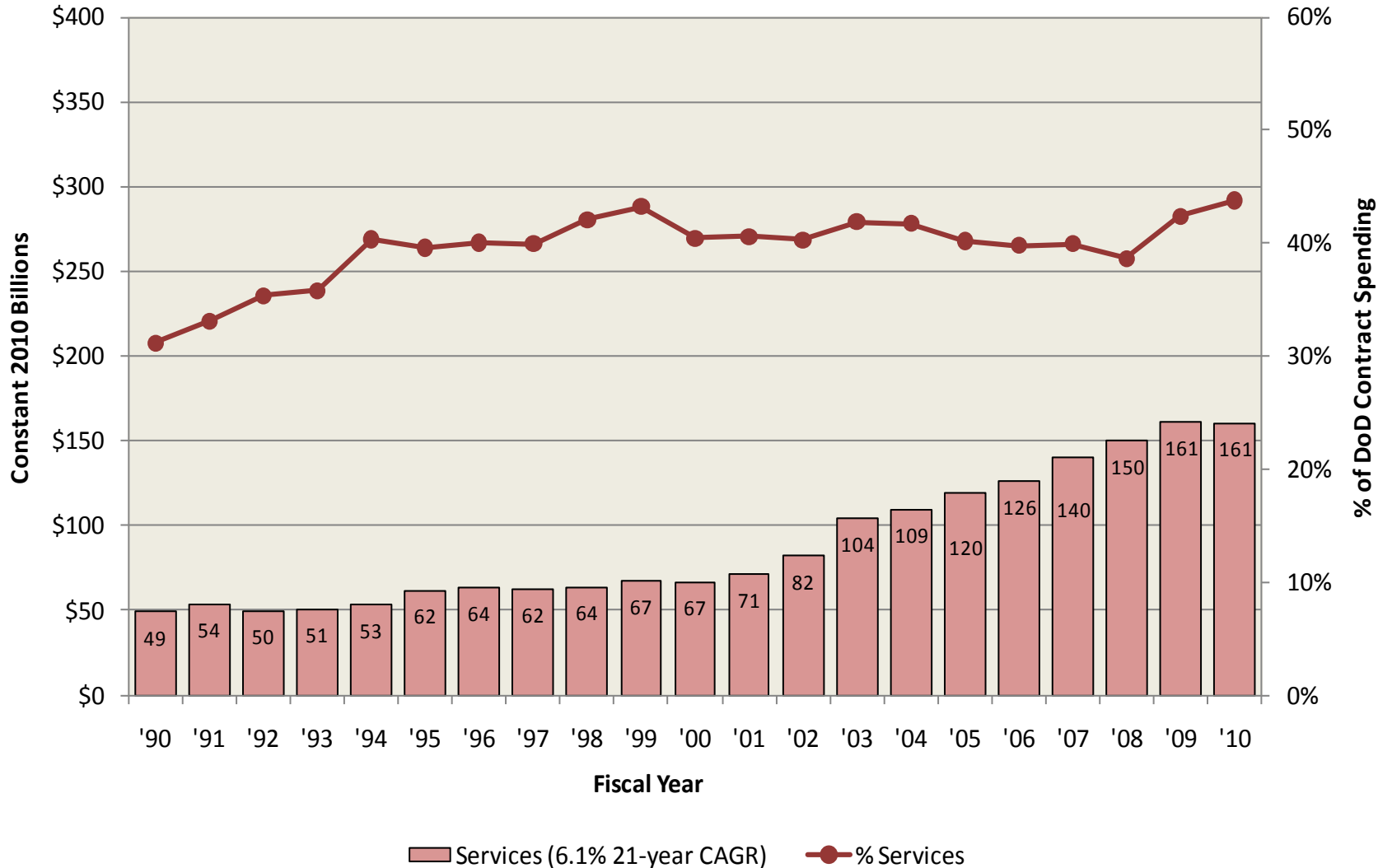
Note: Dollar figures may not sum to total due to rounding.

