A MATTER OF STRATEGY

The essential challenge in the art of strategy is how to achieve objectives within the demanding reality of resource constraints. Agile strategists must always be prepared for changing resource conditions and quickly adapt accordingly.

In most times this remark about strategy would be non-controversial. Strategic planners who have seen the budgets they work with rise 30% in one decade should not be surprised, or even particularly concerned, to find their budgets declining 15% the following decade. Indeed, as Lawrence Korb, Laura Conley, and Alex Rothman have chronicled, the defense budget has gone through several periods of major retrenchment in the last fifty years. It is certainly relevant today that in response to concern in the 1980’s about federal deficits Republican Presidents Ronald Reagan and George H.W. Bush lowered defense spending by 11% in real terms over the course of five years from 1985 to 1990. By comparison the current budget agreement in Washington would reduce the Pentagon budget by no more than 8.5% over the next ten years.

During the last decade Pentagon strategic planners have come to expect perpetual increases in resources at their disposal. When al Qaeda attacked the United States in September of 2001 Americans were shocked by the loss of lives and supported the use of military force against al Qaeda.

The U.S. military was ready for this job and had no trouble over the next several months forcing the Taliban from power and chasing al Qaeda from Afghanistan. Regarding the resources available for this fight, the military budget Bill Clinton handed off to George W. Bush in January of 2001 was already growing, up 10% in real terms from its post-Cold War low point in 1998. With the military now turning its attention to al Qaeda it was wise to shift some resources from the heavy armor forces built for possible battle with the Soviet Union toward light special operations forces suitable for a counter-terror battle.

There was never a need to mobilize additional troops or resources to fight al Qaeda. A loosely-organized al Qaeda force of a few thousand men, backed by a few tens of millions of dollars in financing, was never a serious military match for the U.S. with a well-trained force about four hundred times the size of al Qaeda’s and with a budget about ten thousand times as large.

In due course President Bush announced a “war on terror,” the military aspect of which would mostly consist of the wars in Afghanistan and in Iraq. With each of these wars the Bush Administration badly miscalculated by believing that once oppressive regimes were overthrown the people of these countries would rally to a new democratic government the U.S. intended to offer them. Instead growing numbers of Afghans and Iraqis began to see the U.S. troops in their cities and towns as foreign occupiers,
a perception which contributed to the rise of significant and persistent insurgencies. Resource-wise, these wars would prove costly – by some estimates consuming two to three trillion dollars when all the bills are paid.

By 2011, in addition to the cost of these wars, the annual Pentagon “base” budget (expenditures other than those attributable to overseas operations) had grown 44% from 1998 and 30% from 2001. Following the trauma of 9/11, the military policy of the United States in the first decade of the 21st Century was characterized by poor strategic choices and undisciplined defense planning enabled by unprecedented defense spending largesse.3

Then the Great Recession arrived. In January of 2009, Secretary of Defense Robert Gates testified to the Senate Armed Services Committee that “The spigot of defense funding opened by 9/11 is closing. With two major campaigns ongoing, the economic crisis and resulting budget pressures will force hard choices on this department; we will not be able to do everything, buy everything. [We will have to] critically and ruthlessly separate appetites from real requirements – those things that are desirable in a perfect world from those things that are truly needed in light of the threats America faces and the missions we are likely to undertake in the years ahead.”4

The Great Recession ended the special conditions following the attacks of 9/11/01 which had provided the Pentagon with virtually unlimited funding enabling a decade of unfocused and vaguely specified strategic thinking. It took a couple of years, but in April of 2011 when President Obama called for $400 billion in DoD budget cuts, he also called on the Pentagon to “… conduct a fundamental review of America’s missions, capabilities, and our role in a changing world.”

The President’s review is underway in the Pentagon. We note that those charged with doing this review are mostly the very same people who worked on the Quadrennial Defense Review of 2010.5 That review was very much in the pre-recession strategic mold, failing to set priorities among the many military requirements it listed.

In contrast, a review worthy of the nation’s new conditions of fiscal restraint must be disciplined and set clear priorities among the security “interests” of the United States and among the array of possible investments in military capabilities. It should offer policy makers a variety of relatively low-risk strategic posture options that can be achieved at various resource investment levels.

