

ANIMAS HIGH SCHOOL MODEL SENATE

Committee: Finance Committee

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Bill No: 2-2013-F

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Title of Bill:

Reverse the Trend in Annual Deficits in Favor of Creating a Surplus Act

BE IT ENACTED BY THE ANIMAS HIGH SCHOOL MODEL CONGRESS

1 Preamble: Whereas \$901.4 billion has been allocated to the United States Department of
2 Defense (DoD) for fiscal year 2013, and since the DoD is unnecessarily spending
3 \$687.6172 billion, and since the national debt for fiscal year 2013 is 16.7382 trillion, and
4 since the United States is creating a trend of having an annual deficit, and since the current
5 projected budget for fiscal year 2015 will create a deficit,

6
7 SECTION 1: The allocation and spending of money in the United States Army shall be
8 changed by --

9 Sub-SECTION A: Eliminating the unrequested funding for the M1 tank.

10 Sub-SECTION B: Freezing the development of unproven Ground-based
11 Midcourse Defense system.

12 Sub-SECTION C: Canceling future satellites for the Space-based Infrared
13 System.

14 Sub-SECTION D: Replacing the V-22 Osprey with less expensive, more reliable
15 alternative helicopters.

16 Sub-SECTION E: Withdrawing forty thousand troops from Europe.

17 Sub-SECTION F: Requiring NATO members to share the burden of the B61
18 nuclear bombs in Europe.

19
20 SECTION 2: The allocation and spending of money in the United States Navy shall be
21 changed by --

22 Sub-SECTION A: Cancelling the Lockheed Martin variant of the Littoral
23 Combat Ship.

24 Sub-SECTION B: Cutting four submarines from the next-generation fleet.

25 Sub-SECTION C: Reducing aircraft carriers from eleven to ten and Navy wings
26 from ten to nine.

27
28 SECTION 3: The allocation and spending of money in the United States Air Force shall be
29 changed by --

30 Sub-SECTION A: Deferring the next-generation bomber.

31 Sub-SECTION B: Replacing two of the three F-35 variants with the F/A- 18
32 E/Fs, which are less expensive and have comparable capabilities.

33
34 SECTION 4: The allocation and spending of money in the United States Department of
35 Defense shall be changed by --

36 Sub-SECTION A: Reforming the Department of Defense TRICARE health care
37 system by increasing co-pays and enrollment fees and encouraging the use of
38 mail-order and military pharmacies.
39 Sub-SECTION B: Reducing spending on non-Department of Defense national
40 security federal service contracts by fifteen percent
41 Sub-SECTION C: Reducing the Department of Defense service contracts by
42 fifteen percent.
43

44 SECTION 5: The allocation and spending of money in the United States Department of
45 Defense areas of research shall be changed by --
46 Sub-SECTION A: Eliminating the Chemistry and Metallurgy Research
47 Replacement-Nuclear Facility at Los Alamos National Laboratory.
48 Sub-SECTION B: Halting the construction of the MOX Fuel Fabrication
49 Facility.
50 Sub-SECTION C: Canceling the Uranium Processing Facility at the Y-12
51 National Security Complex.
52 Sub-SECTION D: Downblending more highly enriched uranium and selling it
53 as a low enriched uranium.
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55 SECTION 6: This bill shall go into effect progressively over the course of fiscal year 2014
56 with completion date prior to October 1, 2014
57 Sub-SECTION A: Elimination of the unrequested funding for the M1 tank shall
58 take effect beginning December 31, 2014.
59 Sub-SECTION B: The freezing of the development of unproven Ground-based
60 Midcourse Defense system shall take effect on January 15, 2014.
61 Sub-SECTION C: The cancelation of future satellites of the Space-based
62 Infrared System shall take effect January 31, 2014.
63 Sub-SECTION D: The replacement of the V-22 Osprey with less expensive,
64 more reliable alternative helicopters shall take effect February 1, 2014.
65 Sub-SECTION E: The withdrawal of forty thousand troops from Europe shall
66 begin taking effect January 1, 2014.
67 Sub-SECTION F: The requirement of NATO members to share the burden of the
68 B61 nuclear bombs in Europe shall take effect January 15, 2014.
69 Sub-SECTION G: The cancelation of the Lockheed Martin variant of the
70 Littoral Combat Ship shall take effect March 1, 2014.
71 Sub-SECTION H: The removal of four submarines from the next-generation
72 fleet shall take effect March 30, 2014.
73 Sub-SECTION I: The reduction of aircraft carriers from eleven to ten and Navy
74 wings from ten to nine shall take effect April 1, 2014.
75 Sub-SECTION J: The deferring the next-generation bomber shall take effect
76 January 1, 2014.
77 Sub-SECTION K: The replacement of two of the three F-35 variants with the
78 F/A- 18 E/Fs shall take effect April 15, 2014.
79 Sub-SECTION L: The reformation of the Department of Defense TRICARE
80 health care system shall take effect January 15, 2014.
81 Sub-SECTION M: The reduction of spending on non-Department of Defense
82 national security federal service contracts by fifteen percent shall take effect
83 May 1, 2014.
84 Sub-SECTION N: The reduction of the Department of Defense service contracts