Source: DD350 and FPDS; CSIS analysis

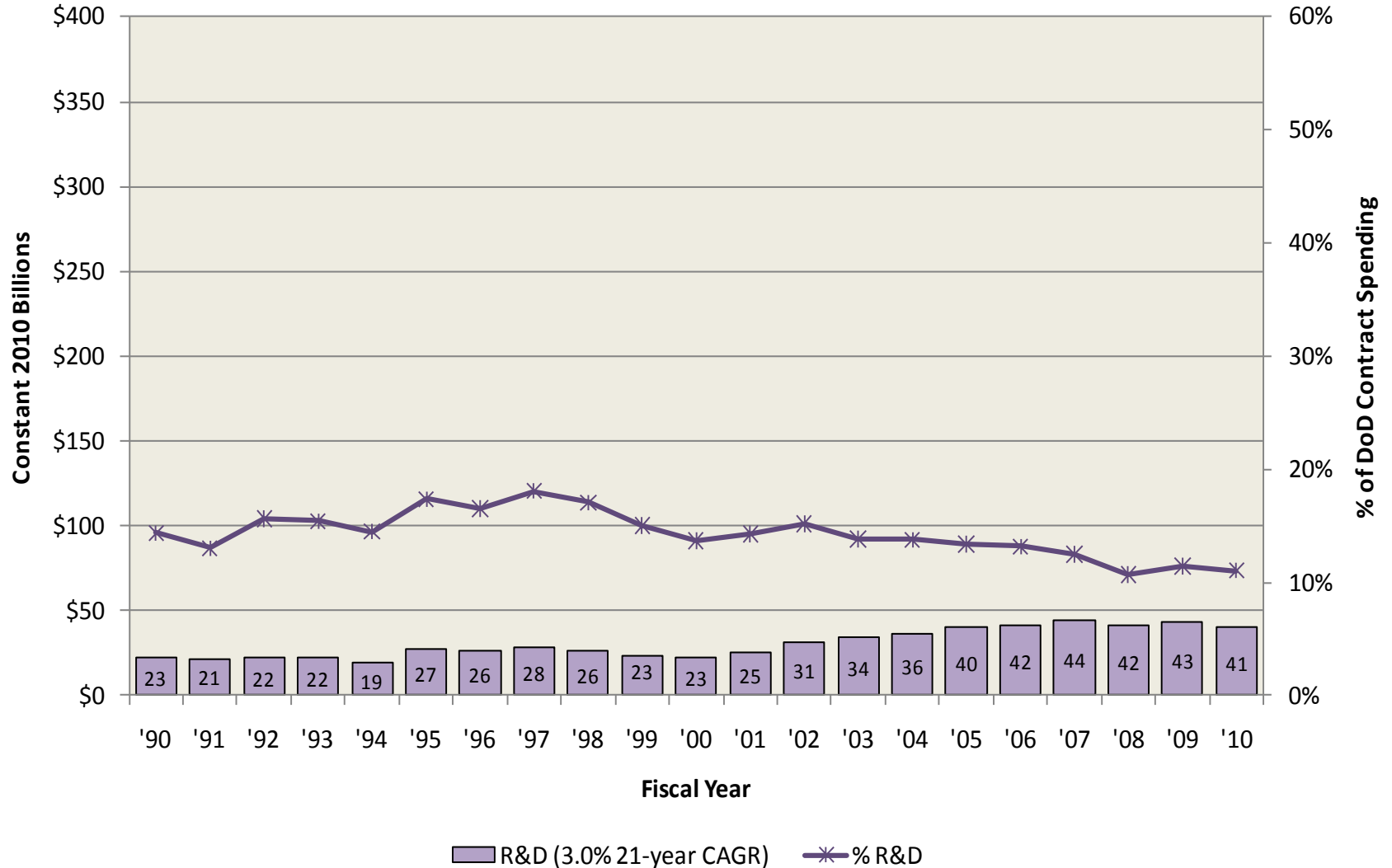
DoD Contract Spending for Products, 1990-2010



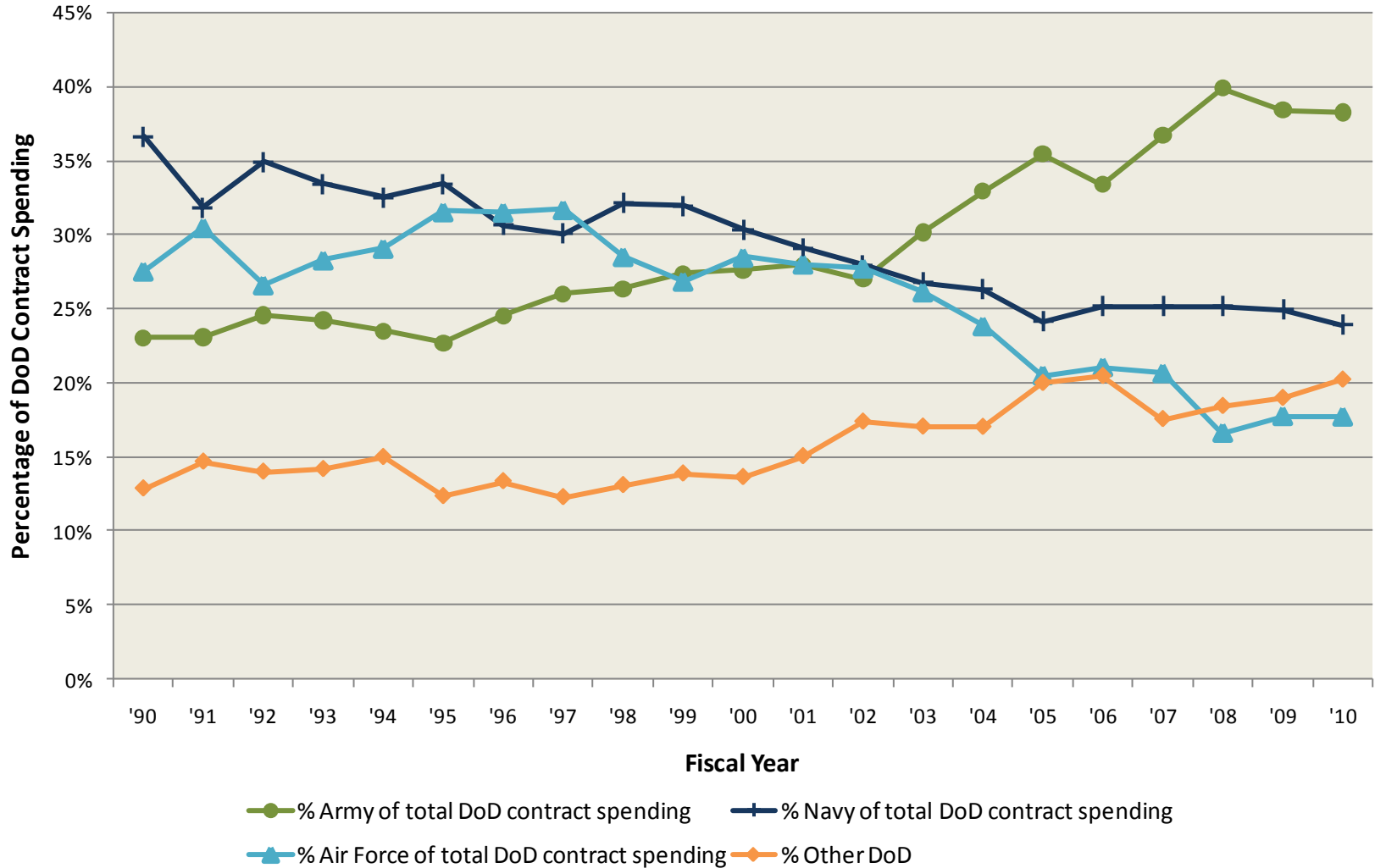
DoD Contract Spending for Services, 1990-2010