Whether what the Pentagon delivers to the President demonstrates discipline and sets such priorities remains to be seen. Meanwhile, President Obama should solicit ideas from a wide variety of sources, reaching far beyond the Pentagon’s strategy, policy and force planning staff. If a fundamental review is needed, it is wise to listen to and consider diverse voices.

April 2011 was a turning point for the Pentagon’s fiscal posture. In a speech in that month, Secretary of Defense Robert M. Gates announced $100 billion in cuts to the Defense Department’s fiscal year 2011 budget. This was the first of two budget cuts announced the same year: $44 billion announced in June and $55 billion announced in September. Together, these cuts forced the Pentagon to undertake the largest single-year reduction in its history.

In this survey, we will examine proposals to strengthen the United States’ military forces and capabilities. The surveys and studies featured in this review have generally supported the following:

1. Reduce the U.S. military presence abroad.
2. Focus on national security priorities.
3. Improve military effectiveness through reforms in the military procurement system.
4. Increase security cooperation with other countries.

The surveys and studies in this review have generally identified the following areas for improvement:

1. Improved military effectiveness through reforms in the military procurement system.
2. Increased security cooperation with other countries.
3. Reduced military presence abroad.
4. Increased focus on national security priorities.

These findings are consistent with the recommendations of the Quadrennial Defense Review and the National Defense Strategy.

For more information on the Quadrennial Defense Review, see the Department of Defense’s website at www.defenselink.mil. For more information on the National Defense Strategy, see the Department of Defense’s website at www.defenselink.mil.
STRATEGIC ADJUSTMENTS APPLIED

Reduce Army and Marine Corps to Pre-war Size

A large part of the defense budget is spent to support its uniformed and civilian employees. In recent decades a growing portion of defense-related labor has been contracted out. A sustainable defense establishment in the post-Great Recession decades must be smaller in its uniformed, civilian and contracted components.

Analysts have offered strategic adjustments that would result in reducing the total number of full-time equivalent personnel working for the Department of Defense, in the armed services or working for defense service or consulting contractors.

A starting place which justifies a substantial reduction in the overall force size is to recognize that it is unwise to engage in wars with the character of the recent ones in Iraq and Afghanistan – that is wars that have a high probability of becoming counter-insurgency (COIN) campaigns and that require deep involvement in the basic governance and economic well-being of a foreign country (aka “nation building”).

Any future defense secretary who advises the president to again send a big American land army into Asia or into the Middle East or Africa should ‘have his head examined,’ as General [Douglas] MacArthur so delicately put it.

—Robert Gates

While large-scale ground interventions cannot be ruled out, the U.S. can opt to prepare to do them very rarely rather than frequently. Strategically, as a nation we should engage in such military interventions with great reluctance and only as a last resort. Should the President decide circumstances require such a sacrifice from the American people and its military, there should plans and infrastructure for the extraordinary mobilization of the resources required from a robust strategic reserve. The active components of the Army and Marine Corps should not be sized for frequent interventions of this sort.

Analysts propose reducing the total active component of the Army and Marine Corps by the 92,000 soldiers who were added when the Iraq war proved much more demanding than anticipated. These reductions would happen as troops are withdrawn from Iraq and Afghanistan. In January of 2011 Defense Secretary Gates announced a future reduction of about 44,000 from the Army and Marine Corps. This leaves 48,000 from the war buildup available for further reduction.

Reduce the Number of Troops stationed in Europe and Asia in Peacetime

Today the U.S. stations or deploys more than 300,000 active duty military personnel around the world. Of this number somewhat less than half (about 135,000) comprise a permanent peacetime forward presence and reassurance force concentrated in Europe and East Asia.

Reassurance is principally a psychological and political matter. In order to demonstrate reassurance many aspects of statecraft can be brought to bear other than military power. Forward deployed soldiers may reassure vulnerable allies in select instances, but the numbers committed to that mission should be reviewed and adjusted as strategic conditions change, taking account of regional power balances and resource constraints at home.

Carl Conetta, et al, points out that “… reassurance functions and assertions of American interests in Europe and Asia [can] be accomplished using a variety of instruments – some much cheaper and less provocative than the permanent stationing of military units … reassurance does not translate into a set number of ‘boots on ground’.”

Forward presence is supposed to deter enemies, in part by assuring both friends and enemies that the U.S. will also be a party to any war that starts. It also provides some degree of rapid response in time of war which is presumed to shorten the war. The numbers of troops, ships and aircraft the nation allocates for these strategic purposes should be a function of the degree and urgency of the threat relative to the capabilities of regional allies.