85 by fifteen percent shall take effect June 1, 2014.
86 Sub-SECTION O: The elimination of the Chemistry and Metallurgy Research
87 Replacement-Nuclear Facility at Los Alamos National Laboratory shall take
88 effect June 30, 2014.
89 Sub-SECTION P: The halting the construction of the MOX Fuel Fabrication
90 Facility shall take effect July 1, 2014.
91 Sub-SECTION Q: The cancelation of the Uranium Processing Facility at the Y-
92 12 National Security Complex shall take effect August 1, 2014.
93 Sub-SECTION R: The downblending of more highly enriched uranium and
94 selling it as a low enriched uranium shall take effect September 1, 2014.

**In order to fully understand the proposed bill and the budget cut contained in it, refer to the following appendices.

Appendix I:

Based on budget trends in our history of national finance the projected national spending for 2015 will be \$6.62 trillion. With a projected annual revenue of \$6.2 trillion for fiscal year 2015 we will be in an additional \$420 billion in debt after fiscal year of 2015. The Bill *Reverse the Trend in Annual Deficits in Favor of Creating a Surplus Act* would reduce defense spending by \$687.6172 billion cutting military programs deemed inadequate or unnecessary by the DoD. If said bill is entirely enacted by the beginning of fiscal year 2015, our total US spending would reduce from a projected \$6.62 trillion to \$5.932 trillion. With a projected revenue of \$6.2 trillion for 2015, our federal budget would be in surplus by \$267.62 billion for fiscal year 2015. By 2020 with our current federal budget, national deficit is projected to be \$262.66 billion based on trends in the U.S. financial history. With the new proposed bill the projected national budget will create a surplus of \$413.234 billion for fiscal year 2020 based on trends in our history of finance.

Appendix II:

SECTION 1: Sub-SECTION A: *Eliminate unrequested funding for the M1 tank.* The following budget cut pertains to 33 new M1 tanks to be put in production. However the

army already has more than 500 of the tanks and has not indicated a need for increased production. A similar plot in 2011 was also recorded where the government approved funding for M1A2 tanks that the DoD clearly stated were un-needed, however were produced anyways costing an additional 270 million. **Expected Savings: \$230,000,000.00 (\$230 million)**

SECTION 1: Sub-SECTION B: *Freeze development of unproven Ground-based Midcourse Defense system (GMD).* The following budget cut pertains to a missile defense system that will increase interceptors in Alaska and put new ones in Europe. However when reviewed by the Congressional Budget Office (CBO), they said that the “testing of the system to date has been insufficient to verify that it will function as intended.” The CBO has suggested eliminating the phases of the GMD program that would expand missile

interceptors in Alaska and establish new ones in Europe until current systems are proven. This would still permit development of interceptors to provide defense for the U.S. against

missiles from such countries as Iran and North Korea, the current concern of the GMD program. **Expected Savings: \$6,000,000,000.00 (\$6 billion)**

SECTION 1: Sub-SECTION C: Cancel future satellites of the Space-Based Infrared System. Space Based Infrared System (SBIRS), intended to provide initial warning of a ballistic missile attack, is a classic example, according to a 2012 GAO report that called it “one of the most troubled” military space programs. The first of six satellites were launched in 2011 after nearly a decade of delay and a cost increase of 231 percent. Now the DoD is faced with being locked in to launching two more 3 billion dollar satellites. There is little justification for procuring two more mega satellites when the DoD has alternatives to explore. **Expected Savings: \$6,000,000,000.00 (\$6 billion)**