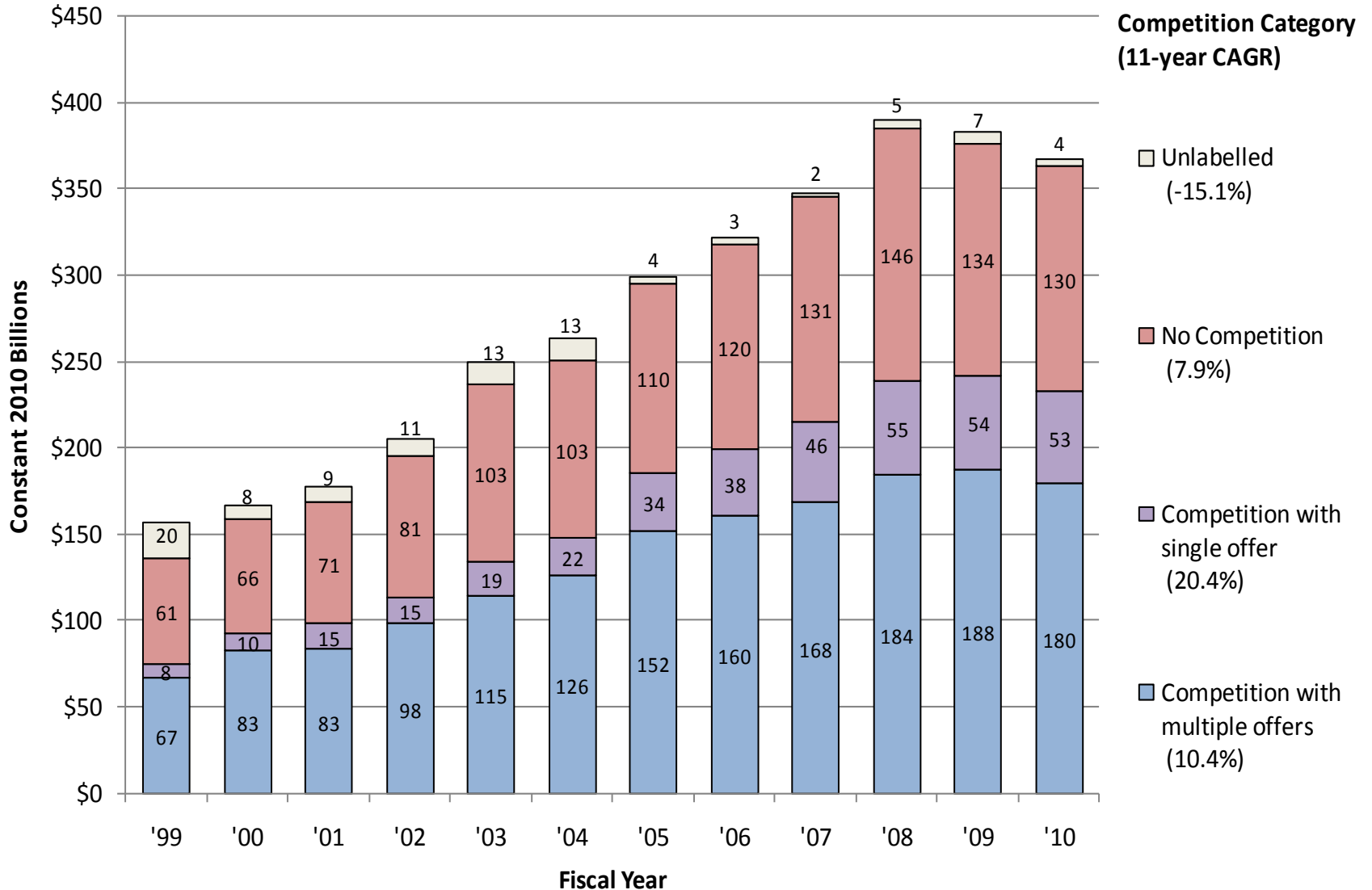
DoD Contract Spending for R&D, 1990-2010



