

## War Support Costs Top Pentagon Spending

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By Michael Fabey/Aerospace Daily & Defense Report



Defense Department contracts and contract modifications for war-supporting operations continue to lead the list of the Pentagon's accounts for money already spent or about to be spent, according to an Aerospace Daily analysis.

Fuel, logistics and wheeled trucks or tractors procurement all were ranked among the top 10 of 2006 contract transactions, according to an analysis of more than 1 million records gleaned from data provided by the National Institute of Computer Assisted Reporting (see charts p. 5-7).

The Pentagon spent about \$10.7 billion on fuel and another \$7.6 billion for logistics and related services, putting both in the top five of Defense Department contract transaction accounts, the analysis showed.

Coming in at number 10 was the \$5.8 billion spent for wheeled trucks and tractors, the analysis showed.

Missing were development-related items such as the U.S. Army's Future Combat Systems (FCS), which had finished in the top five of an earlier Aerospace Daily analysis for 2005 and the first half of 2006.

Defense analysts say the expense trends show the Pentagon is more focused on war needs than certain research projects. John Edwards of Forecast International has called the Defense Department spending plan a more "nuts-and-bolts" approach.

That's what happens when a nation's military goes to war, says Richard Aboulafia, vice president of the Teal Group.

One year of wartime operations equals about four years' worth during peacetime, analysts say. In Iraq, with the harsh environment, that number has been closer to five years.

Some analysts predict vehicle purchases could rise between 400 percent and 500 percent within the next five years. Army and Marine trucks deployed to Iraq are operating at about 10 times the rate they would experience in peacetime, so they are wearing out quickly, says Loren Thompson of the Lexington Institute.

War needs also are wearing on logistics operations. Last year, Thompson predicted joint logistics costs are likely to exceed \$100 billion annually by the end of the current defense spending plan in 2011, not counting the supplemental appropriations associated with Iraq and Afghanistan.