In Europe there is currently no military threat that NATO allies can’t handle themselves. Arguably some American troops stationed in Europe shortens the time of deployment to a future ground war in the Middle East, but a few brigades which would provide the reassurance function in peacetime can also fulfill the rapid response mission in the case of new Middle East war.

In Asia the threat environment is more complex and demanding. Protecting allies in Korea and Taiwan remain key interests of the U.S. However, presence and reassurance forces required for this function are overwhelmingly sea and air assets. As Adams and Leatherman point out, “… although [North Korea’s] military is numerically
impressive, South Korea’s state-of-the-art armed forces can manage that challenge without needing the assistance of U.S. troops.”

Strategist Barry Posen has written that instead of stationing so many troops forward in the Middle East and elsewhere the U.S. should make arrangements with allied states for the maintenance of “… bare bases, reception facilities, and fuel depots to assist a U.S. return. This would have the twin effect of lowering the salience of U.S. forces in the lives of populations that are predisposed to blame the U.S. for their problems, and endowing rich allies with more responsibility for their own defense.”

8 The Sustainable Defense Task Force as well as Korb, Conley and Rothman propose bringing home 50,000 troops and subsequently reducing the size of the active component of the armed services by the same amount, mostly in the Army and Marine Corps. Adams and Leatherman would bring home 80,000. Ben Friedman, Christopher Preble, and Douglas MacGregor would also reduce troops stationed overseas, though their proposals do not break out specific numbers.

Make Commensurate Reductions in ‘Non-deployable’ Uniformed and Civilian Personnel, Command Structures, and Overhead

The above changes to U.S. global stationing and deployment of forces reflect an end to the current large-scale counter-insurgency wars and a partial drawdown of forward stationed presence and reassurance troops. This will result in a reduction to the total active force of between 7 and 9%. Yet, this reduction is only from the 20% of U.S. armed forces active personnel stationed or deployed overseas. Of the remaining 80% many serve to support the stationing and deployment of troops overseas. Analysts propose that commensurate numbers of these troops be reduced.

In addition analysts have pointed to excessive numbers of personnel employed in numerous and varied overhead functions, justifying further cuts. Adams and Leatherman cite a Defense Business Board study that found 42% of the Pentagon’s budget going to ‘overhead’, “including [among others] training, departmental management, and the general health program for service members and their families.” They call for cutting 100,000 active-duty troops from these functions, a 37% increment to their proposed reduction in foreign stationed and deployed troops.

Preble and Friedman take a different approach saying, “… we follow DoD and estimate that cuts to overhead could save an average of $10 billion per year.” In addition they advocate reducing the Pentagon’s “excessive administrative apparatus even for its current mission set” by cutting its civilian workforce and payroll by 30%.

Citing a decline in “the requirement for [command, support, and infrastructure] as force structure and personnel numbers decline – albeit not proportionately” Conetta, et al, would trim about 5% (or about $11 billion annually) off of these components.

MacGregor aims to “… reduce the bloated [command and control] overhead, a legacy of the Cold War, while maximizing ready and deployable combat power.” He proposes a new “integrated command resource management structure …” combined with “… the compression of today’s six regional unified commands (U.S. European, Central, Pacific, Southern, Northern, and Africa Commands) into four (potentially U.S. Pacific, Atlantic, Northern, and Southern Commands) [which] would accomplish both objectives: increasing capability while achieving annualized savings in current defense spending of at least $100 billion.”

Reduce Strategically Surplus Nuclear Deterrent Forces

The upper limit of 1,550 deployed strategic warheads in the New Start treaty is larger than is needed for deterrence and is therefore a misallocation of military resources. Analysts propose reducing this strategic force to levels ranging from 311 to 1000. The Sustainable Defense Task Force proposes 1000 operationally deployed on 160 Minuteman missiles and 840 on Trident missiles on 7 strategic ballistic missile subs (SSBNs). The nuclear role of
bombers would be ended. Preble and Friedman would cut deployed strategic nuclear weapons to 300, 150 on Minuteman missiles and the remainder on 6 SSBN subs. Korb, Conley, and Rothman would cut the operationally deployed nuclear deterrent to 311.