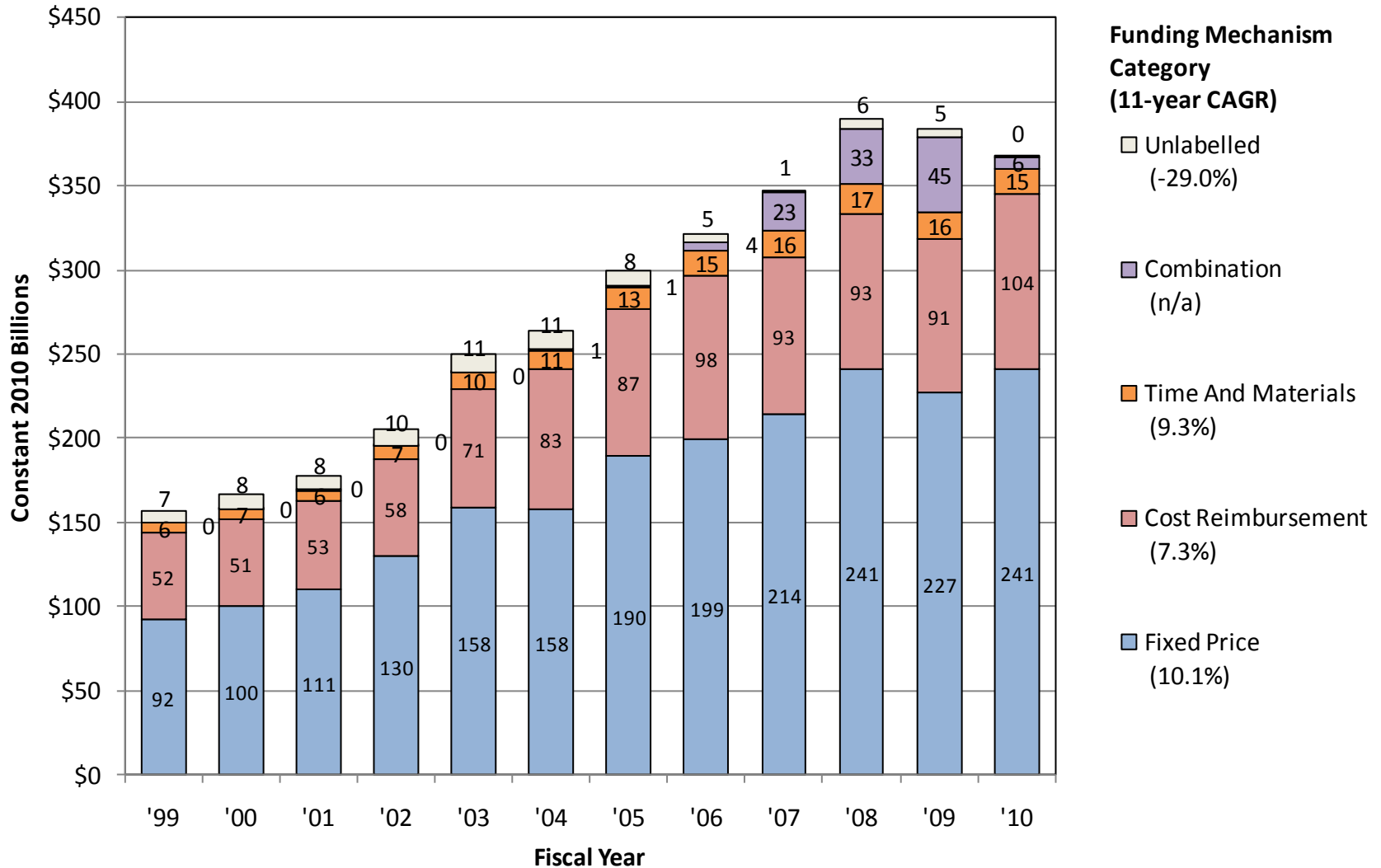
DoD Contract Spending by Component in Percentage Terms, 1990-2010



Defense Contract Spending by Competition, 1999-2010



Defense Contract Spending by Funding Mechanism, 1999-2010



Note: The "other" category, which totals less than 20 million a year, was excluded from the figure.