SECTION 1: Sub-SECTION D: Replace the V-22 Osprey with MH-60 and CH-53 helicopters. The V-22 Osprey is a tilt-rotor aircraft that can take off and land like a helicopter, but can fly like a plane. Unfortunately, its cost has more than doubled since initial estimates and, according to the GAO, it had a full mission capability (FMC) rate of just 6 percent while operating in Iraq between October 2007 and June 2008. The V-22 is simply neither cost- nor operationally effective. The Sustainable Defense Task Force (SDTF) has noted that the overpriced, underperforming V-22 Osprey can be replaced by helicopters. Specifically, the SDTF recommends a high/low lift combination of MH-60 and CH-53 helicopters. Based on the latest DoD figures for the procurement and operating costs of these aircraft, replacing the 170 Ospreys scheduled to be built between FY 2013 and FY 2019 with MH-60 and CH-53 helicopters would save more than \$17.1 billion from FY 2013 to FY 2022. **Expected Savings: \$17,100,000,000.00 (\$17.1 billion)**

SECTION 1: Sub-SECTION E: Withdraw 40,000 troops from Europe. There are currently more than 80,000 U.S. troops stationed in Europe. Decreasing this U.S. subsidy of Europe’s national security will save taxpayers billions through reduced personnel and operations & maintenance (O&M) costs, such as military housing and transport. The U.S. has built a unique capacity to deploy rapidly from offshore bases, as needed, an approach that has both financial and strategic advantages if more military force is needed. **Expected Savings: \$32,000,000,000.00 (\$32 billion)**

SECTION 1: Sub-SECTION F: Require NATO members share the burden of B61 nuclear bomb in Europe. As part of NATO’s defense, the United States deploys an estimated 150 to 200 B61 non-strategic nuclear bombs at six bases in five European countries: Belgium, Germany, Italy, Turkey, and the Netherlands. However, since NATO’s inception, the United States has borne the lion’s share of military costs. U.S. taxpayers will be expected to reach into their pockets to entirely cover the \$2.1-billion cost of modernizing these B61s through a life extension program (LEP). Furthermore, established security vulnerabilities at European bases raise concerns about the level of risk the United States must assume to secure these weapons. If U.S. and European leaders want to continue maintaining these weapons in Europe, then European NATO members must step up and share the burden by

paying to modernize them. **Expected Savings: \$2,100,000,000.00 (\$2.1 billion)**

SECTION 2: Sub-SECTION A: *Cancel the Lockheed Martin Combat Ship (LCS), reviewed as faulty by POGO.* The following budget cut pertains to 55 littoral combat ships (LCS), that will be produced for the purpose of submarine counter attacks and counter surface attacks. However according to the Department of Defense's (DoD) testing office the littoral combat ships were reviewed as "not expected to be survivable in a hostile combat environment." Additionally the POGO investigation found that the Lockheed Martin variant has been beset by cracks, corrosion, and equipment failures. **Expected Savings: \$187,200,000.00 (\$187.2 million)**

SECTION 2: Sub-SECTION B: *Cut four submarines from next-generation fleet.* The Navy plans to replace its fleet of 14 Ohio-class nuclear-powered ballistic missile submarines (SSBNs) with 12 new submarines, called the SSBN(X) fleet. The SSBN(X) program is estimated to cost a staggering \$347 billion over the life of the submarines. The CBO estimates that the first SSBN(X) sub will cost about \$13.3 billion, and that each subsequent sub will cost \$7.2 billion. The SSBN(X) fleet can be reduced to eight while still maintaining a robust deterrent. Under the New START agreement, the U.S. can deploy a little over 1,000 warheads on submarines, and each of the eight SSBN(X) subs would carry 16 missiles for a total of 1,024 warheads. Eliminating four submarines from the fleet would save at least \$18 billion in operations, maintenance, research, and procurement costs over ten years, and up to \$122 billion over the 50-year lifecycle of the ballistic missile submarine program. **Expected Savings: \$18,000,000,000.00 (\$18 billion)**

SECTION 2: Sub-SECTION C: *Reduce aircraft carriers from 11 to 10 and Navy wings from 10 to 9.* According to the CBO, the Navy could utilize 10 carriers instead of 11 because: "Recent experience suggests that the Navy mobilizes 5 to 7 carriers to fight a major war, and the 10 carriers remaining in the fleet under this option would still provide a force of at least 5 or 6 carriers within 90 days to fight such a war." The CBO estimates that about \$7 billion can be saved by retiring the USS George Washington in 2016, prior to it going through the costly refueling and complex overhaul process, and accordingly reducing Navy force size by 5,600 sailors. According to the CBO, this option also eliminates the administrative structure of the air wing associated with the carrier, but keeps the planes and redeploys the other ships in the carrier strike group to support other missions. **Expected Savings: \$18,400,000,000.00 (\$18.4 billion)**