**Reduce the Navy Battle Fleet to a Size Suitable for a Robust Surge Capacity and More Restrained Forward Presence**

Even before the recession of 2008, the Congressional Research Service and other analysts were warning that Navy plans to grow and modernize its fleet were not affordable. In particular, the enormous cost of buying new SSBNs was threatening all other Navy modernization planning.

In response to the new budgetary restraints the Sustainable Defense Task Force offered a smaller yet balanced Navy battle fleet of 230 ships (a 20% reduction in numbers of hulls from the 2010 fleet.) This fleet would be optimized for war time surge requirements with a reduced emphasis on forward presence missions. Peacetime forward presence and reassurance missions would be the responsibility of smaller task forces.

**The stark diminution of U.S. means requires a recalibration of our ends and means.**

**Limitations on U.S. power require restraint.**

*It is a necessity, not a luxury.*

—Patrick Cronin

Notably aircraft carriers would only move forward for presence in times of high regional tension and when that presence was not in itself provocative. This approach to employing aircraft carriers is endorsed by MIT analyst Sameer Lalwani and Harvard analyst Joshua Shifrinson who write in a recent strategy paper, “[the United States] should develop the means to defend against Chinese capabilities, provided the U.S. foregoes a panoply of options to attack them outright. This can be done by reducing some military assets (e.g. short-range fighter aircraft, ground forces) and stationing others – such as carrier battle groups – in the continental United States for deployment if and when a crisis erupts.”

Other analysts have proposed reductions to portions of the fleet. Korb, Conley, and Rothman would slow the production of attack submarines, destroyers, and the littoral combat ship. Preble and Friedman propose similar programs for the attack submarines and destroyers, while they replace the littoral combat ship buy with less expensive frigates and corvettes. They also reduce the number of aircraft carriers in the fleet from eleven to eight and the number of Marine amphibious strike groups from ten to six. MacGregor would rebalance the Navy fleet to emphasize submarines for area control “… augmented with fewer surface combatants.”

**Reduce the Active Fighter Fleet**

Most analysts agree that the U.S. should seek to retain its dominant air power and they point out that there is no serious threat to that position on the horizon. When advances in guided weaponry, target acquisition and data fusion are accounted for, today’s air fleets have many times the battlefield interdiction capability of the force that performed spectacularly in the 1991 war with Iraq.

Overall, potential competitor nations, when not falling further behind, are closing the gap with the U.S. very slowly. China, for instance, is only now gaining some of the capability the U.S. had twenty years ago.

Proposals for adjustments to U.S. air power vary. Conetta, et al, calls for retiring two tactical fighter wings, allowing for the reduction of 220 from the planned buy of new fighters. Preble and Friedman would eliminate six fighter wing equivalents, retiring many of the older F-16s and F-15s and buying 301 fewer new fighters.

**Sustainable Modernization and Procurement**

There are three major determinants of need that must be considered in making decisions about buying new equipment, munitions and platforms for the armed services. Strategy is one determinant. Specific military capabilities of potential adversaries and the age of current stocks are co-equal considerations.

Proposals for adjustments to U.S. air power vary. Thus far, the analysts reviewed here seek to sort out all three of these factors in explaining proposals to eliminate or reduce the buy of various weapons and platforms. Furthermore, as the authors of the proposals would quickly point out, the procurement items they propose cutting are but a fraction of the huge array of procurement programs that might be reconsidered following strategic adjustment.

Therefore this paper does not include a catalog of the numerous specific proposals for changes in procurement. Rather it employs the logic of reducing the total amount spent on procurement in correspondence to reductions in
The size and routine activity of the total active force.

In 2011 the nation will spend approximately $102 billion on military procurement. This is 33% higher in real terms than in 2001.

The adjustments to U.S. global posture reviewed here would lead variably to reductions of 9 to 14% in the total size of the active forces of the U.S. If we reduce procurement proportionally it should allow for approximately an 11% reduction in procurement accounts.

Sustainable Research and Development

Research and development feeds into improved quality and performance of new military items and systems when they are procured and deployed. Hence there is logic to the notion that the level of research and development spending should track relative to that of procurement spending. In 2011 research and development will cost about $75 billion plus a classified account of $17 billion for a total of $92 billion.