Source: DD350 and FPDS; CSIS analysis

Top 20 DoD Contractors, 1999 and 2009

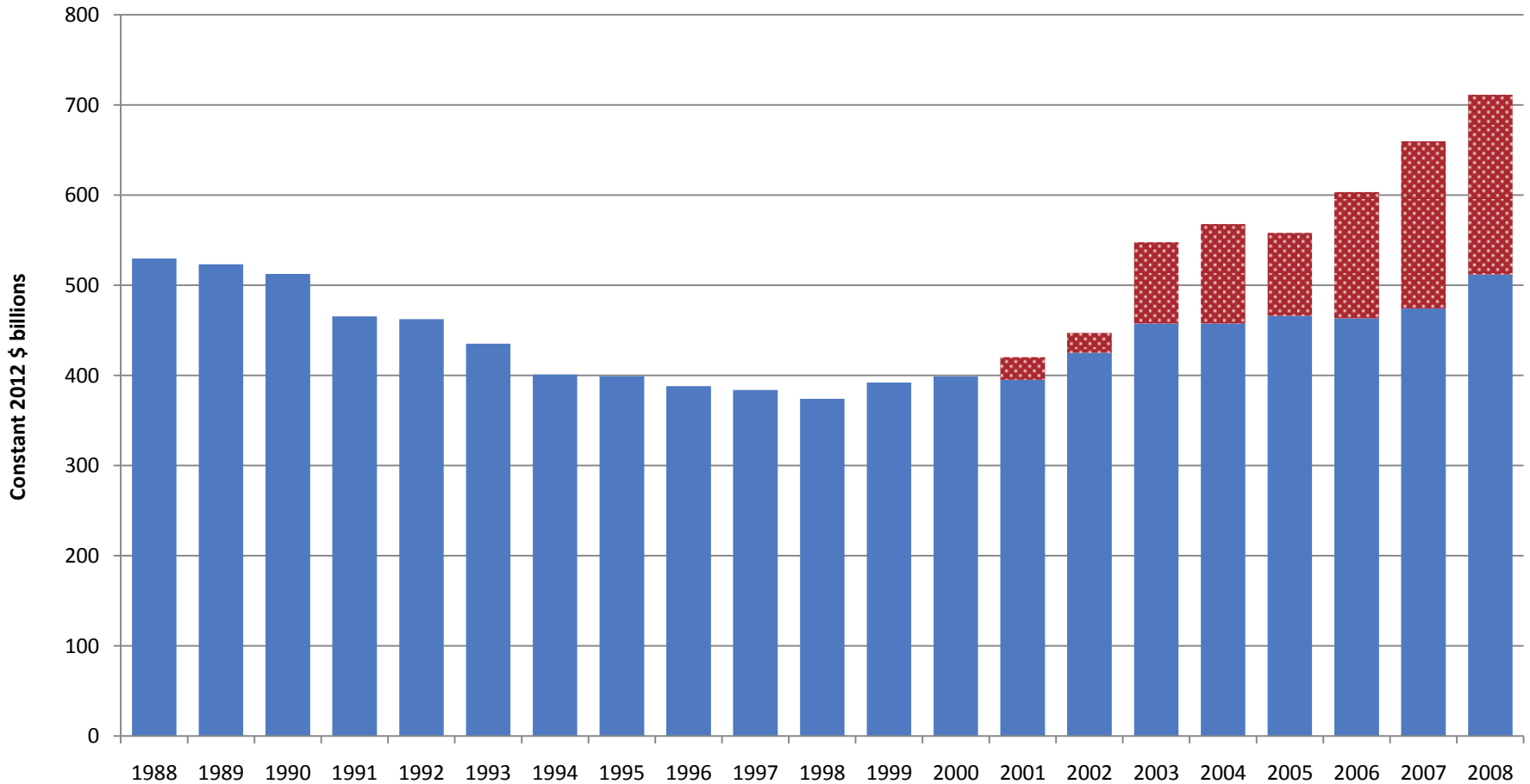
Rank	Top 20 Contractors in 1999	Contract Value in 2010 Millions	Top 20 Contractors in 2009	Contract Value in 2010 Millions
1	Lockheed Martin	15,980	Lockheed Martin	31,900
2	Boeing	12,180	Boeing	21,020
3	Raytheon	7,900	Northrop Grumman	19,180
4	General Dynamics	5,560	General Dynamics	16,000
5	Northrop Grumman	3,740	Raytheon	14,930
Subtotal for Top 5		45,360		103,040
6	United Technologies	2,910	BAE Systems	7,230
7	General Electric	1,930	L3 Communications	7,050
8	Textron	1,810	United Technologies	6,790
9	TRW	1,760	Oshkosh	6,210
10	SAIC	1,730	KBR	4,660
11	Litton	1,530	SAIC	4,540
12	United Defense Industries	1,190	ITT	3,800
13	Computer Sciences Corp.	1,140	Humana	3,460
14	ITT	860	General Electric	3,030
15	Halliburton	830	Computer Sciences Corp.	2,980
16	Humana	790	Health Net	2,860
17	Dyncorp	700	TriWest Healthcare	2,700
18	Bechtel	690	Bell-Boeing Joint Project Office*	2,570
19	Honeywell	680	MacAndrews & Forbes Holdings	2,460
20	Anthem	650	Bechtel	2,440
Total for Top 20		64,570		165,830
Total for DoD		156,520		383,420