SECTION 3: Sub-SECTION A: *Defer development of Next-Generation Bomber.* The DoD plans to build between 80 and 100 "next-generation" Long-Range Strike Bombers to augment the Air Force's fleet of B-52, B-1B, and B-2 planes, which drop both nuclear and conventional bombs. The program is projected to cost \$6.3 billion between FY 2013 and FY 2017 alone, and will likely cost billions more over the life of the program. The Administration initially cancelled the program in FY 2010 as there was "no urgent need" for a new bomber because "current aircraft will be able to meet the threats expected in the

foreseeable future.” The B-1B and B-2 are undergoing upgrades, and the Air Force expects the B-52 will be operational until at least 2045. Deferring development of costly and unnecessary next-generation systems saves money and is low-risk because of robust U.S. nuclear- and conventional-bomb delivery capabilities that will be available for decades. **Expected Savings: \$6,300,000,000.00 (\$6.3 billion)**

SECTION 3: Sub-SECTION B: Replace the B and C models of the F-35 with the F/A-18E/F. The B and C models of the F-35—the military’s newest fighter plane—are the most expensive variants of the most expensive DoD procurement ever. Both of these variants have been plagued by cost overruns and schedule delays, and are now estimated to cost just under \$200 million each. The F/A-18E/F Super Hornet has many capabilities that rival the F-35 and costs far less, with a price of around \$65 million each. Additionally, each of the B and C models of the F-35 costs more than \$11 million per year to fly, while each Super Hornet costs \$5.7 million per year to fly. From FY 2013 to FY 2022, a total of 328 B and C models are scheduled to be procured. Replacing these with F/A-18E/F’s would save \$54 billion in procurement costs, and the lower flight-hour costs of the F/A-18E/F would save another \$7.7 billion. **Expected Savings: \$61,700,000,000.00 (\$61.7 billion)**

SECTION 4: Sub-SECTION A: Reform TRICARE. The cost of TRICARE, DoD’s health care system, has more than doubled in the last decade and in FY 2012 will exceed more than \$50 billion. Many military retirees who are fully employed and have health insurance available still opt for TRICARE, which amounts to a government subsidy for employers. Congress has prevented attempts to halt this spending trajectory in the past, but last year lawmakers voted to allow TRICARE fees to rise for the first time since the system’s creation nearly 20 years ago. The resulting changes incorporated some recommendations of the Quadrennial Review of Military Compensation as we called for. This year, the DoD is seeking additional reforms including modest increases in co-pays and enrollment fees, as well as pharmacy co-pay changes to encourage use of mail-order and military pharmacies, which will save \$16.5 billion over the next ten years. These small reforms of taking military retirees off TRICARE when they have health insurance available through their employer will save taxpayers \$76.5 billion. The DoD also proposed to tie future increases to an index that tracks medical inflation, which would save up to an additional \$6 billion per year, or \$60 billion over the next ten years. **Expected Savings: \$76,500,000,000.00 (\$76.5 billion)**

SECTION 4: Sub-SECTION B: Reduce spending on non-DoD national security federal service contracts by 15 percent. In FY 2011, non-DoD national security federal service contracts cost taxpayers more than \$22 billion. Last year, the White House proposed a government-wide 15 percent reduction in management service contracts. We agreed with that proposal because POGO’s Bad Business report found that the average annual contractor billable rate was nearly twice as much as the average annual full compensation for federal

employees performing comparable services. Additionally, egregious waste, fraud, and abuse has been found in State Department and Homeland Security service contracts. Mandating a 15 percent reduction in non-DoD national security agency spending on all service contracts would help ensure these agencies take steps toward eliminating waste and finding more effective fiscal efficiencies. This reduction would still leave service contract spending at these agencies at a higher level than it was in 2007. This 15 percent reduction would save taxpayers \$33 billion over the next ten years.