In an unpublished paper Subrata Ghoshroy of the MIT Program in Science, Technology, and Society points out that less than 15% of R&D spending goes to basic and applied research and advanced development (together known as the Defense Science and Technology Program or “tech base”). The remaining 85% of R&D is closely associated with procurement programs and is categorized as operating systems development, systems development and demonstration, advanced component development and prototypes, and management support. Ghoshroy advocates rebalancing R&D toward the “tech base.”

As a hedge to unanticipated technological advance by potential adversaries and in accord with a strategic move to a smaller, less forward, military posture it makes strategic sense to increase by up to one-third the investment in the “tech base.” This would increase the tech base annual expense by $3.8 billion.

Meanwhile other R&D program categories (including classified R&D) should be reduced by a percentage similar to reductions in the procurement accounts. An 11% reduction would result in a $8.8 billion cut in these categories of R&D. The net annual savings from R&D rebalancing and reduction would be $5 billion or about 5.4% of today’s defense R&D cost. This is a very modest adjustment when compared to the 48% growth of R&D in real terms since 2001.

Conetta, et al, calls for a cut of $5 billion annually from R&D. Preble and Friedman call for a 10% reduction. Korb, Conley, and Rothman would cut $10 billion annually from R&D. Adams and Leatherman would cut R&D by about $11 billion a year.

SAVINGS AVAILABLE FOR DEBT REDUCTION FROM STRATEGIC ADJUSTMENTS

The context for this review is the rapid growth of the nation’s public debt which is believed by many to be unsustainable in the long run. What matters is not so much next year’s budget, but the size of the budget five or ten years from now. If it is not smaller or if tax revenues do not rise substantially, the national debt will continue to grow.

Tables 1 and 2 on page 7 present a summary of the potential savings from the measures we have reviewed. This summary looks forward to a mid-term point when all the strategic changes that we have surveyed are complete and the forces have been adjusted accordingly. Implementation of changes will proceed at differing paces depending on many factors. Therefore it is impossible to say precisely when all the savings will be available. What we can say is that ten years should be ample time to complete the transition to a lower cost military. For fiscal stability it would be best if DoD planned to stay with that new military posture for a decade or more thereafter.
In the work surveyed, the authors use different methods and sources for estimating savings. Sometimes they work with numbers generated by agencies such as the Congressional Budget Office. Others extrapolate from the record of similar change in the past. Some include slices of DoD accounts that pertain to the varied categories of overhead and management. Others do not.

Considering this variation of method we cannot reliably nail down one precise figure for estimated savings. Instead we will present the range of estimated savings. To arrive at a reliable estimate of total savings available from the strategic adjustments discussed here it is best to assume that it will fall somewhere within the range presented.

**CONCLUSION**

The work of these analysts indicates that modest changes to U.S. military strategy and global posture implemented over the next ten years can reliably offer deficit-reducing savings from the Pentagon budget ranging from $73 billion a year to $118 billion a year. When these savings are added to other savings available which are not related to strategic change the totals are from $92 billion to $145 billion annually. Thus we conclude that a reasonable deficit reduction goal is saving well over a trillion dollars from the Pentagon budget over the course of a decade.

None of these strategy and global posture changes would produce a “hollow” force nor mean that the armed forces of the United States would be anything other than the most-effective, best-equipped and best-trained in the world. To achieve the savings only requires the application of different means to attaining strategic goals. That is precisely what any good strategy does when conditions change.

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**Table 1. Available Annual Savings Resulting from Strategic Adjustment**