*Joint Venture

Source: DD350 and FPDS; CSIS analysis

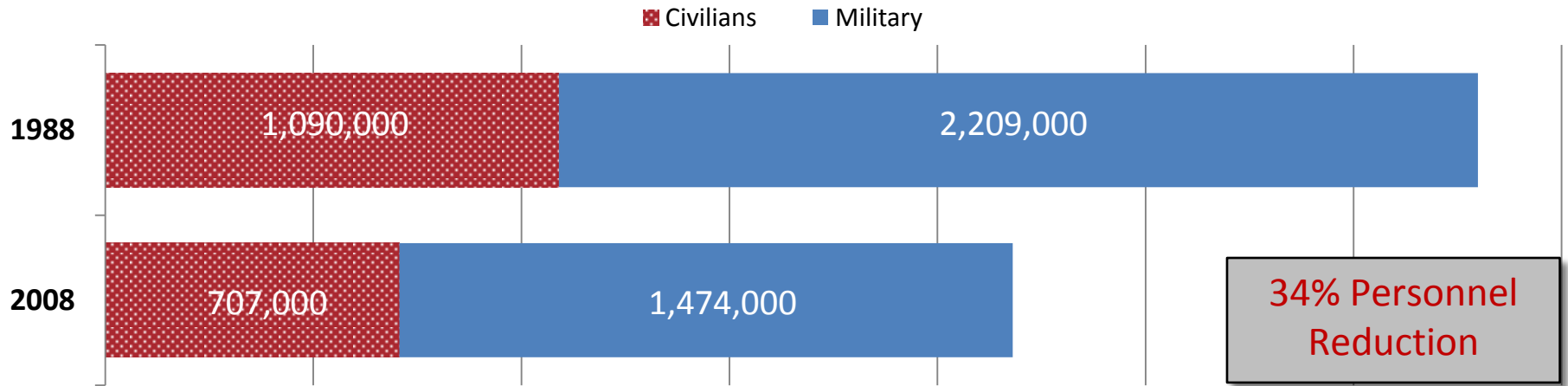
Department of Defense Budgets

■ Base Budget Authority (BA) ■ Supplemental Appropriations

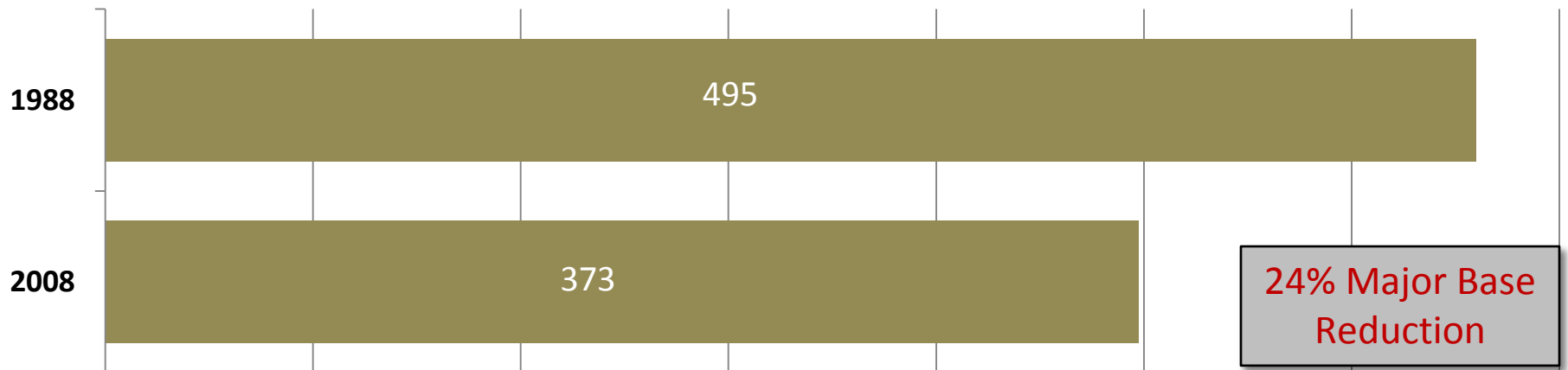


Source: Department of Defense Comptroller (Overview–FY2012 Defense Budget; FY2012 Green Book)