SECTION 4: Sub-SECTION C: Reduce spending on DoD service contracts by 15 percent. Reducing reliance on service contractors in the DoD was a priority championed by former

Secretary of Defense Robert Gates. The annual cost of DoD service contracts has nearly tripled since 2000, and there is evidence that many service contractors are performing inherently governmental functions. In its latest budget, the DoD Comptroller's office claims a number of savings related to service contracts. Specifically, they claim that strategic sourcing, better buying practices, and streamlining installation support will result in a total savings of \$12.8 billion in FY 2013. But this is tiny compared to what the DoD spends yearly: According to the Comptroller, the DoD spent \$248 billion on service contracts in FY 2010—more than it spent on all uniformed and civilian military personnel combined. Last year's defense budget temporarily froze Pentagon spending on contract services for FY 2012 and FY 2013, and was a step in the right direction—but more needs to be done. Reducing DoD spending on service contracts by 15 percent would still leave contract

spending at approximately the level it was in 2007, when the U.S. was fighting in Iraq and Afghanistan. Even with this reduction, service contract spending would still be roughly on par with what the DoD spends on all uniformed and civilian personnel combined. This 15 percent cut over the next ten years would save, at a minimum, \$37.2 billion per year and result in a total savings of approximately \$372 billion. **Expected Savings: \$372,000,000,000.00 (\$372 billion)**

SECTION 5: Sub-SECTION A: Eliminating the Chemistry and Metallurgy Research Replacement-Nuclear Facility at Los Alamos National Laboratory. After over a decade of planning, the Chemistry and Metallurgy Research Replacement-Nuclear Facility (CMRR-NF) is estimated to cost a staggering \$3.7 billion. The proposed New Mexico facility would increase the United States' production of plutonium pits, a primary component of nuclear weapons. However, as POGO has argued, a growing body of scientific evidence and expert testimony shows that increased plutonium pit production is not necessary to national security and is actually counter to a U.S. agreement to reduce deployed nuclear weapons until at least 2021. **Expected Savings: \$3,700,000,000.00 (\$3.7 billion)**

SECTION 5: Sub-SECTION B: Halt construction of the MOX Fuel Fabrication Facility at the Savannah River Site. The Mixed Oxide (MOX) Fuel Fabrication Facility in South Carolina has gradually grown more expensive and less justifiable since its inception. The cost to construct the DOE facility has more than tripled since 2004 from an estimated \$1.6 billion to the FY 2013 budget estimate of \$4.9 billion. The DOE estimates that the cost of the facility will only increase as the project experiences high personnel turnover and great

difficulty finding experienced engineering and technical staff. The DOE has justified the MOX facility as a way to turn weapons-grade plutonium into mixed oxide fuel that can be used in nuclear power plants; however, it has struggled to find customers for MOX fuel among nuclear reactor operators. As the House Appropriations Committee noted in 2011, the Japanese disaster at the Fukushima Daiichi reactors raises questions about the safety of MOX fuel in certain reactor designs and has made potential buyers of the fuel concerned. Unless construction of this project is stopped, taxpayers will end up spending billions of dollars on a useless facility. **Expected Savings: \$4,900,000,000.00 (\$4.9 billion)**

SECTION 5: Sub-SECTION C: Cancel the Uranium Processing Facility at the Y-12 National Security Complex. An independent review by the Army Corps of Engineers found that the Uranium Processing Facility (UPF) in Tennessee could cost as much as \$7.5 billion. Furthermore, despite a recent Y-12 Performance Evaluation Report (PER) that found “an unacceptable level of cost and schedule risk” associated with UPF, the Administration is pushing for accelerated funding for this new facility, which would replace enriched uranium operations at Y-12’s existing Building 9212. Y-12 officials reported in 2007 that it could upgrade “mission critical” facilities, such as Building 9212, to accommodate modern needs for \$121 million. And the Y-12 PER found that, as Building 9212 moved forward with upgrades, all recent improvements to the facility “were completed satisfactorily and ahead of schedule.” Given the option of upgrading an existing facility at a fraction of the cost of new construction, moving forward with UPF is completely unjustified. **Expected Savings: \$6,500,000,000.00 (\$6.5 billion)**

SECTION 5: Sub-SECTION D: Downblending more highly enriched uranium and sell it as low enriched uranium. The United States possesses an estimated 400 metric tons of highly enriched uranium (HEU), a fissile material used in nuclear weapons. In 2010, POGO found that up to 300 metric tons of U.S. HEU was in excess of security needs and could be downblended into low enriched uranium (LEU)—which is unusable in nuclear weapons and therefore less of a terrorist target—and sold to nuclear power facilities. While there is an initial cost associated with increased downblending, it is a small investment compared to the amount the U.S. currently spends keeping this excess material secure. With just a shoebox-full of HEU, a terrorist could create a blast as powerful as that created by the bomb dropped on Hiroshima. The U.S. currently downblends only 2 to 3 metric tons of HEU per year, but downblending more into LEU would reduce security risks, cut government spending, create jobs, and raise up to \$23 billion in revenue for the Treasury. **Expected Savings: \$23,000,000,000.00 (\$23 billion)**