<table>
<thead>
<tr>
<th></th>
<th>Lower estimate</th>
<th>Upper estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete the reduction of forces after wars</td>
<td>5.1 b</td>
<td>10.6 b</td>
</tr>
<tr>
<td>Reduce troops stationed overseas</td>
<td>9.0 b</td>
<td>10.5 b</td>
</tr>
<tr>
<td>Commensurate reductions to personnel, command and overhead</td>
<td>10.0 b</td>
<td>11.3 b</td>
</tr>
<tr>
<td>Reduce strategic nuclear forces and related infrastructure</td>
<td>6.0 b</td>
<td>11.4 b</td>
</tr>
<tr>
<td>Reduce naval battle fleet</td>
<td>5.5 b</td>
<td>15.0 b</td>
</tr>
<tr>
<td>Reduce Air Force and Navy fighter fleets and modernization</td>
<td>4.0 b</td>
<td>9.0 b</td>
</tr>
<tr>
<td>Reduce procurement proportionally</td>
<td>11.2 b</td>
<td>11.2 b</td>
</tr>
<tr>
<td>Reduce and rebalance R&amp;D</td>
<td>5.0 b</td>
<td>11.0 b</td>
</tr>
<tr>
<td>Reduce redundancy in the intelligence establishment</td>
<td>6.8 b</td>
<td>11.4 b</td>
</tr>
<tr>
<td><strong>Total from Strategic Adjustments in 2010 dollars</strong></td>
<td><strong>$62.6 b</strong></td>
<td><strong>$101.4 b</strong></td>
</tr>
<tr>
<td><strong>Total in 2016 dollars</strong></td>
<td><strong>$66.7 b</strong></td>
<td><strong>$108.1 b</strong></td>
</tr>
<tr>
<td><strong>Total in 2021 dollars</strong></td>
<td><strong>$72.9 b</strong></td>
<td><strong>$118.0 b</strong></td>
</tr>
</tbody>
</table>

**Table 2. Available Annual Savings from Other Than Strategic Adjustment**

<table>
<thead>
<tr>
<th></th>
<th>Lower estimate</th>
<th>Upper Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>More efficient practice, reduce waste</td>
<td>10.6 b</td>
<td>12.0 b</td>
</tr>
<tr>
<td>Reform military compensation</td>
<td>5.5 b</td>
<td>5.5 b</td>
</tr>
<tr>
<td>Reform military health care</td>
<td>4.2 b</td>
<td>6.0 b</td>
</tr>
<tr>
<td><strong>Total from Other than Strategic Adjustment in 2010 dollars</strong></td>
<td><strong>$20.3 b</strong></td>
<td><strong>$23.5 b</strong></td>
</tr>
<tr>
<td><strong>Total in 2016 dollars</strong></td>
<td><strong>$21.6 b</strong></td>
<td><strong>$25.1 b</strong></td>
</tr>
<tr>
<td><strong>Total in 2021 dollars</strong></td>
<td><strong>$23.6 b</strong></td>
<td><strong>$27.4 b</strong></td>
</tr>
</tbody>
</table>
NOTES


6. There are other lists of program changes that have been generated including the “illustrative” twenty items called “Creating a Leaner, More Efficient Defense Department” in the report of the National Commission for Fiscal Responsibility and Reform. www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/Illustrative_List_11.10.2010.pdf (14 October 2011). This list and some others similar to it did not, however, put their proposals in a strategic framework.


15. The upper estimate is from Conetta, et al. It includes related procurement, operations and maintenance, and military construction.

16. The lower estimate involves smaller reductions in fleet numbers than that of the upper estimate.

17. The lower estimate involves cutting fewer fighter wings than the upper estimate.

18. The upper estimate is from Friedman and Preble. MacGregor also has a cut to intelligence budgets in his proposals, but doesn’t break out the specific amount from several other changes he advocates. As a stand-in for the lower estimate we use a 9% reduction which corresponds to the lower end of the overall force size reductions recommended by the proposals reviewed.

19. Future (or “then”) year dollars which are typically used in fiscal planning are derived from the Congressional Budget Office, “Long-term Implications of the 2011 Future Years Defense Budget, Table A-1,” February 2011. www.cbo.gov/ftpdocs/120xx/doc12021/02-11-FYDP.pdf (14 October 2011)

20. This table presents some of the most frequently mentioned areas of potential cost savings in the DoD budget that are largely independent of strategic adjustment. There are undoubtedly others of this type which might yield additional billions in savings.

21. There are many who point to “waste, fraud, and excessive overhead” in the Pentagon as a source of potential savings. Defense Secretary Leon Panetta has referred to an “aggressive target” of $60 billion in savings over five years from eliminating waste, overhead and duplication.” Mackenzie Weinger, “Defense cuts may target lawmakers’ pet projects, Leon Panetta says,” Politico, 11 October 2011. www.politico.com/news/stories/1011/65667.html (13 October 2011). We use Panetta’s goal for the upper estimate here. For the lower estimate we assume that there is at least 5% identifiable waste in DoD operations and that a reduction of 40-45% of that waste might be achievable if civilian executives and managers bring strong will to bear on this problem and are backed by leadership in Congress – yielding a 2% saving from the DoD base budget.