Department of Defense Personnel



Base Infrastructure

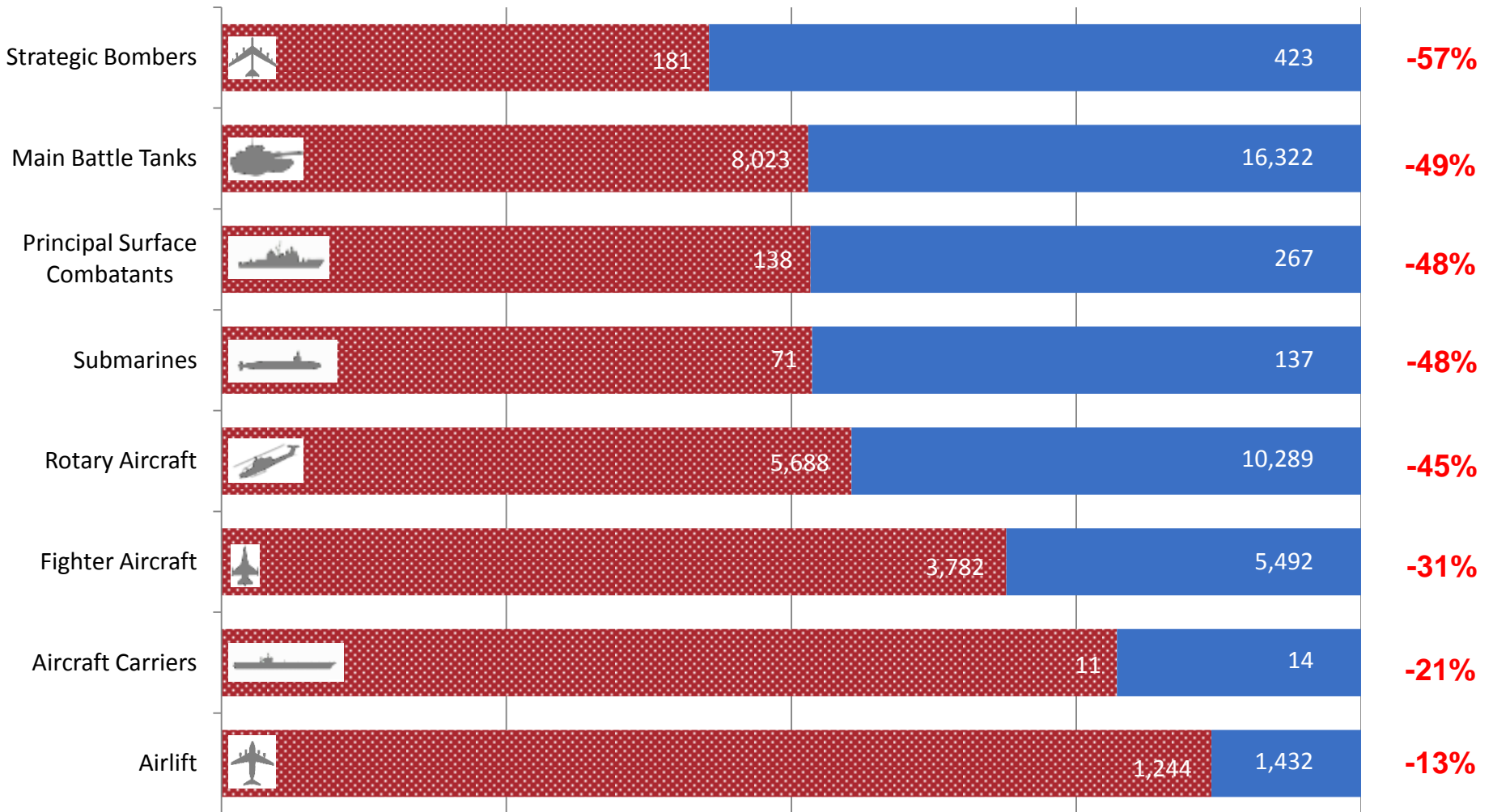


Major Platform Inventory

2008

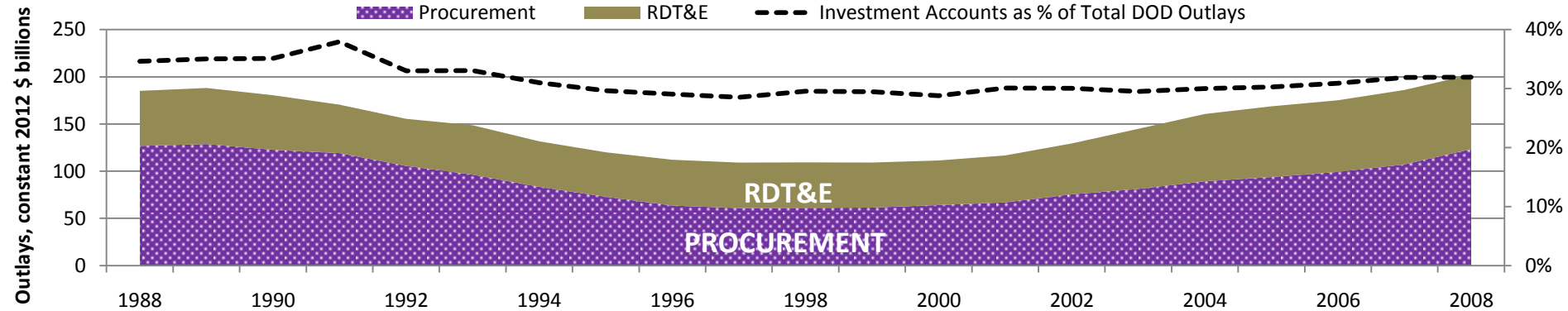
1988

% Change
1988-2008

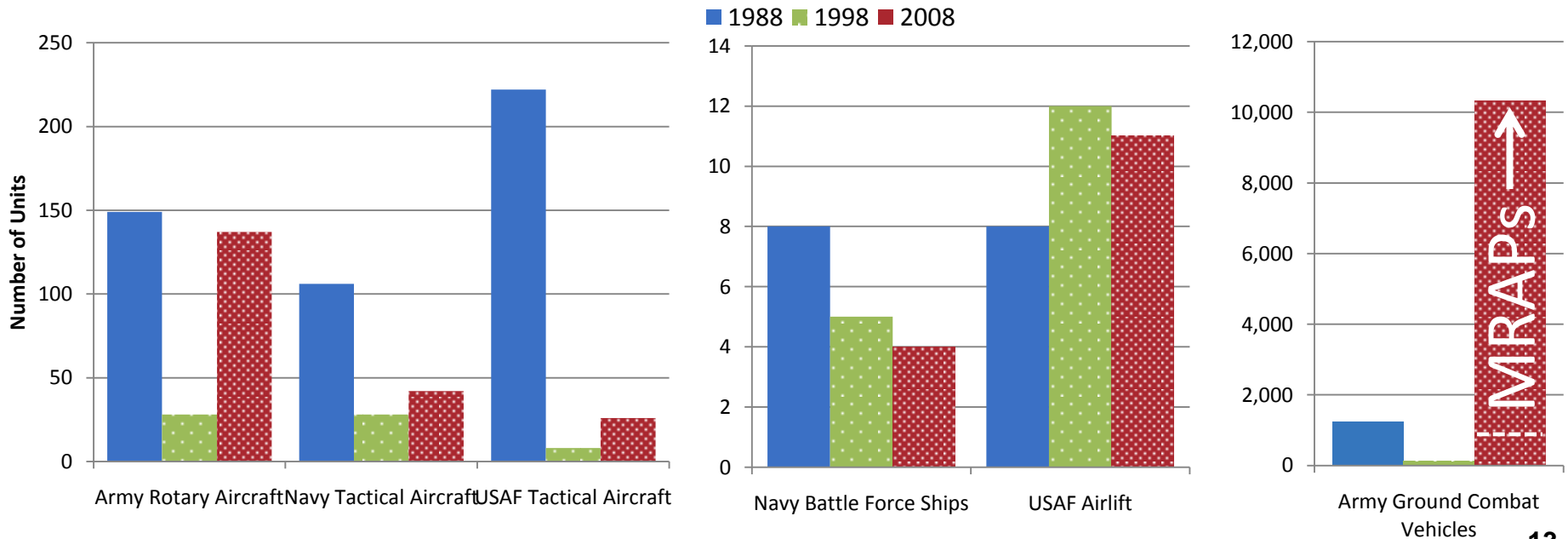


Source: International Institute for Strategic Studies, "The Military Balance," analysis by CSIS Defense-Industrial Initiatives Group

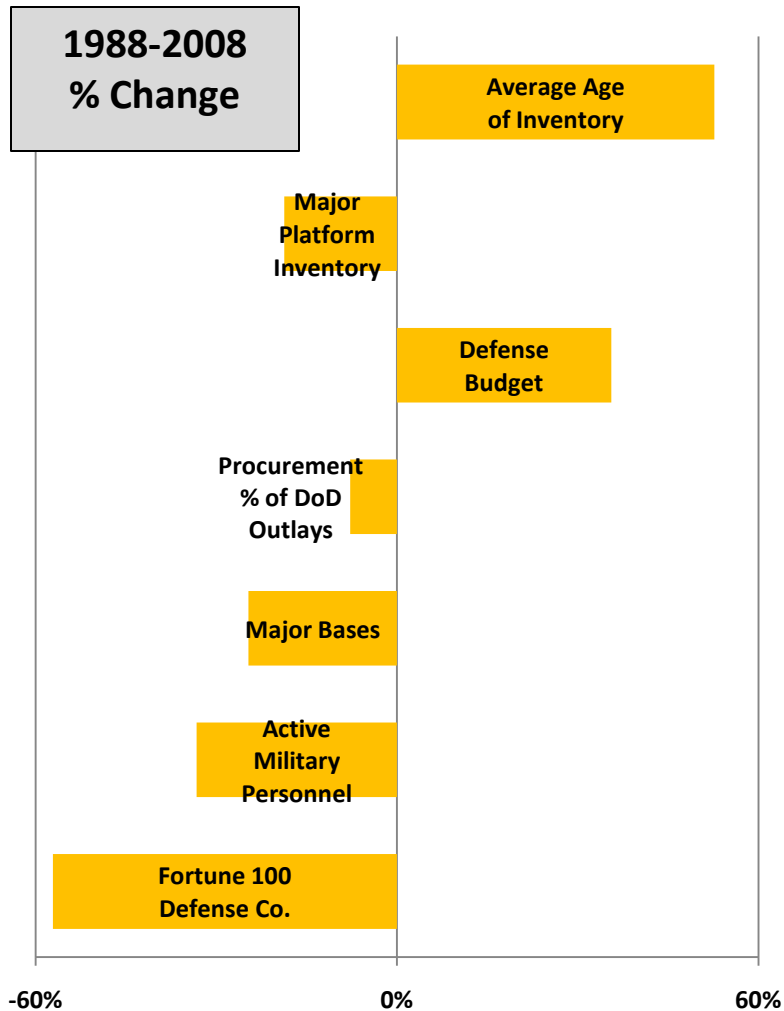
Department of Defense Buying Power



Major Platform Procurement



Going Forward: Where do we cut this time?



- How long can we live off our inventory?
- Can we cut our procurement further without causing serious problems for future forces and capabilities?
- Can we close more bases?
- What portion of our overseas forces can we bring home?
- What personnel and related costs can be reduced?
- Can we consolidate the industry further?



Thank you.

David J. Berteau

**CSIS Presentation at the
2011 DLA Industry Conference & Exhibition
Columbus, OH**

June 28, 2011

CSIS

**CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES**

**Defense-Industrial
Initiatives Group**